

# STATES OF JERSEY

## Corporate Services Scrutiny Panel Future Hospital Funding Strategy Review

**FRIDAY, 17th MARCH 2017**

**Panel:**

Deputy J.A.N. Le Fondré of St. Lawrence (Chairman)

Connétable C.H. Taylor of St. John

Senator S.C. Ferguson

**Witnesses:**

The Minister for Health and Social Services

The Minister for Infrastructure

Chief Officer, Department for Infrastructure

Lead Technical Adviser, Gleeds

Hospital Managing Director

Director of Health and Social Services

Project Director, Jersey Property Holdings

[10:01]

**Deputy J.A.N. Le Fondré of St. Lawrence (Chairman):**

Welcome, everyone, to the ministerial hearing on the future hospital funding strategy review. I would like to draw your attention, as ever, Ministers, to the notice that is sitting between the 2 of you, which I am sure you are fully aware of. For the benefit of everybody else, I would like to read it out: "Scrutiny panels. The proceedings of the panel are covered by parliamentary privilege through Article 34 of the States of Jersey Law 2005 and the States of Jersey Powers, Privileges and Immunities Scrutiny Panel, Public Accounts Committee and Privileges and Procedures Committee Jersey Regulations 2006. Witnesses are protected from being sued or prosecuted for anything said

during hearings, unless they say something they know to be untrue. This protection is given to witnesses to ensure they can speak freely and openly to the panel when giving evidence without fear of legal action, although the immunity should obviously not be abused by making unsubstantiated statements about third parties who have no right of reply. The panel would like you to bear this in mind when answering questions.” Also members of the public or people sitting in the public seating, there are notices around the room which state that obviously we do expect members of the public and the media in the public seating to remain silent at all times while the hearing carries on. Ministers and officers and witnesses, as we proceed through the questions, we may stop you if we feel you have answered the question sufficiently, because we do need you to try and be as concise as possible. I am sure you are aware of that. For the avoidance of doubt, if you see my hand raised, that should be taken that we want to move on. What I am going to try and avoid is that we do not over-talk each other, as there can be a danger in these sorts of hearings. Should it be necessary, if you feel you wish to add something at the end of the hearing, we shall give you some time then. For the benefit of the tape, we will go around stating our name and position. What I would ask of all the witnesses in front of us, could you also identify your principal role or roles as regards this project? Deputy John Le Fondré, Chairman of the panel.

**Senator S.C. Ferguson:**

Senator Sarah Ferguson, member of the panel.

**Connétable C.H. Taylor of St. John:**

Constable Chris Taylor, member of the panel.

**The Minister for Health and Social Services:**

Senator Andrew Green, the Minister for Health and Social Services.

**The Minister for Infrastructure:**

Deputy Noel, Minister for Infrastructure.

**Chief Officer, Department for Infrastructure:**

We have done the politicians. Do we go around as officers now?

**Deputy J.A.N. Le Fondré:**

Yes, please.

**Chief Officer, Department for Infrastructure:**

John Rogers, S.R.O. (Senior Responsible Owner) for the project and Chief Officer of the Department for Infrastructure.

**Project Director, Jersey Property Holdings:**

Will Gardiner, Project Director for Jersey Property Holdings.

**Lead Technical Adviser, Gleeds:**

Michael Penny. I am Director of Gleeds Management Services. We are the Lead Adviser for the Jersey future hospital.

**Chief Executive, Health and Social Services:**

Julie Garbutt, Chief Executive for Health and Social Services and the S.R.O. for the health brief.

**Hospital Managing Director:**

Helen O'Shea, Hospital Managing Director.

**Deputy J.A.N. Le Fondré:**

Would you like to elaborate briefly on responsibilities of the project or shall we just launch into the questions?

**The Minister for Infrastructure:**

Just launch into the questions, Deputy. Sorry, can I just ask who the other person is, sorry?

**Deputy J.A.N. Le Fondré:**

Yes. Tim Nicolle is our other Scrutiny Officer. Simon Spottiswoode is our more senior, as it were, Scrutiny Officer. He has been with us longer. Tim joined us relatively recently, I think, although he is now part of the furniture as well.

**Chief Executive, Health and Social Services:**

Excuse me, Chairman, could I just offer my apologies? I will need to leave a few minutes early to go on to another meeting.

**Deputy J.A.N. Le Fondré:**

Okay, fine. One question I will just ask, within the team or teams that exist, who is responsible for ensuring that the project delivers value for money?

**The Minister for Infrastructure:**

At a political level?

**Deputy J.A.N. Le Fondré:**

Political and operational, please.

**The Minister for Infrastructure:**

At a political level, it is the Council of Ministers that are ultimately responsible.

**Deputy J.A.N. Le Fondré:**

Okay. I want an individual.

**The Minister for Infrastructure:**

This is the biggest capital project that the Island has ever undertaken.

**Deputy J.A.N. Le Fondré:**

Right. At the operational level?

**Chief Officer, Department for Infrastructure:**

Value for money is an interesting term. I think it is incumbent on everybody involved in this project that we offer value, that we do it terms of the best value for Jersey. Is there a person responsible for value for money? I would suggest it would be me. My team are driven by the constraints of the finances put in.

**Deputy J.A.N. Le Fondré:**

So it would be Infrastructure and not Treasury?

**Chief Officer, Department for Infrastructure:**

It is something we are discussing in terms of moving the project forwards. Whether or not there is an additional role for Treasury to look at that, it is something I am debating with the Treasurer currently.

**Deputy J.A.N. Le Fondré:**

Okay. Just to note, it was not meant to be a trick question, but I was just trying to establish things. In information previously provided to the other sub-panel that looked at the hospital thing, it did identify the Director of Treasury Operations for delivery for value for money, so if that has changed, obviously we appreciate knowing that at some point. Can we move on?

**Chief Officer, Department for Infrastructure:**

Just to clarify that, the key role for the Treasury to be on the board is to look at the funding and the cost envelope. I think the role changes once it is secured and the project moves into the next phase.

I think a value for money role needs to be established, but their initial role was to find a way of securing the funding, which is what they are working on now.

**Deputy J.A.N. Le Fondré:**

To go back to your previous comment, at this stage, and basically as ultimate accounting officer for the project as well, it falls at your doorstep?

**Chief Officer, Department for Infrastructure:**

Yes.

**Deputy J.A.N. Le Fondré:**

Okay. Chris.

**The Connétable of St. John:**

The project and budget oversight in relation to the new hospital, do you have a complete specification of what will be included in it?

**The Minister for Infrastructure:**

I do not think it is possible at this stage to have a complete final list of what is going to be included in the hospital. It is going to change throughout, from the commencement to the final brief. It is a 6-year build; it is a 2-year prebuild. To have the detail of the final outcome now, one would be unwise to do so, and secondly, it would be impractical to do so.

**The Minister for Health and Social Services:**

Clearly there is a brief from us as the client to the project team as to what we require, but as you go through the design, are we going to have 50 extra beds or 60? We are still working on that.

**Chief Officer, Department for Infrastructure:**

It is probably worth explaining the brief and the level of detail. As the Minister stated, the infinite tiny details at the end are not there yet and it is down to the R.I.B.A. (Royal Institute of British Architects) stages we are at. Perhaps Mike or Will could take us through the stage we are in in terms of the procurement of this project. That might help answer the question to the level that is sufficient.

**The Connétable of St. John:**

Yes. Is this, I am thinking of time, something that perhaps you could send to us in writing, the specification that you have got to date, and then we can go through that and perhaps the wish list of what you would like to add, if possible, beyond that specification?

**Project Director, Jersey Property Holdings:**

I believe we have shared that already through colleagues, we can check, in terms of what is in our value management framework, but we have a brief, a draft brief, which is under engagement with our Health client to check that what we have reported within the brief matches what they have asked us to do. So I would say we are 80 per cent or 90 per cent clear in terms of the brief and the understanding.

**Chief Officer, Department for Infrastructure:**

Can I just push back on the term “wish list”? I think that term is not fair and appropriate on this scale and type of project.

**The Connétable of St. John:**

Okay. Could you give us a timescale? When are you going to be able to give us an actual specification: “This is what the hospital is going to include”?

**Chief Officer, Department for Infrastructure:**

I think the term “specification” is one which perhaps we could elaborate on. It can mean many things. It is build a hospital that serves 100,000 people to: “We need a plug socket in that corner.” So it is ...

**The Minister for Infrastructure:**

It is not that level.

**Chief Officer, Department for Infrastructure:**

What level are you ...

**Deputy J.A.N. Le Fondré:**

When will you know what the hospital is going to contain?

**Chief Officer, Department for Infrastructure:**

We know that. It is to what level of detail you have engineered that to. Mike, would you explain the R.I.B.A. process, if that is helpful?

**Lead Technical Adviser, Gleeds:**

So the R.I.B.A. process is a method of dividing a design process into a series of understandable and manageable pieces. We are at the conclusion of the second stage, so it starts at nought and it goes through to 8. We are at the conclusion of the second stage, R.I.B.A. 1, which is the brief. This is created in discussion with the client team what the hospital will contain, so the departments that

it includes, the capacity of those departments, what those departments will deliver, the critical adjacencies of those departments. That is then created into a schedule which defines the area, the size of the hospital. So that document we have completed, we have now issued it to the client project team to review. They are undertaking a review process of that, so that document is finished. That defines the beginning of the specification.

**Deputy J.A.N. Le Fondré:**

Just to clarify, it has not been signed off yet, because you said they are in the process of reviewing it?

**Lead Technical Adviser, Gleeds:**

Correct, that is right.

**Deputy J.A.N. Le Fondré:**

So when is it going to be signed off?

**Project Director, Jersey Property Holdings:**

I would expect next month.

**Deputy J.A.N. Le Fondré:**

Right, okay. Keep going.

**Chief Officer, Department for Infrastructure:**

Just to bear in mind, that is not a document we have just issued to the client. That has been worked on with the client for the last 2 years.

**Deputy J.A.N. Le Fondré:**

Yes, okay.

**Chief Officer, Department for Infrastructure:**

This is an ongoing process and the sign-off stage is making sure everything is right, so it is not ...

**Deputy J.A.N. Le Fondré:**

That is understood. Next stage?

**Lead Technical Adviser, Gleeds:**

At that point we have a cost estimate based upon those functional areas, so the emergency department is a certain size, that is priced at a certain level in accordance with what are called the

Healthcare Premises Cost Guides, so they are indications taken from a very broad spectrum of N.H.S. (National Health Service) hospitals of how much an emergency department costs in isolation. You add them all together, you get a price. Our next stage of design elaborates on the detail of that, so stage 2 is called concept design, so we would then start agreeing inside those departments what the specific layouts of rooms were, what the specific shape of the department was. We would be able to increase the detail in our specification, because those would form extra details in the specification, so going from our emergency department benchmarked against certain capacities is a certain size. Going into our emergency department now includes a fixed number of resuscitation bays, a certain size of reception. That level of detail is the next stage that we are entering into now.

**Deputy J.A.N. Le Fondré:**

How long will that take?

**Lead Technical Adviser, Gleeds:**

We expect to conclude that in September.

**Deputy J.A.N. Le Fondré:**

I think between the 2, what we are trying to do is just get an idea at what point did matters crystallise in terms of what we are setting out to build, if that makes sense?

**The Minister for Infrastructure:**

Can we receive some clarification from the panel? I understand that you are scrutinising the funding.

**Deputy J.A.N. Le Fondré:**

We are scrutinising the proposition. The proposition requires the States to approve £466 million for the course of the project.

**The Minister for Infrastructure:**

So it is not just the fund?

**Deputy J.A.N. Le Fondré:**

We are scrutinising the proposition for item A of the proposition: "To agree expenditure up to a maximum of £466 million for the main construction project and all associated costs, including relocation costs." That is therefore part of the review, okay?

**The Minister for Infrastructure:**

No, it was just a clarification to help us to give you the information that you seek to carry out that.



**Deputy J.A.N. Le Fondré:**

That is okay. The only reason I am pushing is we know we are on a shortened time and we want to keep it going. Right, next question. I am guessing this is going to be a question for Will Gardiner. What is the total budget? It is meant to be a fairly short answer.

**Project Director, Jersey Property Holdings:**

£466 million and a little bit.

**Deputy J.A.N. Le Fondré:**

Okay. Can you break the total down between the budgeted cost, what I will call the construction cost, contingency and inflation, approximately?

**Project Director, Jersey Property Holdings:**

There is about £70 million plus of risk costs set out in P.130 and that includes 2 types of contingency, what we would call project contingency, which you might be familiar with from some other projects, and a separate contingency, which is a risk-based contingency called optimism bias, which is required under good practice for very large projects.

**Deputy J.A.N. Le Fondré:**

Inflation?

**Project Director, Jersey Property Holdings:**

I would have to look that up for you in a second. I can get that for you in a second. If you would like to move on to the next question, I will come back for you.

[10:15]

**Deputy J.A.N. Le Fondré:**

I think we will wait until you have done that, if you can. If it is depending how ...

**Project Director, Jersey Property Holdings:**

Okay, apologies. So that is about £69 million roughly.

**Deputy J.A.N. Le Fondré:**

Okay, so if we say the total is £466 million, the contingency I think is £74 million, off the top of my head.

**Project Director, Jersey Property Holdings:**

£74.109 million, yes.

**Deputy J.A.N. Le Fondré:**

Then £69 million with inflation. That means roughly the build cost is around £323 million, if we say that is the balancing figure at high-level terms.

**Project Director, Jersey Property Holdings:**

Within that cost, that includes equipment and fees and acquisitions and non-works costs is what we would call them as well, so not strictly main hospital works. The cost is lower than that.

**Deputy J.A.N. Le Fondré:**

Would you like to put a figure on it?

**Project Director, Jersey Property Holdings:**

We would put about £213 million.

**Deputy J.A.N. Le Fondré:**

£213 million?

**Project Director, Jersey Property Holdings:**

Plus £31 million of fees, £9.5 million of acquisitions, £6 million of non-works costs, £19 million worth of equipment, so it is broken down within P.130.

**Deputy J.A.N. Le Fondré:**

That is helpful. Obviously in the M.T.F.P. (Medium Term Financial Plan) the original contingency was about £90 million. Can you just explain the difference in that and the figure you have given us? It is just so we can understand the reconciliations.

**Project Director, Jersey Property Holdings:**

The contingency and optimism bias was £90 million.

**Deputy J.A.N. Le Fondré:**

In the M.T.F.P. it made reference to ... I think it just identified it as contingency. I would assume that is contingency and obviously bias together.

**Project Director, Jersey Property Holdings:**

Yes.

**Deputy J.A.N. Le Fondré:**

But obviously there is the difference between £74 million and £90 million. I just wondered how we got there.

**Project Director, Jersey Property Holdings:**

So the optimism bias proportion has not moved since change request 25, which informed the M.T.F.P. calculations. The contingency has been adjusted.

**Deputy J.A.N. Le Fondré:**

Has it reduced?

**Project Director, Jersey Property Holdings:**

It has been allocated and within the change request 25 projects, the contingency is calculated from a percentage. There are then risk allocations made as we develop greater information through the feasibility study process, so whereas we might have needed greater contingency at an earlier stage, as we work through feasibility, we are able to define some of those costs and include them in the core objectives.

**Deputy J.A.N. Le Fondré:**

For want of a better expression, the £90 million contingency, at this stage the difference between the £90 million and the £74 million has been incorporated into the main cost of the project?

**Project Director, Jersey Property Holdings:**

It has been clarified within risk allowances within the main project, yes.

**Deputy J.A.N. Le Fondré:**

Is it still there as a risk or has it been allocated, in my terminology, spent? In other words, is it there? Have we taken £10 million of that £90 million, say, and allocated it to a specific build cost in the project or just there is more definable risk which is still an assumption, and we have said: "But because it is an identified assumption, we have taken it out of contingency and just put it as an assumption" if you like, a contingency allocated to a specific part of the project? In other words, it is a crystallised thing or is it still just an assumption, but just in a different area.

**Project Director, Jersey Property Holdings:**

A good example we gave Concerto in this to explain, we have, for example, £1 million for assumption in the place budget for asbestos removal in the demolition works for the main hospital. As we move through the feasibility process, that will become increasingly clarified. At the moment, it could be called a risk allowance within the core budget, but another example we gave was, for example,

radon protection. We do not know precisely how much we are going to need in relation to that, but we can assume that the area of the demolition works will all require radon protection, so therefore we have made specific allowance for that. That has a level of certainty more than the asbestos.

**Deputy J.A.N. Le Fondré:**

So originally that provision was at a certain level. You have increased that provision in the main build project and taken it out of what was the £90 million contingency.

**Project Director, Jersey Property Holdings:**

That is the principle I am explaining.

**Deputy J.A.N. Le Fondré:**

Okay, right.

**Chief Officer, Department for Infrastructure:**

Just to clarify, the aim is to start with an envelope which is adequate and then as you mitigate those risks going through the project, you then can make it certain and hopefully less. It is a thing we have just done with our S.T.W, (sewerage treatment works) project. It is a process, but your start point has got to assume not the worst, but you have got to assume if you do not know, then you assume a risk and a value to that risk. If you mitigate that, then that hopefully lowers the cost of the project.

**Deputy J.A.N. Le Fondré:**

It should reduce the cost. Good, thank you for saying that, because it very helpfully goes to the next question, which is who controls the various contingency elements and are they allocated to specific risks?

**Chief Officer, Department for Infrastructure:**

At the moment, they are controlled within the project because we are working on the basic figure of £466 million, and as we progress with the project, then we will crystallise those risks and change which box they are being put in.

**Deputy J.A.N. Le Fondré:**

Who is the "we"?

**Chief Officer, Department for Infrastructure:**

The team.

**Deputy J.A.N. Le Fondré:**

Yes, so who is the person who signs off on the uses of certain contingency elements?

**Chief Officer, Department for Infrastructure:**

That is something we need to discuss. We had a recent discussion with the Audit Committee and it is something we are discussing with the Treasurer and setting up a review of this in terms of what structure this project needs moving forward. I think it is not just around that, it is about governance and how we can basically survive this project, because it is an 8-year project and a massive undertaking. You want to get the right people doing the right jobs to help this project to success. It is something we are looking at at the moment in terms of where that goes. At the moment we do not have funding allocated. We have got an overall budget based on the work that the team has done. We have got a brief that we are happy with. As we move forwards, I think it is another structure and vehicle which we have not set up yet and we will do. What I would say is we have got to be very ... the really big risks on this project, we are trying to mitigate those by having a very clean site and a simple, clean build for the contractor to mitigate all the interfaces with existing live health processes. But the biggest risk we face is we have got to make sure that we get competitive, interested contractors who want to build the project for us and we get competition at that point. That is the biggest risk of all the risks we have got. If there is small changes moving forward, until you have signed that contract, the money should stay allocated to the project. That is the risk beyond our control and it is influenced by Brexit, it is influenced ...

**Deputy J.A.N. Le Fondré:**

So basically you need to make sure you have got a sufficient contingency to cater for unknown risk?

**Chief Officer, Department for Infrastructure:**

That is right. They are beyond our ...

**Deputy J.A.N. Le Fondré:**

I will move forward. So is there, if you like, a specific pot for unknown risks or is it that is just wrapped up in the main contingency?

**Chief Officer, Department for Infrastructure:**

Optimism bias is the key one for that, but I do not think we should be getting ... my goal is to deliver this hospital in the best value for money possible, which fits the client's brief and provides a hospital that is fit for purpose for Jersey for the future. Whether that money is ...

**Deputy J.A.N. Le Fondré:**

Can I just ask, while you are finishing, sorry, let us talk about optimism bias then. Who, if you like, controls access to that pot of money or to at least that sum of money?

**Chief Officer, Department for Infrastructure:**

That is a discussion we are having with the Treasurer at the moment, because I think there is a real opportunity for ... what we are not going to be doing is gold-plating taps and doing anything like that. What we need to do is deliver this hospital in the best value for money framework as we can and there is a significant amount of money allocated to contingencies. Where that money sits, how we can access to that, how that works is a discussion we are going to have with the team.

**Deputy J.A.N. Le Fondré:**

Okay, let us go forward. Moving on, hopefully these next lot are short-ish answers. It is just to get some things on the record. First, is the new hospital, broadly speaking, a like for like replacement or will there be additional facilities provided?

**The Minister for Health and Social Services:**

I think that should come from us. It is not a like for like, because if it were, we would be staying where we are, but I will let Helen ...

**Deputy J.A.N. Le Fondré:**

You say broadly.

**Hospital Managing Director:**

It is broadly like for like. It will be up to today's standards, so that automatically makes it bigger. It will have more beds, more theatres and more space for today's activity moving forward with the ageing population.

**Deputy J.A.N. Le Fondré:**

Okay, but in terms of facilities or functions perhaps, it is broadly speaking like for like?

**Hospital Managing Director:**

Its functions, it is broadly like for like.

**Deputy J.A.N. Le Fondré:**

For the record now, I am guessing this is back to Will Gardiner. Can you confirm the budget does not include, first, demolition of the existing hospital buildings when the project is finished?

**Project Director, Jersey Property Holdings:**

Correct.

**Deputy J.A.N. Le Fondré:**

Does not include. Okay, any basic future development cost of the existing north end of the hospital site for a hospital campus or other use?

**Project Director, Jersey Property Holdings:**

Correct.

**Deputy J.A.N. Le Fondré:**

Leasing cost with the new offsite catering facility?

**Project Director, Jersey Property Holdings:**

Correct.

**Deputy J.A.N. Le Fondré:**

Cost for the new rehousing of staff at Westaway Court?

**Project Director, Jersey Property Holdings:**

Correct, because of those last year were revenue costs.

**Deputy J.A.N. Le Fondré:**

Okay. The costs for rehousing staff, at the moment you have got a capital asset there, which is obviously going to go, because that is Westaway, but there is no provision for the replacement of that capital item within the budget?

**Project Director, Jersey Property Holdings:**

No.

**Deputy J.A.N. Le Fondré:**

No, okay. Extension to Patriotic Street car park?

**Project Director, Jersey Property Holdings:**

There is allowance in there for connecting bridges to Patriotic Street car park, for configuring the car park for greater hospital use.

**Deputy J.A.N. Le Fondré:**

But not for sticking extra floors on?

**Project Director, Jersey Property Holdings:**

Not at the moment for sticking extra floors on it. That is because we are in the process of clarifying the transport assessment which will inform whether we do.

**Deputy J.A.N. Le Fondré:**

We will probably come back to that later. Interest costs, and could you possibly confirm roughly what that amount will be?

**Project Director, Jersey Property Holdings:**

The interest rate costs?

**Deputy J.A.N. Le Fondré:**

Interest costs.

**Project Director, Jersey Property Holdings:**

Interest costs. There are a number of different rates which inform our inflationary assumption.

**The Connétable of St. John:**

We are not about inflation. We are talking about the cost of borrowing.

**Deputy J.A.N. Le Fondré:**

Yes, the cost of borrowing.

**Project Director, Jersey Property Holdings:**

The cost of borrowing, no ...

**Deputy J.A.N. Le Fondré:**

Can you give me an indication of what the total cost in terms of the interest element is likely to be?

**Chief Officer, Department for Infrastructure:**

That is not for this ... that is a Treasury issue.

**Deputy J.A.N. Le Fondré:**

Okay, that is fine. Is there anything else significant that is not included in the budgetary figure that we have missed?

**Project Director, Jersey Property Holdings:**

That is an impossible question to answer, because ...



**Chief Officer, Department for Infrastructure:**

We do not think so, but ...

**Deputy J.A.N. Le Fondré:**

I did say significant.

**Chief Officer, Department for Infrastructure:**

If your adviser has found something, we would welcome them to tell us, because we are trying our best to ...

**Deputy J.A.N. Le Fondré:**

I am just making sure we have not missed anything in terms of this then. Okay, thank you very much. Sarah.

**Senator S.C. Ferguson:**

I think this is the Minister for ... I do not know, I think both of them can probably answer.

**The Minister for Health and Social Services:**

Try us.

**Senator S.C. Ferguson:**

Given your political responsibility, what, in your view, is the balance between time, cost and quality? Which takes precedence?

**The Minister for Health and Social Services:**

I do not think you could separate any of those. What we do know is the longer we take, the more it is going to cost. The longer it takes, the more our patients are at risk because our infrastructure health-wise is deteriorating, so we need to be getting on with this. You have only got to listen to programmes like "Wake Up to Money" in the morning to know that inflation is starting to increase, interest rates are going to increase. So the longer we take, the more it is going to cost. The longer we take, the more our facilities deteriorate and the more we will have to spend on propping up what we have got.

**Senator S.C. Ferguson:**

So you are really going for cost at the moment?

**The Minister for Health and Social Services:**

No, I did not say that. I said it is a balance between the need to get on and do this so that we can provide a safe, dignified environment for patients, and at the same time, the longer we take, the more we know that patients will not have all the facilities we would like them to have. I do not want headlines: "Patients are not safe in the current hospital." We work very hard to make sure they are safe. We can provide a much more dignified environment. The longer we take, the more those costs will be. We know that. You do not have to be "Brain of Britain" to work that out.

**Senator S.C. Ferguson:**

Right, so my understanding is that in the last 4 to 6 weeks or so, the project has just spent an extra £11 million by an assumption being changed, the assumption being one over which you have no control.

**The Minister for Health and Social Services:**

Please continue.

**Senator S.C. Ferguson:**

I am just wondering, you are wanting to get on and do it and do it quickly because of inflation and so on.

[10:30]

Yet I understand that some of your inflation assumptions have been changed because inflation was not as much as you thought it was and therefore you thought you had saved £10 million to £13 million, which you have now gone out and spent, effectively.

**Project Director, Jersey Property Holdings:**

As we have been developing the brief, we have been clarifying what is required in the hospital and we have been testing a number of core assumptions which were in the proof of concept work, which were shared publicly last summer. In doing so, we work with our Health colleagues to clarify what the brief should consist of, what it needs to consist of in order to deal with the long-term issues that we face. As part of that brief, there have been a number of elements of cost which have arisen and we have managed those through what we call the value management framework. So those are over and above the change request 25 work, so the proof of concept work which informed the P.110 report and proposition. They are suggested as being elements of cost that are needed in the new hospital, so in other words, within the £466 million budget, we believe these are things that will make a safe, affordable, sustainable hospital in the long term. Those have been put to the project board and Ministers for consideration. They are affordable within the £466 million budget without impacting on contingency because of the changes of indices that you identified. However, indices can go up

and indices can go down, so that is why we have a value management framework, so that we can identify what we can afford at any particular time.

**Deputy J.A.N. Le Fondré:**

Can I just come in then, just to pin it down? So the initial position was that the inflation estimate had reduced, correct?

**Project Director, Jersey Property Holdings:**

Correct.

**Deputy J.A.N. Le Fondré:**

By approximately £13 million?

**Project Director, Jersey Property Holdings:**

That is based on our assumptions, there is about a £13 million move that would be prudent to assume within ...

**Deputy J.A.N. Le Fondré:**

Right, so that is a reduction.

**Project Director, Jersey Property Holdings:**

Correct.

**Deputy J.A.N. Le Fondré:**

Just to clarify then in simple terms that when that £13 million was identified and has been taken up to the project board, a use was found for that money or most of that money?

**Project Director, Jersey Property Holdings:**

No, it was not that way around.

**Deputy J.A.N. Le Fondré:**

Sorry, I do not know which way around it was, but what I mean is the ...

**Chief Officer, Department for Infrastructure:**

Can I step in here? I think there is an implication that I think is incorrect.

**Deputy J.A.N. Le Fondré:**

I think we are trying to understand controls.

**Chief Officer, Department for Infrastructure:**

Sure, right. It is very simple.

**Deputy J.A.N. Le Fondré:**

Can I just clarify something, by the way, that the advisers have noted that there is a worthwhile use of the money, but we are just trying to understand the thought process behind it from the perspective of making sure that contingency and assumptions are not eroded at this early stage too much potentially going forward.

**Chief Officer, Department for Infrastructure:**

No, and I accept that, John. One of the big challenges we faced was, and this, I think, is a pertinent example, the assumptions we were making, that we could repurpose Westaway Court and use the core of it, but looking at what added value you get out of it in terms of dealing with long-term medical conditions and what you can put into Westaway Court, the excitement of this is that if you flatten it and build new, you get a far better efficiency in operation from that. It is something which really does define what our aspiration is and gets the early people into it now.

**Deputy J.A.N. Le Fondré:**

A very quick question, sorry, slightly pointed, just from the point somebody is going to ask it, should you have not worked out that previously, because logic would say that if you knock down an old building, you get a better building?

**Chief Officer, Department for Infrastructure:**

We are at the point where we are trying to move this forward quickly in a very politicalised environment. That was one of the options. The challenge we face is not that decision to knock it down or rebuild it. The challenge is its effect on the critical path of the programme. Now, what my job is and the team's job is how do we shorten that critical path element and get this so we can take away that risk in terms of critical path? Now, the initial thing was: "Let us repurpose it and that will shorten some time." That is a very quick decision and it is a decision made in the position we are in. Looking at it, once you have got a bit more time, a bit more detail, you think: "The added value you will get from this, we will then try and mitigate that by delivering it in a different way and perhaps a quicker way, in a way which means the outcome is better."

**Deputy J.A.N. Le Fondré:**

So at present, has the critical path got shorter or longer as a result of this?

**Chief Officer, Department for Infrastructure:**

At the moment, it is on the critical path and it has got longer, but we are going to try and mitigate that. There are lots of things on the critical path. Not having the funding secured is on the critical path, as you know full well. There are many things that affect this hospital. What we need to do is make the right decisions for the right reasons.

**Senator S.C. Ferguson:**

This particular decision may have been the correct decision. What is of concern is this: when your wife goes to the sales, I am sorry, I am not being sexist, I do it myself, and comes back and says: "I have bought this. I have saved so much money" but she spent the money. We do, as the States, unfortunately have a reputation for making savings which we immediately go out and spend and it is this that I think is probably going to bother ...

**Chief Officer, Department for Infrastructure:**

I can promise you, the Department for Infrastructure I think leads in terms of making savings and sticking to it, it leads in terms of delivering things for value for money. That is what is in our D.N.A. (deoxyribonucleic acid).

**Deputy J.A.N. Le Fondré:**

Because we did go off somewhere. Would we like to run through how it was identified, but fairly swiftly, if possible?

**Project Director, Jersey Property Holdings:**

I will be as quick as I can, Chair. In change request 25, in the proof of concept work, we worked with Helen and her team to identify what types of services might best be in the Westaway as a refurbished building. During the engagement process, and we have had over 100 meetings with clinicians on that since that time, the brief was clarified and the idea of a long-term condition centre was developed. I think it is fair to say, and Helen hopefully will say something on this as well for you, that we had a greater level of understanding as to how that might work. There were a number of elements to that brief which we could not deliver in a refurbished solution, which we can go into as much detail as you wish. On balance, when we did a feasibility study to look at that and we shared that with yourselves, the board took the view that it was sensible to try and consider a new-build solution. So that is the process that we followed.

**Deputy J.A.N. Le Fondré:**

When was that taken?

**Project Director, Jersey Property Holdings:**

So just to be clear, we did not know whether we could afford that until we clarified the budget that is within the brief. It is still a recommendation. It is not a fixed ...

**Deputy J.A.N. Le Fondré:**

When was the decision taken to switch from refurbishment to new build on this?

**Project Director, Jersey Property Holdings:**

In political terms, Ministers were briefed about that in February and the board were briefed about that in January, but just to be clear, it is not a decision yet, because as you pointed out, until we sign a contract, we do not know precisely where we will be.

**Deputy J.A.N. Le Fondré:**

Next question then as well, bearing in mind what Senator Green said earlier, inflation assumptions, according to Senator Green, potentially could be going up.

**Project Director, Jersey Property Holdings:**

Correct.

**Deputy J.A.N. Le Fondré:**

So what happens if actually that inflation, I will use that word, saving reverses? Do you go back to refurbishment or do you try and find the money from somewhere else? Because your inflation allowance, if you like, is you have notionally reduced it and now it is going to go back up, but you have notionally reallocated that reduction already.

**Project Director, Jersey Property Holdings:**

Quite right, and as the Minister said, we would be able to afford less and we would use our value management framework and we would not be able to afford as much.

**Chief Officer, Department for Infrastructure:**

It would not be specifically that scheme. It may be specific for the overall scheme, because the decision in that scheme, that is the highest priority. We will manage ...

**Deputy J.A.N. Le Fondré:**

It is a component of the overall scheme, yes.

**Chief Officer, Department for Infrastructure:**

It is a component of the overall scheme.

**The Minister for Health and Social Services:**

I do just have to say we did not sit there and say: "Oh, there is some more money that we could spend. What could we spend it on?"

**Chief Officer, Department for Infrastructure:**

That is right.

**The Minister for Health and Social Services:**

Which is what you were implying ...

**Chief Officer, Department for Infrastructure:**

It is an implication.

**The Minister for Health and Social Services:**

... and what Senator Ferguson was certainly indicating.

**Senator S.C. Ferguson:**

No, it was ...

**The Minister for Health and Social Services:**

With your example of the lady's frock, shopping at the sales and so on, it was not like that at all. It was this needed to be done and fortunately it is affordable within the budget.

**Deputy J.A.N. Le Fondré:**

One bit, by the way, just to clarify on the Westaway, at the moment, if you do go from new build, am I right in saying it pushes the project back by about 3 months? Is that correct in the timing?

**Project Director, Jersey Property Holdings:**

Correct.

**Deputy J.A.N. Le Fondré:**

Correct, okay.

**Project Director, Jersey Property Holdings:**

But just to say, as John said, we have not finalised that work, so the detail of that, we may be able to mitigate it further.

**Deputy J.A.N. Le Fondré:**

You may be able to, yes.

**Project Director, Jersey Property Holdings:**

We have already mitigated it by a couple of months, for example.

**Chief Officer, Department for Infrastructure:**

Again, that looks at how we construct it, how we clear the site. There are many facets.

**Deputy J.A.N. Le Fondré:**

So when you say they have mitigated by a couple of months, does that mean you have gone from 5 down to 3 or ...

**Project Director, Jersey Property Holdings:**

5 to 3 already.

**Deputy J.A.N. Le Fondré:**

5 to 3, okay. I think you had a question, sorry, Chris.

**The Connétable of St. John:**

What measures have you put in place for oversight of the project spend within both the project delivery team and the project management board?

**Chief Officer, Department for Infrastructure:**

Again, we are looking at this moving forward. The life of this project is 8 years and in that 8-year period, there is going to be, hopefully, if we get the funding approved, a massive amount of spend, way beyond what we have ever done before. So I think our project governance, as it stands now, will have to reflect the change. At the moment we have representatives from Treasury on the project board, which their view is an overview and looking at how they can fund the project. In terms of the political leadership, there are representatives from the Minister for Treasury, from the Minister for Infrastructure and the Minister for Health and the Chief Minister. So we have got political oversight, but I think moving forward we do need to change that. That is something we are currently working on.

**Senator S.C. Ferguson:**

What control does the Treasury Department have to ensure project spend is managed and overseen correctly? Is there any there at the moment?

**Project Director, Jersey Property Holdings:**



Our financial sub-group, which looks at the business case for the project and the costs of the project, the financial model, we have a Treasury representative on that group looking at the detail now ...

**Senator S.C. Ferguson:**

What level is the Treasury representative? Is this the Assistant Treasurer or the ...

**Project Director, Jersey Property Holdings:**

The Director of Operations is her title. The Treasurer is aware of the work that goes on and receives updates every month at the project board.

**Senator S.C. Ferguson:**

But you have said that you need to sort of formalise this more.

**Project Director, Jersey Property Holdings:**

We have an existing process that any spend that we make currently, and that is real spend, in other words, not modelled contingency, which we do not have funding allocation yet, but real spend, goes through our project board. They look at every single change that we make, they review it and they either approve it or they do not. Sometimes they do not.

**Senator S.C. Ferguson:**

So at the moment ...

**Chief Officer, Department for Infrastructure:**

But the real spend is controlled under our normal process, but moving forward, this is going to be massive numbers and I think we need to review how we look at issues raised properly moving forwards, because it will probably require a dedicated resource. I think what we do know is moving this project to the next phase will require additional staff and resources dedicated to this project.

**Deputy J.A.N. Le Fondré:**

I think that was one of the pieces of work that came out as well from the Concerto stuff earlier, was it not?

**Chief Officer, Department for Infrastructure:**

Yes, to a far greater level than we currently have. We currently have Will and Bernard fulltime on this doing a fantastic job, and Mike and his team, but I think moving forwards, the game changes if the funding is approved.

**Project Director, Jersey Property Holdings:**

But we built a big project on the Island, a big capital project on the Island. We had a mechanism then with Treasury as to how contingency would be allocated in terms of process and by which that contingency was released. In fact, we did not call on that contingency during that period, apart from for the currency and the design issues that emerged, which were external to the project team's control. So we know roughly how we will do it, because we have done it before, but John is absolutely right, the precise mechanism needs to be bespoke and also needs to reflect the recommendations of the States.

**Deputy J.A.N. Le Fondré:**

Right, so 12.

**Senator S.C. Ferguson:**

Yes. When do you anticipate bringing the final budget to the States for approval?

**The Minister for Health and Social Services:**

The final business plans.

**The Minister for Infrastructure:**

The envelope is the £466 million. That is the Treasury's ...

**Senator S.C. Ferguson:**

No, budget I said, not envelope.

**The Minister for Health and Social Services:**

We are going to bring an outline business plan in July.

**Deputy J.A.N. Le Fondré:**

So that is the final approval, that is the States final involvement in that, is it not?

**The Minister for Health and Social Services:**

Yes.

**Deputy J.A.N. Le Fondré:**

July 2017.

**The Minister for Health and Social Services:**

Yes.

**Senator S.C. Ferguson:**

All the various elements will have been set then?

**The Minister for Health and Social Services:**

We will bring an outline business case in July. We would not expect it to be half an outline business case.

**Deputy J.A.N. Le Fondré:**

I think we have done that. Right, benchmarking, which I suspect is going to be your colleagues on your left, Will.

[10:45]

What benchmarking has been done against similar hospitals in the U.K. (United Kingdom) and elsewhere?

**Project Director, Jersey Property Holdings:**

We have done a number of benchmarks over the 5 years we have been working on this project with previous schemes and current schemes. In 2013 and 2014, for example, with previous people working on the project with us, the previous Treasurer asked us to do a fundamental cost challenge. We went through a number of schemes at that time looking at comparisons of costs down to what we call the Healthcare Premises Costs Guide, and therefore, as Mike described, is the U.K.'s N.H.S. method of managing budgets. It is important to note that the Healthcare Premises Costs Guides themselves are developed from benchmarks, so over the last 20 years, the U.K. has experience of building many hospitals and they fit that into the Health Premises Costs Guides, which provide benchmarked information of how costs should be built up. Over 100 hospitals will have fed into that information. So the core benchmark, if you like, of confidence that we have in terms of the information is reliant on that U.K. National Health Service benchmark to double ...

**Deputy J.A.N. Le Fondré:**

For want of a better expression, that might be like the N.H.S. standard, in effect, or the standardised cost, so if you are going to produce a ward that will have a standard as cost per number of beds and area.

**Project Director, Jersey Property Holdings:**

It is a reasonable description but it is based on real cost.

**Deputy J.A.N. Le Fondré:**

Yes, okay. No, no, no, accepting that but have you then gone out into the real world and checked against constructions?

**Project Director, Jersey Property Holdings:**

That is the real world.

**Deputy J.A.N. Le Fondré:**

Yes, okay. Have you gone off and looked at specific projects that are reliant on those standards?

**Project Director, Jersey Property Holdings:**

Yes, well just to be clear, the Health Premises Cost Guides are built from specific projects on the ground and costed actual build cost finished. We have also done some checks because the Health Premises Cost Guide information is of a certain date, so we have checked updates of that information with W.S. Atkins, who were our previous lead advisers and with Gleeds and we have used different benchmarks with each of those advisers because they are aware of different costs on different schemes. But we shared with Concerto, your advisers, examples of several benchmarks that Gleeds are using actively to monitor costs based on on-the-ground schemes now in construction. Some of them are in construction, some are in planning, some are in development. Those give us confidence that we are not very far off where we need to be in terms of the overall cost of the scheme.

**Deputy J.A.N. Le Fondré:**

Okay, just be specific then, I am looking at the Gleeds adviser and I think might be Mike best get in that place, if you do not mind. Obviously we have a copy of the report dated 6th March 2017 and I was wondering if you can possibly just talk us through that a little bit.

**Lead Technical Adviser, Gleeds:**

That was issued under confidentiality, is that ...

**Project Director, Jersey Property Holdings:**

It is issued under confidentiality, so we can only ...

**Deputy J.A.N. Le Fondré:**

You can talk in generic terms about the benchmarks. I am not looking at the specific costs within the whole project, it is just how they all relate to what we are doing.

**Lead Technical Adviser, Gleeds:**

Gleeds is one of the few organisations that we have a separate R. and D. (Research and Development) Department who are across our business, gather cost data and for all the projects we are working on. We looked at them to produce our benchmarks. They look to a series of projects that are at the right level of completion, so they are either on site or they have been finished or we have a contractor appointed, so we have firm costs on them that are of the appropriate scale of any given project that we ask them to benchmark against. They give us a current version of the best projects for your project to compare it to and they break that down in terms of a greater level of detail, so it is not just a benchmark of the total project cost, it is a benchmark of each of their aspects of the project cost. We will call that sort of like the substructure, the building envelope, the interior finishes, so that is broken down into those aspects so that we can also make sure that there is not a really big difference because some projects, for example, the substructures were expensive because of ground conditions, so they can give us a reasonable analysis across that. That is the report that we forwarded to Concerto to give evidence that, as well as using the Health Premises Cost Guide, we have shown that current data would give us a reasonable level of comfort, that our cost predictions are reasonable at this point of the project.

**Deputy J.A.N. Le Fondré:**

Okay. I do accept that only when you get your contract in place you will then know what your bill costs are but we are working on assumptions at the moment.

**Lead Technical Adviser, Gleeds:**

It is very commonplace for people to quote figures, so people to say: "Well, I spoke to someone and they said that their hospital cost £3,000 a metre squared" and that appears a lot. The danger of that is that it may well have cost £3,000 a metre squared but it may have been built 15 years ago and it may be a very different type of hospital or they may not have accounted for all the things. We have a tendency of quoting construction costs or construction costs including fees or construction costs including fees and V.A.T. (Value Added Tax). Where is your benchmark? We use a standard benchmark that includes all the construction costs and that is also qualified by where it is constructed, so rather than comparing a project that we might build in Scotland with a project that we may build in Jersey, we use the B.C.I.S. (Building Cost Information Service), so the cost indices standard location factors to normalise that, so it is a fair comparison. Because if you ring someone up and say: "You build your hospital, it is a different number" they will have a very different set of currency indications, labour costs, all those kind of things, so you have to create a normalising of the benchmark.

**Deputy J.A.N. Le Fondré:**

Just to clarify that the figures ...

**Project Director, Jersey Property Holdings:**

Before we do, can I just make the point that we do not really want the cost per unit to come out in the conversation?

**Deputy J.A.N. Le Fondré:**

I am not going to mention the cost unit, that is okay.

**Project Director, Jersey Property Holdings:**

For obvious reasons but ...

**Deputy J.A.N. Le Fondré:**

Okay. No, I am not going to mention the cost unit.

**Project Director, Jersey Property Holdings:**

Just for my colleague.

**Deputy J.A.N. Le Fondré:**

That is okay. Okay, thank you. Just to confirm that the report that we have received is on a comparable basis. If we are looking at a project A versus a project B, if you like, being normalised and if one is higher than the other, we can ask the question, why is one higher than the other and it is legitimate? It is not because it is built in a different area; you have taken that into account already.

**Lead Technical Adviser, Gleeds:**

It would be normalised for the areas and they are reasonable comparison projects.

**Deputy J.A.N. Le Fondré:**

Okay. Right, now just to clarify, I hope this does not breach what we have been talking about, so I am not talking about numbers, it is the principle, at this stage it seemed that the Jersey project was at the higher end of the benchmarking side of things, rather than the medium end or whatever. How would you like to comment on that or is it just because we are at this stage of the project?

**Project Director, Jersey Property Holdings:**

I will start this off, if you like. I think no 2 schemes, unless you are building exactly the same scheme in exactly the same place it would never be the same. What is unique about the Jersey project, one of the factors is it is quite a constrained site and it is in marine environment, it is a tall building and those are some of the factors that we believe are targeting some of those issues.

**Chief Officer, Department for Infrastructure:**

It is a general hospital, a small general hospital, which has a lot of facilities.

**Project Director, Jersey Property Holdings:**

It is a general hospital and I have guys who know better than me but it is quite a complicated general hospital, compared to some of the hospitals that you would find in the U.K. They tend to form now into district hospitals and then tertiary centres of specialism. As a hospital goes, it is quite a complicated hospital.

**Deputy J.A.N. Le Fondré:**

Just to turn it around then and then we can move on.

**The Minister for Health and Social Services:**

Can I pick up on that, Chairman? But you do not have to support another hospital 20 miles down the road, first of all.

**Hospital Managing Director:**

Yes, it is more than your average district general hospital that you find in the U.K.

**Deputy J.A.N. Le Fondré:**

Okay, so just to turn it round, on the basis of the work that you have done, why do you think the figures for the base course of the project are reasonable, simply?

**Lead Technical Adviser, Gleeds:**

We use the Health Premises Cost Guide as our base benchmark, so that is the advice across the whole of the H.S. (Health Service) in the U.K. We also use that further afield because it has got a great deal of base information fed into it. By calculating on the H.P.C.G.s (High Performance Conjugate Gradients) you get a very, very good analysis of what your hospital is going to cost today. We use external benchmarks that are live to ensure that we are comfortable that those 2 figures make sense when you compare them. As with all projects, there will be projects that are different and so their comparative costs will be different. As we get more detail, then we will be able to compare those individual components with a greater level of accuracy. Where do you want to be on the benchmark scale? You do not want to be at the bottom and you do not want to be at the top. By using those 2 figures or by using the Health Premises Cost Guides, by giving indications of large projects or recent projects, you really want to be in the middle, somewhere in the middle at this stage because it is quite an early stage of the project. We have a lot of design work to do. We have to engage a contractor. There is a year or so to go before we sign the contract, that someone is going to give us a firm price to deliver the hospital; a lot of things can happen.

**Deputy J.A.N. Le Fondré:**

Yes, good, okay. Thank you very much. Right, Chris.

**The Connétable of St. John:**

That sort of moves us on to the project programme and, as you say, time is money. What is the current timescale for delivering the project?

**Project Director, Jersey Property Holdings:**

Okay, our delivering terms and I will go through the R.I.B.A. (Royal Institute of British Architects) stages because that is how we think about it. We have completed our R.I.B.A. 1 brief in terms of the work that Gleeds are doing, that is now being assessed. Mike indicated that the R.I.B.A. 2 work, which is the concept design, will be completed by September. We have looked to complete the technical design R.I.B.A. 3, even by the end of the year, in early January, that sort of timescale. Then we work with the contracting partner, supply chain partner and to identify the packages of work that is R.I.B.A. 4, network design. Then after that we provide this construction and we would hope to do that from 2019 onwards. As the Minister explained, sort of 4 to 5-construction year period and then you have quite a lot of time for commissioning, so that is 3 to the 8 years. We have looked at the commissioning and optimising the building for 2 years after the construction is completed.

**The Connétable of St. John:**

Okay, thank you. I think the critical part of the timescale is the next 12 months, am I right in saying that?

**Project Director, Jersey Property Holdings:**

Yes.

**The Connétable of St. John:**

What are the sort of milestones within the next 12 months?

**Project Director, Jersey Property Holdings:**

Okay, so apart from those R.I.B.A. 1, 2, 3 and the milestones that we have talked about, we will be doing our project execution plan, which sets out how all of the project will be managed in detail and it is the detail that John was describing for you. We will have our outline procurement strategy decided in the next month and it is our detailed procurement strategy in the next month. We will have our outline planning application completed in May this year. We will have our outline business case in final and completed form to inform and you will have the investment decision obviously in July. Then we have any matters that will arise out of the planning application finalised in our outlined business case ready to go out to the contractor with engagement in November. We will have our



contractor procurement running across the summer and then starting to engage with them subject to when we get funding and investment support from the States, of course, from September onwards. We would look to work with the contractor on procurement packages next year, as we have mentioned. We will clear the site after acquiring the site by the last quarter of 2018, with a view to beginning demolitions in that period, if we can.

**Deputy J.A.N. Le Fondré:**

Acquire the site, that is on the main site; that is including the compulsory purchases, if you need to do or anything on that right.

**Project Director, Jersey Property Holdings:**

Absolutely, yes.

**Deputy J.A.N. Le Fondré:**

Just to clarify, just while Chris is reflecting, you made some reference to getting the investment decision in July, is that the funding, is that the bond?

[11:00]

**Project Director, Jersey Property Holdings:**

With the requirement that the States set under P.82/2012 was to come back to the States, we have designs for new hospital services on a new or current site, including all financial and man-power implications and that is what we are intending to do and, effectively, that will confirm that we can achieve ...

**Deputy J.A.N. Le Fondré:**

That is your investment decision, so that is the decision by the States in July. Right, okay.

**Project Director, Jersey Property Holdings:**

Correct, because that is the way that the States asked us to respond we are sticking with that.

**The Connétable of St. John:**

Just briefly coming back to planning, is this going to be one planning application or is it going to be a series of planning applications? I am thinking of Westaway in particular.

**Project Director, Jersey Property Holdings:**

Yes, you are absolutely right and we have an outlined planning application and then a detailed planning application for the main hospital building. We have a number of applications in the

relocation works and Westaway is the largest of those planning applications, so that will be a separate planning application process. We also have a couple of small planning applications to deal with the relocation of works on the site and indeed possibly one off site for catering use.

**The Connétable of St. John:**

Yes. How much engagement is there with the planning officers at this stage because that is a significant risk of delays? We have just seen Les Quennevais School turned down.

**Project Director, Jersey Property Holdings:**

Yes, absolutely ...

**The Connétable of St. John:**

So, 6 months could be a very costly 6 months.

**Project Director, Jersey Property Holdings:**

Yes. We have had a very good engagement and positive engagement with the Planning Authority so far. We met with them many times largely over the project but on this specific scheme we met last October formally but we have also had some informal meetings. We have also met with them in January and we met with them last month. We met with them with the Architecture Commission in November and indeed a couple of weeks ago with the Architecture Commission as well. We are planning another meeting in the next 10 days, so there is a lot of engagement.

**The Connétable of St. John:**

Right. Are you able to give us a timescale as to when the construction of Westaway might start?

**Project Director, Jersey Property Holdings:**

Yes, I mean we are in R.I.B.A. 2 design phase for Westaway at the moment. We obviously do not have funding allocated to do that yet in terms of the construction but we are procuring the detailed design of that planning application to go in, hopefully, in advance of the investment decision, with a view to being able to start with a contractor as soon as the investment decision comes forward. It is a tight timescale but we are working very fast.

**The Connétable of St. John:**

Right. Just to sort of clear a point, have you encountered any delays to date?

**Project Director, Jersey Property Holdings:**

Yes, all sorts but we have also mitigated most of those in different ways and I can perhaps give a lot of detail on that or Mike can, if you want to.

**The Connétable of St. John:**

No, you have been able to manage them, put it that way.

**Project Director, Jersey Property Holdings:**

Yes, I mean there is always challenges on a big project of this sort.

**Chief Officer, Department for Infrastructure:**

Just going back to planning, we have learnt lessons from the planning inspector process because it is the first time for us; we have been through that kind of thing and hoping to apply those lessons to this project, so we do not have a similar issue with delays.

**The Connétable of St. John:**

Good, good. I think that really covers that. This may be more for the Ministers than for the officers but we have elections in May 2018, do you envisage that this will, in any way, impact on the project?

**The Minister for Infrastructure:**

I would hope not. You will have a different group of politicians after May 2018 than you currently have because some politicians are retiring and some politicians may or may not get re-elected. Some politicians may change their current roles. One would hope that those that are in the Chamber after the next general election will seriously take on board that this is the most important capital project the Island has ever faced and will have an impact on many generations to come.

**The Connétable of St. John:**

Perhaps a similar question is, at what point ... because from what I am picking up when we bring the Business Plan in July of this year, that really is more or less the end of political involvement anyway ...

**The Minister for Infrastructure:**

One would hope so, that that would be the case, Constable. Yes, this is an opportunity for the whole of the Assembly for this to be their most important decision in their term of office because it does not just affect common Islanders, it affects future Islanders and, in my opinion, the most important public asset that we have.

**The Connétable of St. John:**

Right, okay. I think your turn, good.

**Senator S.C. Ferguson:**

Right, carrying on to useful things like parking and transport, what work have you done to assess the suitability of Patriotic Street car park to be extended?

**Chief Officer, Department for Infrastructure:**

Yes, just quickly, we have had a scheme for many years to extend Patriotic Street upwards and the structural analysis was done on that from, I think, about 15 years ago. There is, from the original design, the ability to extend it upwards has always been there. In terms of whether that is needed and the development of that and the traffic impact assessment and stuff, we have been working with my hat on as the sort of Transport Department, we have been working closely with a consultant that Will has appointed who have been looking at how the traffic is going to be affected by the project and how we can improve some of the things in these areas. Will, would you like to expand on that?

**Project Director, Jersey Property Holdings:**

No, it is a good answer.

**Senator S.C. Ferguson:**

Yes, where are you going to get the money from?

**Chief Officer, Department for Infrastructure:**

You have probably noticed we have done internal refurbishment on lots of other car parks and we are just about to finish Minden Place. We have done Green Street and Sand Street and Pier Road was the first one, so we have budgets allocated for that. We have not done Patriotic Street. We have held off because we did not want to be double doing it and we wanted it as an opportunity for the hospital team to take charge of the design and the concept and what configuration they want in the car park and ...

**Senator S.C. Ferguson:**

It is coming out of your normal budget.

**Chief Officer, Department for Infrastructure:**

There are some elements of our normal budget.

**The Minister for Infrastructure:**

An element but which is part of the retail budget and there will be an element that currently is unfunded but from my own personal view I would like it to be considered as part of the 466.

**Senator S.C. Ferguson:**

Sorry, part of ...

**The Minister for Infrastructure:**

466.

**Deputy J.A.N. Le Fondré:**

Which element is that?

**The Minister for Infrastructure:**

The extension of the car park, effectively, the additional status that we have been provided.

**Senator S.C. Ferguson:**

You are hoping that it is going to be part of the contingency.

**The Minister for Infrastructure:**

I am hoping that will be part of the project.

**Senator S.C. Ferguson:**

The contingency?

**The Minister for Infrastructure:**

Just the project.

**Senator S.C. Ferguson:**

Because does not the project ...

**Project Director, Jersey Property Holdings:**

I was going to try and help clarify hopefully. The transport assessment was necessary to decide whether the 2 floors were needed. We believe that they will be needed in order to address the ageing population but also the demand that is going to be placed on the hospital but also how the hospital can best work and most certainly that is the case. We have further work to do but that is also in the plan. As a result of that, it is likely that the future hospital project needs to fund its part of that work.

**Deputy J.A.N. Le Fondré:**

So, effectively, the 2 floors.

**Project Director, Jersey Property Holdings:**

Yes. Now we have not worked through it yet so as to what that cost is. It would be premature to say whether it can be afforded or recommend the project ...

**Deputy J.A.N. Le Fondré:**

Just to clarify, certainly or is this just a demonstration of how things are still evolving? Certainly, in previous representations the funding of those extra floors was not going to be out of the budget, it was going to be out of the Car Park Trading Fund, that is what my understanding was.

**Chief Officer, Department for Infrastructure:**

There are some of the modifications to the car park, we have allocated monies to spend on the car park.

**Deputy J.A.N. Le Fondré:**

Yes.

**Chief Officer, Department for Infrastructure:**

In terms of putting the floors on, it gets into iteration really on who pays for the car park in long term. There is a revenue input back to the Car Park Trading Fund, potentially the Car Park Trading Fund could fund it. We need to get beyond this phase of it to know what the needs are and then we can look at the solutions.

**Deputy J.A.N. Le Fondré:**

Just to clarify that as well, previously we are looking at ball park of £3 million or £6 million, I think, is that correct?

**The Minister for Infrastructure:**

We know what to put the extra floor on Green Street will cost.

**Chief Officer, Department for Infrastructure:**

Yes, but just on Green Street and upscale that ...

**The Minister for Infrastructure:**

Upscale that it would be £3 million to £4 million if you use that as your indicator.

**Deputy J.A.N. Le Fondré:**

Yes.

**Senator S.C. Ferguson:**

Presumably, you do need to do some structural work to make sure that the foundations, which were put down in, God knows when, are sufficiently strong to carry it.

**Chief Officer, Department for Infrastructure:**

Yes. We do not have that assessment done, so we know you can do this and I think there will be a structural element to the work.

**Deputy J.A.N. Le Fondré:**

Did you say you have got that assessment done or you have not?

**Chief Officer, Department for Infrastructure:**

That assessment has been done, yes.

**Project Director, Jersey Property Holdings:**

Yes, there is an ARUP of structural assessment report in which that ...

**Senator S.C. Ferguson:**

That is a recent one.

**Project Director, Jersey Property Holdings:**

There is a historic one which allows 2 floors to be put.

**Senator S.C. Ferguson:**

Yes, that was 1994 though, was it not?

**Project Director, Jersey Property Holdings:**

I do not know the precise date.

**Chief Officer, Department for Infrastructure:**

Yes, something of that order, yes.

**Senator S.C. Ferguson:**

Which is perhaps having an up-to-date one done.

**Project Director, Jersey Property Holdings:**

We have had our structural engineers look at the hospital and review that record. We have not done a detailed structural survey of that car park because it is too early in the process to do that; that is part of our next phase.

**Chief Officer, Department for Infrastructure:**

But we will do that work.

**Project Director, Jersey Property Holdings:**

We will be doing it.

**Senator S.C. Ferguson:**

Right, you will be doing it, right.

**Chief Officer, Department for Infrastructure:**

We do do regular surveys of the structural effect of car parks anyway as part of our principal inspection. We know that there is not that level of degradation but we will check that before we ...

**Project Director, Jersey Property Holdings:**

Just to be clear, Arups are subcontractors that lead on those projects, so they wrote the original reports ...

**Senator S.C. Ferguson:**

I have friends who work at Arups, it is all right.

**Project Director, Jersey Property Holdings:**

Okay.

**Senator S.C. Ferguson:**

How many extra spaces are you going to provide?

**Project Director, Jersey Property Holdings:**

That is to be confirmed and ...

**Deputy J.A.N. Le Fondré:**

Approximately?

**Project Director, Jersey Property Holdings:**

Well, 2 floors, I would not want to guess that, to be honest, but we had a presentation on it yesterday, I think it is 60 a floor ...

**Chief Officer, Department for Infrastructure:**



It is 60 a floor because it is a sort of half deck.

**Deputy J.A.N. Le Fondré:**

It is about 120 then, is it?

**Project Director, Jersey Property Holdings:**

But, to be honest, we have to take all sorts of things into account, so we are having to consider electric vehicles in the future, we are having to consider more space in the car park because of the reconfiguration that we have. Motorbike parking which we had to re-provide in a greater proportion, so I would not want to hold that ...

**Deputy J.A.N. Le Fondré:**

Okay.

**Senator S.C. Ferguson:**

Right. First of all, what about permanent staff parking arrangements? I am hearing stories about nurses having to come in at 8.00 in the morning to park for the 12 o'clock shift.

**Chief Officer, Department for Infrastructure:**

I know there are pressures at the moment.

**Senator S.C. Ferguson:**

There are terrific pressures, so what is ...

**Chief Officer, Department for Infrastructure:**

Yes, I think it seems to be the drift of people ...

**The Minister for Infrastructure:**

Those existing pressures we are looking at mitigating. Measures that we can take we will hold meetings with Deputy Le Fondré and the staff based and we are looking at mitigating measures that we can use. We do have service capacity in our car park division, the public division of car parks in St. Helier to the tune of 400 spaces a day, so we are working with colleagues to see if we can find a solution to the difficulties that the shift pattern means for those members of staff.

**Senator S.C. Ferguson:**

But it is quite a long run from Pier Road down to the hospital.

**The Minister for Infrastructure:**

It is, Senator, which is why we are working with our colleagues at Health to see if there are ways we can mitigate that, as they have a fleet of vehicles that they can access to provide transport for staff at key times so that we can get staff to the hospital for their shifts ...

**Chief Officer, Department for Infrastructure:**

Just to conclude, the car parking around this area has been put under more pressure with the sort of drift of the finance industry cell. We are aware of that. We are dealing with it and I think once the assessments in terms of transport needs have been finished, I think the work on the car park is probably at the front end of this process. The sooner and earlier we do that I think the more comfort that will give for the existing hospital staff and for the future.

**Senator S.C. Ferguson:**

The linking of the car park to the hospital, the car park floors are like that and the hospital floors are like that, is that not going to make problems for the linking?

**Chief Officer, Department for Infrastructure:**

That is why we have good architects, I think, yes. What it may mean is we do odd floors, is where you park for that bridge and one of the reasons we have a conflict with the internal of the car park because we want to make sure that it fits as well as possible into how the hospital operates. You are absolutely right, a hospital floor is of a very different scale to the car park floor.

**The Minister for Infrastructure:**

One of the benefits of the layout is that the hospital will be back to the northern end of Patriotic Street car park.

[11:15]

The car park is done in ... they are not an even deck across the car park, they are effectively half decks. There is lots of opportunity to make sure that the alignment is as close as possible to make the solution one that is practical but also one that works in the long term.

**The Minister for Health and Social Services:**

Other places have done it, so it would not put out too big a challenged for us to ...

**Chief Officer, Department for Infrastructure:**

To use one of your phrases then, it is not rocket science.

**The Connétable of St. John:**

Right. Just a revenue expense I am thinking of, at the present moment the Gwyneth Huelin end of the hospital is closed in the evenings because the northern end is open, the Parade entrance is open, and that is basically down to staffing, as I understand it, you cannot staff both entrances. If you are going to be having even more entrances in the new hospital, how is that going to affect the cost of running it?

**The Minister for Health and Social Services:**

I will hand over to Helen because I do not think you are strictly correct, now the Gwyneth Huelin is open until visiting time.

**Hospital Managing Director:**

It is, we have opened it until after visiting time to help people get to the car park and it is not really so much to do with staffing, it is that that end of the hospital is not functioning because it is outpatients, so, ideally, you would close that area down. The new hospital, we are very conscious of how many entrances it is going to have because security of personnel access is important in a hospital. We are going to be able to hopefully have a design where you have a central entrance and reduce the number of entrances. You will obviously have the E.D. (Emergency Department) and then you will have one main entrance and that might even incorporate the maternity entrance as well, which is obviously something that has to be there 24/7. We are very conscious that that will, hopefully, have a much better solution than the one we have today.

**Senator S.C. Ferguson:**

What about the cost associated with diverting traffic due to the building works and the new road infrastructure? Have you got anywhere with that yet?

**The Minister for Infrastructure:**

Senator, what do you mean by costs, do you mean the economic impact or do you mean the actual physical cost of us realigning ...

**Deputy J.A.N. Le Fondré:**

Monetary impact.

**Senator S.C. Ferguson:**

Yes, money, yes.

**Deputy J.A.N. Le Fondré:**

Monetary and that is including new roads infrastructure and things like that, what is roughly the allocation?

**Project Director, Jersey Property Holdings:**

That is about £2 million to £3 million of the enabling works, which includes road improvements.

**Senator S.C. Ferguson:**

That is out of contingencies or ...

**Project Director, Jersey Property Holdings:**

No, base budgets.

**Senator S.C. Ferguson:**

Base budget, right.

**Project Director, Jersey Property Holdings:**

Yes, we call it non-works, of course.

**The Connétable of St. John:**

This leads on to acquisition of neighbouring properties, at what stages are you in relation to acquiring your neighbouring properties?

**The Minister for Infrastructure:**

I recently signed a ministerial decision to give my officers the power to negotiate with the landowners.

**The Connétable of St. John:**

Right. Have you any idea of a timescale of the negotiations? Too early.

**The Minister for Infrastructure:**

It is too early but obviously those negotiations are funding dependent. But as soon as we have clarification of the funding we will be pursuing those more vigorously because we will have certainty but, again, it depends on the States decision in July.

**The Connétable of St. John:**

Do you expect to have to use compulsory purchase?

**The Minister for Infrastructure:**

We would like to not use it, if that was at all possible and we will be doing everything we can to avoid compulsory purchase. But if that is a last resort, that is the route that we will have to take.

**The Connétable of St. John:**

Okay, thank you.

**Deputy J.A.N. Le Fondré:**

May I just ask, if it is compulsory purchase is required, that is a separate States debate, is it not?

**The Minister for Infrastructure:**

I believe so, yes. But, as I said, we will do everything in our powers to avoid that and ...

**Deputy J.A.N. Le Fondré:**

The query is then ...

**The Minister for Infrastructure:**

Can I finish, Deputy? I am not a fan of compulsory purchase and, therefore, we will be doing everything we can to avoid it.

**Deputy J.A.N. Le Fondré:**

Okay, but if it was necessary ...

**The Minister for Infrastructure:**

If it is necessary, it is necessary, yes.

**Deputy J.A.N. Le Fondré:**

I was going to ask, would it potentially cause any further delays to the project?

**The Minister for Infrastructure:**

No, the compulsory purchase process is very, very quick. You acquire the land very, very quickly. The cost of that is always up for debate and challenge but you get occupancy of the land very, very swiftly.

**Deputy J.A.N. Le Fondré:**

That is under the assumption, of course, that the States approve it.

**The Minister for Infrastructure:**

Yes.

**Deputy J.A.N. Le Fondré:**

Okay. Right, I think we can move on. We are happy with that. Right, okay. Generally, on to ... I was going to say health strategy, will the hospital require any changes to a strategy on medical conditions that are treated locally, compared to sending patients to England?

**Hospital Managing Director:**

The simple answer, no.

**Deputy J.A.N. Le Fondré:**

Okay. Essentially, what you are doing now you will carry on doing.

**Hospital Managing Director:**

Our strategy says we will try and do on Island as much as we possibly can that is safe and cost-effective to do so. If anything, we are going to bring more things on Island and that will depend on the staff we employ in the future, how technology changes and so we want the hospital to be flexible enough to absorb new work in the future. But at the moment everything that we are currently doing I expect to still be doing.

**Deputy J.A.N. Le Fondré:**

If you bring more work on Island, what are the cost implications?

**The Minister for Health and Social Services:**

I think it is to keep more work on Island, rather than ...

**Hospital Managing Director:**

Or repatriate if possible but I mean there will always be things we will never do, yes.

**Deputy J.A.N. Le Fondré:**

On the assumption of bringing more staff in and what are the cost implications on that?

**Hospital Managing Director:**

What do you mean?

**Deputy J.A.N. Le Fondré:**

What are the potential cost implications?

**Hospital Managing Director:**

Obviously it will depend on what it is and whether it is outpatients and it is just about the skill of a doctor or a particular professional, then very little because we will be employing that person out of our normal establishment. If it is to bring some theatre work back in, then there might be some equipment costs but we have a recurring equipment budget anyway as part of the hospital. We know that we are going to put in some expansion of space for things like theatres and beds, so we should be able to absorb it.

**Deputy J.A.N. Le Fondré:**

Has any work been carried out as to possible partnerships with Guernsey for sharing medical services?

**Hospital Managing Director:**

I met with Guernsey only the other week and spoke to their new Medical Director. We have discussed what could be feasible. It is a lot easier to move staff than it is patients. We have already started work with our ophthalmologists and our urologists at doing just that. We are starting to cross over with a couple of specialisms. It is not as straightforward as just saying that you can have one service over there and one service over here because of our emergency requirements on both islands.

**Deputy J.A.N. Le Fondré:**

Okay. At the moment will the new hospital require more or fewer medical staff in the current design?

**Hospital Managing Director:**

The design will not impact on the medical staff, the ageing population and the anticipated need for greater healthcare will.

**Deputy J.A.N. Le Fondré:**

That will mean more medical staff.

**Hospital Managing Director:**

Yes.

**Deputy J.A.N. Le Fondré:**

Okay. Will the new hospital require more or fewer staff, that is in total, not just medical, than the current design?

**Hospital Managing Director:**

Again, for the same reasons, the growing population and demand will require more. If we are opening more beds then obviously we will need more staff to open those beds. But those beds are there to future-proof, they are there to be opened as and when we needed them.

**Deputy J.A.N. Le Fondré:**

In terms of the administration, for the sake of argument, cleaning, reception, those type of people, is that more or less?

**Hospital Managing Director:**

I think the new hospital is even more efficient in lots of those ways. It is going to be easier to clean, easier to heat. We are going to have electronic records. I mean there is some savings in some staff areas.

**Deputy J.A.N. Le Fondré:**

Okay, so in those areas they should be capable of having some let up.

**Hospital Managing Director:**

Yes.

**Deputy J.A.N. Le Fondré:**

Great. Just yes for the mike, Will.

**Project Director, Jersey Property Holdings:**

Yes. There are different costs, so you have to cool the hospital in a way that we have not had to cool the previous hospital, for example.

**Deputy J.A.N. Le Fondré:**

I think leading to that, what lifetime costs have been identified for equipping and maintaining the hospital for on completion?

**Project Director, Jersey Property Holdings:**

Okay, so we have a life cycle cost assumption that has been developed with these, this is a revenue cost, to be clear, and not associated with our capital cost. That is built up from operating hospitals that Gleeds have worked on and are aware of the costs of. Again, we shared that information with Concerto and they understand how our generic again and our model includes that as a line.

**Deputy J.A.N. Le Fondré:**

Yes. Can you put a number on it?



**Project Director, Jersey Property Holdings:**

No, I could look it up.

**Deputy J.A.N. Le Fondré:**

Yes, please, okay. I was looking to ...

**Project Director, Jersey Property Holdings:**

It varies every year, it fluctuates. The cost varies between just over £1 million, I think, to just over £6 million, depending on whether you have cyclical replacement with key equipment. I could go through all the numbers ...

**Deputy J.A.N. Le Fondré:**

No, a ball park, so £1 million to £6 million for maintenance, that is the replacement of equipment and for maintaining the fabric of the building, correct?

**Project Director, Jersey Property Holdings:**

Yes, and the life cycle maintenance will be and replacement of it.

**Deputy J.A.N. Le Fondré:**

Okay. Also, what are the current total running costs of the hospital?

**Project Director, Jersey Property Holdings:**

It is £130-plus million.

**Hospital Managing Director:**

My budget it is £126 million, okay, but that includes everything.

**Deputy J.A.N. Le Fondré:**

Okay, right. What are the predicted, say, for the running costs of the new hospital?

**Hospital Managing Director:**

Which are still being finalised.

**Project Director, Jersey Property Holdings:**

We are doing that work now. We did an initial estimate which we shared with a previous panel.

**Deputy J.A.N. Le Fondré:**

I was trying to remember the number, unfortunately, I could not.

**Project Director, Jersey Property Holdings:**

Over time obviously inflationary impact has a major impact on it as well but it depends on what you are looking at as well.

**Deputy J.A.N. Le Fondré:**

But relative to say it is £126 million now, in current terms, what is it? Is it £100 million, is it £150 million or is somewhere in the middle?

**Project Director, Jersey Property Holdings:**

I would not want to guess that number if it is ...

**Deputy J.A.N. Le Fondré:**

Okay. Could you forward that and send us that in a letter?

**Project Director, Jersey Property Holdings:**

Yes, we can give you the previous assumptions, that modelling, Ernst & Young are currently updating our modelling, what we call capacity modelling, so that would be the best information we have but that is not complete yet. That piece of work is in play now and we are completing it ...

**Deputy J.A.N. Le Fondré:**

Right, whenever, if you can send us something more current shortly.

**Project Director, Jersey Property Holdings:**

Yes.

**Deputy J.A.N. Le Fondré:**

Good. Sarah.

**Senator S.C. Ferguson:**

Yes. Obviously these are just practical things but what consideration have you made regarding the impact on patient health at the construction site next door to a working hospital?

**Project Director, Jersey Property Holdings:**

Mike will talk about it in more detail for you. For example, we have looked at all of the interfaces along where the construction line is and identified where we are, either moving people away from that building line, for example, the Pathology Department has some very sensitive equipment that

we are relocating that equipment as part of the development. We have some reinforcement works and refurbishing works, part of our backlog maintenance, to ensure that, for example, where very poor quality windows exist in the pathology and pharmacy blocks, those are being replaced so that they are appropriate people have ventilation and other things that they need in order to work in that environment. We have a number of studies under way in relation to the best practice for construction on our particular site in form of our work that is being done by Arups again, internationally where they have built many hospitals in that sort of location and many urban hospitals have to be built in that way. As an example, we have presentations by medical staff, Helen's Medical Staff Committee, with some colleagues of Mike's from Wales coming over on a hospital where a very similar development occurred with the pathology, Emergency Department and other departments being built very close to a building, closer than we are considering.

**Senator S.C. Ferguson:**

On sand?

**Project Director, Jersey Property Holdings:**

Exactly.

**Senator S.C. Ferguson:**

Because I think it is mainly sand around there, is it not?

**Project Director, Jersey Property Holdings:**

It is sand, yes, so there is some sand. We have done a detailed geotechnical study with Arups, which they can show you.

**Senator S.C. Ferguson:**

Yes, but presumably if it is sand you are going to have quite a lot of pile-driving.

**Project Director, Jersey Property Holdings:**

You will have piling, yes, and there are ways to mitigate the noise from piling as well as part of that ...

**Senator S.C. Ferguson:**

I have not come across it yet.

**Project Director, Jersey Property Holdings:**

There are a number of different methods to do that and Mike could explain it, if you want.

**Senator S.C. Ferguson:**

I can probably talk to you afterwards. Sorry, I am a bit of an expert on this at the moment.

**Lead Technical Adviser, Gleeds:**

I think if I could just add to that, there are specific impacts that impact the people, both the patients, the staff, visitors and those around. Realistically, that is noise, dust, vibration and you can do physical things to reduce those, so you can do active things. You can do auger board pilings, they are driven pilings that significantly produces the vibration and the noise. You can fill the pile holes, you drill it with water, which significantly reduces the vibration. Those are active measures.

**Senator S.C. Ferguson:**

That is not very good with sand though, is it?

**Lead Technical Adviser, Gleeds:**

It is not but it can be done. You can put sheet piling in in the same way and it does the same thing. You can do active things to reduce the actual creation of noise. When you are demolishing a building you can use concrete crushing, rather than percussive demolition, which significantly reduces the noise and the dust from the activity. The first thing you do is those active measures. You then move on to protection or passive measures, so you put in place acoustic scaffolding cladding, for example, on the edge that adjoins the hospital and the surrounding properties, which reduces the noise passing out, once ...

**Senator S.C. Ferguson:**

These you found very effective.

[11:30]

**Lead Technical Adviser, Gleeds:**

Yes, and internally, there are quite modern methods of using plastic sheeting that has an edge quilt to it that prevents the dust from passing through, so it is not just a piece of plastic stuck over a door. It has a quilting corner that forces itself into the gap. Those are very effective methods. You do those passive things to reduce the impacts that you could not prevent. The last thing you do is you have stakeholder engagements and you relate to your neighbours, both people visiting the clinicians and you make sure, for example, that the vehicles leaving site are not crossing over a place where you are expecting people to arrive at hospital. You make those local changes and you make sure that if you are dealing with noisy activities, you have made your neighbours aware of those things and your clinicians and your patients. People get much more comfortable when they are aware of something and they know it is only going to last for an hour or 2 hours, not going to go on all day.

As Will said, we have very recent experience of this work and we are bringing out my opposite number in the north-western region, the lead clinician he is working on with and the operational director that he is working with. It is a hospital in Glan Clwyd, where they are doing that and have been doing that over the past few months, building a new theatre block right next to their existing theatre block, building an extension to their Emergency Department right next to their pathology lab. They are deploying those tactics to make the hospital safe during that construction.

**Project Director, Jersey Property Holdings:**

There is actual research on that, which is being published, so that is a good example of best practice.

**Lead Technical Adviser, Gleeds:**

But it is not uncommon.

**Deputy J.A.N. Le Fondré:**

No. But just to ask the question, if you are in one of the wards facing the demolition side of things and somebody has been in there for a number of days was now a number of weeks, are you telling me they are not going to get hear anything or they are going to have a high-pitched whine the whole day or is it going to be pretty noisy for the first week?

**The Minister for Health and Social Services:**

The majority of patients in the board block will be further away from this development than they were from Spectrum when that was developed.

**Deputy J.A.N. Le Fondré:**

No, well I am just asking the question because it is directly opposite and there is nothing between them.

**Project Director, Jersey Property Holdings:**

You will not not hear anything. You will hear the construction but it is whether it is a nuisance, whether it is unacceptable ...

**Deputy J.A.N. Le Fondré:**

If it becomes a nuisance, what do you do?

**Project Director, Jersey Property Holdings:**

You cannot cause a nuisance, you are not allowed to.

**Deputy J.A.N. Le Fondré:**

Yes, well there is a legal nuisance and then there is the thing that just irritates a lot of patients.

**Lead Technical Adviser, Gleeds:**

Correct. The target will be to get those ambient noise levels for the construction site close to the rest of the ambient noise levels that exist in St. Helier and that is very achievable.

**Hospital Managing Director:**

Just to add to that, we have done lots of work at the hospital quite recently, much closer to patients; the I.T.U. (Intensive Therapy Unit) upgrade, the new theatres that are outside - the temporary theatres and we managed that. You do not do things out of hours, at night when people are trying to sleep. We have managed it without complaints.

**The Connétable of St. John:**

Given that we have an increasing population on one side and an ageing population on the other side, what is the maximum population that the new hospital will be able to cater for?

**The Minister for Health and Social Services:**

The maximum population is not the right question, it is the makeup of the population that is the right question.

**The Connétable of St. John:**

That is why I said the ageing, as well as the increasing.

**Hospital Managing Director:**

We have done lots of modelling and we are still continuing to do that modelling and also doing scenario planning. The hospital that we want to see built will have the future-proofing to take it up to 50/60 years hence. To say how many people can it provide for is really difficult because technology and medical intervention changes so rapidly and it will change over that period of time. The things we are doing where people are staying in hospital for a few days now probably will not happen in the future. What we do know is that the older population, so people over the age of 80, spend longer in hospital and we can model that. We can say, as the population is ageing they are going to have longer lengths of stay. We can also look at whether that length of stay can be mitigated down by improving services in the community, so it is almost a question that you cannot answer. What we do need to do is make sure we future-proof the hospital so that it can expand and change its function as technology and medical care changes.

**Project Director, Jersey Property Holdings:**

Flexibility.

**Deputy J.A.N. Le Fondré:**

But if you have modelled 56 years, I think, from now, there must be a range of a population within that model, so it must be 130,000 to 150,000, say, what is the kind of number that we are looking at?

**Hospital Managing Director:**

I will defer to Will to say what we have used.

**Project Director, Jersey Property Holdings:**

It is the population projections that are in the latest Statistics Unit information list is what we are using. We are using 4 scenarios from that ...

**Deputy J.A.N. Le Fondré:**

Can you put a number on it, please, just for my ...

**Project Director, Jersey Property Holdings:**

I would not want this to be quoted, so I do not know them off the top of my head, roundabout plus 350, plus, I think it is 500, plus 750 and plus 1,100, I think. I would not want to be quoted ...

**Deputy J.A.N. Le Fondré:**

It is whatever statistics have said those 4 ranges are coming out at and does that case ...

**Project Director, Jersey Property Holdings:**

Yes. I can confirm those for you.

**Deputy J.A.N. Le Fondré:**

Okay.

**Project Director, Jersey Property Holdings:**

As I have said, we are updating our capacity modelling to building the impact based on the current brief that we have just completed ...

**Deputy J.A.N. Le Fondré:**

Which band at the moment is the hospital presently catered for or does it cater for the top band?

**Project Director, Jersey Property Holdings:**

Currently, if you say, what have we planned for in terms of what has informed the budget that has been set before you? We have planned for 30 years forwards in terms of a build solution and 60 years in terms of future flexibility. Capacity modelling we are doing now may clarify that in a different way when we have finished that work.

**Deputy J.A.N. Le Fondré:**

When you say planned for, is that on 350, is it on 700 or what is it on?

**Project Director, Jersey Property Holdings:**

That was based on just 350 heads of household, I believe.

**Deputy J.A.N. Le Fondré:**

Then the consequences will come out of that information.

**Project Director, Jersey Property Holdings:**

The consequences of that, yes.

**Deputy J.A.N. Le Fondré:**

The query then comes down to is if the revised assumption is, for the sake of argument, plus 700, what does that do to the lifetime of the build and the flexibility.

**Project Director, Jersey Property Holdings:**

That is what we are working through now.

**Deputy J.A.N. Le Fondré:**

Okay, and when do we have an answer on that?

**Project Director, Jersey Property Holdings:**

Middle of April.

**Chief Officer, Department for Infrastructure:**

Just to bring the thing that Helen said, my understanding is it is hard to predict medical solutions beyond 10 years and so the population, if you look at hospitals 60 years ago and look at its function now, if you can imagine that again, so it is quite a complex thing. What we tried to build into the design, the concept of the hospital, is flexibility and also future expansion, so inevitably if there are more people there is going to be more demand.

**The Connétable of St. John:**



So could you confirm the total number of beds you are currently aiming to provide in the hospital; that are in the current hospital, right now.

**Hospital Managing Director:**

Right now, adult beds, there are 132. In addition to that you have children's beds, I.T.U. (intensive therapy unit) obstetric beds, assessment beds, day surgery beds. But the adult beds are 132 today.

**Deputy J.A.N. Le Fondré:**

What is the total for the rest?

**Hospital Managing Director:**

They flex up and down but it is about 250.

**The Connétable of St. John:**

So that is 250 in total?

**Hospital Managing Director:**

Yes.

**The Connétable of St. John:**

How many beds with the new hospital be providing again in the ballpark?

**Hospital Managing Director:**

If you are trying to do it, I try and look at those adult beds because they are the flexible beds, so the 132 today would go up by about 60 to about 192 today. That is with the modelling we are working on now. That could change.

**Deputy J.A.N. Le Fondré:**

If you add on the other, everything else, what does that number got to?

**Hospital Managing Director:**

They are smallish numbers, I think in total it was about 280, was it not?

**Project Director, Jersey Property Holdings:**

287 I think. 287 is the base number at the moment.

**Hospital Managing Director:**

But it is those adult medical beds they are the ones that are important to me.

**Deputy J.A.N. Le Fondré:**

So in comparison terms where the 132 goes up to about 192 say and the total of 250 increases to about 287 at the moment.

**The Minister for Health and Social Services:**

But the management of those beds will be very different because of the single ward scenario whereas at the moment we lose 4 beds. If you have side wards and you have someone with an infection that is 4 beds out of action.

**The Connétable of St. John:**

What is the proportion you are working on for single to wards?

**Hospital Managing Director:**

All of them single rooms with the exception of very specialist areas, but all the adult wards will be single rooms, but designed in such a way, we have spent a of time on this, so that they have glass rooms and blinds so you can make them private and they will be cohorted in pods of 4 so they will feel like a bay but you will have an individual room and an individual ensuite.

**Deputy J.A.N. Le Fondré:**

Right, okay, and will you be able to talk between them or will you just be able to see yourselves, as it were, or can you communicate between them?

**Hospital Managing Director:**

You will be able to communicate, the doors will be floor-to-ceiling sliding.

**The Minister for Health and Social Services:**

Just like pods really.

**Senator S.C. Ferguson:**

Sounds like something out of Star Trek. Part of the Healthcare Strategy that was published in 2012 was to reduce the number of inpatients by focusing on outpatient and home care. Have you included this as a factor in the number of beds?

**Hospital Managing Director:**

Yes.

**Senator S.C. Ferguson:**

What increase in investment is going to be made to home and outpatient care in order to operate such a policy?

**Hospital Managing Director:**

That is all the P82 investment that has been previously agreed to by the States, we have had the first 3 years and we have a 2nd 3-year tranche.

**Senator S.C. Ferguson:**

Yes, but I do not recall it saying the increase in investment.

**The Connétable of St. John:**

In monetary terms.

**Hospital Managing Director:**

In monetary, again I do not want to guess, I know what investment I have for some of my hospital schemes for changing models of care and that started this year and will go on until 2021/22. The out-of-hospital has already had significant investment and has received more in these next 3 years.

**Deputy J.A.N. Le Fondré:**

Just to note where we have asked you for information, we would like it Tuesday/Wednesday next week if possible because, as you know, we are on a timeframe.

**The Minister for Health and Social Services:**

It was essential the out-of-hospital was developed now, it cannot wait to be part of the new hospital.

**Senator S.C. Ferguson:**

To what extent has your department examined the working practices of other hospitals in considering the new design?

**Hospital Managing Director:**

Significantly. The Acute Service Strategy describes how we want to see the hospital working in the future and it is a combination of best practice from other areas that we can see working, we can see has a good impact. I do not think there is anywhere that has properly pulled them all together in a single hospital but that is our intention, so we will have best practice in ambulatory emergency care, best practice in theatre day cases, best practice in the way we manage outpatients, and we have been to see lots of hospitals working, we take clinical teams with us, we go and show them what we have been advised is best practice, so they have all bought in to these new models of care. Now it

is for us to implement what we can before the new hospital and then finalise it when we have the new design.

**Project Director, Jersey Property Holdings:**

Also benchmark the activity and performance of other hospitals in similar environments, so isolated hospitals, district general hospitals in similar communities, and we have used Ernst and Young to help us benchmark both the cost and activity of those services so that we can have confidence as to, if they can achieve a particular activity and performance in the one place, how are they doing that and can we try and achieve that level as well. So that is what we are working to; that is what we (Overspeaking)

**Senator S.C. Ferguson:**

Are you working with the lean team as well?

**Hospital Managing Director:**

Yes. Sorry! Yes, we are doing a lot of work with the lean team.

**Senator S.C. Ferguson:**

Good.

**Deputy J.A.N. Le Fondré:**

A few other questions left, we are getting to the end if you would like to know. I think this is probably for the Ministers, I am not too sure, it might be both of you. Basically what other plans are there for capital expenditure within Health and Social Services over, let us say, the next 30 years? For example, adult mental healthcare and things like that, I am talking about significant sums, not a million or half a million a year, but big numbers.

**The Minister for Health and Social Services:**

You have hit the nail on the head. That is another piece of work that is underway. We have some short-term fixes for some of the stuff this coming year in adult mental health. For example, we are not happy with some of the things in Orchard House and we need to get them on the site. We are also developing a full estate strategy going forward for the next 20 to 30 years for mental health.

**Deputy J.A.N. Le Fondré:**

Do we have any numbers at this stage?

**The Minister for Health and Social Services:**

I do not have the numbers.

**Deputy J.A.N. Le Fondré:**

Is anybody able to tell me that this time we need to spend 30 million quid or is it not even that advanced at this stage?

**Chief Officer, Department for Infrastructure:**

We are not at that stage yet. The work has just commenced, then there is a team with Property Holdings staff, Ray is involved and Jason Turner, the Deputy Chief Executive of Health, is leading it. It is quite a complex one. It is not to the same scale as the hospital, but it is a fundamentally important part of the work and I think it will be probably 12 months away before we get to any form of understanding.

[11:45]

**Deputy J.A.N. Le Fondré:**

Just in the context, I mean standing back and this is memory, in fact we may have had a document, but I have not seen it I think since, there was a piece of work done under I think the previous Treasurer about future capital requirements over a period of time.

**Chief Officer, Department for Infrastructure:**

Yes, and there is a long-term capital plan and that is currently being updated and there is numbers in there associated with the mental health estate.

**Deputy J.A.N. Le Fondré:**

If we just move away from the mental health side then, if we just look at it generically.

**Chief Officer, Department for Infrastructure:**

At the health estate, yes.

**Deputy J.A.N. Le Fondré:**

Either health estate or even wider, because the issue, standing back from this, is the hospital will absorb basically the borrowing capacity of the States under the present course.

**The Minister for Infrastructure:**

Under the current restrictions that we have placed on ourselves.

**Deputy J.A.N. Le Fondré:**

The restriction is basically the level of borrowing, it is tied into the level of taxation that we have.

**The Minister for Infrastructure:**

They are self-imposed restrictions.

**Deputy J.A.N. Le Fondré:**

Exactly, but assuming those restrictions stay, are there significant future capital requirements in say the next 10 years?

**The Minister for Infrastructure:**

There are projects coming through, there will be education projects, there will be health projects, there will be projects throughout the whole of the States portfolio. Those are normal; the case for the hospitals are lumpy items that come along not in every generation.

**Deputy J.A.N. Le Fondré:**

No, I am not doubting that. I am just trying to get an indication.

**The Minister for Infrastructure:**

So the rest of our spend is not that lumpy so it is easier to predict and we have financed these currently, that will be just be out of the tax take. As you know, we are now incorporating a depreciation figure in our accounts and in our planning, which effectively equates to what we need to spend on an annualised basis on our capital programme to maintain the current asset base to provide the services that we currently provide.

**Deputy J.A.N. Le Fondré:**

That is all we need. So broadly speaking at the moment the future capital requirements, outside of the hospital, should be capable of being funded within the normal parameters under normal assumptions of what we are presently operating under?

**The Minister for Infrastructure:**

Yes, that is my belief.

**Deputy J.A.N. Le Fondré:**

There are no major significant surprises out there?

**The Minister for Infrastructure:**

No. That question really is a question of (Overspeaking) Treasury understanding.

**Deputy J.A.N. Le Fondré:**

You are the Minister for Infrastructure.

**The Minister for Infrastructure:**

Yes, I do, but that does not take account of all of the parameters, it is a significant part of the programme, but there are elements that do not come under my remit.

**Chief Officer, Department for Infrastructure:**

I think there is opportunity within the States to generate income from some of the assets we are not using and make a more efficient use of our estate. I think part of the long-term capital planning for the next 20 to 25 years in Jersey, it is imperative that we start doing that.

**Deputy J.A.N. Le Fondré:**

Well it has been imperative for the last 10 years, if not longer, but yes, okay.

**Chief Officer, Department for Infrastructure:**

Yes, but as you know it is quite a challenge here.

**Deputy J.A.N. Le Fondré:**

Yes. We have talked about, or I think there was mention somewhere in here, about patient records, for example. So what is the interaction with other ... patient records is a pretty project ... but other key projects in terms of if you have paper patient records in a nice new hospital that is not going to be the most efficient outcome. How are we dealing with some of these things?

**Hospital Managing Director:**

We have a separate I.T. (information technology) strategy that Jason Turner leads and we are obviously aligning that with our plans and our timescales for the new hospital. We would like to be what we are going to call "paper light" by the time the new hospital opens and so we are introducing those records over the next 2 or 3 years.

**Deputy J.A.N. Le Fondré:**

So you will have it hopefully running properly, all the wrinkles sorted out, well in advance of the new hospital opening?

**Hospital Managing Director:**

I hope so.

**The Minister for Health and Social Services:**

The I.T. strategy was launched recently.

**Senator S.C. Ferguson:**

How far has it got then? What stage are you at? I saw something in the paper the other day that the primary and secondary healthcare people were hoping to get joined up shortly.

**The Minister for Health and Social Services:**

Yes, very shortly.

**Senator S.C. Ferguson:**

Is that journalistic licence or is that true?

**Hospital Managing Director:**

No, that is fact. We have had to work with 2 different systems to bring them together but it is almost complete. We have been upgrading our TRAKCARE system so that has been going through a process over the first quarter of this year and we have got the team together to start looking at rolling out the patient records.

**Deputy J.A.N. Le Fondré:**

I think the next question we are asking is in anticipation, in other words it is highlighting an issue going forward and that may be absolutely wrong I suppose, but how are you going to ensure that you do not get snags in the final building, if that makes sense? I will use a very minor example, which I am reliably told is the case, but it is to illustrate, okay, it may not be factually correct, I think it is, but to make sure that the project itself works and does what it is meant to do. There is a point in a minor example held out to me that at Overdale there is a glitch with the lift in terms of the size of stretchers it can take in or something, but there is a very long ramp, which ambulance crews unload people on to and when it is raining the patient used to get very wet. That may have been resolved; this is a few years ago. Use that as an example. A different example I can categorically cite, which is a residential scheme for elderly, when it was pointed out to me by an architect, and it has been approved for planning, that a particular resident on a particular floor had 10 doors to go through to get to his front door. So, in other words, I am looking at practical issues of making sure the thing is ... you had a wonderful architectural ward, but that the users have been properly consulted, there is no one been missed, and that people have sat down and walked through the finished building to say: "This is going to work properly." Do you have a process in hand to sort that out? Just spend a minute or 2, you do not have to go too far, but just to ...

**Project Director, Jersey Property Holdings:**

We did not make it up as well, we have solved it from successful projects elsewhere, it is from soft landings, it brings a discipline, a structured discipline at each of the stages of the project to review



the common sense approach by our people outside of the project team who are knowledgeable about operations of hospitals and in every aspect of it. So in our soft landings team it is led by a person who has worked in the hospital, I think it is fair to say, for about 40 years and has considerable experience of problems that have occurred in that time. In Mike's team we have a professor who is probably one of the most leading building service experts in hospital design on our soft landings team. We have Helen's colleague Michelle West, who is the Director of Operations of the hospital, checking the health and safety, the infection control team, we have our estates management facility management, we have our architects, we have people who look after the building information model, we have our design champion and we will have a construction champion, all of whom will look, stand back from our brief, that is the first step, and they have already looked at our information and whether that is sensible, they are now looking at the brief and whether that is sensible, and they will continue to do that all the way through the process.

**Deputy J.A.N. Le Fondré:**

There will be a stage at some point when presumably you have the plans that they will walk through the building individually.

**Project Director, Jersey Property Holdings:**

Now you can put some goggles on and physically do it electronically with the building information model, so yes.

**The Minister for Health and Social Services:**

All that Will says is absolutely correct, but we also intend to involve, at the right stage, some of our patients with chronic conditions who are regular visitors to the hospital so that we can ensure that some of the things that make life difficult for them are avoided and some things that can make life easier for them are included.

**Deputy J.A.N. Le Fondré:**

I have one question left. Chris, do you have any? Sarah?

**Senator S.C. Ferguson:**

No.

**Deputy J.A.N. Le Fondré:**

The question, which I think we might just want to spend a couple of minutes on just to kind of nail it down, and also just for the public's benefit as well, the 466 million is a worst-case scenario at the end of the day.

**The Minister for Infrastructure:**

That is the maximum amount.

**Deputy J.A.N. Le Fondré:**

What cost are you working to?

**The Minister for Infrastructure:**

I do not think we can answer that. We have a maximum envelope and the use of that envelope are going to flex, as we have already explained, as we get more certainty over the different elements, contingencies are going to flex. So I do not think we can give a response on that.

**Chief Officer, Department for Infrastructure:**

My ambition on this is less and I think the example, John, I will use is the S.T.W., we requested the States for £75 million for the design of the sewerage treatment works and that was 3 years ago, 4 years ago, in that period of time. We had concerns over ground conditions particularly when we were building that site. We had done lots of analysis of the ground, we had done the full independent checks of it, and we thought there was lots of contamination and it was not there, so that component of the budget that we had allocated for that is not necessary now, so out of that £75 million, our budget estimate for completing that project is £68 million. It was not just contaminated land, there were other elements, which were mitigated and that is part of the process. I am hoping that is the journey the hospital goes on. So, at the moment, we start off very conservatively and if you look at history and major capital purchases within governments, not just Jersey, we normally start with an optimistic budget and then fail to meet it. This is a conservative budget, which is why optimism bias was invented to stop this happening in the public sector and in the private sector, but in the public sector particularly. So I firmly believe we will manage this within the budget and that is the ambition of this team, everybody in this team.

**The Connétable of St. John:**

One of the concerns certainly I have and the Panel have is that 466 is a fairly podgy budget.

**Deputy J.A.N. Le Fondré:**

Nebulous perhaps.

**Senator S.C. Ferguson:**

No, no, I like "podgy".

**The Connétable of St. John:**

I would far rather a budget of say 380 million and you go 10 million over, spending 390  
(Overspeaking)

**Male Speaker:**

In the real world, you get absolutely hammered for going over budget.

**Chief Officer, Department for Infrastructure:**

You cannot win.

**The Connétable of St. John:**

I know you cannot win.

**Chief Officer, Department for Infrastructure:**

I do accept that and one of the things we have to look at is where contingency sits and how we manage that and the value for money focus I think means that there is going to be healthy tension in the team. One of the benefits of this team, and we have said this before, is the fact that the client is Health, we are the people who deliver most capital projects in Jersey and understand that we have a great support team in Mike and his team, but also I think there is a third element of this, which is a function of value for money and holding on to the money, so we are not cosying up with health and making it Rolls Royce, which is not what we are going to do. But I think what we have to be really careful of is we have to sell ourselves as the client so we have to make sure we have the money, we have the design, we mitigate all the risks as we go along, we make sure we offer to the main contractor, and that is where the biggest spend is going to be, a job they want to build and in that job they want to tender it. Because we need a good competitive tender with the people who want to build this hospital and we want people to want to build this hospital. So, once that is in play, I think that we can really have a look at what the budget is, but at the moment the 466 is the number and I think it would be imprudent for anybody to change that. Where that money sits and who gains access to that I think is for another debate and we are very happy to have that.

**Deputy J.A.N. Le Fondré:**

I think that is the fundamental, we can accept that you need a provisional sum to go ahead, I think the big concern is, and I will probably use the wrong terminology but I will use it loosely, is let us use the inflation assumptions or whatever it is that in some shape or form a figure you have used as an assumption comes out less in reality. What happens to that difference? Because, in the ideal world, that should be benefit back to the taxpayer and we should expend it.

**Chief Officer, Department for Infrastructure:**

We agree.

**Deputy J.A.N. Le Fondré:**

But in the possible alternative world, as it were, if somebody comes along and says, and I have seen it on other projects: “Great, I can do X with this” and there will be a real justifiable reason for it and it is in keeping with health but it might just not be in the initial remits of this scheme. I am not talking about, yes, you have found some major ground condition, which is what contingency is for, we are talking about how you plan it. There is quite a lot of different types of ... I will use the word “contingency” in its widest sense in the project. So it is how do you mitigate and manage that or is that what we keep referring to, the future discussion you have to have with Treasury?

**Chief Officer, Department for Infrastructure:**

I think so. I have worked all my career on major capital projects and I have seen cultures where they have had a culture of zero contingency in capital projects and I have seen it where you have had a percentage added on a capital project.

[12:00]

I think there are lots of different models and the reality is we are trying to attain best value for money for the States and for the people of Jersey. We need to give the client something that is fit for purpose now and into the future and I think Treasury or whoever is that third party needs to have the confidence that we are doing that and that triumvirate I think is where it stays really healthy. Zero contingency projects just become a nightmare because everybody just front-loads things and hides things and all that. This is about openness and my ideal is to deliver it for significantly less than 466 but we also have to be cognisant of the issues we face, because the biggest issue we have is that competition and people wanting to work on it. Because, if someone has a choice of delivering a hospital in Leeds or delivering a hospital in Jersey, it is easier to build it in Leeds.

**Project Director, Jersey Property Holdings:**

It is also important that, as health changes very fast, and if we are able to react to that in developing the hospital, you would expect us to capture as much as possible in the brief before we sign that contract, I would guess. So that it is future-proof for as long as possible to get the most value for money and I think we have shown you the value-management framework and that may go up or down depending on where we go with inflation and other indices in the next 6 months to a year and right up to the point at which we sign a contract. We have to react to that as well as the (Overspeaking) and we do need a bit of flexibility to do that because otherwise we do not want to keep coming back to the States with a constant iteration of the project because it will become meaningless.

**Deputy J.A.N. Le Fondré:**

I think that is where we just want to understand that balance and the controls around it, it is no good somebody coming and saying: "Inflation has gone down, let us forecast the next 6 months, we have 20 million quid wandering around and, by the way, we can use that for a public car park." You allocate the money and that is great, the project is now predicated on it to build it as part of the contract, then the inflation subsequently goes up again. That causes a problem.

**Chief Officer, Department for Infrastructure:**

Yes, so we have a car park but we cannot put out a ward, it would be illogical.

**Deputy J.A.N. Le Fondré:**

On that basis I think we are done, on my watch we may be 2 minutes late but that is pretty good. Thank you very much and we will see how we go. Thank you very much.

[12:02]