
STATES OF JERSEY



OUR HOSPITAL OUTLINE BUSINESS CARE AND FUNDING REVIEW (S.R.13/2021): RESPONSE OF THE CHIEF MINISTER

Presented to the States on 12th November 2021
by the Chief Minister

STATES GREFFE

OUR HOSPITAL OUTLINE BUSINESS CARE AND FUNDING REVIEW

S.R.13/2021): RESPONSE OF THE CHIEF MINISTER

Ministerial Response to:	S.R.13/2021
Ministerial Response required by:	12th November 2021
Review title:	Our Hospital Outline Business Care and Funding Review
Scrutiny Panel:	Health and Social Security Scrutiny Panel

INTRODUCTION

I would like to acknowledge the work of the Scrutiny Panel and their advisers in providing challenge to Ministers, the Political Oversight Group and the project team for what is the largest capital project in a generation.

FINDINGS

	Findings	Comments
1	The Government communication and consultation undertaken as part of the Our Hospital Project has done little to reassure Islanders about the cost of the project.	<p>There is no conclusive evidence to support this view. The Panel received 134 responses from members of the public as part of its review. There is no analysis of the demographics and, as the respondents were self-selecting, the views expressed are highly unlikely to be a representative sample of islanders.</p> <p>In contrast, the number of visits to the Our Hospital website has been 25,600 since November 2020 and that includes in excess of 9,000 visits to the three virtual exhibitions. In addition, the team have responded directly to just short of 1,600 emails. Further analysis of public opinion is being carried out through independently-run focus groups which will provide a more balanced picture of views across the whole population. The consultation has been extensive and included meetings with a range of stakeholder groups.</p> <p>Although there is a large amount of detailed factual information available in the public domain (via the various propositions, the Our Hospital website and a range of other sources), the</p>

	Findings	Comments
		<p>communications team have had to respond to a high level of misinformation.</p> <p>In respect of the 134 responses to Scrutiny, the following points are of note:</p> <ul style="list-style-type: none"> • many did not address the questions posed by the Panel and some focused instead on site preferences • the majority offered opinion without providing any evidence • the total number of responses to the Scrutiny review was approximately 0.1% of our Island's population <p>Soundings, the specialist the company leading the consultation have noted the high level of community engagement for the Our Hospital project. The engagement exercise has been extensive, thorough and highly accessible. Multiple channels of communication have been offered during the course of the design development from the earliest stages. Islanders' thoughts and feedback have been gathered by phone, through handwritten submissions, online via virtual exhibitions and digital feedback forms accessible from computers and smart phones and through email correspondence to the 'community inbox'. All forms were well used as the numbers show. In addition, multiple, purpose-built forums that were structured to engage those most directly impacted, (Overdale and Les Quennevais Neighbour's Forums); community organisations, amenity groups and businesses (Community Liaison Group) and medical workers (Health Workers' Panel) greatly helping to evaluate and feedback on the evolving design at all stages.</p> <p>Soundings have stated that these levels of consultation are well in excess of the engagement for projects of this type in the UK.</p> <p>Given the pace and importance of the project, it is essential to continue with responsive and informative communication. Further work to explain the cost and financing of the new hospital is planned and will be published imminently.</p>

	Findings	Comments
2	Significant delays occurred in the provision of the information requested by the Panel's advisers on the Outline Business Case (despite the assurances of the Our Hospital Political Oversight Group's 'intention to positively and constructively engage with the Scrutiny process') and have caused subsequent delays to the production of the adviser's report and this report.	All requests for information had been fulfilled by 24th September, as confirmed by Scrutiny Officers. Many of the requests related to specialist detailed information. Some information requested by the Panel's advisers was not held in the format requested and had to be created anew. This caused additional work. The advisers set a 24-hour turnaround for some requests, compared to the expected five-day response time set out in the Code of Conduct.
3	The original date of the debate was moved from 14th September 2021 to 5th October 2021 to allow nine weeks for the Scrutiny Process.	This change was made at the Panel's request to allow Scrutiny additional time to undertake its work.
4	The Panel received minutes of meetings of the Our Hospital Political Oversight Group held since April 2021 on 24th September 2021. This contradicts the Our Hospital Political Oversight Group's stated 'intention to positively and constructively engage with the Scrutiny process'.	<p>The papers for all meetings from April onwards were shared in a timely manner, often within a few days of the POG meeting at which they were considered. In addition, the Panel has received regular briefings to ensure its members are up to date with project progress.</p> <p>Staff resource is limited and at times of peak requests - received not only from the Panel but from fellow Assembly Members, pressure groups, the public, media and other stakeholders – this has an impact on response times.</p> <p>The POG will continue to positively and constructively engage with the Scrutiny process and have worked in a spirit of cooperation throughout, hence the decision to delay – at the Panel's request - the date of the P.80/2021 debate on budget, financing and land assembly.</p>
5	The political timeline imposed on the Our Hospital Project has constrained the work of the Our Hospital Project Team and had a subsequent detrimental impact on the work conducted by Scrutiny. It is noted that this timeline is one year behind the schedule laid out in R.54/2019 New Hospital Project: Next Steps.	<p>The Our Hospital Project is working to a clinical timeline not a political one. The 2026 target date is based entirely on the need to provide adequate health services for islanders.</p> <p>As set out in P.123/2021, a six-facet survey was carried out in 2015 and updated in 2016 assessing the condition of the current hospital estate established that the current hospital estate fell far short of acceptable and regulatory standards. A subsequent review in April 2020 of the current hospital's required maintenance established that</p>

	Findings	Comments
		<p>there is effectively a tipping point around 2026, where the cost of maintenance escalates sharply with the cumulative cost estimated to be £51.6 million. In addition, clinicians have communicated the challenges for patient safety and experience, efficient service delivery and staff recruitment and retention that would be created by having an inflexible, tired and deteriorating estate built, in the main, 60 years ago to the requirements of a now outdated model of care.</p> <p>The clinical timeline is challenging for the Our Hospital Project Team (OHP Team) and has meant aspects of the project have had to be run in parallel.</p> <p>R.54/2019 set out an ambitious yet achievable timetable for the project, which at that stage had yet to identify a site. That timetable could not foresee:</p> <ul style="list-style-type: none"> • the COVID-19 outbreak which meant additional testing was required to confirm potential Design and Delivery Partner’s resiliency in a pandemic situation. • the additional four months required to prepare for and debate P.167/2020 triggered by the first amendment to P.123/2020.
6	<p>The Outline Business Case is non-compliant with the UK HM Treasury Green Book Standard.</p>	<p>We strongly disagreed with this opinion. The Green Book provides guidance for business cases and is not a prescriptive rulebook. The Panel’s advisers interpreted the use of HM Treasury Green Book Guidance differently. Had the project followed Green Book guidance in the manner the advisers suggested, the outcome would not have been any different.</p> <p>The introduction to the Green Book itself states: <i>1.2 The Green Book is not a mechanical or deterministic decision-making device. It provides approved thinking models and methods to support the provision of advice to clarify the social – or public – welfare costs, benefits, and trade-offs of alternative implementation options for the delivery of policy objectives.</i></p>

	Findings	Comments
		<p>It is important to note that the Our Hospital Project follows the Jersey Public Finances Manual. Some decisions about the project were taken at an advanced stage for the preparation of the Strategic Outline Case (SOC), so there was no need to revisit these in the Outline Business Case (OBC):</p> <ul style="list-style-type: none"> • Site approved – the States Assembly voted 37 in favour, 6 against and 1 abstention. • Significant engagement with clinicians to establish the brief and service model – this was needed to inform site selection and has informed the Functional Brief which was approved at SOC stage. • Procurement of Design and Delivery Partner – early appointment of a design and delivery partner has had a number of advantages for the project and took place prior to the conclusion of the SOC stage. • Jersey-specific context –unlike hospitals in mainland UK or Europe, Jersey cannot use the business case to consider options to provide services at other hospitals in the area: Jersey only has one hospital and needs appropriate services to avoid compromising service quality and patient safety.
7	<p>In contradiction to the commitment made in R.54/2019 – New Hospital Project: Next Steps, in relation to the adoption of the Green Book Five Case Model, the five cases all have instances where best practice guidance and the requirements of the standard have not been followed, or lacks detail and evidence. This contributes to an assessment that the Outline Business Case is not robust.</p>	<p>This finding is largely based on a misunderstanding of the process of the project. As noted previously in this response, much of what the Panel’s advisers, Currie & Brown, were looking for had been addressed at an earlier stage of the project (in preparing the Strategic Outline Case) so there was no need to revisit these in the OBC.</p> <p>The commitment in R.54/2019 – <i>New Hospital Project: Next Steps</i> was to adopt the Green Book Five Case Model. This model was followed and the OBC was subject to independent review by Mott MacDonald, an expert business case consultancy, who provided feedback which ensured the business case was robust.</p>
8	<p>Insufficient rationale has been provided for departures from Treasury Green Book principles.</p>	<p>A rationale for each of the departures has been provided to the Panel’s advisers and to the Panel during the Public Hearings. The principles of the</p>

	Findings	Comments
		Green Book guidance have been followed and the timing of certain activities have been dictated by Jersey's specific needs in relation to this project.
9	Justification for the scale of the project has not been evidenced in the Outline Business Case.	<p>The scale of Our Hospital originates from clinical need and has been established through extensive clinical consultation. Our Hospital will be a larger building than the current Jersey General Hospital at Gloucester Street as it will include more health services and allows for future expansion to enable the building to be flexible to the requirements of future health care models after it becomes operational.</p> <p>The RIBA2 report sets out the concept design and work has been ongoing to look for efficiencies to reduce the size of the building without compromising patient safety or experience.</p>
10	The Outline Business Case is not robust enough to support P.80/2021.	<p>We strongly disagree with this opinion. On page 21 of their report to the Panel, advisers Currie & Brown concluded that 'the costs provided presented for RIBA Stage 2 design are realistic and robust'. The justification for the size of the hospital has been reinforced through constant dialogue with Jersey's clinicians who have helped develop a Functional Brief appropriate for and specific to the Island. The clinical view has been constructively and robustly challenged to ensure the project team can justify the scale of the hospital.</p> <p>It should be noted that even if the areas of the OBC that the advisers felt need strengthening were addressed now, the outcome would not be different. It would not be acceptable to allocate additional time and public money to revisiting work that has already been undertaken at an earlier stage in the project or to undertake work that is already scheduled to be completed in a later stage of the project. This would essentially be an academic exercise based on a difference of interpretation. Neither the clinical timeline or the project budget should accommodate additional unnecessary work.</p>
11	The Outline Business Case strategic case includes the majority of the core	Jersey's Island context is critical. We have only one hospital and certain services must be provided

	Findings	Comments
	<p>content recommended in the Green Book and Better Business Case guidance; however, it does not adequately articulate the core scope of the project, proposal to develop a new hospital of circa 67,000m², a figure which has not yet been finalised, or the minimum service requirements that need to be met. This has led to confusion over the size and scale of the proposed development.</p>	<p>so that we do not compromise care quality and safety, and to ensure we do not have to send more patients off-island for their treatment. The size of Our Hospital has been established via rigorous process of clinical consultation. There has been constructive challenge to clinicians on their stated requirements in order to ensure Our Hospital is the right size for Jersey's needs.</p> <p>Additional services are included in Our Hospital that were not included in previous hospital projects or provided in the current Jersey General Hospital building. Clinical input and best practice in hospitals has informed inclusion of these services:</p> <ul style="list-style-type: none"> • Mental Health – clinically led decision to co-locate, ‘no health without mental health’ • Kitchens – nutritional benefits of fresh cooked meals to support patient health and recovery • Theatre Sterile Supply Unit – improves efficiency • Knowledge Centre - more training can be delivered on Island to save travel time and costs, improve learner experience and investing in staff development thereby supporting with staff recruitment and retention <p>The current Jersey General Hospital is circa 40,000m². To merely bring what we already have up to modern standards would take it to circa 55,000m² but this would not allow for changes in health care model or the inclusion of the additional services in future. The Future Hospital (v.4 as at August 2018) stood at circa 53,000m² which is not sufficient for current needs in 2021, let alone 40 years into the future. Our Hospital (OBC cost plan 2021) stands at circa 69,000m² and the iterative design process has led to efficiencies that can reduce that size without affecting patient safety and experience.</p>
12	<p>The Outline Business Case does not demonstrate alignment between the Our Hospital Project and key strategic programmes, especially the Jersey Care</p>	<p>This comment by Scrutiny shows a misunderstanding of the relationship between the hospital building and the Jersey Care Model. The new hospital has been designed with flexible</p>

	Findings	Comments
	Model, and appears to have been formed in isolation to other Government priorities and strategies.	<p>interior spaces so that it can accommodate various care models that may emerge over the lifespan of the building.</p> <p>The key strategic programmes have been referenced in the Outline Business Case, where the interface with the Our Hospital project has been explained:</p> <ul style="list-style-type: none"> • Jersey Care Model – Chapter 3, section 3, sub-para 3.1.1 - 3.2.4, pages 28 - 33 • Digital Strategy - Chapter 3, sub-para 3.2.5, page 34 – 36 • Policy Review – Chapter 3, sub-para 3.2.8, page 38
13	The long list of options does not fully explore all potential options including hospital size, scope and location.	<p>In short, it does not need to. Size, scope and location have already been explored at a more advanced stage of the project – the Strategic Outline Case (SOC). The long list was approved as part of the SOC process. Revisiting these to introduce additional options at OBC would serve no valid purpose – it would merely increase cost and cause delay and risk to the project.</p> <p>It is understandable that the Panel’s advisers might not fully appreciate the background to the Our Hospital Project as we are in a unique situation. However, we know the need for a new hospital was identified as long ago as 2012 and that need had emerged years before the debate of P.82/2012 <i>Health and Social Services: a new way forward</i> took place. Previous iterations of the project have foundered – at significant financial cost to the public purse. There has also been a human cost for patients and staff visiting and working in a tired hospital estate that cannot support modern health care practice.</p> <p>We maintain that the site selection process was detailed, thorough and robust with considerable community and professional input.</p>
14	The shortlisting of options has not been undertaken in line with Green Book 2020.	As is normal under the Green Book, the initial shortlisting exercise took place at SOC stage in February 2020 and an extensive range of long listed options were considered. At the outset of the OBC process, the shortlisted options were reviewed and validated.

	Findings	Comments
		<p>The Scrutiny review highlighted the fact that an Option Framework Filter was not used to present the results of the shortlisting exercise but it does not acknowledge that the Our Hospital Business Case has followed the principles of the filter. It is the principles of the process rather than the format of output that is important. The five key elements of the Option Framework Filter (i.e. Service Scope, Service Solution, Service Delivery, Implementation and Funding) were all considered.</p> <p>It should also be noted that the version of the Green Book referred to was not published until November 2020, i.e. after the SOC short-listing process had been undertaken (February-March 2020).</p>
15	There is no Business As Usual (BAU) option which is required to provide a true baseline against which to compare options.	This was examined at the early stages of the project and discounted. Islanders have expressed frustration with the lack of progress and expense of previous iterations of the hospital project, so it was not felt to be appropriate to include a suggestion that had already been established as unacceptable. There were no truly credible comparators as the need for a new hospital is overwhelming. On that basis, a 'do minimum' option was used as a baseline comparator.
16	No facilities management and utilities revenue costs have been included to identify the financial impact of the options compared to the existing arrangements, the Outline Business Case therefore fails to evidence that the proposals provide the best value for money.	We know the current facilities management costs and estimates for lifecycle costs. A facilities management business case is being developed. A more efficient and effective hospital building will bring benefits and savings in a range of ways. The question of whether Our Hospital is value for money is wider than just facilities management costs.
17	No facilities management information will be available before the debate of P.80/2021.	The debate of P.80/2021 was specifically about capital funding - not ongoing running costs. Current facilities management and utilities revenue costs are known, as are the forecast lifecycle costs, and work is ongoing to establish robust estimates of these costs from 2026 onwards.

	Findings	Comments
18	The Outline Business Case does not include fully evidenced consideration to other potentially viable options nor a Business As Usual comparison, which is unacceptable for a project of this scale.	<p>This finding does not take account of Jersey's specific needs nor the complex background to this project. P.82/2012 established the need for a new hospital for Jersey. A true business as usual (BAU) option is not viable as the Jersey General Hospital cannot continue without increased maintenance and would very quickly fall far short of providing the basic health care required by Islanders. A decision was made when drafting the Functional Brief at an earlier stage of the project that it would be unacceptable, and somewhat disingenuous, to put forward an option that was known to compromise patient safety and medical care.</p> <p>Therefore a 'do minimum' option was used for the baseline comparator.</p>
19	The Outline Business Case does not provide benefit monetisation and therefore fails to provide evidenced value.	Information on benefits monetisation is provided and shows that the benefits of the preferred option are anticipated to be significantly greater than that of the baseline comparator. A sensitivity analysis is provided that shows that this remains the case even if the benefits for the preferred option are not all realised. This information evidences the value of the preferred option. Monetisation of benefits may well have strengthened the case for a new hospital, but lack of monetisation does not undermine it. The work on benefits describes the value of a modern, fit for purpose hospital that meets the health needs of Jersey's population, supports modern working practices and supports staff training, recruitment and retention.
20	Although the Economic Case is lacking information and is not HM Treasury Green Book compliant, cost calculations are generally within expected levels and reasonably calculated. However, there are elements that are costed at the higher end or above expected benchmarked pricing.	<p>We do not agree the economic case is lacking information or that it does not comply with HM Green Book. We are pleased to note the finding that cost calculations are 'within expected levels and reasonably calculated'.</p> <p>The project team has benchmarked Our Hospital with like-for-like hospital projects and established that the cost is within an acceptable range.</p> <p>The Scrutiny advisers' benchmarking exercise acknowledges that: <i>At this stage of early cost estimating, this margin of cost variance is not unusual and is not significant within the overall</i></p>

	Findings	Comments
		<p><i>scale of the project and can be seen as an opportunity to target cost reductions through the robust target value design approach being implemented by the project team.</i></p> <p>The advisers agree with the project team that there are additional elements that account for additional costs such as the unique circumstances associated with constructing a hospital on an Island. This includes additional costs of materials and labour, and importation of plant and machinery.</p>
21	Future revenue costs to the Island of Jersey of the Our Hospital Project proposals have not been calculated, risking additional constraint on public finances.	<p>Although bigger than the current Jersey General Hospital, Our Hospital consolidates a number of services currently spread across the Health and Community Services (HCS) estate thereby creating efficiencies through improved clinical adjacencies. Further efficiencies will be gained by using newer technology and through reduced maintenance of the existing old buildings. A separate Facilities Management business case will outline costs for managing and maintaining the new hospital.</p> <p>The HCS department has an existing facilities management budget that will transfer to the new hospital building.</p>
22	The Commercial Case of the Outline Business Case is not compliant with the Green Book requirements.	The Panel's report suggests there were queries about the process that has been followed. As has been explained previously, the procurement strategy for the project highlighted the benefits of early contractor involvement. The detailed work on the procurement approach took place in advance of the Strategic Outline Case (SOC), is fully described in the SOC, and is summarised in the Outline Business Case. See responses 23 and 24 for additional points relating to the Commercial Case.
23	There is no evidence that the investment to construct, operate, maintain, and staff the private patients wing will provide commercial returns by income from private patients.	It is important to note the proposed dual function of this area within the new hospital. COVID has shown the need for a space that can be adapted to provide extra capacity or an isolation area - such as a pandemic 'hot ward' - to make Jersey more resilient to future emergencies, including any pandemic. This may remove the need to lease a Nightingale Hospital in the event of any future

	Findings	Comments
		<p>pandemic. For that space to be financially viable, it needs to have a function outside emergency situations. Therefore, it is entirely appropriate for it to be utilised for private health care and to generate income. This function would cease during an emergency situation.</p> <p>A significant proportion of Jersey's population has private medical insurance, according to the Jersey Opinions and Lifestyles Survey 2018:</p> <ul style="list-style-type: none"> • 44% working adults, 18% retired, 24% of adults not working (e.g. education, homemaker, unable to work) • 86% of adults working in finance • 57% of adults with private health insurance said their insurance also covers family members. <p>There is an opportunity to generate revenue to offset HCS costs and enhance the provision of public services. Work on the private patient strategy continues to progress and Scrutiny are being briefed on progress.</p>
24	There is little evidence to indicate a strategy on how benefits, such as job creation, will be achieved.	A Social Value Strategy was drafted and shared with the Panel on 6 December 2020. This strategy considers anticipated social, economic, health and environmental benefits for the project and maps them to Government of Jersey strategic priorities whilst providing specific objectives and monitoring periods. The finalised Social Value Strategy for the main hospital will be included in the Planning Statement and can be viewed by the public on the Government of Jersey planning portal once the Planning Application has been submitted.
25	The Management Case of the Outline Business Case is broadly compliant with Green Book requirements however it is lacking elements to allow for understating of Risk and Change Management.	As the Panel's advisers note, the OBC sets out a robust management case. The Project Manual, which is an appendix to the OBC, provides more information on Risk and Change management and the Panel's advisers were made aware of this. The Project Manual is regularly updated.
26	The need to gain States Assembly approval for additional expenditure over and above the £804.5 million budget is unlikely to act as an effective	The POG are unanimous that the project must remain at the cap of £804.5 million or below. As stated in response to earlier points, the Panel's

	Findings	Comments
	control on costs, especially in the latter stages of the project, as the choice facing Members will be between agreeing or accepting an unfinished project.	advisers agree that this budget is appropriate for a hospital of this size and specification.
27	Detailed capital and revenue running costs should have been clearly formulated and stress tested before funding solutions are considered.	Detailed capital costs were provided, as were lifecycle costs for the new facility. Given the clinical timeline for the project, the work on running costs was not available. Work has had to be undertaken in parallel to ensure that the 2026 completion date is achieved.
28	Bond finance is a sensible approach to this scale of borrowings if there is full confidence in the asset (hospital) specification to service demand and needs and robust cost construction.	The case for P.80/2021 has been built on the basis that financing the project through borrowing and a bond issue the most sensible, cost-effective mechanism for taxpayers over the longer term. Total construction costs were clearly set out in P.80/2021 and these led to the request for a maximum borrowing requirement of £756 million, which has been approved by the States Assembly.
29	A reduced budget would allow for an alternative funding solution to be sought.	A reduced budget would require a complete review of the services provided in a new hospital and would result in fewer services available to Jersey patients. Alternative funding solutions have been explored for this project. Whatever the budget, the number of financing options for a project of this size remains limited.

RECOMMENDATIONS

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
1	The Deputy Chief Minister, prior to the finalisation of the Full Business Case, should identify elements of the Jersey Care Model that relate to the Our Hospital Project and these should	DCM	Reject	The new hospital has not been designed around the current Jersey Care Model. It has been designed with flexible interior spaces so that it can accommodate various care models that may emerge over the lifespan of the building.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	be clearly set out in detail in the form of a clinical strategy. This should articulate how hospital services are expected to change in the future and how service transformation will impact on capacity, clinical adjacencies and hospital design.			This recommendation sits with the Health and Community Services department team which has responsibility for the clinical strategy and service delivery as it evolves in future.	
2	<p>The Deputy Chief Minister must ensure a robust option appraisal is undertaken and a value for money is evidenced if progressing to Full Business Case. This must include:</p> <ul style="list-style-type: none"> • Consider a full range of options for inclusion in the shortlist to include both location and scope of the proposal to address the priority investment objective. • Include the Business As Usual option in the shortlist. • Include a less ambitious preferred way 	DCM	Partially accept	The work described in the final bullet (on running costs) is being progressed and will continue. However, there would be no clear benefit to revisiting the work completed at SOC and OBC stage on options (including BAU and an alternative 'preferred way forward'). Undertaking economic analysis again would increase costs without clear benefit.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	<p>forward option in the shortlist.</p> <ul style="list-style-type: none"> Undertake a full quantified assessment of costs, risks and benefits of the shortlisted options to identify the NPSV (net present social value) of each option, in order to support the identification of the option offering greatest value for money to society. <p>Costs should include the ongoing running costs of the hospital including staffing and facilities management services.</p>				
3	The Deputy Chief Minister must, prior to the finalisation of the Our Hospital designs, out-line predicted revenue costs of the proposed changes in healthcare provision.	DCM	Reject	The work on revenue costs is ongoing but cannot be reprioritised to meet the Panel's proposed time frame and is not necessary specifically at this stage.	
4	The Deputy Chief Minister must, prior to final design of the private ward, provide to the Assembly a fully evidenced business case to justify the additional spend and space	DCM	Reject	The work on a private patient strategy is ongoing but due to the constraints of the clinical timeline cannot be completed within the Panel's proposed time frame.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	allocation to private services in the new hospital.				
5	The Deputy Chief Minister should publish full details of the change management plans for the transition to the new hospital and provide full detail of the project risk register prior to accepting a Full Business Case.	DCM	Partially Accept	The current risk register was included in the OBC. It will continue to be updated throughout the project. A change management plan will be developed for transition to the new hospital in 2026 but will not be complete for the Full Business Case which is anticipated in 2022.	
6	The budget for the Our Hospital Project should be reduced to £550m to include optimism bias, site-specific costs and contingency.	DCM	Reject	The States Assembly have rejected this recommendation which was proposed in the second amendment to P.80/2021.	
7	The scale of the cost and borrowing should be reduced to limit exposure to financial risk.	DCM	Reject	Every effort will be made by the Our Hospital Project team to achieve value for money and reduce cost where this is achievable without compromising patient safety or experience. The Political Oversight Group will continue to provide challenge to the project team to ensure value for money is achieved	
8	Overall borrowing for the project should be reduced to £400 million and Treasury should explore other options including the use of the 'windfall' payment of approximately £40 million resulting from JT's sale of its IoT business and other asset disposals opportunities.	DCM	Reject	This recommendation is not considered prudent given the advice we have received.	
9	To preserve the integrity of the Strategic Reserve	DCM	Reject	These proposals would require amendments to the Public Finances	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completi on
	Fund, a specific Our Hospital Fund should be created to ‘improve focus’. Included in this recommendation is that accountability is imposed on the Project Senior Responsible Officer (SRO) for the delivery of the project within the revised approved cost envelope.			(Jersey) Law 2019. The project has a robust governance structure set out in the Project Manual to ensure effective accountability for the delivery of Our Hospital.	

CONCLUSION

I welcome the Panel’s advisers’ confirmation that the maximum £804.5 million is an appropriate budget for a hospital of this size and scope. It is evident that as an Island community, Jersey needs a hospital that can serve as many health needs of islanders as possible on one site.

The advisers interpreted the business case development and the use of the Green Book in a particular way. The consequent findings and recommendations mainly relate to perceived omissions from the OBC. These were not in fact omissions, having either been considered at an earlier advanced Strategic Outline Case stage or are in the process of being developed. These variations from the ‘textbook’ Outline Business Case do not change the outcomes of the Outline Business Case and the project remains on track to achieve its important clinical deadline of our new hospital becoming fully operational by 2026.

The approval of P.80/2021 has been a significant step in the progress towards our new hospital. We are now at a point where the States Assembly has agreed the site, the primary access route, the budget, and financing and land assembly required for us to finally deliver Our Hospital for the people of Jersey.

I would like to acknowledge the work of the Scrutiny Panel and their advisers in providing challenge to Ministers, the Political Oversight Group and the project team for what is the largest capital project in a generation.

