

**WRITTEN QUESTION TO THE ASSISTANT CHIEF MINISTER BY  
DEPUTY I. GARDINER OF ST. HELIER  
QUESTION SUBMITTED ON MONDAY 15TH NOVEMBER 2021  
ANSWER TO BE TABLED ON MONDAY 22ND NOVEMBER 2021**

**Question**

Will the Assistant Chief Minister provide the Assembly with details of –

- (a) the total expenditure on the ‘Our Hospital’ project from 17th November 2020, when Overdale was confirmed as the preferred hospital site, through to 1st November 2021;
- (b) any outstanding liabilities anticipated as remaining by 31st December 2021;
- (c) the precise breakdown of spending by each head of expenditure within the project;
- (d) the distinction in expenditure between Government of Jersey costs (including specific costs such as staffing) and external stakeholders; and
- (e) any contracts and payments above £100,000 in total during this period, including a description of the purpose of the engagement, the final total cost of the engagement (showing any difference between the Outline Business Case and the actual expenditure) and the final expected date of the engagement (including any over-runs or additions to the original contract)?

**Answer**

- (a) the total expenditure on the ‘Our Hospital’ project from 17th November 2020 through to 1st November 2021**

The total cost during this period was £44.04m.

Please note that the figure requested spans two reporting years, 2020 and 2021, as per the defined period of 17th November 2020 through to 1st November 2021.

Suppliers are paid monthly for their services and therefore the costs in November 2020 have been adjusted by only including 13 of 30 days of services provided in this month.

- (b) any outstanding liabilities anticipated as remaining by 31st December 2021**

Outstanding liabilities are defined as committed spend on 31<sup>st</sup> December 2021. The analysis includes suppliers and consultants work carried out during December 2021 that will be paid in subsequent months. Additionally, the Design and Delivery Partner Pre-Construction Services Agreement (PCSA) and Les Quennevais Enabling Works values includes a provision for work that was planned to be carried out during 2021 but has yet to be agreed as part of the monthly progress valuations.

The estimated year end liabilities for the project are as follows:

GOJ Team cost	£0.48m
Design and Delivery Partner PCSA	£5.64m
Les Quennevais Enabling Works	£0.56m
	<u>£6.68m</u>

**(c) the precise breakdown of spending by each head of expenditure within the project**

Spending by Head of Expenditure during the period 17th November 2020 to 1st November 2021 was:

<b>Head of Expenditure</b>	<b>Value</b>
Head of Expenditure - J00GP20PF4 - Our Hospital:	£2.47m
Head of Expenditure - J00MP21007 - Our Hospital (Phase Two):	£41.57m
<b>Grand Total</b>	<b>£44.04m</b>

These figures span two reporting years, 2020 and 2021, and the defined period of 17th November 2020 through to 1st November 2021.

**(d) the distinction in expenditure between Government of Jersey costs (including specific costs such as staffing) and external stakeholders**

<b>Category</b>	<b>Value '000 000</b>
Staff Salaries	£0.45
Stamp Duty and planning fees	£0.60
<b>Total Internal GOJ costs</b>	<b>£1.05</b>
Communication and PR	£0.07
Professional fees	£3.98
Design and Delivery Partner PCSA	£18.39
Le Quennevais Enabling works	£1.28
Site Acquisitions and Heads of Terms	£19.11
Project office costs	£0.16
<b>Total External Costs</b>	<b>£42.99</b>
<b>Grand total</b>	<b>£44.04</b>

**(e) any contracts and payments above £100,000 in total during this period, including a description of the purpose of the engagement, the final total cost of the engagement (showing any difference between the Outline Business Case and the actual expenditure) and the final expected date of the engagement (including any over-runs or additions to the original contract)?**

The Outline Business Case provides high-level cost categories for annual capital expenditure, for example “GOJ team cost” or Client Contingency. These categories do not always align with the spend on specific contracts, which the question asks for.

The table below outlines contracts over £100,000 that also will include payments above the same amount. The stated actual expenditure is captured during the period of 17th November 2020 to 1st November 2021. The contracts have been summarised into high-level categories to protect the commercial sensitivity.

The professional fees in the table is less than stated in the answer to part (d). The reason is that question (e) asks for contracts and payments above £100,000. It therefore excludes payments made below this threshold.

## High-level cost analysis

Cost Category	Total Contract Value	Actual Cost	OBC Value <sup>1</sup>
Project management	£ 2.89m	£ 1.63 m	
Professional fees	£ 4.72 m	£ 1.93 m	
Hospital Design Fees	£ 29.74 m	£ 18.39 m	£22.55 m
Le Quennevais Enabling works		£ 1.28 m	£1.63 m
<b>Total</b>	<b>£37.34 m</b>	<b>£ 23.23 m</b>	

The cost categories consist of:

- Project Management – covers a total of two contracts for suppliers providing strategic and operational project management.
- Professional Fees - covers four supplier contracts providing services from business case development, site acquisition, clinical design to Design Quality Assurance
- Hospital design fees and Les Quennevais Decant works are provided by one supplier and the contract value of £29.74m covers both categories.

As can be seen from the table, there are no over-runs as defined by costs exceeding the contracted value.

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<sup>1</sup> The OBC values provided have been adjusted to include 44 days of OBC budget in 2020 and 304 days of OBC budget in the 2021 period to align the value with the period of 17th November 2020 to 1st November 2021. The OBC has a total provision of £14.6m Le Quennevais Enabling works for the duration of the project and a budget of £1.63m, was brought forward from 2022 when this workstream was expedited. Note that this figure also has been adjusted to fit the queried time period.

## Detailed cost analysis

Purpose of Engagement	Actual Costs	total Contract Value	OBC Value	Contract Start date	End date
Cost Management, Quantity Surveying and reporting on build cost forecasts	£0.58m	£1.11m		13 July 2020	01 December 2025
Main Contractor Design and Delivery of the hospital (PCSA)	£18.39m	£29.74m	£18.90 m	23 July 2020	21 March 2022
Le Quennevais Enabling works	£1.28m	£0.00m	£1.63 m	23 July 2020	21 March 2022
Provision of clinical consultancy for the hospital design, consultation, and engagement.	£0.15m	£0.33m		10 February 2020	30 June 2022
Provision of site supervision and Healthcare/Technical Design Advisory.	£0.75m	£2.38m		23 February 2021	01 December 2028
Senior Project Management Services	£0.25m	£0.91m		01 August 2021	31 December 2021
Business Case development and financial consultancy	£0.37m	£0.80m		10 February 2020	30 September 2021
Operational Project Management	£1.38m	£1.97m		11 March 2019	30 March 2022
Estate agency services for Site Acquisitions	£0.08m	£0.1m		18 November 2020	31 December 2021
<b>Total:</b>	<b>£23.23m</b>	<b>£37.34m</b>			