

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE *for* HEALTH & SOCIAL CARE

CHILDREN'S SERVICES HUB

The States are asked to decide: -

Whether, after consideration of the Policy Letter entitled 'Children's Services Hub', dated 11th September 2026, they are of the opinion:

1. To agree that the Committee *for* Health & Social Care should progress plans to refurbish and extend Raymond Falla House to deliver a Children's Services Hub and, to the extent that any direction is required, to direct them accordingly.
2. To authorise the Policy & Resources Committee, following its consideration and approval of the Full Business Case, to increase the existing capital vote for the delivery of a Children's Services Hub to a maximum of £22 million, and to approve the release of such funding of up to that amount, from the General Revenue Reserve.

The above propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE *for* HEALTH & SOCIAL CARE

CHILDREN'S SERVICES HUB

The Presiding Officer
States of Deliberation
Royal Court House
St Peter Port

11th September 2026

Dear Sir

1 Executive Summary

- 1.1 The Committee *for* Health & Social Care seeks the States of Deliberation's approval for a capital investment of a maximum of £22m to deliver a Children's Services Hub through a refurbishment and extension of Raymond Falla House.
- 1.2 This project is included in the States' Major Project Portfolio and supports two of the Government Work Plan's five "super priorities", specifically to agree and advance a sustainable health and care system and shape and strengthen the focus on early years and families.
- 1.3 Access to joined up, coordinated support is fundamental to achieving better outcomes for children, young people and families, particularly those with complex needs. The current estate is a major barrier to this, with services dispersed across multiple sites that limit collaboration, create inefficiencies, and reduce the quality of the experience for those accessing support. Investing in an improved environment will enable the co-location of key services for some of our most vulnerable citizens. The proposed hub will transform how services are delivered, providing a safe, welcoming and integrated setting that promotes dignity, builds trust, strengthens professional collaboration, and enables earlier and more effective intervention.
- 1.4 The project has the following high level investment objectives:
 - To improve the effectiveness of States of Guernsey community health and care provision for children and families by investing in a modern, accessible premises that co-locates services and improves user experience by 2030.

- To improve the efficiency of relevant areas of property estate, by reducing operating costs and releasing premises for repurpose or sale, including the potential for these sites to be used for housing¹ by 2030.
- 1.5 A significant proportion of States of Guernsey community health and care provision for children and families are currently delivered from Lukis House, Swissville, Garden Hill, Perruque House and Le Carrefour. This dispersed estate has developed over time in response to service demand rather than through strategic planning. These buildings are not fit for purpose due to their age and design.
 - 1.6 The current estate presents a significant challenge to the delivery of modern integrated services. Children, young people and families are often required to attend multiple locations to access support, creating barriers to coordinated care and a fragmented experience for service users. Many of the buildings were originally designed as residential properties and have inherent structural and layout limitations that restrict their ability to provide accessible, welcoming and therapeutic environments. In some cases, the buildings also carry negative associations from their previous use as children's homes, which may contribute to stigma and undermine engagement with services. As a result, the current estate does not adequately support the collaborative, multidisciplinary approach required to deliver the best outcomes for children and families.
 - 1.7 The age and condition of the existing buildings also create significant financial and operational pressures. The estate is costly to maintain on a day-to-day basis, with increasing maintenance demands, poor energy efficiency and operational inefficiencies associated with running services from multiple sites. In addition, substantial capital investment will be required to address backlog maintenance, compliance requirements and minimum building standards in order to keep the existing estate operational. Without a long-term solution, significant public funds would need to be invested across several ageing properties simply to maintain the status quo.
 - 1.8 The continued occupation of these sites for service delivery also prevents their release for alternative uses. Subject to approval of the proposed Children's Services Hub, services currently based at Lukis House, Swissville, Garden Hill, Perruque House and Le Carrefour would be co-located at Raymond Falla House, enabling the existing sites to be repurposed. Whilst decisions regarding their future use fall outside the mandate of the Committee *for* Health & Social Care, the Committee recognises that these sites may have the potential to support wider States priorities, including the provision of housing. The Committee *for* Housing has indicated its broad support of the proposed new Children's Services Hub. Having visited the sites to be vacated, they are of the belief that these represent valuable developable land and would better serve the island in years to come by providing much needed housing.

¹ The Committee *for* Health & Social Care acknowledges that the future use of these sites will be subject to decisions by other States committees, in line with their respective mandates.

- 1.9 As part of the States Funding & Investment Plan in October 2023, the Children's Services Hub was included in the States of Guernsey Major Projects Portfolio (previously known as the Capital Portfolio) as a 'do as planned' project. In April 2024, seed funding was approved to facilitate the development of the outline business case.
- 1.10 The process of developing the outline business case included a detailed appraisal of six potential options. Designs and cost estimates were developed for these options (including RIBA 2 designs for those with construction elements). These options were evaluated based on standardised scoring of their expected benefits versus estimated costs to deliver.
- 1.11 This process concluded that Option 3: Refurbish & Extend, represented the best value for money in achieving the investment objectives. Section 6 of this Policy Letter provides details of options appraisal.
- 1.12 The project is currently at an outline business case stage, and as such, financial values and indicative timelines should be viewed as working estimates. Subject to support from the States of Deliberation, the project will progress from outline business case to full business case stage. A competitive tender process will be undertaken during this phase to establish robust costs and inform the full business case.
- 1.13 In accordance with Proposition 2, the full business case, including final tendered costs, will be reviewed and endorsed by the Committee *for* Health & Social Care before being submitted to the Policy & Resources Committee for approval. Subject to approval of the full business case, the Policy & Resources Committee will approve the release of funding prior to the commencement of contractual commitments.

2 Strategic Context

- 2.1 The Government Work Plan 2026-2029 sets out the policy and service delivery priorities for the States of Guernsey. There are two key priorities which provide strategic context for this project, these are:
- Agree and advance a sustainable health and care system
 - Shape and strengthen focus on early years and families
- 2.2 The purpose of the Committee *for* Health & Social Care is to protect, promote, and improve the health and wellbeing of individuals and the community, specifically there are responsibilities within the mandate for the welfare and protection of children, young people, and their families, as well as health promotion and public health services.
- 2.3 The Children & Young People's Plan (2023-2026) provides more detail about how these outcomes will be achieved. There are six core commitments which underpin the Children & Young People's Plan, with five of these linked to the proposals for a Children's Services Hub:

- **Listen to the voices of all children and young people;** the proposals respond to feedback received from children and young people about how it feels to access services in premises which are not fit for purpose.
 - **Focus on early help and prevention;** the proposals provide opportunities for the further development of integrated services with a focus on prevention. Furthermore, there is evidence that co-location brings about efficiency savings which can be reinvested back into prevention (Anna Freud National Centre for Children & Families 2024).
 - **Collate and use data, evidence, and information effectively;** the proposals are based on a growing UK evidence base supporting the development of Children & Families Hubs (Anna Freud National Centre for Children & Families 2024).
 - **Tackle inequality and disadvantages and actively promote inclusion;** the proposals aim to provide a welcoming, fit for purpose, and inclusive premises which will reduce the stigma associated with access to some health and social care services.
 - **Working in partnership with each other and families;** the proposals to co-locate teams promotes the integration of services. In addition, providing services in a better environment will improve users' trust and confidence in services, therefore promoting partnership working.
- 2.4 The Children (Guernsey and Alderney) Law, 2008' places a duty on the States of Guernsey to provide services for "children in need" (s.23) and "any person who has been in the care of the Department" (s.26). This means all elected States members, officers of all States of Guernsey Committees, and partner agencies, have a responsibility to work in partnership to ensure the best possible outcomes for this vulnerable group.
- 2.5 The Property Rationalisation Programme identified Lukis House, Swissville, and Perruque House sites, amongst other properties, to be assessed for potential rationalisation with services co-located in a single property which would save costs and enable these sites to be repurposed or sold.
- 2.6 The proposals are considered to support the objectives of both the Island Development Plan and the Island Development Plan Review. The refurbishment and extension of Raymond Falla House represents the redevelopment of an existing States-owned site to improve community infrastructure and service delivery. The release of Perruque House following the relocation of services would also support the longer-term redevelopment opportunities identified within the L'Aumone Local Centre Redevelopment Area, which includes the Perruque House, C  stel Hospital and King Edward VII Hospital sites. In addition, Lukis House, Swissville and Perruque House are located within the Town Main Centre Outer Boundary, where Policy S2 generally supports redevelopment that contributes to the Island's economic and social development, subject to the requirements of the relevant planning policies.

- 2.7 The States of Guernsey Energy Policy 2020 highlights that, "In 2018, the United Nations' Intergovernmental Panel on Climate Change (IPCC) issued a report, which stated that to limit global warming to 1.5°C, "rapid and far-reaching transitions would be required in land, energy, industry, buildings, transport, and cities." In recognition of this, and in line with Guernsey's decarbonisation aspirations committed to through the Energy Policy and Climate Change Action Plan, the opportunities for decarbonisation associated within this project need to be considered. As an indirect but relevant opportunity of the project, consideration should be given to overall sustainability such as travel, facilities, materials, and waste amongst other things. There is a clear opportunity to exit the existing buildings which are energy inefficient due to their age and design. A major refurbishment of Raymond Falla House would include improved fabric, mechanical, and electrical systems to enhance the overall energy performance of the facility.
- 2.8 In October 2022, the Prevention of Discrimination Ordinance (Guernsey) came into effect which places a proactive duty on service providers to make reasonable adjustments for disabled people. In addition, public sector services will be required to provide an action plan detailing changes which are being made to services to improve accessibility by 2028. Services for children and their families are currently based in inaccessible buildings where major investment will be required to improve their accessibility and fulfil the organisation's duties under the Ordinance.

3 Service Context: States of Guernsey Community Services for Children & Families

- 3.1 Children & Family Community Services provide early help, assessment, support, safeguarding, youth justice, therapy, and care for children, young people, their families, and carers with a broad range of needs. The operational teams are supported by the Administration & Business Support Team, the Safeguarding Unit & Quality Assurance Team, as well as the Senior Leadership Team.
- 3.2 The majority of these teams are currently based at Swissville and Perruque House sites, with additional service delivery from Les Marais Centre, Le Rondin School & Centre, and Duchess of Kent House. Should the project be supported, these services will move from these unsuitable premises into a fit-for-purpose environment, while retaining space at Les Marais Centre and Le Rondin Centre as required.
- 3.3 Family centre services are also delivered out of the Kindred Centre at Les Genats; however, this service and its premises are out of scope of this project.
- 3.4 Health Visiting and School Nursing forms part of Public Health Services and provides universal health services to all babies, children, and young people in the Bailiwick. These teams deliver screening, assessment, intervention, and support across a wide range of developmental and public health needs. Community Children's Nurses provide community-based healthcare to children and young people with chronic, long term, and acute needs.

- 3.5 These services are based at Lukis House, with the main building providing office accommodation and the annexe providing clinical space. Under these proposals, all Public Health Children's Services will relocate from Lukis House to modern, purpose-built facilities.
- 3.6 Community Midwifery Services provide prenatal and antenatal advice, assessment, and support. Clinics are currently held at the Princess Elizabeth Hospital, Castel Hospital, and at times, on the maternity ward when other space is unavailable.
- 3.7 Under the proposed model, Community Midwifery clinics currently undertaken at Castel Hospital will relocate to the Children's Services Hub, improving access to dedicated clinical facilities.

4 Property Context

- 4.1 States Property Unit (SPU) was formed to deliver the Property Target Operating Model in May 2022, to centralise the States of Guernsey property portfolio functions. SPU is responsible for property assets worth over ~£800m and whilst this excludes STSB and States Housing, the team provides support to both these areas through professional advice and project delivery.

The three principal areas of responsibility cover:

- Portfolio Management: advise on and management of all property matters and transactions, including leases, lettings, sales, and purchases.
 - Operations: provide full hard and soft facilities management across the States of Guernsey estate.
 - Design Services and Projects: advise, design, and delivery of a wide range of projects across all aspects of the States of Guernsey estate.
- 4.2 **Lukis House** is a Georgian building, originally designed as a family home. There is a backlog of maintenance requirements within all areas of the building. A programme of essential interim works has been undertaken to keep the premises operational in the short to medium term whilst a long-term solution is agreed. The building is the current base for Health Visiting, School Nursing and Community Children's Nursing Services, Autism Diagnostic Team, Community Paediatrician, and Administration & Business Support.
- 4.3 **Swissville & Garden Hill** are based on the same site and were built as residential properties and previously operated as children's homes. They are now the base for several Children & Family Community Services social care teams and Administration & Business Support, as well as providing supervised contact facilities including rooms for meetings. Due to the history of the building being used as a children's home, some service users report negative connotations with the building, which impacts their experience of accessing services. As with Lukis House, a programme of essential interim works was completed to keep the premises operational.

- 4.4 **Perruque House and Le Carrefour** are adjacent to two other States of Guernsey-owned large sites (Castel & KEVII Hospitals). Perruque House was also previously operated as a children's home and is currently the base for several Children & Families Community Services teams including the Senior Leadership Team, Administration & Business Support, Youth Justice, Family Support Services, Multi-Agency Support Hub, Safeguarding Unit & Quality Assurance Team.
- 4.5 **Raymond Falla House** previously provided premises for numerous States of Guernsey teams such as States Laboratory Services, Economic Development, Communications & Marketing Team. Since the building was vacated to enable improved service alignment elsewhere in the estate, the site has subsequently been utilised to meet temporary office space requirements for various States of Guernsey teams.

5 **Project Benefits**

- 5.1 The proposed Children's Services Hub represents a strategic investment in the future of community health and social care provision for children and families as well as the States of Guernsey Property Estates. The project will improve the experience of children and families and staff whilst reducing the long-term cost of the estate and releasing premises for repurpose or sale, including the potential for these sites to be used for housing. These benefits are aligned with the States of Guernsey broader objectives for inclusive, effective, and financially sustainable public services.
- 5.2 The relocation of services into the Children's Services Hub will deliver several substantial improvements for children, young people, and families:
- Simplified access to services, with most appointments available at a single, central location instead of up to seven different sites.
 - A fully accessible building, addressing current issues with narrow corridors, level changes and non-compliant facilities; all existing buildings are rated "poor" for accessibility.
 - A space where children feel safe, respected and supported, not reminded of past trauma.
 - Families will no longer have to repeat their story to multiple professionals in different buildings.
 - Increased clinical and appointment capacity, with purpose-designed clinic, therapy, and contact rooms, and storage, none of which are available consistently across existing sites.
 - Improved opportunities for collaboration, enabling real-time information sharing and joint working between multidisciplinary teams.
 - Staff will spend more time with families and less time driving between buildings.
 - A safer and more accessible workplace, fully compliant with accessibility and safety standards.

- 5.3 Co-location of multidisciplinary teams within a single site will enable a more cohesive and person-centred approach to care. By delivering services from one location, service-users will be able to access a range of professionals during a single appointment or clinic session. This model reduces fragmentation, improves continuity of care, and enhances the overall service user experience.
- 5.4 The proposed facility will be designed to foster a welcoming, inclusive, and therapeutic atmosphere. This is essential not only for the wellbeing of service-users but also for promoting engagement and trust in public services. The physical environment will reflect the service's values of dignity, respect, and accessibility.
- 5.5 Whilst the core scope of the project is the co-location of States of Guernsey services currently based at Lukis House, Swissville, Garden Hill, Perruque House, and Le Carrefour, the proposed Children's Services Hub also presents opportunities to strengthen collaboration with third sector organisations. This includes the potential for joint service initiatives aimed at improving integration and enhancing access to support for children and families.
- 5.6 Ensuring that the premises are fully accessible to individuals with disabilities whether service-users or staff, is a core requirement. All States of Guernsey buildings must comply with the Prevention of Discrimination (Guernsey) Ordinance, and this project will serve as a benchmark for inclusive design in public infrastructure.
- 5.7 Modern, fit-for-purpose working environments are critical to supporting staff in their roles. The proposed building will be designed to make staff feel valued, safe, and supported. In addition to improving retention, the building design will enhance staff wellbeing, productivity, and collaboration, enabling services to be delivered more effectively and improving outcomes for children, young people, and families.
- 5.8 To demonstrate the real-world impact of the Children's Services Hub, three examples are presented below. These user stories highlight the challenges created by the current fragmented estate and how the new Children's Services Hub will improve experiences for children, families and staff.

Table 1: User Stories

A young person receiving multi-agency support A 17-year-old pregnant young person currently attends appointments across multiple sites: Swissville for support from the Children in Care Team, the Princess Elizabeth Hospital or Castel Hospital for Community Midwifery, and Perruque House for meetings with Multi Agency Support Hub and social workers. Some of these buildings trigger difficult memories from time spent in care, and the outdated environment feels unwelcoming. With the new Children's Services Hub, all professionals involved in her care will operate from one modern, therapeutic environment, improving her experience and enabling joined-up support.
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A parent of a child with complex needs

A parent caring for a 3-year-old with Cerebral Palsy currently navigates up to five different premises. Some buildings cannot accommodate the child's specialist buggy, limiting where appointments can be held. Multi-disciplinary assessments require professionals to travel to specialist sites such as Le Rondin School or the Princess Elizabeth Hospital, reducing their capacity to see other families. Under the new model, multi-disciplinary appointments will take place in dedicated, accessible rooms at the Children's Services Hub, significantly improving convenience for families and enabling more efficient clinical delivery.

A Service Manager supporting multiple teams

A Service Manager responsible for teams located across Swissville, Garden Hill, Les Marais Centre, and the Children's Development Centre currently spends considerable time travelling between sites to provide supervision and support. The buildings are cramped, lack staff wellbeing spaces, and negatively affect recruitment and retention. Within the new Children's Services Hub, teams will be co-located, enabling more visible leadership, quicker access to managerial support, and an improved work environment that will help attract and retain staff

- 5.9 The relocation of services currently based at Lukis House, Swissville, Garden Hill, Perruque House, and Le Carrefour results in the entire exit of these buildings. These properties have a combined estimated value of £8.4million. The exit of these buildings will allow for them to be repurposed or sold therefore supporting the rationalisation of States of Guernsey properties. The key benefits being the potential for capital receipts, sites being repurposed to meet other strategic objectives (including potential as housing), and significantly reduced property lifecycle costs with this area of the estate.
- 5.10 Raymond Falla House site was identified as the preferred location following a structured evaluation of multiple States of Guernsey sites at the Strategic Outline Case of the business case process. This assessment considered each site's ability to meet the operational requirements of the service area, the size of the site, history of accommodating similar services, and suitability for the likely anticipated development. Its selection also supports the long-term utilisation strategy for the States of Guernsey estate, ensuring effective use of existing assets.
- 5.11 The project's inclusion within the Major Projects Portfolio is directly linked to the defined scope being delivered at this location, with the investment reflecting the works required to enable Raymond Falla House site to meet current and future service needs.
- 5.12 The design brief was developed in collaboration with service leads and States Property Unit representatives to ensure the most effective utilisation of the building whilst meeting the operational requirements. Key elements include:
- A reduction in desk provision from 195 to 100, reflecting modern agile working practices.
 - A shift from individually allocated offices to shared, bookable meeting spaces.

- Co-location of services, enabling a reduction in the number of clinic, contact, and therapy rooms required across the estate.
- 5.13 This approach not only supports improved service delivery but also enhances the utilisation of public property assets, reduces costs, and contributes to a more sustainable and responsive health and social care infrastructure.
- 5.14 Green space, including a potential playground area, will form part of the development, with opportunities for elements of this to be accessible to the local community. At the same time, the design will ensure that appropriate private and secure areas are maintained for supervised contact and therapy. The balance between community access and service requirements will be explored further during the next stage of design, recognising the opportunity to deliver wider community benefits.

Table 2: Service Delivery Investment Objective 1 & Associated Benefits

Investment objective 1	Beneficiary	Benefits
To improve the effectiveness of community health and care provision for children and families	Children, young people and families	Ability to access multiple children & families' community-based services at a single location; in a modern, calming, suitable, and fully accessible environment, by 2030. A new facility will reduce the stigma associated with current sites (specifically Swissville & Perruque House) by providing much improved, quality, and modern facilities, in comparison to the current poor conditions of the existing sites.
	Service delivery	Service provision will benefit from co-location through staff knowledge and information sharing. Shared bookable spaces will provide more accessibility and flexibility for appointments utilising shared clinic, contact, and therapy rooms, enhancing service provision experience in modern, professional facilities, by 2030
	Staff	Staff wellbeing will be promoted through the provision of modern and appropriate facilities, including staff lunch and refreshment facilities, breakout spaces, supervision spaces, shower and change facilities etc., by 2030.
	Children, young people and families	Building accessibility: meeting States of Guernsey objectives regarding building accessibility requirements by 2030.

Table 3: Estates Investment Objective 2 & Associated Benefits

Investment objective 2	Beneficiary	Benefit
To improve the efficiency of relevant areas of property estate, by reducing operating costs and releasing premises for repurpose or sale.	States of Guernsey	Re-purpose of properties with a total capital value of £8.4m by 2030.
	States Property Unit	Long-term reduction in 30-year lifecycle costs from £25m to less than £10m.
	States Property Unit	Short-term reduction in property-related operating costs between 2030 – 2040 from £12m to less than £3m.
	States Property Unit	Meeting States of Guernsey objectives regarding energy efficiency requirements of our estate by 2030.

6 Options Appraisal & Preferred Way Forward

6.1 A structured process was adopted to identify the six options for appraisal. These options are described in table 4 below:

Table 4: Shortlisted Options

Option	Title	Description
Option 1: Do Nothing	Business as usual	Continue with business as usual with planned and unplanned property maintenance. Unable to release any buildings for repurpose or sale.
Option 2: Do Minimum	Refurbish only	Refurbishment of RFH to accommodate services based at Lukis House, Swissville (inc. Garden Hill). Unable to co-locate all in scope services and therefore not able to release Perruque House (inc. Le Carrefour).
Option 3: Do Intermediate 1	Refurbish & extend	Refurbishment of RFH including partial demolition and extension to accommodate all in scope services, enabling exit of Lukis House, Swissville (inc. Garden Hill) and Perruque House (inc. Le Carrefour).
Option 4: Do intermediate 2	Demolish & rebuild	Demolish RFH and rebuild on site to accommodate all in scope services enabling exit of Lukis House, Swissville (inc. Garden Hill) and Perruque House (inc. Le Carrefour).
Option 5: Do maximum 1	Demolish, rebuild and include key worker housing	Demolish RFH and rebuild on site to accommodate all in scope services enabling exit of Lukis House, Swissville (inc. Garden Hill) and Perruque House (inc. Le Carrefour). In addition, provide 6 units of keyworker housing.
Option 6: Do maximum 2	Major refurbishment of existing sites	Refurbishment of Lukis House, Swissville (inc. Garden Hill) and Perruque House (inc. Le Carrefour) to meet service and building requirements. Unable to release any of the in-scope building for sale or repurposing.

6.2 Workshops were held to appraise the six options taking into account; service benefits, property benefits, 30-year lifecycle costs, and delivery costs. The outcome of this process is summarised in the below:

Table 5: Summary of options appraisal

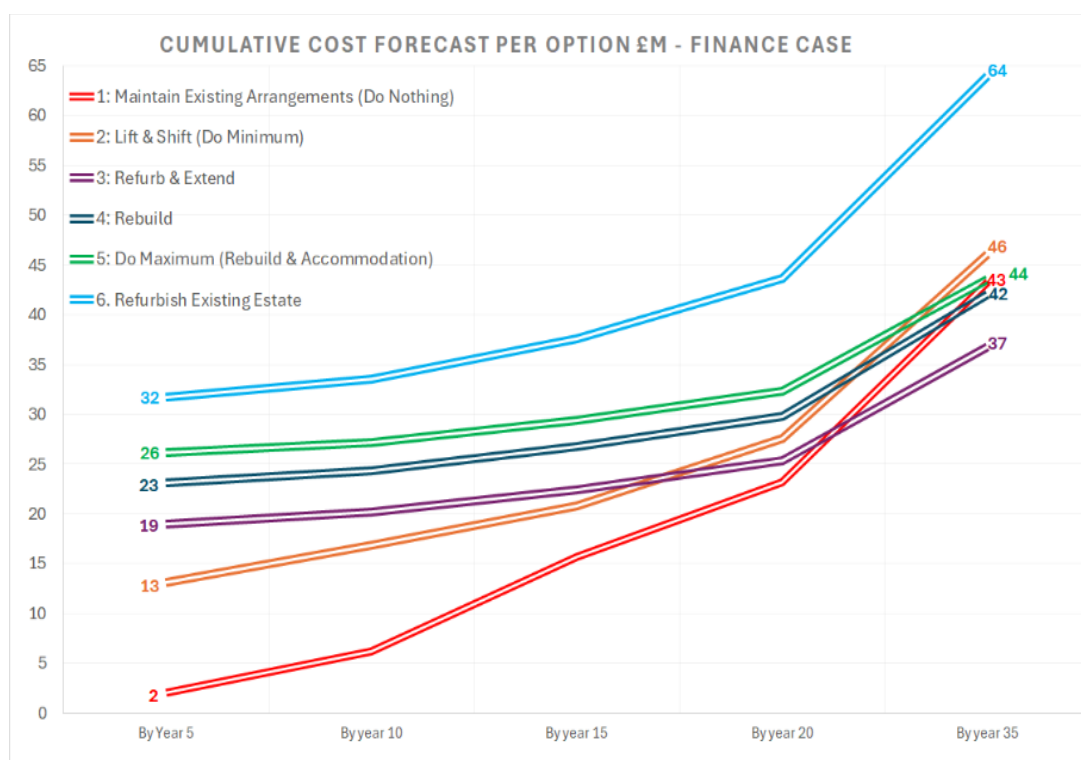
Option	Benefits Ranking *	Cost Ranking	Cost Range	Recommendation
Option 1: Business as usual	6	1	N/A	Exclude: The poor benefits ranking reflects that this option does not address any of the service delivery or property portfolio investment objectives. This option is not considered viable, as it would result in a continued and worsening experience for service users, with services remaining dispersed across multiple outdated and inaccessible buildings that create barriers to coordinated care and negatively impact engagement and outcomes. The existing estate also carries significant backlog maintenance and lifecycle costs, with buildings that are inefficient, difficult to adapt, and increasingly costly to operate. Substantial investment would be required simply to maintain these premises at a safe and operational standard, without addressing their fundamental limitations. As a result, continuing with the status quo would effectively drive expenditure towards major refurbishment across multiple sites, therefore aligning more closely with the high cost profile of Option 6—while still failing to deliver the benefits of fit-for-purpose premises.
Option 2: Refurbish only (lift and shift)	4	2	£10m-15m	Exclude: Whilst this option is the lowest cost to deliver (excluding BAU) it does not deliver key project benefits. Specifically, the release of Perruque House, unlocking the entirety of the Castel Hospital & KEVII site. This option also does not facilitate the co-location of the leadership team, MASH, Child Protection, Stronger Families and Youth Justice Teams with the other in scope teams, significantly reducing expected project benefits.
Option 3: Refurbish & extend	3	3	£16m-£22m	Preferred way forward: In comparison to Option 4, this option delivers slightly lower service delivery and property benefits (80% compared to 100%, and 73% compared to 87% respectively),but requires an estimated £4m less in initial capital investment. When considered in the context of overall value for money, the additional benefits associated with Option 4 are not deemed sufficient to justify the increased cost, particularly given the broader pressures on public finances. It is also recognised that a number of the current design limitations within Option 3, which contribute to the lower benefits score, can be addressed through subsequent design development, with the potential to further enhance outcomes and narrow the gap in benefits between options 3 and 4. An example of this, is the redesign of the reception area layout to improve security and confidentiality which will be explored further at a later design phase.

Option	Benefits Ranking *	Cost Ranking	Cost Range	Recommendation
Option 4: Demolish & rebuild	1	4	£18m- £28m	Exclude: See explanation in option 3
Option 5: Demolish, rebuild and include key worker housing	2	5	£22m-£32m	Exclude: Whilst this option provides key worker accommodation alongside the Children's Services Hub, it was estimated to cost more than Option 4 whilst delivering slightly lower operational benefits. The reduction in benefits reflected concerns regarding the co-location of residential accommodation and services for children, young people and families on the same site. The appraisal identified potential management, safeguarding and operational challenges associated with combining these uses, reducing the overall suitability of the option from a service delivery perspective. In addition, it was judged that the relatively small number of key worker housing units proposed did not provide sufficient scale to justify the additional investment required.
Option 6: Major refurbishment of existing sites	5	6	£25m-£39m	Exclude: This option incurs the greatest delivery cost with the lowest (but one) benefits ranking and is therefore excluded on that basis.

**Scores are assigned on a relative ranking basis. A score of 1 represents the best-performing option against a given criterion and a score of 6 represents the worst-performing option. For benefits, this equates to the highest and lowest levels of benefit respectively; for costs, it equates to the lowest and highest capital cost respectively.*

- 6.3 The below graph illustrates the cumulative cost forecast for each shortlisted option over the expected life of the building, combining both capital and ongoing revenue expenditure. The values are indicative to provide a comparative view of the overall financial impact rather than precise costings. This approach highlights the long-term cost trajectory of each option, demonstrating that while some options appear lower cost initially, they increase significantly over time. On this basis, Option 3 (Refurbish & Extend) offers the most balanced and cost-effective solution, resulting in lower overall lifecycle costs and therefore emerging as the preferred option.

Figure 1: Cumulative cost forecast (£m) for each option



- 6.4 On this basis, the options appraisal concluded Option 3: Refurbish & Extend, provided the optimal balance between cost and benefits, delivering substantial service and estate improvements without the additional cost associated with a full rebuild.
- 6.5 The Committee *for* Health & Social Care has carefully considered the findings of the options appraisal. The Committee notes that, while some members expressed a preference for Option 4: Demolish & rebuild, the majority view is that Option 3: Refurbish and extend provides the most appropriate balance of service delivery improvement, affordability, and value for money. The Committee notes that it is anticipated as design work progresses, improvements can be made which will close the gap in benefits score between Option 3 and Option 4 without incurring additional costs. The Committee therefore concludes that Option 3 represents the most appropriate way forward, recognising that this has been a finely balanced decision, informed by thorough scrutiny of the Business Case and careful consideration of the long-term implications for services and the public estate, and the need to achieve best value for money in the context of pressures on public finances.

7 Funding Requirements

- 7.1 The total capital cost of delivering Option 3 (refurbish & extend) is currently estimated to be between £16 million and £22 million. This estimate covers all costs required to bring the facility into operation, including design, construction and project management, as well as allowances for inflation, risk and optimism bias. The estimate is based on the Finance Case developed as part of the Outline Business Case.
- 7.2 At this stage, these figures should be regarded as indicative estimates. Subject to States Members' support, the project will proceed to the Full Business Case stage. This will include a competitive tender process to establish more detailed and robust cost estimates. In accordance with Proposition 2, the Policy & Resources Committee will review and approve the Full Business Case, including the final tendered costs, before any contractual commitments are entered into.
- 7.3 The capital cost estimates have been reviewed through a structured value engineering process led by States of Guernsey construction and commercial teams, working collaboratively with the appointed design partner. The review considered the design scope, specifications and delivery assumptions to ensure the project delivers the required outcomes in the most cost-effective way. This process identified a number of refinements that have now been incorporated into the proposal. These changes have reduced the overall project cost while maintaining the project's objectives, functionality and intended benefits.
- 7.4 The risk provision for Option 3 has been developed incorporating allowances for design development, construction, and potential employer-led changes. In addition, a specific allowance has been included to mitigate potential structural uncertainties associated with the retention of existing elements of Raymond Falla House, as identified through early-stage engineering assessments.
- 7.5 Inflation has been applied to the cost estimates in line with the States of Guernsey's approved assumptions, ensuring consistency with planning across the wider Major Projects Portfolio. In addition, standard industry allowances have been included to account for both pre-contract tender inflation and inflation during the construction phase. As the estimates are based on pre-tender information, there remains a degree of uncertainty around future construction costs. Appropriate allowances have therefore been included to reflect this risk at the current stage of project development.
- 7.6 Cost ranges have been presented to reflect the potential impact of local and international construction inflation, changes in material and supply chain pricing, and market conditions at the time tenders are received. The ranges were derived through sensitivity analysis, including applying percentage increases to reflect a range of potential favourable and adverse impacts to this programme cost elements.

- 7.7 However, there remains inherent uncertainty when estimating future construction costs, therefore cost ranges have been presented to reflect the effect that local and international construction inflation, changes in material and supply chain pricing, and market conditions may have on final tendered costs.
- 7.8 The total funding envelope for the Major Projects Portfolio is £477 million. This comprises the originally approved £460 million (including £20 million of contingency funding) for projects being delivered from 2023 through to completion, together with a further £16.7 million approved for two additional projects earlier in 2026.
- 7.9 The latest forecast, as at 30th June 2026, indicates a £1.9 million adverse variance against the approved funding envelope. However, a number of projects remain in the planning and development stages, and project costs are expected to continue evolving as designs are refined, risks are better understood and delivery strategies are confirmed. The forecast includes the Children Services Hub project, with currently estimated total costs of £17.1 million.

8 The Procurement Process

- 8.1 A Design Practice Consultant was appointed to manage a consortium of construction professionals to develop concept designs. These designs and cost estimates have informed the options appraisal required for outline business case development.
- 8.2 Subject to formal approval by the States of Deliberation, a full and competitive tendering process will be undertaken. The objective is to appoint a suitably qualified contractor to deliver the scheme through to completion, including technical design development, construction, and final building handover.
- 8.3 In addition to the main construction contract, several supplementary goods and services will be procured to ensure the facility is fully operational and fit for purpose. These include:
- IT infrastructure and systems.
 - Office and clinical furniture, along with specialist equipment, Interior design elements such as theme, décor, and wayfinding, to support a therapeutic and child-friendly environment.
 - External assurance services to provide independent oversight and quality assurance throughout the project lifecycle.

9 Engagement and Consultation

- 9.1 As part of the preparatory work for the proposed Children's Services Hub, Members of the Committee *for* Health & Social Care conducted site visits to Lukis House, Swissville, and Perruque House. These visits provided Committee Members with valuable insight into the current challenges due to poor operational environments and

informed early discussions on future service delivery needs. Members of the Assembly were also invited to visit the existing sites during September.

- 9.2 The Committee *for* Housing has indicated its broad support of the proposed new Children's Services Hub. Having visited the sites to be vacated, they are of the belief that these represent valuable developable land and would better serve the island in years to come by providing much needed housing. This is material and should not be regarded as an ancillary benefit when considering whether to move forward with the project. The estimated value of the properties to be vacated is stated to be in the region of £8.4m. This is land in the States ownership which is well situated for housing and avoids the need for the States to acquire more land to meet development aims. It is noted that the current plan is for the sites to be vacated following completion of the Children's Service Hub project. However, the Committee *for* Housing is keen to see if earlier vacation of some properties which are mainly used as office space (such as Perruque House) may be possible. The Committee *for* Housing are of the view that office accommodation is more easily available in the market and potentially through the use of other States buildings and that office use should not be a blocker for delivery of strategic States priorities such as housing. For sites such as Lukis House and Swissville, where direct delivery of public services takes place, development planning work can be undertaken ahead of the sites being vacated so that they are ready for development as soon as possible after that. The early identification and allocation of these sites for that purpose will allow planning to take place long in advance and minimise the time during which the sites are unoccupied and unused.
- 9.3 The proposed Children's Services Hub provides opportunities to strengthen collaboration with third sector organisations who support children and families, enabling more joined-up signposting of services as well as the potential for joint service initiatives aimed at improving access to support. An initial meeting has taken place with representatives of the third sector, and this project will provide a case study as to ways to engage in joined up thinking on how best to deliver for our children and families.
- 9.4 Subject to formal approval by the States of Deliberation, a comprehensive stakeholder engagement and communications plan will be developed to support the next phase of the project. This plan will outline how key stakeholders, including service users, families, frontline staff, voluntary sector partners, and community representatives, will be involved in shaping the design and delivery of the new Children's Services Hub.

10 Delivery

- 10.1 The outline business case has undergone comprehensive review and assurance, including approval by the Committee *for* Health & Social Care, review by the Policy & Resources Committee, and an independent Project Assessment Review (PAR 2). These processes provide assurance that the proposal is strategically sound, deliverable and supported by a robust evidence base.

- 10.2 This project represents a significant programme of works and will require robust project management and governance arrangements to ensure successful delivery. The project will be managed in line with States of Guernsey Major Projects Portfolio Policies and procedures, adopting best-practice approaches to project management, procurement and governance. This includes a full open tender process, supported by the development of a comprehensive full business case prior to the appointment of the design and construction teams. The project will follow the agreed governance structures, controls, and assurance mechanisms for States of Guernsey Major Projects throughout. Subject to approvals, construction is anticipated to commence in Q4 2027 and extend over approximately 24 months, with full implementation, including operational readiness and opening of the facility which is targeted for mid-2030.
- 10.3 To ensure successful delivery, the project will operate under governance structures and project methodology framework set out by the States of Guernsey. The Children's Services Hub Project Board will provide direct oversight, with escalation routes to the Portfolio Board, as well as The Committee for Health & Social Care for strategic decision making.
- 10.4 Specialist leads in Finance, Treasury, Commercial, IT, HR, and Communications will be engaged to guarantee compliance with States of Guernsey policies and to maintain effective coordination across all workstreams. Additionally, a dedicated change management resource will be appointed full-time for six months during the transition phase to facilitate organisational readiness, staff training and implementation planning.

11 Compliance with Rule 4 of the Rules of Procedure

- 11.1 Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees sets out the information which must be included in, or appended to, propositions laid before the States.
- 11.2 In accordance with Rule (1)(a), the Committee confirms that this project supports two of the Government Work Plan's five "super priorities", specifically to agree and advance a sustainable health and care system and shape and strengthen the focus on early years and families. It will improve outcomes for children, their families, and staff through the co-location of community-based services for children and families within fit for purpose premises.
- 11.3 In accordance with Rule 4(1)(b), it is confirmed that the Committee has engaged with the Policy & Resources Committee, the Committee for Housing and States Deputies were invited to a series of site tours and project briefings. In addition, there has been some engagement with charitable organisations as set out in Section 9.
- 11.4 In accordance with Rule 4(1)(c), it is confirmed that the propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.

- 11.5 In accordance with Rule 4(3), the Committee has included propositions which request the States of Deliberation to approve delegated authority to the Policy & Resources Committee to approve funding up to a maximum of £22m. Further detail on the financial implications is provided in Section 7.
- 11.6 In accordance with Rule 4(2)(a), the propositions relate to the duties of the Committee *for* Health and Social Care in respect of its responsibility for health and care services and the Policy & Resources Committee in respect of its responsibility to set the framework for the planning, approval, and control of public expenditure.
- 11.7 In accordance with Rule 4(2)(b) of the Rules of Procedure of the States of Deliberation and their Committees, it is confirmed that the propositions attached to this Policy Letter have the unanimous support of the Members of the Committee *for* Health & Social Care, while noting that Deputies Matthews and Malik expressed a preference for Option 4 during deliberations.

Yours faithfully

G A Oswald
President

A D S Matthews
Vice-President

M Malik
S J Rochester
J D Strachan

E Freestone
M Read
Non-States members