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Dear Madam

POLICY LETTER AND PROPOSITION NO. P.2026/68 – COMMITTEE FOR HEALTH & SOCIAL CARE: CHILDREN’S SERVICES HUB

This Letter of Comment from the Scrutiny Management Committee (the “Committee”) is submitted in accordance with Section 3(19) of the Rules of Procedure.

The Committee recognises the need to improve accommodation for children’s services. However, identifying shortcomings in existing premises and describing the advantages of a modern building does not, in the Committee’s view, establish that spending up to £22 million on the proposed Children’s Services Hub (the “Hub”) represents the best use of public money. A desirable project still requires a demonstrable business case.

The Policy Letter makes substantial claims about improved service integration, increased appointment capacity, better staff retention and improved outcomes for children and families. The material provided in response to this Committee’s questions does not adequately establish the scale of these improvements, how they depend on the proposed development, or whether they could be achieved more economically. The supplied benefits plan leaves the principal service-user, service-delivery and staff-wellbeing benefits without established baselines or defined targets. A framework for measuring benefits subsequently is not a substitute for evidence sufficient to justify the investment beforehand.

The Committee believes that co-location may support better collaboration, but that it does not, by itself, deliver integrated services. Shared information, coordinated appointments, joint assessments and effective professional working arrangements require operational changes. Moving professionals into the same building alone cannot ensure that families no longer need to repeat their stories to different

professionals. The business case should show which improvements require capital investment, which require changes in working practices, and how each contributes to the expected outcomes.

The Policy Letter refers to evidence of poor accessibility and unsuitable accommodation. The Committee understands that these are legitimate concerns requiring action. They do not, however, demonstrate that the full Hub is the necessary or most proportionate response. The Committee believes that the question remains as to whether the proposed expenditure delivers sufficient additional benefit compared with realistic, less costly alternatives.

A central weakness is the lack of an appraisal of the progressive rationalisation of the existing estate. The Committee specifically asked whether services could be consolidated and office-based functions relocated without constructing the full Hub. The Committee *for* Health & Social Care confirmed that a standalone option of this kind was not developed. Its explanation focused instead on the disadvantages of temporary relocation, which does not address the question of planned, permanent rationalisation.

This omission is particularly significant because paragraph 9.2 of the Policy Letter records the Committee *for* Housing's view that office-based services at Perruque House could move earlier, using other States' buildings or accommodation available in the market. The Committee *for* Housing expressly argues that office occupation should not prevent the delivery of strategic housing priorities. Yet the inability to release Perruque is a principal reason for rejecting the cheaper refurbishment option. The appraisal has therefore not demonstrated that releasing this strategically important site depends on constructing the full Hub.

The Committee believes that the proposed release of properties must also form part of a coherent estate plan. Their potential use for housing or other purposes may be valuable, but potential is not the same as an agreed, costed and deliverable benefit. Decisions on their future use, timing, disposal and value realisation remain outstanding. Releasing buildings is an intermediate step; the public benefit depends on what happens next and at what cost. The appraisal should connect service accommodation requirements, available capacity elsewhere in the States' estate, relocation and adaptation costs, maintenance liabilities, and the intended use of released sites.

The Committee *for* Health & Social Care's statement that wider estate rationalisation falls outside its mandate explains the limits of its assessment. It does not explain why the Policy & Resources Committee, responsible for the planning and control of public

expenditure, is prepared to endorse the scheme without ensuring that the wider assessment has been completed.

The Committee believes that the Policy & Resources Committee's support for a £22 million funding ceiling also requires stronger justification. This is £4.9 million, approximately 29%, above the current £17.1 million estimate. The existing estimate already includes allowances for inflation, risk and optimism bias. Further headroom may be justified, but the Committee believes that the published Letter of Comment does not adequately explain how it relates to those existing provisions, whether the project continues to represent best value at the higher cost, or what level of increase would trigger reconsideration of the preferred option.

An expectation that the Committee *for* Health & Social Care should aim for a final cost closer to the current estimate is not an adequate substitute for those tests. Nearly £5 million in additional spending capacity warrants clear justification. The Policy & Resources Committee is responsible for challenging the necessity, proportionality and comparative value of proposed expenditure. Its published endorsement expresses greater confidence in affordability and value for money than the accompanying explanation substantiates.

The Committee considers that before the States Assembly approve the preferred scheme and delegate authority to spend up to £22 million, a costed estate rationalisation appraisal should be completed. This should assess the permanent relocation of office-based services, targeted improvements to clinical accommodation and phased consolidation against the full Hub proposal. It should identify measurable service benefits, realistic property benefits and the costs and risks of each approach.

The Committee accepts that better accommodation is a legitimate objective. However, at a cost of up to £22 million, it believes that the States Assembly firstly needs sight of evidence that this particular development is the necessary, proportionate and best-value means of achieving it. It is the Committee's strongly held view that the Committee *for* Health & Social Care has not yet sufficiently demonstrated this fact.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Andy Sloan', with a long horizontal flourish extending to the right.

Deputy Andy Sloan
President of the Scrutiny Management Committee