

STATES OF JERSEY



FUTURE HOSPITAL FUNDING STRATEGY (P.130/2016): AMENDMENT (P.130/2016 Amd.) – AMENDMENT

**Lodged au Greffe on 13th January 2017
by the Minister for Treasury and Resources**

STATES GREFFE

FUTURE HOSPITAL FUNDING STRATEGY (P.130/2016): AMENDMENT
(P.130/2016 Amd.) – AMENDMENT

1 PAGE 2, AMENDMENT 1 –

- (a) after the words “provided that” insert the words “, based upon the latest available forecast as at 30th November 2016,”;
- (b) for the words “does not fall” substitute the words “is not estimated to fall”;
and
- (c) for the words “before the practical completion of the new Jersey General Hospital” substitute the words “at the estimated practical completion date of the new Jersey General Hospital 2025”.

2 PAGE 2, AMENDMENT 2 –

For the number “20” substitute the number “10”.

3 PAGE 2, AMENDMENT 3 –

In new paragraph (vi) for the words “practical completion of the new Jersey General Hospital” substitute the words “the final account of the new Jersey General Hospital being presented”.

MINISTER FOR TREASURY AND RESOURCES

REPORT

The Minister for Treasury and Resources understands the intentions of the Connétable of St. John's amendments and has held a productive meeting with him to explore the issues they raise.

The Minister has lodged a number of amendments to the Connétable's amendments in order to arrive at proposals that are more achievable in practical terms and capable of implementation should they be approved by the States Assembly. A brief summary of each of the Minister's amendments is given below.

Amendment 1 – Paragraph (d)(i)

The amendment as currently worded is impossible to implement. Practical Completion will not be for some 8 to 10 years and there is no knowing what the capital value would be at that time. The revised wording proposed by the Minister means that the amendment would be deliverable if approved by the Assembly.

Having spoken with the Connétable, the Minister understands that he wants to restrict the borrowing to between £300 million to £400 million. This is achieved by the Minister's proposed amendment, which protects the extent to which the capital value of the Strategic Reserve as at 30th January 2017 can be estimated to fall before the estimated practical completion date of the new Hospital.

Amendment 2

The Connétable's amendment would have meant that access to potentially £330 million of excess returns would have been restricted for an excessive period. The Minister is proposing a reduced period of 10 years.

Amendment 3

Although not proposing an amendment to the first part of the Connétable's third amendment, the Minister is not clear how the figure of £36 million has been calculated.

For the second part of the Connétable's third amendment, the advice from Jersey Property Holdings (who will be managing the project) is that the requirement to draw on contingencies cannot be known until the final account is complete and any claims are dealt with. This would not be the case at practical completion.

Financial and manpower implications

The Minister's proposed amendments do not increase the cost to the States of the project. They make the Connétable's proposed amendments practically achievable and remove unnecessary restrictions on the use of Strategic Reserve returns whilst still achieving the safeguards the Connétable is seeking.

There are no staffing implications arising from this amendment.