

3.7 Deputy L.V. Feltham of St. Helier Central of the Minister for Treasury and Resources regarding working with the Minister for Health and Social Services in assessing and managing the Hospital Project's financial risks (OQ.87/2026).

Further to the Minister's Quarterly Hearing with the Corporate Services Scrutiny Panel on 14th September 2026, will he explain how he is working with the Minister for Health and Social Services to assess and manage the Hospital Project's financial risks?

Senator A.J.H.M. Maclean (The Minister for Treasury and Resources):

Responsibility for managing the delivery of the New Healthcare Facilities Programme rests with the Minister for Health and Social Services. My role and that of my team in Treasury is to work closely with the Minister for Health and Social Services' team to ensure that financial risks are properly identified, assessed and managed. Treasury provides oversight and assurance, challenges assumptions as necessary and reviews the management of programme risks. We do this through established governance arrangements, regular reporting and ongoing Ministerial and officer engagement, including through the New Hospital Facilities Ministerial Working Group, which is due to meet for the first time in this political term later this week. In this group key Ministers and officers meet with the programme team for a review of governance, programme risks and delivery controls. A particular area of focus is affordability and the programme's funding and financing arrangements.

3.7.1 Deputy L.V. Feltham:

Given that the Ministerial team has not met, can the Minister for Treasury and Resources confirm that his Treasury team do meet on a regular basis with the hospital programme team?

Senator A.J.H.M. Maclean:

Yes, I believe that is correct.

3.7.2 Deputy H.L. Jeune of St. John, St. Lawrence and Trinity:

At the hearing with the C.S.S.P. (Corporate Services Scrutiny Panel) the Treasurer said that there was, in his words: "Not much expert advice sought on the levels of hospital contingency within the full business case." Could the Minister explain to the Assembly how much contingency there is and which risks, such as inflation or housing the workforce, for example, sit with the Government, rather than with the contractor?

Senator A.J.H.M. Maclean:

Yes. There is, I understand, £14 million of contingency contained within the project. There are some risks which will be also contained. They can sit largely around areas such as the conflicts that we see globally, geopolitical risk, to the supply chains and such like. That would be the most significant I would probably highlight.

3.7.3 Deputy H.L. Jeune:

Is the contract a fixed price or is there a maximum exposure for the costs, if the costs rise, for the Government? Has there been a ceiling for maximum exposure?

Senator A.J.H.M. Maclean:

There is a fixed-price contract. But, as the Deputy will appreciate and I think I have alluded to, there are certain circumstances that are excluded from it. I gave the example a moment ago, and that would be one of the risks that is outside the fixed-price contract.

3.7.4 Deputy K.M. Wilson of St. Clement:

Would the Minister give an assurance to the Assembly that given that this group now, this Political Oversight Group, is established and going to meet for the first time, can we expect to see more transparency around the accounting and expenditure on the programme to date?

Senator A.J.H.M. Maclean:

I am not sure there was not transparency in the past. But, as I have said, I have only recently taken up this office but, as far as I am concerned, transparency is absolutely key. I can give that undertaking to the Deputy that the financing will be transparent and open and the programme as well. I believe in fact there is a briefing for States Members on this programme coming up shortly in October. It is an opportunity for States Members to ask questions there. But, no, transparency is a key issue.

3.7.5 Deputy K.M. Wilson:

In, I think, 2023 the Auditor General did a review on previous hospital projects. One of the things that she highlighted was the scale of abortive costs in relation to previous hospital projects. Does he have any assessment at the moment about the risks relating to any costs in that vein at all, that they will jeopardise the programme in any way?

Senator A.J.H.M. Maclean:

I do not believe there are any aborted costs in that regard. There is a Comptroller and Auditor General's review on the way at the moment and I am not sure ... that should be reporting relatively soon, which might also be helpful. It is another form of oversight.

3.7.6 Deputy L.V. Feltham:

Given that the Ministerial Group has not yet met, despite there being a number of weeks since taking office, can the Minister for Treasury and Resources give the Assembly confidence that he is receiving regular briefings from his officers on this very important and costly and risky project for the Island? Can he give us assurance that it is a standing agenda item on one of his regular meetings as well, please?

Senator A.J.H.M. Maclean:

I can assure the Assembly that this is a major project. It is the largest project I think the Island has ever undertaken. Therefore, it has my full attention; it also has the full attention of the Treasury team. I hope Members can rest assured that we consider those risks around a project of this size and ensuring we get value for money and delivery on time and on budget is absolutely front and centre of our considerations.