

STATES OF JERSEY



FUTURE HOSPITAL: APPROVAL OF PREFERRED SCHEME AND FUNDING (P.107/2017) – AMENDMENT (P.107/2017 Amd.) – AMENDMENT

**Lodged au Greffe on 5th December 2017
by Deputy J.M. Maçon of St. Saviour**

STATES GREFFE

FUTURE HOSPITAL: APPROVAL OF PREFERRED SCHEME AND FUNDING
(P.107/2017) – AMENDMENT (P.107/2017 Amd.) – AMENDMENT

1 PAGE 2, AMENDMENT 1 –

Delete the following words – “the words “up to” insert the words “£392 million with a contingency of £74 million (as agreed with the Corporate Services Scrutiny Panel), giving a total of”, and after”.

2 PAGE 2, AMENDMENT 3 –

For the inserted new paragraph (e) substitute the following –

“(e) to agree that the budget should be up to £392 million with a contingency of £74 million (as agreed with the Corporate Services Scrutiny Panel), and that the contingency of up to £74 million will only be released on a case-by-case basis, subject to the presentation by the Minister for Treasury and Resources of a document to the States setting out the proposed expenditure, at least 21 working days before any payment is made;”.

3 PAGE 2, AMENDMENT 5 –

In the inserted new paragraph (g), for the words “paragraphs (a) to (f)” substitute the words “paragraph (a)”; and for the words “Proposed Hospital site” substitute the words “Planning Application for the new Hospital”.

DEPUTY J.M. MAÇON OF ST. SAVIOUR

REPORT

The Planning Inquiry raised considerable public concerns over significant procedural irregularities and material shortcoming in the way the new Hospital project had been progressed, leading up to the States' approval in principle in December 2016 for the preferred site.

The recent report from the Comptroller and Auditor General added to these concerns, with new concerns over the efficacy of the project management, including doubt over the choice of site.

In the light of these concerns on the most important public project ever, it is inappropriate that the Minister for Treasury and Resources' proposition seeks to unconditionally bind the States and the Minister for the Environment to a project before the Inquiry report has been published. Funding the new Hospital, irrespective of the site chosen, does need to be resolved.

The Planning Inquiry is a statutory process and should be afforded proper recognition in States' decisions. The amendment adds the required conditionality to the States' decision whether to approve the preferred scheme, and is intended to enable the States to make a firm decision on funding for the new Hospital.

This amendment had originally been drafted as an amendment to the main proposition, but was not accepted. This amendment to the amendment does not affect the principles of the Connétable of St. John's proposals regarding the financial aspects, which can be debated separately.

This amendment will enable the Minister for the Environment to determine the outline planning application for the Hospital after the Inspector's report has been received as the Planning Law requires, without being fettered or influenced inappropriately.

Financial and manpower implications

There are no additional financial or manpower implications for the States arising from this amendment to the amendment.

**HOW [P.107/2017](#) WOULD LOOK IF [P.107/2017 Amd.](#),
AS AMENDED BY THIS AMENDMENT, WERE ADOPTED**

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to refer to their Act dated 23rd October 2012, which requested the Council of Ministers to bring forward proposals for a new Hospital, and their Act dated 1st December 2016, which approved in principle the site location for the new General Hospital; and –

- (a) to approve the Preferred Scheme contained within the Future Hospital Outline Business Case with a capital expenditure budget of up to £466 million, subject to paragraph (g);
- (b) to approve, in accordance with the provisions of Article 3(3)(a) of the Public Finances (Jersey) Law 2005 (“the Law”), the establishment of a Special Fund to be known as the “Hospital Construction Fund” and to approve the Fund’s purpose, as set out in Appendix A to the report accompanying this proposition;
- (c) to authorise, in accordance with Article 21(1) of the Law, the Minister for Treasury and Resources to borrow up to £275 million towards the construction of the Preferred Scheme, and to direct that the amount borrowed be paid into the Strategic Reserve Fund;
- (d) to agree that the Strategic Reserve Fund policy be amended so as to authorise the transfer from the Strategic Reserve Fund to the Hospital Construction Fund, drawn down as required, the sum representing the balance of up to £392 million after deducting the £23.6 million already allocated in connection with this project in previous Budgets;
- (e) to agree that the budget should be up to £392 million with a contingency of £74 million (as agreed with the Corporate Services Scrutiny Panel), and that the contingency of up to £74 million will only be released on a case-by-case basis, subject to the presentation by the Minister for Treasury and Resources of a document to the States setting out the proposed expenditure, at least 21 working days before any payment is made;
- (f) to agree that the Strategic Reserve Fund policy be further amended so as to authorise –
 - (i) that the costs of borrowing and ongoing finance and administration costs related to the borrowing be borne by the Strategic Reserve Fund; and

- (ii) the repayment from the Strategic Reserve Fund of the amount borrowed in accordance with paragraph (c) above; and
 - (iii) that on the final account of the Preferred Scheme being presented, any unspent monies shall be returned to the Strategic Reserve Fund; and
- (g) paragraph (a) shall be void and of no effect if the Planning Inspector recommends against the current Planning Application for the new Hospital.