

2016

Annual Report



NATIONAL
PAEDIATRIC
HOSPITAL
DEVELOPMENT
BOARD

**DESIGN
BUILD
EQUIP**

National Paediatric Hospital Development Board
Planning, designing, building, equipping and
furnishing the new children's hospital



Contents

General Information	3
The National Paediatric Hospital Development Board (NPHDB)	4
Chairman's Statement	5
Project Overview	7
Project Director's Report	11
Board Members' Report	14
Statement of Board Members' Responsibilities	15
Report of the Comptroller & Auditor General	17
Certification of Project Director and Chairperson	18
Statement on Internal Financial Controls	19
Statement of Accounting Policies	21
Statement of Income and Expenditure and Retained Revenue	23
Statement of Financial Position	24
Statement of Cash Flows	25
Notes to Financial Statements	26

General Information

National Paediatric Hospital Development Board

Project Office	Block A, Herberton, St. James's Walk, Rialto, Dublin 8.
Bank	Ulster Bank 2-4 Lower O'Connell Street Dublin 1
Auditor	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1
Solicitors	Eversheds One Earlsfort Centre Earlsfort Terrace Dublin 2



The Board

About the National Paediatric Hospital Development Board

The National Paediatric Hospital Development Board (the “NPHDB”) was established by the Minister for Health & Children by Statutory Instrument (S.I.) 246 of 2007 on 23rd May, 2007.

The NPHDB is responsible for planning, designing, building, equipping and furnishing a new children’s hospital in accordance with the high-level framework brief which was commissioned by the Health Service Executive (HSE). The brief includes advice on the preferred national network of paediatric care, on the core services to be delivered at the new children’s hospital, and on the additional range of services to be provided outside of the main hospital. This includes an assessment of the range of services to be provided through the Paediatric Outpatient Department & Urgent Care Centres, and the preferred location(s) for these services, taking account of international best practice in the planning of children’s hospital services.

Functions of the NPHDB

The functions of the NPHDB, as outlined in S.I. 246 of 2007, are:

- to plan, design, build, furnish and equip a national paediatric hospital (‘the new children’s hospital’) in accordance with a brief approved by the Health Services Executive (‘the HSE’) with the prior consent of the Minister, and subject to any subsequent variations to this brief as may be determined by the HSE in consultation with the NPHDB, and with the prior consent of the Minister; and
- do any other thing as is necessary for the performance of its functions.

The other functions of the NPHDB are currently undertaken by the Children’s Hospital Group Board (CHGB). These functions are as follows:

- in consultation with the relevant hospitals, prepare plans for the transfer of services from the relevant hospitals to the hospital;
- in consultation with the relevant hospitals, prepare a human resource strategy for the transfer to the new children’s hospital; and
- explore the possibility of securing philanthropic contributions to meet all or part of the capital cost of developing the hospital, and foster the philanthropic interests that already exist in relation to the provision of paediatric services.

Responsibility for these functions passed to the CHGB on the 13th September 2013, as set out in an operational agreement between the NPHDB, the CHGB and the HSE and approved by the Department of Health. Legislation is currently being prepared for Government approval to formally establish the CHGB, and amend the statutory functions of the NPHDB accordingly.

Membership of the NPHDB

Under the terms of the Statutory Instrument, the Minister for Health may appoint thirteen members to the Board – a Chairperson and twelve ordinary members. Details are set out in the Board Members Report.



Chairman's Statement

The National Paediatric Hospital Development Board (NPHDB) achieved a number of momentous milestones during 2016, the principle being as follows:

- On the 26th April 2016 An Bord Pleanála granted planning permission for the new children's hospital on a shared campus with St. James's Hospital. The application also included the construction of two Paediatric Out-Patients and Urgent Care Centres at Tallaght and Connolly Hospitals; a 53 bed Family Accommodation Unit, a Children's Research and Innovation Centre on St. James's Campus; and a construction compound site at Davitt Road in Dublin 12;
- The arrival of construction equipment on the 50-acre campus shared with St. James's Hospital on the 20th July 2016, to clear the site and start the enabling works for the construction of the new children's hospital; and
- The receipt of tenders for the Construction Contracts to build the new children's hospital and two Paediatric Out-Patients and Urgent Care Centres at Tallaght and Connolly Hospitals.

The development of the plans for the new children's hospital and two Paediatric Out-Patients and Urgent Care Centres at Tallaght and Connolly Hospitals was supported by the continued engagement and consultation with; local residents and businesses; the staff from the three children's hospitals; the regional hospitals at Cork, Limerick and Galway; the Coombe and Connolly Hospitals; and with families, young people and children who are former or current users of the service. This extensive consultation process has led to the development of plans for a world-class building, which has been designed to enable staff to deliver the best possible clinical care for children and young people.

The vision for the hospital is supported by five pillars that are guiding the project teams during the design, build and equipping of the new children's hospital. These are:

- Child Friendly by Design;
- Clinical Excellence;
- Sustainable Building;
- Safety the Only Way; and
- Considerate Neighbour.

These five pillars are employed on all of the development aspects of the new children's hospital.

The engagement process on the design of the new children's hospital included family forum workshops with parents and guardians, whose children are users of paediatric services in Ireland. User engagement sessions with staff from the three children's hospitals, information sessions with local residents and elected representatives from the local community as well as councillors, political leaders from government and opposition parties - particularly those with an interest in health and / or children were also briefed about the hospital design as well as the clinical imperatives for the new hospital on a campus shared with St. James's. This outreach included an Oireachtas Open Day in 2015 and a presentation to the Joint Oireachtas Committee on Health in October 2016. Regular media briefings and unveilings of latest design concepts were also held to ensure that all members of the public were kept informed of this important project. A public information office was also opened in Dublin 8 close to the site of the new children's hospital to showcase the project.

Significant progress was achieved during the year in conjunction with the St. James's Hospital facilities and capital buildings team on decanting parts of the site and transitioning services and staff to other areas of the St. James's Campus, to facilitate the enabling works on the site. By the end of 2016 many significant buildings on the new children's hospital site were decanted and Hospital 7 was vacated in early 2017.

The Board of the NPHDB wishes to thank all of those who have assisted and supported the project throughout 2016. We are grateful to the Government and in particular the Minister for Health, Mr Simon Harris T.D., and his predecessor Dr. Leo Varadkar T.D., for their commitment to the project. We would also like to thank the Health Service Executive and the National Development Finance Agency for the invaluable advice and guidance that we have received to date. We look forward to working with them in the future to deliver the new children's hospital that we can all be proud of.

We also wish to thank the management and staff at Our Lady's Children's Hospital Crumlin, the Children's University Hospital Temple Street, the Adelaide and Meath Hospital incorporating the National Children's Hospital Tallaght, Connolly Hospital Blanchardstown, the Coombe Women & Infants University Hospital, St. James's Hospital and their respective boards for their invaluable contribution which led to the wonderful design, planning of services, facilities and operations for the new children's hospital. We also greatly appreciate advice and support given from all political parties and their members, Senators, local T.D.s and Councillors.

We would like to thank Board members and staff of the Children's Hospital Group as their guidance assisted us in applying for planning permission in record time – almost twelve months from the date of appointing our design team. The design team worked tremendously hard over that period to develop a world-class building which will enable staff to deliver the best clinical care for children and young people; thank you to the lead architects

Benedict Zucchi and Sean Mahon and their teams at BDP and O'Connell Mahon for leading the project so successfully.

Finally, I would like to thank the NPHDB members and our staff, for your dedication, support and passion for the project. We will leave a legacy behind that we can all be very proud of.

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Tom Costello

Chairperson

National Paediatric Hospital Development Board

Date: 26th June 2017



Project Overview

The new children's hospital, co-located with St James's Hospital in Dublin 8, will be a world-class, child-focused facility, supported by the two Paediatric Out-Patients and Urgent Care Centres at Tallaght and Connolly Hospitals, delivering optimum healthcare to Ireland's children, equal to the highest international standards. The new children's hospital will:

- Provide national tertiary paediatric care for Ireland's children and young people; combining onto one site the clinical services currently being provided at Our Lady's Children's Hospital, Crumlin; the Children's University Hospital, Temple Street and the National Children's Hospital, Tallaght;
- Treat children up to the eve of their 16th birthday, with children in the system treated up to eve of their 18th birthday. Programmes for transition of children to adult services will commence early and be completed by their 18th birthday unless in specific circumstances where clinical outcomes are proven better under paediatric services;
- Expand the role of the Paediatric Outpatient Department & Urgent Care Centres at the new children's hospital and at Tallaght and Connolly Hospitals and reduce reliance on inpatient treatment, in line with international trends and best practice;
- Deal with higher levels of acuity among inpatients;
- Support and enable the transformation of paediatric healthcare services in Ireland through working closely with the National Paediatric Programme in its implementation of the new national model of care;
- Be the driving force behind a move towards home-based care, wherever clinically appropriate;
- Support efficiencies through innovative campus-wide sharing and use of clinical and non-clinical services as appropriate at both the new children's hospital and the Paediatric Outpatient Department & Urgent Care Centres at Tallaght and Connolly hospitals; and
- Be the primary centre for paediatric research, education and training in Ireland.

Project Teams

The work of the NPHDB has been discharged by the Project Executive Team and supported by the Board Sub Committees as outlined on page 13. The design teams led by BDP and O'Connell Mahon were appointed to design the new children's hospital and HLM and Coady were appointed to design the Paediatric Outpatient Department & Urgent Care Centres at Tallaght and Connolly hospitals. These design teams were appointed in August 2014 and December 2014 respectively. These teams work together with the NPHDB and its Executive to plan the design, make the planning applications, draft the business case for the project and ultimately construct and equip the hospital.

Healthcare Planning

In consultation with the hospitals, the HSE and the healthcare planners, the current and future requirements for children's healthcare services in Ireland were analysed to determine the capacity and service models required to meet future needs. This analysis will enable the delivery of future services in a contemporary environment and at a performance level comparable with the leading children's hospitals worldwide.

The activity and capacity plan for the new children's hospital and for the connected Paediatric Outpatient Department & Urgent Care Centres was based on projected future needs and developments in service delivery. Inherent in this plan was the expected activity split between the new children's hospital and the Paediatric Outpatient Department & Urgent Care Centres at Tallaght and Connolly Hospitals.

Consultation

Children, Young People and their Families

The views of children, young people and their families are of paramount importance in planning the development and operation of the new children's hospital. The Design team worked with a panel of young people called the Youth Advisory Council who are aged between 14 and 18 to engage their thinking. The Youth Advisory Council are current and former users of hospital services and have spent many hours talking to the team who are designing the new children's hospital. They been involved in every step of the project - helping to inform the design, suggesting the inclusion of facilities and features that would help children and their families who stay in hospital for long periods of time. In addition to the Youth Advisory panel, a survey of the views of children under 8 years of age was completed to further inform the design of the new children's hospital and we continue to engage with children, young people and their families to solicit their inputs.

Hospital Staff

The delivery of a high performing children's hospital of international renown will be an achievement of the staff in the hospital. The role of the NPHDB is to develop a built environment and hospital to enable the attainment of this goal.

From an early stage the NPHDB has continued an extensive programme of engagement which is guided by senior corporate and clinical leaders from the three children's hospitals, with whom the Executive and Design Team met regularly throughout the year.

Extensive and wide-ranging consultation will continue to be integral to the development and success of the project.

Design

The hospital and the two Paediatric Outpatient Department & Urgent Care Centres, where secondary care will be delivered are envisaged as secure, welcoming, child friendly and environmentally sustainable facilities with maximum flexibility and adaptability, in order to facilitate future changes in service delivery.

The following hospital facilities are required to deliver high quality, child-centred and family-focused services:

- The new children's hospital will be tri-located with adult and maternity hospitals on a shared campus. It is envisaged that the Coombe Women and Infants University Hospital will also relocate to the same campus;
- The new children's hospital will be 7 storeys at its highest, comprising of approx. 160,000m² of accommodation including the car park;
- 6,150 rooms in total;
- 380 individual inpatient rooms, each with an en-suite and bed for parent to sleep near their child;
- 93 day beds;
- 22 operating theatres and procedure rooms;
- 1,000 underground car parking spaces (675 of these for families which can be pre-booked and 31 Emergency spaces outside ED supported by a concierge);
- 4 acres of outdoor areas & gardens;
- 14 gardens and internal courtyards – including the Rainbow Garden which is the length of Croke Park;
- 2 new paediatric outpatient department and urgent care centres at Tallaght Hospital and Connolly Hospital;
- A new Children's Research and Innovation Centre; and
- A 53-Unit family accommodation unit (Ronald McDonald House Charity)

Information and Communications Technology (ICT)

The CHGB have prepared a Programme Approach and Implementation Plan for ICT in the new children's hospital and the Paediatric Outpatient Department & Urgent Care Centres at Tallaght and Connolly hospitals in consultation with hospital representatives and the HSE. This report examines the proposal to implement an Electronic Medical Record (EMR) and an Enterprise Resource Planning (ERP) system in the new children's hospital.

The new children's hospital and Paediatric Outpatient Department & Urgent Care Centres at Tallaght and Connolly hospitals aim to provide world-class paediatric care in a holistic, patient-centric way. ICT is a critical enabler in achieving this and will be embedded in all aspects of care delivery, service delivery and business management. The new children's hospital and Paediatric Outpatient Department & Urgent Care Centres have been designed so that ICT and automation will be deployed to all areas for use by staff, patients, parents and non-clinical services. In effect, it is being designed as a digital hospital.

Integration Programme

At a national level, a programme of this scale in healthcare is unprecedented, and internationally there are just a handful of children's hospitals in development at present. Alongside the substantial capital investments involved, programmes of such magnitude require complex integration and transformational change programmes.

Three individually governed hospitals with their own histories, cultures and practices, will need to integrate and develop new ways of working, as they:

- Transition into a new single organisation
- Open outpatient department and urgent care centres at Tallaght and Connolly hospitals

- Consolidate services in the new children's hospital on the joint campus at St. James's Hospital.

Upon establishment of the new legal entity, the CHG Board will assume responsibility for the services delivered in the three current locations at Our Lady's Children's Hospital Crumlin, Temple Street Children's University Hospital and the National Children's Hospital at Tallaght Hospital and the budgets for the provision of these health services. The boards of the three hospitals have agreed to this policy change.

Integration projects have been separated into a number of work streams for simplicity as follows:

Client for the Build, Commissioning and Transitioning

The building design, construction and equipping of the new buildings will require inputs from the CHG so that a world-class facility can be planned and delivered. This input will be co-ordinated by and carried out through Client for the Build, Commissioning and Transitioning Work Stream. Once complete, the buildings and their services will be commissioned to the highest standard such that it can function from day one as appropriate. The planned physical move of staff, patients and families will be achieved safely and smoothly with minimal loss of service provision and priority given to quality and safety as part of this work stream.

Clinical, Operational and Non – Clinical Integration

The objective of the Clinical, Operational and Non – Clinical Integration Work Stream is to plan for and carry out the required work to support the design of the buildings (e.g. user input to the detailed design process) and ensure transition of clinical services and clinical support services for the new children's hospital and paediatric outpatient department and urgent care centres. Standardisation, Clinical Directorate implementation and implementation of the projects identified in the Clinical Integration Roadmap will be delivered through this work stream. The operational and non-clinical integration work will provide the operational and back end support to ensure the smooth running of the hospital which will enable safe and efficient running of the hospital and outpatient department and urgent care centres.

Corporate Services

The Corporate Services Work Stream supports the people elements and the efforts associated with the establishment of the new single legal entity by January 2018. It seeks to (in co-ordination with the Project Management Office and Master Design Authority where required) ensure there is alignment and control in how the Programme progresses and that all organisations and the staff within them are ready and prepared for the changes ahead.

CHG Work Stream

The CHG Work Stream in the main relates to pan-programme elements, such as the progression of the legal entity and the development of the CHG clinical and academic networks and strategy for the Group. Also included is developing a Philanthropic Capital Campaign for the new children's hospital and outpatient department and urgent care centres and keeping the Integration Programme in alignment with the National Model of Care.

| 9

Costs

Revenue costs

The new children's hospital and Paediatric Outpatient Department & Urgent Care Centres at Tallaght and Connolly hospitals will represent a fundamental change in the way paediatric services are delivered which will manifest itself in all aspects of operations and the day-to-day running of the new hospital and satellite centres.

There will be marked differences between the operating costs of the existing three children's hospitals and those of the new children's hospital and satellite centres as:

- It is a modern, purpose built new children's hospital, with 100% single occupancy rooms for inpatients with public spaces, garden areas, family spaces etc.;
- There will be a significant change to the hospital configuration, e.g. a doubling of ICU beds;
- There will be a new hospital operating model, which is underpinned by the principles of the Model of Care, including consultant driven service delivery; and
- A HIMMS level 6 ICT infrastructure which will deliver a "paper-light" hospital.

In addition, activity is projected to increase by 30% from 2014 to 2022 (the first full year of operation) which will exert an upward pressure on operating costs for the programme over the period. Operating costs will be managed to support these factors.

Funding

It is planned that the cost of the new children's hospital and Paediatric Outpatient Department & Urgent Care Centres will primarily be met by the Exchequer through the HSE Capital Programme.

Other sources of funding include educational institutions, research organisations, philanthropy and the leasing of the car park/retail elements to an investor.

Design Programme

The new children's hospital and Paediatric Outpatient Department & Urgent Care Centres at Tallaght and Connolly hospitals programme is comprised of three interlinked and inter-related elements:

- Build – the design and construction of a state of the art new children's hospital and Paediatric Outpatient Department & Urgent Care Centres at Tallaght and Connolly hospitals and associated facilities, as well as the clinical and non-clinical equipment requirements;
- ICT – the ICT infrastructure and applications needed to deliver the vision of a digital hospital; and
- Operational integration, commissioning and transition – the change management needed in order for the three existing hospitals to become one and the actions required to ensure the smooth, safe and efficient transition to the new children's hospital and Paediatric Outpatient Department & Urgent Care Centres at Tallaght and Connolly hospitals



Project Director's Report

For 2016, I am pleased to report very significant progress has been made on the development of the new children's hospital on the St. James's Hospital Campus and the Paediatric Outpatient Department & Urgent Care Centres, along the M50, for the new children's hospital at Tallaght Hospital on the south side of Dublin, and Connolly Hospital on the north side of Dublin.

On 28 April 2016, An Bord Pleanála announced the decision to grant planning permission for the new children's hospital on a campus shared with St. James's Hospital and the Paediatric Outpatient Department and Urgent Care Centres at Tallaght and Connolly Hospital. Families of sick children, the country's leading paediatric clinicians, the staff of the three children's hospitals and the CEOs of Our Lady's Children's Hospital, Crumlin; Temple Street Children's University Hospital and the National Children's Hospital at Tallaght all welcomed the decision by An Bord Pleanála to give the go ahead for the new children's hospital to be built on a campus shared with St. James's Hospital. The positive impact that this decision will have on future services for generations of young people in Ireland was outlined by the Children's Hospital Group (CHG) when commenting on An Bord Pleanála decision to grant planning permission.

On the 26 May 2016, Minister for Health Simon Harris TD, the CHG, the National Paediatric Hospital Development Board (NPHDB), the three children's hospitals, St. James's Hospital (SJH), and the Coombe Women & Infants University Hospital jointly welcomed the granting of planning permission. The Minister stated that the development of the new children's hospital was a priority for him as he assumed the health portfolio on behalf of the new government. The Minister viewed the plans for the world-class hospital, with children who attend Temple Street Children's University Hospital, and said; "Bringing the three children's hospitals under one roof for the first time on a campus shared with St. James's so that children, young people, families and staff can avail of the facilities that they need and deserve, is a priority for me."

Minister for Health, Simon Harris was on site on 20 July 2016 to mark the commencement of the first phase of construction of the new children's hospital. He was joined by children who are current users of paediatric services; the CEOs of the three children's hospitals; the CEO of SJH; the Master of the Coombe Women and Infants University Hospital; the CEO of the CHG; the Project Director for the NPHDB; and representatives from BAM Contractors, the successful tenderers for the first phase of the works.

Archaeological investigations started in August 2016 and are proceeding on a phased basis to align with other construction activities on site. Should areas require further archaeological excavation this will follow immediately after the investigation period. These works are being undertaken in consultation with the National Monument Service and the City Archaeologist Office.

Trees identified for felling as part of the An Bord Pleanála planning approval have been felled on a phased basis to align with other construction activities on site. This felling commenced in September 2016.

Site hoarding, as detailed in the Environment Impact Statement, approved as part of the planning application by An Bord Pleanála, has been erected on a phased basis along the site boundary and on internal campus boundaries, which also commenced in mid-September 2016.

Mechanical, Electrical, Water and Gas Service Diversion works are being carried out to divert the services within the site for the new children's hospital. These activities started in September 2016 and the works involve undertaking roadworks, trenching, pipe laying and cable installation within the site and around the South Circular Road intersection with Brookfield Road and on Mount Brown. Residents affected by these works have been informed of the activities in their local areas.

Buildings have been prepared for demolition including the decommissioning of utilities and have been soft stripped, with materials being segregated for recycling or disposal as part of planning approval agreed with An Bord Pleanála on the new children's hospital site of St. James's Campus. The first building was demolished in October 2016.

The SJH team continued the implementation of the decanting works to transition existing services and staff from the site of the new children's hospital to other locations within the SJH Campus, to free the site for construction.

Significant progress has been made on progressing the Information and Communications Technology (ICT) Project by the Children's Hospital Group Board (CHGB), which will position the new children's hospital as being the first paper-light hospital in Ireland; an individual business case for the ICT investment required to achieve this has been approved by the Health Service Executive (HSE). This project is funded and governed separately to the capital build project.

The NPHDB is acutely aware of the urgent need to deliver the new children's hospital and Paediatric Outpatient Department & Urgent Care Centres at Tallaght Hospital and Connolly Hospital in order to greatly enhance the provision of service to children and young people. In acknowledging the challenging timeline set by the Minister for Health and his Department, we have put in place an appropriate and experienced senior management Executive Team, including a well-resourced Design Team and have established and implemented the necessary management procedures and processes to ensure the successful delivery of the new children's hospital is to the highest quality design, within budget and to programme.

Planning and Design

The Design Team comprises of all necessary disciplines and consultancy services required to deliver the design for the new children's hospital and to procure the various works contracts necessary for construction. This design team is architect-led and comprises eight primary disciplines including, Architectural, Quantity Surveying, Mechanical and Electrical Engineering Services, Civil and Structural Engineering, Fire Consultancy Services, Planning Consultancy Services, Project Supervisor Design Process and the Traffic Consultant.

In 2016, the Design Team continued to update the detailed design for the hospital and satellite centres, including updating of the 1:200 and 1:50 drawings; held user engagements to agree the updated drawings, developing and agreeing specifications and procurement of equipment; developed tender documentation for the hospital and satellite centres; processed fire and disabled access certificates; reviewed and agreed the An Bord Pleanála planning conditions with Dublin City Council in order to allow the enabling works contractor to commence activity in July 2016; and developed, agreed and tendered aspergillus works for the Satellite centres.

Construction Contracts

The Suitability Assessment Questionnaire (SAQ) documents, to identify the tender shortlists for the various works contracts to construct the new children's hospital, were prepared by the Design Team in conjunction with the NPHDB and published on eTenders, with all SAQ submissions received by the NPHDB by the end of November 2015 with evaluations completed in early 2016.

Following completion of the SAQ process and identification of the tender shortlist for the new children's hospital and the Satellite Centre works contracts, the tender and associated documents for these contracts were issued in Quarter 3 of 2016. The first contract was awarded to BAM for the enabling works which commenced on site in July 2016 and is expected to be completed in Quarter 2 2017. Tender submissions for the remaining works contracts were received and, subject to successful completion of the evaluation process and Government approval, the contracts for the construction of the new children's hospital at St James's Hospital and the Paediatric Outpatient Department & Urgent Care Centres at Tallaght Hospital and Connolly Hospital are expected to be awarded early in Quarter 2 2017.

Risk Management

A risk management framework is in place consisting of representatives from all work stream delivery stakeholders (NPHDB, CHG and SJH), which is underpinned by the application of robust risk management processes and procedures which are appropriately implemented and managed.

The Project Risk Working Group (PRWG) has continued to provide effective management of risk on the project, which has been achieved through regular risk review meetings.

Campus Shared Infrastructure and Associated Services

The shared services initiative on the St James's Hospital campus has been progressing with the establishment of the Campus Shared Infrastructure and Associated Services Steering Group. A resource plan is being developed by the CHG and SJH to progress the implementation of both clinical and non-clinical services with the initial focus on the Facilities Management Logistics. Agreement has been reached on the lead provider of the various services (SJH or CHG) and the scope and operational policy associated with each is being developed.

The CHG and SJH have been working collaboratively to progress the non-clinical and clinical shared services initiatives on the SJH campus. Good progress has been made with central decontamination unit, special diets and the energy centre with the other shared service work streams expected to commence in Quarter 1 2017. The Campus Shared Infrastructure and Associated Services (CSIAS) Steering Group has been meeting fortnightly to support the initiative and additional resources are being recruited to lead the shared services programme for CHG and SJH.

Discussions have been progressing with Tallaght and Connolly hospitals regarding shared infrastructure at these locations, which will only consider non-clinical services. It has been agreed in principle that the host hospital will provide the services and discussions are ongoing between the CHG and the respective hospital on the specific scope and operational policy associated with shared services and the principles of Service Level Agreements (SLAs) have been established for these. The governance structure required to support the delivery of shared services at each hospital location is being progressed.

Further work will be undertaken early in 2017 to develop the specific detail in terms of scope requirements and performance measures for these SLAs.

NPHDB Sub-committees

The sub-committees of the NPHDB continued to meet during 2016 playing a key role in supporting the project activities. The sub-committees were as follows:

- Planning & Mobility (Chair – John Martin)
- Design (Chair – John Cole)
- Procurement (Chair – Tim Bouchier Hayes)
- Communications (Joint Chair – John Pollock & Eilish Hardiman)
- Healthcare Technology Equipping (Chair – Marguerite Sayers)
- Decanting (Chair – Lorcan Birthistle)
- Finance (Chair – Paul Quinn)
- Audit & Risk (Chair – Brian Fitzgerald)
- Organisation & Recruitment (Chair – Marguerite Sayers)
- Campus Shared Infrastructure (Joint Chair – Eilish Hardiman & Lorcan Birthistle)

Budgets/Plans

This project encompasses a significant number of key activities the principle being Design, Planning, Procurement, Decanting, Construction, and Fit-out including related technologies and commissioning. These activities are planned on a multi annual basis.

Planning permission for the project was awarded in April 2016, while the associated activity of the design team continued during the year. The site development and clearance activity progressed with the demolition of the building commencing in October 2016. These activities were supported by the related administration support with the cost outlined in note 3 to the accounts, which were within the plan for the year.

Conclusion

In conclusion the progress made to date in the delivery of the new children's hospital and Paediatric Outpatient Department & Urgent Care Centres at Tallaght and Connolly hospitals has been exceptional:

- Planning approval in April 2016
- Commenced the first phase of the construction of the new hospital in July 2016
- Completed the procurement of the construction contractors for the new children's hospital and Paediatric Outpatient Department & Urgent Care Centres at Tallaght and Connolly hospitals
- Received Ministerial consent and HSE approval to award the construction contract for the new children's hospital and Paediatric Outpatient Department & Urgent Care Centres at Tallaght and Connolly hospitals in April 2017.

The challenge now is to maintain this progress and to build a new world-class hospital facility for the children of Ireland within the planned timeline and approved contract costs. The key organisations and stakeholders involved in the project (Department of Health, HSE, CHGB and NPHDB) have a clear understanding of their respective roles and responsibilities and are working together in a real spirit of collaboration to ensure the successful delivery of the project, this challenge can be achieved.

I would like to thank Mr. Tom Costello (Chairman) and the members of the NPHDB for their invaluable guidance, direction and support throughout 2016. I would also like to thank the NPH Executive Team and the Design Team for their ongoing commitment, dedication and assistance throughout the year.

I am extremely grateful for the support of the Minister for Health and his Department officials, and for the guidance provided by several departments of the HSE, in particular the Director General's Office, Estates and Finance Office and the National Development Finance Agency for their sound advice and guidance provided to date.

I wish to extend my thanks to the management and staff in the three existing children's hospitals, to the children and young people, parents, public servants, community representatives, local residents and the many other individuals and organisations who have engaged and supported the project throughout 2016.

Finally, I am confident that we will continue to receive the goodwill and support of the many stakeholders on this project as we move towards construction. With the award of planning permission in 2016, a new and exciting phase in the delivery of this great and important national infrastructure project - the new children's hospital - is well progressed.



John Pollock
Project Director

National Paediatric Hospital Development Board

Date: 27th July 2017

Board Members' Report

Governance

The NPHDB has adopted the Code of Practice for Governance of State Bodies 2009, and has implemented the provisions of that Code. The NPHDB is committed to maintaining the highest standards of corporate governance, and to monitoring compliance on an ongoing basis.

In discharging its functions, the Board appointed an executive management team consisting of a Programme Director, a Finance Officer and a Medical Director. The NPHDB will continue to discharge its functions through this management team and through external consultants and contractors who have been and will be appointed under public procurement arrangements.

Ethics and standards

The provisions of the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001 have been implemented.

Board

The NPHDB consists of a Chairman and 12 ordinary members, all of whom are non-executive and are appointed by the Minister for Health. The members during the year ended 31 December 2016 are set out on page 29 of this Annual Report.

All members receive appropriate and timely information to enable the Board to discharge its duties.

The NPHDB has established sub-committees, as outlined on page 13, to assist in the effective discharge of its responsibilities.

The Board is supported by the executive of the NPHDB; Mr. John Pollock, Project Director; Mr. Phelim Devine, Design Director/Deputy Project Director; Mr. Norman Craig, Commercial Director; Mr. Jim Farragher, Chief Financial Officer; and Dr. Emma Curtis, Medical Director.

Board Secretary

Ms Fiona Mahon of Eversheds Solicitors was Board Secretary for 2016. The Board Secretary was responsible for ensuring that Board decisions on procedures and controls were implemented, and that relevant legislation, regulations and guidelines were complied with.

Attendance at Meetings for NPHDB and Board Members Remuneration

Attendance at meetings, Board Members Remuneration and related expenses are outlined in Note 2(c) to the accounts on page 29.



Statement of Board Members' Responsibilities

Section 14 of the Statutory Instrument (S.I.) No.246 of 2007 requires the National Paediatric Hospital Development Board (NPHDB) to keep, in such form as may be approved by the Minister of Health with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing those financial statements, the NPHDB is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in existence; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in financial statements.

The Board is responsible for keeping proper books of account which disclose, with reasonable accuracy at any time, the financial position which enables it to ensure that the financial statements comply with Section 14 of the S.I. No.246 of 2007. The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and the detection of fraud and other irregularities.

On behalf of the Board:



Tim Bouchier Hayes
Vice Chairperson

National Paediatric Hospital Development Board
Date: 26th June 2017



Brian Fitzgerald
*Board Member & Chair of Audit
& Risk Committee*

National Paediatric Hospital Development Board
Date: 26th June 2017





Report of the Comptroller & Auditor General



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National Paediatric Hospital Development Board

I have audited the financial statements of the National Paediatric Hospital Development Board for the year ended 31 December 2016 under Section 5 of the Comptroller and Auditor General Amendment Act 1993. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of financial position, the statement of cash flows and the related notes. The financial statements have been prepared in accordance with Section 14 of the National Paediatric Hospital Development Board (Establishment) Order 2007 (SI 246/2007), and in accordance with generally accepted accounting practice.

Responsibilities of the Board

The Board is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Board's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the National Paediatric Hospital Development Board's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the National Paediatric Hospital Development Board as at 31 December 2016 and of its income and expenditure for 2016; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the National Paediatric Hospital Development Board were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the National Paediatric Hospital Development Board's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- the statement on internal financial control does not reflect the National Paediatric Hospital Development Board's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Patricia Sheehan
Patricia Sheehan
For and on behalf of the
Comptroller and Auditor General

28 June 2017

Certification of Project Director and Chairperson

For the year ended 31st December, 2016

We certify that the financial statements of the National Paediatric Hospital Development Board for the year ended 31 December 2016 as set out herein are in agreement with the books of account and have been drawn up in accordance with the accounting standards laid down by the Minister for Health.

The financial statements, which comprise of pages 23 to 31 and the statement of accounting policies on pages 21 and 22, give a true and fair view of the state of affairs of the Board at 31 December 2016 and of its income and expenditure for the year then ended.



John Pollock
Project Director

National Paediatric Hospital Development Board
Date: 26th June 2017



Tom Costello
Chairperson

National Paediatric Hospital Development Board
Date: 26th June 2017

Statement on Internal Financial Controls

Statement on Internal Financial Controls

This statement is made in accordance with the requirement set out in the Department of Public Expenditure and Reform's Code of Practice for the Governance of State Bodies (2009). On behalf of the Board we acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets were safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or will be detected in a timely period.

The Board has taken the necessary steps to ensure that there is an effective system of financial control in place, by implementing a system of delegation of responsibility. This system of internal control applies both to the internal activities of the body and, as appropriate, to the operations of Third Parties to whom services have been outsourced ("Third Party Providers").

Key Control Procedures

The Board has taken steps to ensure an appropriate environment by:

- Clearly defining the respective responsibilities of management and of Third Party Providers;
- Establishing formal procedures for reporting significant control failures;
- Ensuring appropriate corrective action; and
- Implementing internal audit.

The Board has established formal processes to identify and evaluate risks associated with planning and development of the new children's hospital by identifying the nature, extent and financial implications of such risks facing the body. This includes the extent and categories which it regards as acceptable, assessing the likelihood of identified risks occurring, assessing the body's ability to manage and mitigate the risks that do occur.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability.

In particular, it includes:

- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board;
- Accounts and annual financial reports which indicate financial performance against forecasts; and
- Clearly defined capital investment control guidelines.

The Board has delegated responsibility for the development and maintenance of the financial control framework to management. The Board has established a formal process for monitoring and reviewing the effectiveness of the system of internal financial control.

Internal Audit

The Board has an internal audit function with appropriately trained personnel, currently staffed by a team made up of resources outsourced from a firm of accountants, which operates in accordance with a written Scope of Services which the Board has approved. Its work is informed by analysis of the risks to which the Board is exposed and its annual internal audit plans, approved by the Audit Committee, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by the Audit & Risk Committee. The Board has put procedures in place to ensure that the reports of the internal audit function are followed up.

Review of the effectiveness of the system of Internal Financial Controls

We confirm that the Board conducted a review of the system of Internal Financial Controls in relation to the year ended 31 December 2016. The review examined key processes in place to provide an effective internal control environment.

On behalf of the Board:



Tim Bouchier Hayes
Vice Chairperson

National Paediatric Hospital Development Board

Date: 26th June 2017



Brian Fitzgerald
*Board Member & Chair of Audit
& Risk Committee*

National Paediatric Hospital Development Board

Date: 26th June 2017



Statement of Accounting Policies

The Basis of accounting and significant accounting policies adopted by the NPHDB are set out below. They have all been applied consistently throughout the year and for the preceding year.

1. General Information

The NPHDB was set up under the Statutory Instrument (S.I.) No.246 of 2007, with a head office at Block A, Herberton, St. James's Walk, Rialto, Dublin 8.

The functions of the NPHDB are as follows:

- to plan, design, build, furnish and equip a national paediatric hospital (the new children's hospital) in accordance with a brief approved by the Health Services Executive (HSE) with the prior consent of the Minister, and subject to any subsequent variations to this brief as may be determined by the HSE in consultation with the NPHDB and with the prior consent of the Minister; and
- do any other thing as is necessary for the performance of its functions.

The other functions of the NPHDB, as set out in part 5 of S.I. No.246 of 2007, are currently undertaken by the Children's Hospital Group Board (CHGB). These functions are as follows:

- in consultation with Our Lady's Children's Hospital Crumlin, the Children's University Hospital Temple Street, and the National Children's Hospital Tallaght (relevant hospitals), prepare plans for the transfer of services from the relevant hospitals to the new children's hospital;
- in consultation with the relevant hospitals, prepare a human resource strategy for the transfer to the new children's hospital; and
- explore the possibility of securing philanthropic contributions to meet all or part of the capital cost of developing the new children's hospital, and foster the philanthropic interests that already exist in relation to the provisions of the paediatric service.

Responsibility for these functions passed to the CHGB on the 13th September 2013, as set out in an operational agreement between the NPHDB, the CHGB and the HSE and approved by the Department of Health. Legislation is currently being prepared for Government approval to formally establish the CHGB, and amend the statutory functions of the NPHDB accordingly.

| 21

2. Statement of Compliance

The financial statements of the NPHDB for the year ended 31 December 2016 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

3. Basis of Preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Health with the concurrence of the Minister for Finance under the S.I. No.246 of 2007. The following accounting policies (4 to 12) have been applied consistently in dealing with items which are considered material in relation to the NPHDB's financial statements.

4. Revenue

Oireachtas Grants

Grant income comprises grants receivable from the HSE towards the planning, design, construction, and commissioning of a national paediatric hospital. Grants are recognised as income in line with expenditure.

5. Expenditure

All expenditure, including administrative costs, incurred by the Board are recognised on an accruals basis and capitalised and transferred to construction work in progress and are not depreciated. All expenditure incurred is classified by cost type. As VAT is irrecoverable it is charged against the category for which it is incurred.

6. Fixed assets - construction work in progress

All fixed asset acquisitions, regardless of the source of funds, are capitalised as construction work in progress and are not depreciated.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue reserves in the year.

7. Capital Account

The capital account represents the unamortised value of funding applied for the purchase of fixed assets - Construction work in progress.

8. Superannuation

The provision of the superannuation liability for fifteen staff seconded to the Board remains the responsibility of the respective employer body.

There are two employees that are members of the Single Public Service Pension Scheme. These contributions are funded out of capital income of the Board and are charged to the Income and Expenditure Account in the year in which they become payable.

Other pension contributions are made to a PRSA pension contract. These contributions are funded out of capital income of the Board and are charged to the Income and Expenditure Account in the year in which they became payable. The liability for the PRSA pension is the responsibility of the PRSA pension broker.

9. Receivables

The balance due from the HSE represents expenditure accrued by the Board for which funding has not yet been drawn down from the HSE. All other receivables are recognised at fair value.

10. Short-term Employee Benefits

Short-term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

11. Critical Accounting Judgement and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that effect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

There were no judgements required that had a significant effect on amounts recognised in the financial statements for 2016.

12. Community Benefit Oversight Group (CBOG)

In early 2015, a CBOG was established by the NPHDB and the Children's Hospital group to promote active engagement between community interests and the hospital project. The CBOG is funded by a number of entities including, inter alia, NPHDB, the HSE, Tusla, Dublin City Council and City of Dublin ETB. Funding received by the CBOG are lodged to a separate bank account administered by NPHDB and monies are transferred from the CBOG bank account to reimburse NPHDB for expenses incurred by it on behalf of the CBOG.

While NPHDB provides administrative support, the CBOG has established a governance and reporting structure and internal control processes for the CBOG. As a result, the transactions related to the operation of the CBOG are treated as follows in NPHDB's financial statements:

- NPHDB's financial statements recognise funding provided to the group as an administrative cost.
- The CBOG's bank balance is recognised in NPHDB's financial statements. The related debtors and creditors are also included. The CBOG's income and expenditure is disclosed only by way of a Note to the NPHDB's financial statements. See note 5.

Statement of Income and Expenditure and Retained Revenue

For the year ended 31st December, 2016

		2016	2015
	Note	€	€
Income			
Oireachtas grants	9	28,671,035	22,310,583
Other income	1	-	6
Total Income		<u>28,671,035</u>	<u>22,310,589</u>
Expenditure			
Administration & Operations	2	28,671,035	22,310,589
Total Expenditure		<u>28,671,035</u>	<u>22,310,589</u>
Surplus / (Deficit) for the Year before Appropriations		-	-
Transfer from/(to) the Capital Account	7	(28,671,035)	(22,310,589)
Transfer to construction work in progress	2	28,671,035	22,310,589
		-	-
Surplus / (Deficit) for the Year after Appropriations		-	-
Balance Brought Forward at 01 January		-	-
Surplus / (Deficit) for the Year at 31 December		<u>-</u>	<u>-</u>

23

All income and expenditure for the year relates to continuing activities at the balance sheet date.

The Statement of Income & Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year.

The Statement of Cash Flows and notes 1 to 11 form part of these financial statements.

On behalf of the Board of the NPHDB



Tim Bouchier Hayes
Vice Chairperson

National Paediatric Hospital Development Board
Date: 26 June 2017



John Pollock
Project Director

National Paediatric Hospital Development Board
Date: 26 June 2017

Statement of Financial Position

As of 31st December, 2016

			2016	2015
		Notes	€	€
Fixed Assets				
Construction work in progress		2	65,000,565	36,329,530
Total Fixed Assets			65,000,565	36,329,530
Current Assets				
Receivables		3	2,110,850	3,436,146
Cash and cash equivalents		4	855,079	436,862
			2,965,929	3,873,008
Current Liabilities (amounts falling due within one year)				
Payables		6	(2,965,929)	(3,873,008)
Net Current Assets			-	-
Total Net Assets			65,000,565	36,329,530
Represented by:				
Capital account		7	65,000,565	36,329,530
			65,000,565	36,329,530

The Statement of Cash Flows and notes 1 to 11 form part of these financial statements.

On behalf of the Board of the NPHDB



Tim Bouchier Hayes

Vice Chairperson

National Paediatric Hospital Development Board

Date: 26 June 2017



John Pollock

Project Director

National Paediatric Hospital Development Board

Date: 26 June 2017

Statement of Cash Flows

For the year ended 31 December 2016

	2016	2015
	€	€
Net Cash Flow from Operating Activities		
Excess Income over Expenditure	-	-
(Increase) / Decrease in Receivables	1,325,296	(1,682,444)
Increase / (Decrease) in Payables	(907,079)	1,074,325
Bank interest received	-	(6)
Net Cash Inflow from Operating Activities	418,217	(608,125)
Cash Flows from Financing Activities		
Bank Interest received	-	6
Net Cash Flows from Financing Activities	-	6
Net Increase / (Decrease) in Cash and Cash Equivalents	418,217	(608,119)
Cash and cash equivalents at 01 January	436,862	1,044,981
Cash and cash equivalents at 31 December	855,079	436,862



Notes to Financial Statements

For the year ended 31st December, 2016

1. Other Revenue			
	2016		2015
	€		€
Bank deposit income	-		6

2. Administration & Operations / Construction work in progress						
Total costs incurred to date amount to €65.0m with costs of €28.7m incurred in 2016. The table below shows the total cost incurred by cost category. As outlined in the accounting policy, VAT incurred in relation to expenditure incurred by the NPHDB is not recoverable. The table includes the amounts relating to irrecoverable VAT for information purposes.						
	2016			Cumulative to 31 December 2016		
	Excl. VAT	Irrecoverable VAT	Total Cost	Excl. VAT	Irrecoverable VAT	Total Cost
	€	€	€	€	€	€
(i) Business Services Team	-	-	-	3,140,006	735,624	3,875,630
(ii) Design Team	7,161,013	1,662,219	8,823,232	22,842,044	5,271,545	28,113,589
(iii) Site development and clearance	12,333,041	1,738,865	14,071,906	15,151,274	2,259,213	17,410,487
(iv) Admin Costs	5,251,841	524,056	5,775,897	14,214,795	1,386,064	15,600,859
	24,745,895	3,925,140	28,671,035	55,348,119	9,652,446	65,000,565

	2015			Cumulative to 31 December 2015		
	Excl. VAT	Irrecoverable VAT	Total Cost	Excl. VAT	Irrecoverable VAT	Total Cost
	€	€	€	€	€	€
(i) Business Services Team	-	-	-	3,140,006	735,624	3,875,630
(ii) Design Team	11,422,060	2,635,427	14,057,487	15,681,031	3,609,326	19,290,357
(iii) Site development and clearance	2,159,976	403,508	2,563,484	2,818,233	520,348	3,338,581
(iv) Admin Costs	5,142,781	546,837	5,689,618	8,962,954	862,008	9,824,962
	18,724,817	3,585,772	22,310,589	30,602,224	5,727,306	36,329,530

2 (iv) Administration Costs:				2016
		Excl.	Irrecoverable	Total
		Vat	Vat	Cost
	Note	€	€	€
Remuneration and other pay costs	2 (a)	2,229,854	469	2,230,323
ICT		193,284	43,707	236,991
Legal expenses		334,169	76,351	410,520
Procurement fees		39,993	9,021	49,014
Other professional fees		254,247	31,736	285,983
Office expenses		129,379	20,909	150,289
Rent		84,630	8,782	93,412
Office fit out		509,753	85,226	594,979
Communications		267,690	61,541	329,231
C&AG audit fees		10,000	-	10,000
Internal audit fees		14,397	3,311	17,708
Insurance		24,588	-	24,588
Planning application costs		245,095	2,184	247,279
Business case development		245,527	55,297	300,824
Health planning		270,798	55,287	326,085
Programming and scheduling services		200,501	46,115	246,616
Capital Contribution		169,454	22,876	192,330
Other administration expenses		28,482	1,244	29,726
	2 (iv)	5,251,841	524,056	5,775,897

				2015
		Excl.	Irrecoverable	Total
		Vat	Vat	Cost
	Note	€	€	€
Remuneration and other pay costs	2 (a)	2,104,644	-	2,104,644
ICT		65,677	15,105	80,782
Legal expenses		209,035	48,987	258,022
Procurement fees		178,374	41,768	220,142
Other professional fees		121,998	28,026	150,024
Office expenses		83,068	10,667	93,735
Office fit out		75,271	10,280	85,551
Communications		229,987	52,951	282,938
C&AG audit fees		10,000	-	10,000
Internal audit fees		10,470	2,132	12,602
Insurance		24,117	-	24,117
Planning application costs		560,575	-	560,575
Business case development		326,960	75,201	402,161
Health planning		980,612	225,570	1,206,182
Programming and scheduling services		139,043	31,978	171,021
Other administration expenses		22,950	4,172	27,122
	2 (iv)	5,142,781	546,837	5,689,618

2 (a) Remuneration and Other Pay Costs

		2016	2015
	Note	€	€
Staff salaries		1,131,017	1,115,608
Seconded Salaries		889,788	763,161
Employer's contribution to social welfare		110,262	112,442
Staff training and development		2,665	1,050
Staff travel and subsistence costs		38,451	33,798
Board members' emoluments	2 (c)	58,140	78,585
		<u>2,230,323</u>	<u>2,104,644</u>

The seconded salaries include costs associated with backfilling the seconded posts and locum fees.

The average number of employees (full time equivalents) during the year as follows:

	2016	2015
Executive & Staff	14.6	14.5
Seconded Staff	10.6	7.9
Total	<u>25.2</u>	<u>22.4</u>

2 (b) Employee benefits breakdown

The number of Executive and Staff employees (including seconded staff) whose total employee benefits for the reporting period fell within each band of €10,000 from €60,000 upwards are as follows:

Range of total employee benefits			Number of Employees	
From	To		2016	2015
€60,000	-	€69,999	3	3
€70,000	-	€79,999	2	3
€80,000	-	€89,999	2	2
€90,000	-	€99,999	1	1
€100,000	-	€109,999	-	-
€110,000	-	€119,999	-	-
€120,000	-	€129,999	1	1
€130,000	-	€139,999	3	3
			<u>12</u>	<u>13</u>

The Project Director received salary payments of €125,761 (2015: €125,761). No bonus payments were made in the year. The Project Director received an amount of €2,142 (2015: €5,378) in respect of travel and subsistence. The Project Director's pension entitlements do not extend beyond the standard entitlements in the model single public service pension scheme.

The NPHDB has been unsuccessful in recruiting staff to fill two key roles at the salaries sanctioned by the Department of Health. These roles were subsequently filled at market rates. In 2016, two staff were paid a total of €49,211 in excess of rates sanctioned by the Department of Health. The NPHDB has been in discussions with the Department of Health on this matter, who noted the significant challenge for the Board in relation to attracting suitable key employees with the specialist skills required for this phase of the project. The NPHDB has continued to pursue sanction for these increased pay rates from the Department of Health who are consulting with the Department of Public Expenditure in this regard.

2 (c) Board Members' Emoluments

Income & Expenditure:	2016			2015		
	Board Fees	Board Expenses	Meetings Attended	Board Fees	Board Expenses	Meetings Attended
Board Member	€	€		€	€	
Mr Tom Costello (Chairman)	11,970	4,871	10 of 12	40,110	3,528	12 of 12
Mr John Cole CBE	7,695	5,788	11 of 12	7,695	6,574	10 of 12
Mr Brian Fitzgerald	7,695	904	12 of 12	-	-	11 of 12
Mr Tim Bouchier-Hayes	-	-	11 of 12	-	-	10 of 12
Mr Karl Kent	7,695	936	12 of 12	7,695	-	12 of 12
Mr John Martin	7,695	936	12 of 12	7,695	-	11 of 12
Mr Paul Quinn	-	-	7 of 12	-	-	8 of 12
Ms Anne Butler	7,695	-	9 of 12	7,695	-	10 of 12
Ms Marguerite Sayers	-	143	11 of 12	-	-	10 of 12
Prof Hilary Hoey	7,695	-	10 of 12	7,695	-	9 of 12
Dr Tony O'Connell	-	-		-	-	0 of 1
Mr Liam Woods	-	-	6 of 12	-	-	5 of 9
Mr Lorcan Birthistle	-	-	7 of 11	-	-	
	<u>58,140</u>	<u>13,578</u>		<u>78,585</u>	<u>10,102</u>	

The 2016 expenses in respect of Mr. Tom Costello (Chairman) and Mr. John Cole CBE include an estimate in respect of amounts not yet claimed in 2016.

During 2016, twelve Board meetings were held

Resignations - There were no resignations from the Board in 2016

Appointments - Mr Lorcan Birthistle was appointed to the Board 02 February 2016

3. Receivables

	Note	2016	2015
		€	€
HSE grants due	9	685,591	2,651,546
Other debtors and prepayments		1,425,259	784,600
		<u>2,110,850</u>	<u>3,436,146</u>

4. Cash & Cash Equivalents

	Note	2016	2015
		€	€
NPHDB bank balance		770,633	366,861
Community Benefit Oversight Group bank balance	5	84,446	70,001
		<u>855,079</u>	<u>436,862</u>

5. Cash & Cash Equivalents concerning Community Benefit Programme (CBP) Funding

As outlined in Accounting Policy I, NPHDB's financial statements includes a bank balance, debtors and creditors relating to the community benefit oversight group. The related figures together with the income and expenditure for the group for 2016 are set out below.

CBP Bank Account:	2016	2015
	€	€
Balance on deposit account on 01 January	70,001	-
Receipts:		
Dublin City Council	-	30,000
Tusla	-	30,000
Health Service Executive	45,000	10,000
Education Training Board	20,000	-
NPHDB	9,534	15,828
Interest	16	1
	74,550	85,829
Payments:		
Salaries	(47,711)	(11,649)
Consultant fees	(11,691)	(761)
Administration expenses	(703)	(3,418)
	(60,105)	(15,828)
Balance on deposit account on 31 December	84,446	70,001

6. Payables

Amounts falling due within one year

	2016	2015
	€	€
Other creditors	74,065	517,050
Accruals	2,555,853	2,964,358
Taxation creditors:		
- PAYE / PRSI	48,710	47,779
- PSWT	287,301	343,821
	2,965,929	3,873,008

7. Capital account

	2016	2015
	€	€
Opening balance	36,329,530	14,018,941
Transfer to Income and Expenditure		
- Capital expenditure	28,671,035	22,310,589
Closing balance	65,000,565	36,329,530

8. Capital Commitments

At 31 December 2016, the Board had the following capital commitments:

	2016	2015
	€	€
Contracted for but not provided in the financial statements		
Within 1 year	11,857,903	8,218,744
Between 1 and 2 years	9,114,803	9,301,026
Between 2 and 5 years	6,540,798	10,108,950
Total	27,513,504	27,628,720

The year on year changes reflects new new contracts entered into during the period and the expenditure on the contracts during the period.

9. Funding from the Health Service Executive

Advances and balances due from the Health Service Executive (HSE), which were all capital related, at the 31 December 2016 were:

	Note	2016 €	2015 €
Total capital grants notified by the HSE for the year		31,000,000	21,000,000
Opening balance due from HSE at 1 Jan 2016		2,651,546	1,327,238
Capital expenditure incurred in the year		28,671,035	22,310,589
Less: Remittances from the HSE in the year		(30,636,990)	(20,986,281)
Balance due from the HSE at 31 Dec 2016	3	685,591	2,651,546

10. Related Party Disclosures

Key management personnel in the NPHDB consist of the Project Director and members of the Board of Directors. Total compensation paid to key management personnel, including Board members fees and expenses and total Project Director's remuneration, amounted to €199,621 (2015: €219,826).

Please refer to Note 2 for a breakdown of the remuneration and benefits paid to key management.

The NPHDB adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of Board members. In the normal course of business, the NPHDB may enter into contractual arrangements with entities in which the NPHDB Board members are employed or are otherwise interested.

In cases of potential conflict of interest, Board members do not receive Board documentation or otherwise participate in or attend discussions regarding these transactions. A register is maintained and available on request of all such instances.

List all party related disclosures

As per the Conflict of Interest Log, there were no conflicts of interest recorded in 2016.

11. Approval of the financial statements

The financial statements were approved by the Board of the NPHDB on 26 June 2017.



