

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.J. TRUSCOTT OF ST. BRELADE
ANSWER TO BE TABLED ON TUESDAY 8th SEPTEMBER 2020**

Question

“In relation to funding the Our Hospital Project, will the Minister provide members with the estimated total of capital and interest repayments, assuming current interest rates, that would arise over the following periods on the basis of borrowing the entire amount (up to £1 billion) required to fund the project –

- (a) 30 years
- (b) 40 years
- (c) 50 years?”

Answer

The Our Hospital Project is not yet in a position to make a recommendation for consideration by States Members as to the site or total cost of funding the project.

The table below shows repayments at various interest rates over the periods requested and assumes that any funding is raised through the issuance of a public rated sterling bond which has a fixed annual interest cost and requires no capital repayments other than a single repayment in full at the maturity date.

The Minister wishes to make clear that, in answering this question, it is not intended that Our Hospital will cost anything close to £1 billion.

The interest is calculated on a capital sum of £1 billion and can be applied pro-rata for lower or higher capital amounts.

	1.00%	1.50%	2.00%	2.50%	3.00%
Annual Interest	£10,000,000	£15,000,000	£20,000,000	£25,000,000	£30,000,000
Total Interest - 30 years	£300,000,000	£450,000,000	£600,000,000	£750,000,000	£900,000,000
Total Interest - 40 years	£400,000,000	£600,000,000	£800,000,000	£1,000,000,000	£1,200,000,000
Total interest - 50 years	£500,000,000	£750,000,000	£1,000,000,000	£1,250,000,000	£1,500,000,000