

10 November 2023

via email FAO: p.lamy@gov.je

Deputy Moz Scott
Chair, Economic and International
Affairs Scrutiny Panel
c/o Peter Lamy
States Greffe (Scrutiny)
Morier House
St Helier JE1 1DD

Dear Deputy Scott

Scrutiny review - Proposed Government Plan 2024-2027 Review

Thank you for your request for information on the proposed Government Plan's continued funding for the refurbishment and redevelopment of the Hospital Block and Officers' Barracks at Elizabeth Castle and cultural funding more generally. We submit the following answers to your specific questions.

Q1: Is the proposed funding sufficient to complete this project?

Funding Allocation

The project Business Case identified a funding requirement of £6.3 million (see extract below):

Table 6 - Summary Project Cost Plan

Summary Cost Plan - By Activity	
Activity	Cost
Hospital Block	£3,017,598
Officers Block	£2,538,413
Surveys and Exploratory Works	£115,500
Enabling Works	£464,200
Other Fees and Costs	£165,000
Total	£6,300,711

Following procurement, the project funding requirement increased to £6,593,000, to be met from a combination of Government grants and contributions from Jersey Heritage Ancient Monument Fund, as follows:



Pre-Tender

A Business Case was developed using the UK 'Green Book' methodology to ensure that economic and financial aspects of the project were thoroughly considered with defined and specific estimates for both one off and ongoing cost implications.

The business case to support the funding reflects good practice. A strategic case was presented with a range of options including an indication of the rationale for the preferred option. The economic case considers each option for strategic fit, value for money, supplier capacity, affordability, risk and achievability.

Jersey Heritage engaged a local Quantity Surveying company as project cost consultants to develop the project cost plan as the brief progressed. Prior to tendering an independent review of the cost plan was undertaken.

Procurement

Jersey Heritage procurement processes followed closely the Government of Jersey's best practice approach. This was applied to the procurement of both a main contractor as well as mechanical and electrical sub-contractors.

The main contractor procurement was evaluated against a pre-determined scoring matrix of Cost (60%) and Quality (40%). The weighting towards cost required tenderers to compete on financial terms as well as essential quality aspects, recognising the importance of ensuring maximum benefit from both public funding and the organisation's resources.

The procurement process included a period of detailed assessment and negotiation with the preferred contractor to further address value within the contract prior to reaching a finalised contract sum. This early and open engagement process helped to determine the most efficient approach to delivery, with the common objective of reducing overall cost, where possible and appropriate, to the benefit of both client and contractor.

The overall project budget reflects the contract sum, professional fees and other costs together with appropriate contingency sums.

Post Contract

Contract administration and site management is being undertaken by Jersey Heritage within an approved governance framework. Works to existing historic buildings have, and will, require the issuing of change order instructions to the contractor, particularly where the condition of buildings could not have been ascertained in advance of the works. The change management process is clearly defined within the project governance structure and has been communicated to all relevant parties to ensure that variations are fully assessed for need; options considered and costed prior to an instruction being issued.

Jersey Heritage has engaged an experienced local consultant to provide independent cost reporting and financial oversight, to provide advice and assurance to senior management and the Board of Trustees. The monthly reports consider delivery against budget and use of contingency sums. At this point in the project, the contingency remaining is commensurate with the value of works to be completed.

Continued funding provision for Arts, Heritage and Culture

We welcome the continued inclusion of the '1%' funding for the cultural sector. This has enabled the Department to propose an increase of 5% to the operating grant and 9% to the part of the grant allocated towards building maintenance and construction costs. While this is extremely welcome, and recognising the pressures the department itself is under, these are still below the rate of inflation. If continued in the long term this poses challenges to levels of service delivery.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jon Carter', written in a cursive style.

Jonathan Carter
Chief Executive

Tel: 633313
Email: jon.carter@jerseyheritage.org

Deputy Chief Minister |
Minister for Economic Development,
Tourism, Sport and Culture



19-21 Broad Street | St Helier
Jersey | JE2 4WE

Mr J Carter
Chief Executive
Jersey Heritage Trust
Jersey Museum
The Weighbridge
St Helier
JE2 3NG

06 December 2022

Dear Jon,

Elizabeth Castle Major Project

I write with reference to the Elizabeth Castle renovation project. As you are aware, progressing the refurbishment of Elizabeth Castle as a major capital project is one of my key Ministerial Priorities in the Ministerial Plan.

The matter of the shortfall in funding to complete the Elizabeth Castle building projects was discussed at my Ministerial meeting last Friday. I understand that there is a shortfall of £750,000 in the budget in order that the main contract can be signed and building works started. Some of this sum has now been identified through an underspend in your annual revenue budget. As a minimum, £542,000 will be transferred to the Ancient Monument Fund, reducing the shortfall to £208,000. Jersey Heritage may also find further funding, following preparation of its Management Accounts at year end. However, I want to give Jersey Heritage comfort that whatever the level of shortfall is, between funds identified to the £750,000, that I will find the difference either through capital projects underspends, a bid to the next Government Plan, or an amendment to the same.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Kirsten Morel".

Deputy Kirsten Morel
Deputy Chief Minister
Minister for Economic Development, Tourism, Sport and Culture
E k.morel2@gov.je