

STATES OF JERSEY



FUTURE HOSPITAL: RESCINDMENT OF GLOUCESTER STREET AS PREFERRED SITE

Lodged au Greffe on 15th January 2019
by Deputy R. Labey of St. Helier

STATES GREFFE

PROPOSITION

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

to refer to their Act dated 1st December 2016, which approved in principle the site location for the new Jersey General Hospital, and their Act of 13th December 2017, in which the preferred scheme and funding was approved, and to agree to rescind its decision that the site location should be the current Jersey General Hospital site with an extension along the east side of Kensington Place and other nearby sites, including Westaway Court; and to authorise the Minister for Treasury and Resources to make the necessary changes to the terms of the Hospital Construction Fund to facilitate the payment of costs incurred as a consequence of this rescindment and the winding-up and decommissioning of the works associated with the previous scheme and the continuation of other elements necessary to the overall project, irrespective of the eventual site location.

DEPUTY R. LABEY OF ST. HELIER

REPORT

If ever there was a time for clarity in political direction to the Department for Infrastructure and the Department for Health and Social Services, this is it.

Worryingly, within hours of the Minister for the Environment delivering his response to the findings of the Public Inquiry, the Island was being told by those responsible for delivering the new Hospital that Gloucester Street remained a live option.

This intransigence is unacceptable in the face of the Inquiry findings, the complete loss of public confidence in Gloucester Street being an appropriate site, and the opposition bravely expressed by Hospital consultants and other staff to the Public Inquiry.

Irrespective of planning issues, which will be manifest but different in character whichever site is chosen, for most people Gloucester Street is a compromise too far, and more time will be wasted by a stubborn failure to accept this as fact. The Assembly can end this now, take the political decision that only it can take, and ensure that energy is concentrated on a better site that will deliver a better new Hospital.

Financial and manpower implications

Further input from the Hospital team is required to accurately determine financial implications. This is ongoing.

There are, of course, more than the winding-up implications; there's the writing-off of the spend to date, that is estimated at £33 million. When this was looked at prior to Christmas, it was £38 million spend to date, and a further £5 million estimated to the end of March, and £10 million that added value to the Balance Sheet.

The internal team consists of 9 people, and the costs associated with making these people redundant, and their notice periods, is estimated at up to £400,000, in the event that they cannot be redeployed or employed on the project at a newly identified site.

Costs payable under other contracts are currently being assessed and are likely to be available at the end of January.

Then there's the extra spend to keep facilities going safely under the delayed new facilities. How much that costs depends on the length of the delay of course; however, as an indication, when the exercise was last undertaken in 2016, maintenance between 2020 and 2025 was estimated at £26 million (as included in the Outline Business Case "do nothing" option). If delays exceed this period, costs will increase further.

Financial provision must be made to progress anything new, i.e. site appraisals, etc.

Finally, the decision to rescind must be taken in the understanding that it will potentially impact on the costs of borrowing for the new Hospital.