

Open letter to Minister for Health and Social Services, Deputy Richard Renouf, from Jean Lelliott and Minister's responses:

1. *How can you cost or audit an approved scheme, when there is no approved scheme? There are no building plans and the layout and contents of the proposed new hospital is in constant flux and changes from week to week. It is also nothing like the original scheme debated in the assembly years ago.*

The States Assembly approved the site (P110/2016) and the Outline Business Case and Funding Strategy (P107/2017). This is the approved scheme that will be developed into a project that delivers the benefits set out in the Outline Business Case. Once P110/2016 and P107/2017 were approved, taking forward the project in the level of detail you describe relates to the responsibility of other approval processes overseen by the Project Board, Future Hospital Political Oversight Group and Council of Ministers. The project design is developed in accordance with Royal Institute of British Architects processes that refines the design detail as it passes through approved design stages. Alongside this planning approvals have to be sought. Approval in this sense can be considered a process with a number of milestones.

The building plans that support the outline planning application are available to view on the Planning website

<https://www.gov.je/citizen/Planning/Pages/PlanningApplicationDocuments.aspx?s=1&r=PP/2018/0507>.

2. *With regard to the above, could you please advise me if the Future Hospital team have taken on board the fact that mental and physical health should be adjacent as per the Policy Board recommendation?*

Yes. Both physical and relevant mental health facilities will be included within the Future Hospital. It is not usual however to include mental health services in their entirety within a general hospital. A range of mental health services are better delivered in community settings and other non-general hospital setting. The States of Jersey completed a mental health feasibility report in 2018 setting out how mental health facilities might be provided at Overdale. The findings of the Policy Development Board and the mental health feasibility work completed last year by Health and Community Services need be further considered, but this will not materially impact on the developing design.

- 3. When the original plans were put forward, the £466 million budget included something in the region of £90 million for moving people around - something which is no longer required. Could you therefore please explain why the new application still carries the £466 million price tag and has not been adjusted accordingly?*

The £466m budget was approved by P107/2017 and remains the maximum sum available to the project. This covers the costs described in the outline business case with inclusions as set out in HM Treasury Green Book Guidelines (build costs, contingency, optimism bias and so on). The overall budget does not change in response to changes to the delivery programme as you describe. This approach to budgeting is consistent with that used other public service business cases and major building projects with a final reconciliation of expenditure against budget at the formal close of the project.

- 4. The French Company have written (perhaps wrongly) to Deputy Pamplin as head of scrutiny. One would think, however, that something as important as this should have been passed on to you. Perhaps you could ask him why he did not provide you with a copy of the letter? I have attached a copy for you at the base of this email.*

As Health and Social Services Minister I have not formally received a copy of the letter you attach. It would be for the Chair of the Future Hospital Scrutiny Panel to decide which correspondence he shares with me. The letter you have shared raises a number of serious issues of governance. I would like the opportunity to consider these with Deputy Pamplin before I would be in a position to respond to your question.

- 5. You state that the contract to provide services to the States in relation to the new hospital was advertised both in the UK and the European Union. Can you please advise me how, when and where this was advertised?*

A Prior Information Notice (PIN) was published on 30 June 2017 on TED (Tenders Electronic Daily) the online version of the 'Supplement to the Official Journal' of the EU (OJEU), dedicated to European public procurement. The opportunity was also formally advertised using the Channel Islands Tender Portal from 5 July 2017 to 2 August 2017.

- 6. You say that the French company should be advising you of the hospital they would propose to build - surely it is the client (States of Jersey) who should state what exactly they require? This covers all the points you raise under Project scope/Schedule of accommodation/programme of works and cost plan.*

If the Assembly votes not to continue with the approved site, a project brief and scope of work and budget to undertake this would need to be agreed. The French company would then be able to bid for this work like other contractors using the official States of Jersey procurement process.

7. *You state that this is necessary for a 'like for like' comparison to the Gloucester Street site, so would you be prepared to give the above information if they contact you?*

The letter to Deputy Pamplin states that the French company is not intending to carry out any work until after the States Assembly debate. When we know the outcome of this debate and if the vote is not to proceed with the site approved in P110/2016, then any subsequent procurement process will provide all the necessary information to make a competitive and informed bid. If the Government gave the French company this information now it would give them an unfair competitive advantage, risk commercial disadvantage to the States of Jersey in the future and be unfair to other potential contractors.

8. *I am advised that the French team (and we have yet to see the independent Inspector's report) do not think that Gloucester Street is a viable site, mainly due to its constrained nature and risk to patients. Would you therefore be prepared to look at their alternative proposals should Gloucester Street be rejected again, or do you intend to put in a third application on this site?*

I have not received any advice from the French company about the merits of the States Assembly approved site. Nor have I seen any evidence of how it might have compared sites on a like-for-like basis to be able to reach that conclusion.

No report and proposition has to date been lodged to reconsider the approved site. When such a proposition is lodged and if the Assembly votes not to continue with the approved site we would need to agree the process to consider other sites. If and when this work is completed, a client team and a team of advisors would need to be appointed. The procurement of the advisor team would need to be carried out using the States of Jersey procurement rules.

At that stage it would be best practice to use the Assembly approved site and Outline Business Case as the 'base case' against which the benefits, risks, opportunities and costs of alternatives are considered. In the interests of fairness and good governance this process should not be set aside.

9. *The project team have spent a considerable amount of time and money (millions) on reports from professionals appraising the sites - much of which they have ignored. Would you be prepared to spend in the region of £60,000 to engage the French company for their appraisals on the sites? This is, after all, their area of expertise. They have stated that they could complete this work in a matter of a few months and would also have plans available for each site, plus costings, time scale etc. Surely this would be a very important piece of work to make available to the house for debate. This is after all, an extremely costly project and could save the island a substantial amount of money.*

The extensive 'industry standard' site selection process reviewed of 41 sites and was subject to internal audit, Scrutiny and independent external assurance before a final selection was lodged as P110/2016 for debate.

Scrutiny's November 2016 review of the current scheme using independent external advisors Concerto Partners, concluded that evaluation of the two final site options – the Waterfront and the current General Hospital site was "carried out in a fair, consistent and comprehensive way".

In line with good governance and the States Financial Directions, funding for the current scheme approved in P107/2017 can only be used for work on the approved scheme. Funds for other schemes would need to be found from another source as there is no approved source of funding to undertake work on other sites.

It is against States of Jersey rules and not good practice to provide money for an appraisal for another scheme outside of the formal States of Jersey procurement process. This process is designed to ensure work is carried out fairly and transparently, with all the right checks and balances in place.

10. *You state that all of the work carried out by the project team is in the public domain - however repeated requests from interested parties for site of plans for the new build are never forthcoming. Could you please provide the public with this valuable information as we need to know the details?*

There is considerable information about the content and design of the Future Hospital publically available on the Future Hospital website (<https://www.futurehospital.je/documents/>). The internal layout is not yet completed – that would occur after the outline planning application has been decided – and it is not normal practice to share it while it is still in development because it will continue to evolve.

Future Hospital construction stages video:

<https://www.youtube.com/watch?v=g2NJ4e7lsCY&feature=youtu.be>

11. With regard to your comment on timing as we need a new hospital soon - I totally agree. The French company recently built a new 300 bed hospital in under 4 years from being appointed to handing over the keys. I am advised that they are currently building hospitals in Dubai and Monaco and that they apparently have a team of designers etc. ready and waiting to go, on your approval. Are you will to discuss this with the COM, with a view to finding this small budget?

I do not doubt the experience and ability of the French company. The Future Hospital Policy Development Board report contains a programme of work for building a hospital on another site but it shows that our current hospital would have to continue to operate for at least a further 10 years and still need further money and building work to allow it to safely operate while another site was developed.

I agree with you that we can learn valuable lessons from other hospital building projects. J3 who are our construction advisors (consisting of Sir Robert McAlpine, Channel Islands Garenne Group and FES) do so. The proposed building contract structure we are using for the Future Hospital will be transparent and auditable in terms of the actual costs of construction and those resources will be brought from throughout Europe and beyond to achieve best value for money for the project.

It is worth reflecting on our Jersey experience that it has taken five years to get to where we are today. The time needed to build a hospital from conception to a fully completed and commissioned building far exceeds the build period alone. We have not yet got the final planning approval to proceed and anticipate further consideration by the States Assembly so any consideration of activities relating to other sites is premature. The phasing and programme of works for the approved scheme is well understood and can be seen here <https://www.youtube.com/watch?v=g2NJ4e7IsCY&feature=youtu.be>

For reasons of transparency and, as you say ***"I share with you a commitment that "the public has a right to be informed" about all matters relating to the Future Hospital. I have done my best to ensure the evidence relating to the project is freely available to the public"***, I shall be posting this open letter on Social media and will, of course, post your reply in its entirety.

I acknowledge and understand that you do not agree with the site approved by the Assembly. I am grateful for your sharing of the letter to the Future Hospital Scrutiny Panel. If you have, or are aware of others who have, information and records that might be

helpful to share with me or those who read this when you post it on social media, please do not hesitate to contact me.

I look forward to hearing from you.

Kind regards,

Deputy Richard Renouf
Minister for Health and Community Services