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## Policy Development Board Review of the New Hospital

# Project Scope

July 2018

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### 1. PROJECT ASSUMPTIONS

- 1.1. The period to be covered by the Board for the evidence review to 16th of May 2018.
- 1.2. The Future Hospital project team has all the necessary approvals in order that work on the approved site continues in parallel with the site assurance review.
- 1.3. The terms of reference for the Board are agreed as follows:

#### **Purpose:**

To consider the available evidence in relation to the decision of the previous States Assembly to support the proposal of the Council of Ministers that the new hospital be located on the existing site, and to do this so with a view to providing assurance over this decision, or raising any issues of concern in relation to the evidence that led to this decision.

The Board should do this with a view to:

- Supporting patient care
- Delivering overall value for money for the public purse

In doing this, the Board should:

1. Consider the extent to which the evidence supported the conclusion that alternative sites were less suitable or deliverable, including People's Park, St Saviour's Hospital, Warwick Farm, Waterfront site (including Jardin de la Mer), Overdale, and a Dual Site solution.
2. Provide clear communications over their work and its outcomes, so as to provide the public with assurance.
3. Provide opportunity as part of their work for external parties to provide evidence.

## 2. BACKGROUND AND CONTEXT

- 2.1. Following the outcome of the Health Transformation Strategy in 2012 it became clear that the health estate needed a significant redesign to meet the future needs of the island.
- 2.2. The key outcome was the realisation that the current General Hospital was not fit for purpose and needed replacement. Work commenced following the adoption of P.82/2012 in 2012 to start the journey of providing this facility.
- 2.3. The original site screening exercise identified 41 potential sites, 14 were long listed and the following sites were evaluated to a detailed level to allow a like for like comparison. (ref: CO021 – Site Options Appraisal)
- Option A – Dual site, refurbishment of existing hospital and new build at Overdale
  - Option B - Overdale Hospital Site, 100% new build
  - Option C – Existing General Hospital
  - Option D – Waterfront Site – 100% New Build
  - Option E – People’s Park – 100% New Build
  - Following the removal of Option E - Peoples Park from the short list a new concept for building on the existing hospital site was developed (Option F) and this was reviewed against the site listed above. (ref: CO025 – Addendum to the CR021 Site Options Appraisal)
- 2.4. This extensive and detailed work informed the states Debate on P.110/2016 in December 2016 when it was agreed that the new hospital should be built on the current hospital site<sup>1</sup>. Since this debate the project team have concentrated all the efforts on developing a viable and cost effective scheme on the general hospital site.
- 2.5. A more detailed chronology of the issues around site location is described in the Outline Business Case document. This can be found with all of the previously commissioned reports on the future hospital web site: [www.futurehospital.je](http://www.futurehospital.je).
- 2.6. An outline chronology over the period 2012-2018 is also attached to this scoping paper in Appendix 2

## 3. SITES IN SCOPE

- 3.1. Over 40 sites have been screened for the hospital location, 14 long-listed and 6 shortlisted. A Short Review would only include previously reviewed sites that have the potential to deliver a General Hospital of the required scope and size.

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<sup>1</sup> xxxP110/2016

- 3.2. The sites recommended for inclusion in the short review are
- Existing General Hospital site
  - People's Park
  - St Saviour's Hospital site
  - Warwick Farm
  - Waterfront site (including Les Jardins de la Mer)
  - Overdale Hospital site
  - Dual location site
- 3.3. Each of these locations currently has differing amounts of information available for review. This reflects the stage they reached in the site long-listing and short-listing process. The sites within the scope reflect those that have attracted significant public interest and political debate about the site selection process. While the review would utilise existing information collected as part of the site selection process to date as the principal source, commissioning the collection of some additional information may need to be considered to enable appropriate comparisons to be made between all sites included in the Review.

#### **4. STRUCTURE OF THE REVIEW PROCESS**

##### **Phase 1 – Discovery phase and evidence review**

- 4.1. The Board will first consider the available evidence in chronological order (as outlined in Appendix 2) for the period 16th May 2018. This will be matched against the key decisions made and consideration given as to whether these decisions flowed from the evidence that was presented.
- 4.2. The Board will specifically review the decisions recorded in the minutes of the relevant meetings undertaken by Ministerial Oversight Group (MOG) - including the sub group, Political Oversight Group (POG) and the Council of Ministers (COM), and consider these in the context of available evidence submitted at that time.
- 4.3. The key questions to be considered by the Board when viewing the evidence in this phase will be:
- 1. Does the evidence support a single or dual site?**
  - 2. Does the evidence support a town or rural based site?**
  - 3. Does the evidence support the current site as proposed by the Council of Ministers and approved by the States Assembly?**

- 4.4 The Board will then consider all of the evidence, including that received from external parties, and undertake public engagement prior to the final publication and consideration of the report by COM.

**Project Board Deliverable:**

The Board will produce a report that reviews the extent to which the evidence supported the conclusion that alternative sites were less suitable or deliverable. The report will be made public and make a clear recommendation(s) to the Council of Ministers on the next steps to be taken.

**Phase 2: Additional Evidence Capture & Review (as required)**

- 4.7 Should the Board not be assured that the evidence supported the conclusion reached by the previous Council of Ministers that alternative sites were less suitable or deliverable, (as defined in point 1, of the agreed terms of reference) then the Board may recommend undertaking further work on alternative sites.
- 4.8 It is envisaged at this stage that this shall take the form of a short independent site review on other sites as recommended in the Board's report published from the outcome of Phase 1. The site review will include the scope consistent with CR021. It is expected that this will be undertaken by a third party independent expert selected by the Board.
- 4.9 It is estimated that to satisfactorily complete a meaningful alternative site review analysis to inform the Council of Ministers on potential alternative site considerations, a budget of circa. £150,000 <sup>2</sup>would be required and final outcomes could be completed within 6 months from the decision to commence the work.
- 4.10 There are clear project risks in undertaking this second phase and these are highlighted in the risks section of this scoping paper.

**5. GOVERNANCE**

- 5.1. The Board has full independence to report their finding directly to the Chief Minister and Council of Ministers with clear recommendations.
- 5.2. The Board will be supported by the Director-General, Growth, Housing and Environment, and staff supplied, and provided space to access information at the offices of the Future Hospital Team.

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<sup>2</sup> A bid can be made for additional funding should this be required.

- 5.3. Notes of each meeting will be made, and the conclusions of the Board will be provided to the Chief Minister and Infrastructure, Health and Treasury Ministers, who shall supply to the Council of Ministers, and publish thereon.
- 5.4. Should the Board require additional expert advice from external third parties, they will be directly engaged by the Board to assist with delivery of the technical elements of this work. Engagement with the public and key stakeholders will be undertaken to promote ownership of the process and outcome.

## 6. TIMESCALES

- 6.1. The timescales can be broken down into two parts;

### Phase 1 - Review of Evidence Base

- Evidence review - Discovery Phase July 2018
- Evidence Workshops July-September 2018
- Project Board review of Evidence September 2018
- Phase 1 Project Board Report September 2018

#### ***[If Phase 2 not required]:***

- Engagement with COM & Public on findings October 2018
- Report submitted as 'R' to States assembly October 2018

**The second phase will only be undertaken should the findings of the Board identify gaps in the evidence base that detract from the degree of assurance sought by the Board that could have been reasonably undertaken and then considered by the Council of Ministers in recommending the current site selection for the new hospital.**

### Phase 2 – Additional Evidence Capture & Review

- Appoint independent expertise October 2018
- Independent advisor review\* October - December 2018
- Independent Report on additional evidence January 2019
- Engagement with COM & Public on findings January 2019
- Report submitted as 'R' to States assembly Q1 2019

*\*This timetable is preliminary and subject to further discussions with the independent advisor upon the lead in time and approach required. It should be noted that it is the view of the officers that a significant detailed independent review is likely to not be completed by the anticipated timescales of end of October. This is highlighted in the risks section of this paper.*

## **7. ENGAGEMENT**

- 7.1. Officers recommend at least one public information and engagement forum to inform the Review. This forum would be facilitated independently of the Future Hospital Team. It would provide an opportunity for a comprehensive briefing, question and answer session and discussion forum for the public and other stakeholders. It would not be a decision making forum.
- 7.2. The Board will need to agree a communication plan on the level of public and stakeholder engagement required for this process.

## **8. RISKS AND OBSERVATIONS**

- 8.1. The balance between quality, time and cost is fundamental to this or any project. Generally, on large scale projects if you control time, you control cost. When an infrastructure project is of this magnitude and the timeline extends beyond 6 years, the programme is the highest priority. We have to deliver completion of all clinical content of the new hospital by 2024. Therefore any threat to programme has significant knock on effects on the project.
- 8.2. The cost of delays are associated with contract inflation, contractor stand down costs, ongoing consultant and client overhead cost, increasing the maintenance spend on keeping the existing hospital safe, failing to recruit and retain the right calibre medical staff and the increased potential for medical safety issues with the existing failing hospital infrastructure.
- 8.3. If required, following recommendations made by the Board after phase 1, it is proposed that a short review of sites, as outlined in phase 2 described in this document, is undertaken. However the challenge and risk around this option is that it may not appease all and fail to gain the necessary support from all parties to continue with the site chosen.
- 8.4. It is estimated that a short review extending into Phase 2 will cost c. £150,000 and take up to an additional three months to complete.
- 8.5. If the Board considered and chose to carry out a more definitive review, this will need to include the necessary design appropriate to each site (rather than a simple massing placed on each site that could be undertaken for the Short Review) could cost in excess of £5m and take up to six months.

- 8.6. The challenge and risk with this more detailed review is to incur significant cost, and time delay to undertake a review. This may not appease everyone but risk the project in terms of supply chain confidence, confidence with the medical staff and the ability to recruit and most importantly put even more pressure on the existing hospital to cope for longer than is absolutely necessary.
- 8.7. It has been confirmed in the recent cost model review that a 6 month delay will cost £5.8m, which places the inflation risk at approximately £1m per month. Therefore any delay beyond the existing programme will incur this cost.
- 8.8. In addition, if an alternative site is chosen that is not the existing site, the site decision, outline business case and fiscal solution will need to return to the States for debate as the current decisions are site specific.
- 8.9. Undertaking this site selection review creates a number of risks. Since 2015 the project has experienced periods of delayed political decision making and political and public challenge. This is the second election the project has bridged. A Review provides an opportunity once and for all to support the preferred site approved by the States Assembly or consider the relative risks and benefits associated with building a general hospital on a different site.
- 8.10. It should be noted that there is no unencumbered site and secondly that all sites reviewed have their strengths and weaknesses.
- 8.11. A Review will provide additional assurance about the process and outcome of the site for the Future Hospital. It is unlikely however to convince all States Members or all Island residents. There is a risk that it will re-galvanise the arguments against the existing site and not provide the closure that everyone wants.
- 8.12. The biggest risk facing both the project and the Island is delay. Delay will increase costs and be to the detriment of patients as services continue to be provided in the current not fit for purpose General Hospital. If delay becomes extended there is a significant risk that the J3 construction partner would not be able to stay with the project as the project stalls.

## Appendix 1: Detailed project deliverables, outputs and estimated timescales

Phase 1: review the evidence base	Outputs	Date
Define the scope	<ul style="list-style-type: none"> <li>Action agreed at Board meeting</li> <li>Scope and Board minutes published on web site</li> </ul>	July 2018
Review chronologically the key decision points and supporting evidence base for the period October 23 <sup>rd</sup> 2012 - December 1 <sup>st</sup> 2016	<ul style="list-style-type: none"> <li>Audit report of key decisions by date and sign off against available evidence</li> <li>Publish audit with draft Board report</li> <li>Engage with Public and stakeholders</li> </ul>	August-September 2018
Board to submit base evidence report including recommendations for next steps	<ul style="list-style-type: none"> <li>Communicate recommendations and report to Chief Minister and COM</li> <li>Publish final Board report on web site</li> </ul>	October 2018
<b><i>Phase 2 only triggered following clear Board recommendations to do so and as directed by COM</i></b>		
Phase 2: Additional Evidence Capture & Review	Outputs	Date
Engage with external expert/consultant to provide additional evidence if identified in recommendations of initial (phase 1) evidence report of Board.	<ul style="list-style-type: none"> <li>Agree scope for external expert/consultant</li> <li>Publish scope on web site</li> <li>Appoint expert/consultant</li> </ul>	September-October 2018
Expert/consultant to submit report based upon criteria outlined in scoping paper	<ul style="list-style-type: none"> <li>Report agreed by Board</li> <li>Report published on web site</li> </ul>	December 2108
Engage with public and key stakeholders on additional evidence	<ul style="list-style-type: none"> <li>Develop and run engagement strategy</li> <li>Publish findings on web site</li> </ul>	September-November 2018
Write Phase 2 report with recommendations	<ul style="list-style-type: none"> <li>Board agree report</li> </ul>	January 2019
Submit report to Chief Minister and COM	<ul style="list-style-type: none"> <li>Report published on web site</li> </ul>	Q1 2019
Submit report to States assembly & Publish	<ul style="list-style-type: none"> <li>Lodge report as 'R' with States Assembly</li> </ul>	Q1 2019



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## **Appendix 2 – States Assembly reports, debates and decisions**

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**2012**

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**23 October – P82/2012 – Health and Social Services: A New Way Forward**

The Report contained a Health Transformation Strategy which set out a vision of an integrated care model and a programme of change needed to meet the challenges facing the Island's health and social services. The provision of a new acute general hospital was seen as an enabler for the strategy and P82/2012 made it clear that a new hospital was required within 10 years.

The Proposition requested the Council of Ministers to bring forward "...detailed plans for a new hospital...by the end of 2014."

This Proposition was approved.

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**2013**

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**5 December – P122/2013 – Draft Budget Statement 2014**

The Statement contained summary details of the site search undertaken by officers and evaluation by WS Atkins. It noted that a target budget of £297m had been set to take forward a dual site option.

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**2014**

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**5 September – SR10/2014 – Health, Social Security and Housing Scrutiny Panel Report on the Redesign of Health and Social Services**

The Report raised concerns about the dual site option and that it had not been considered or approved by the States Assembly. It recommended that the Council of Ministers should lodge a proposition for the States Assembly to decide on the site for the future hospital.

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## 2015

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### **April and September** – Site Options Appraisal undertaken by Gleeds Management Services

In accepting the recommendation of the Scrutiny Panel, the Ministerial Oversight Group determined that a further site validation exercise should be undertaken and Gleeds were commissioned to review five options.

This report was presented to the Ministerial Oversight Group and the Council of Ministers and a public consultation was planned regarding the shortlisted options.

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## 2016

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### **23 February – P3/2016** – People’s Park: removal from list of sites under consideration for future new hospital

The Constable of St Helier lodged a Proposition to remove People’s Park from the shortlisted options and the Minister for Health and Social Services accepted the Proposition prior to debate.

### **March-July** – Workshops held with States Members (excluding the Council of Ministers)

A series of workshops was held with States Members to inform them of the detail of the site selection process to date and to hear their insights on the merits or otherwise of potential sites. The workshops concluded that only one site had the potential to create the broadest level of support – the current General Hospital site.

### **21 July – R80/2016** – Health and Social Services: Acute Service Strategy 2015-2024

The Report set out the direction for acute services in the Island over the next 10 years.

### **24 November – SR7/2016** – Health and Social Security Scrutiny Sub-Panel Report on the Future Hospital Project

The Scrutiny Panel undertook to review the Proposition on the preferred site which had been lodged by the Council of Ministers. The Report examined the scheme which had been set forward and set out the details to allow Members to have an informed view ahead of the debate. The Report included a review by the Panel’s advisors, Concerto Partners, who had conducted a UK Government Gateway review. A recommendation

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from the Report was that the project's leadership be strengthened with an expert in hospital construction.

**29 November – R122/2016 – Future Hospital: preferred site – Stakeholder Engagement Report**

This Report was prepared by the project team to explain how different types of stakeholders had been involved with the proposals since March 2016.

**1 December – P110/2016 – Future Hospital: preferred site**

The Proposition lodged by the Council of Ministers asked Members to approve in principle the building of the hospital on the General Hospital site, with additional land to be acquired along Kensington Place. The Report noted that Gleeds Management Services had prepared a proof of concept assessment to demonstrate that a suitable hospital could be established on the proposed location.

The Constable of St John lodged an amendment to the Proposition so that a business case for the Waterfront site be prepared in tandem with the one for the General Hospital site. This amendment was defeated.

The Proposition was approved.

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***2017 (Beyond the review period but included for completeness of timeline)***

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**13 April – SR4/2017 – Corporate Services Scrutiny Panel – Future Hospital Funding Strategy Report**

The Scrutiny Panel reviewed P130/2016 and the proposed budget and method of funding the Future Hospital. The Panel's advisors, Concerto, analysed the various components of the budget and rated it as Amber-Green under the UK Government Gateway review process.

The Panel's financial advisor, Opus, examined the options considered by the Treasury Department and assessed that borrowing "would appear to be a pragmatic way forward".

A recommendation from the Report was that the 'contingency' element of the budget be held separately from the main capital budget.

**23 May – P130/2016 – Future Hospital Funding Strategy**

This Proposition was lodged by the Minister for Treasury and Resources to agree the budget and set out the proposed method of funding the Future Hospital. This included a plan for borrowing funds as well as use of the Strategic Reserve.

The Proposition was originally due to be debated on 19 January but was delayed until 23 May and then withdrawn. The funding strategy went on to be debated with P107/2017.

#### **6 December – SR13/2017 – Scrutiny Future Hospital Review Panel Report**

The Scrutiny Panel reviewed P107/2017, the preferred scheme from the outline business case (OBC) and included a review on the updated funding strategy. The Concerto advisors again reviewed the project and their overall view of the OBC was that it was fit for purpose and presented a sound enough basis for decision making by the States Assembly. They rated the short-term objectives of the project as Amber-Red, due to the uncertainty around external approvals, and the long-term objectives as Amber-Green.

Opus provided an additional review and confirmed that the issuing of a bond to fund the project made sense.

#### **13 December – P107/2017 – Future Hospital: approval of preferred scheme and funding**

This Proposition was lodged by the Minister for Treasury and Resources to confirm the latest funding proposals and present the OBC which confirmed the budget of up to £466m and concluded a preferred scheme for the hospital.

The Constable of St John proposed an amendment regarding the management of the contingency part of the budget, which was approved.

The amended Proposition was approved.

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### **2018**

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#### **21 February – P124/2017 – Hospital catering department: cancel relocation to an offsite location – petition**

This Proposition lodged by Senator Ferguson raised concerns about the move of the catering department to a location in St Peter and the method of food preparation.

The Proposition was defeated.

#### **9 April – P37/2018 – Future Hospital: Review of proposed site location and costs**

The Constable of St John lodged a Proposition that a review of a selected number of sites should be carried out to determine how they compared to the proposed site.

The Proposition was defeated.

**9 April – SR6/2018 – Scrutiny Future Hospital Review Panel Follow-up Report**

The Scrutiny Panel prepared an updated report to review the project since the outcome of the outline planning application. The Panel had reviewed the details of the revised scheme and how it differed to the previous one and explored the progress of the funding proposals.

The Report concluded that the Council of Ministers should lodge a proposition to allow the States Assembly to debate the revised proposal.

**10 July 2018** New Board established to examine hospital site decision

The Board will consider how Members reached the conclusion that alternative sites, such as Peoples' Park, St Saviour's Hospital, and the Waterfront, were less suitable than Gloucester Street.

**11 July – P.90/2018 - Future hospital: public inquiry – terms of reference**

to request the Minister for the Environment to redraft the Terms of Reference for the forthcoming Public Inquiry into the new application for the Jersey Future Hospital, as outlined in his letter of 17th May 2018 to the Independent Inspector, to provide the Inquiry with the freedom and latitude to consider alternative sites, if deemed necessary and appropriate.

The Proposition was adopted