

2017

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



▲ AERIAL VIEW OF THE NEW CHILDREN'S HOSPITAL, ST. JAMES'S CAMPUS



▲ CONCEPT IMAGE OF CONCOURSE NEW CHILDREN'S HOSPITAL



CONCEPT IMAGE OF CONCOURSE NEW CHILDREN'S HOSPITAL ▲



▲ CONCEPT IMAGE OF ROOFTOP GARDEN NEW CHILDREN'S HOSPITAL



▲ CONCEPT IMAGE OF PAEDIATRIC OUTPATIENTS AND URGENT CARE CENTRE AT TALLAGHT HOSPITAL



▲ CONCEPT IMAGE OF PAEDIATRIC OUTPATIENTS AND URGENT CARE CENTRE AT CONNOLLY



CONCEPT IMAGE OF SINGLE BEDROOM, NEW CHILDREN'S HOSPITAL ▲

Contents

General Information	3
The National Paediatric Hospital Development Board NPHDB	4
Chairperson's Statement	5
Project Overview	7
Project Director's Report	11
Governance Statement and Board Members' Report	15
Report of the Comptroller & Auditor General	21
Certification of Project Director and Chairperson	23
Statement on Internal Control	24
Statement of Accounting Policies	26
Statement of Income and Expenditure and Retained Revenue Reserves	28
Statement of Financial Position	29
Statement of Cash Flows	30
Notes to Financial Statements	31

General Information

3

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 (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 outpatients and 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 Governance Statement and Board Members Report on Page 15.

Chairperson's Statement

On 25th May 2017, An Taoiseach Enda Kenny T.D. together with Minister for Health, Simon Harris T.D and the Youth Advisory Committee (YAC) cast the foundation stone for the new children's hospital. The YAC is made up of current and former users of the children's hospital services, and it has been meeting on a quarterly basis since the project began, to provide input, advice and feedback on the new hospital and its services. This milestone event followed the approval by Government of the investment required to enable the National Paediatric Hospital Development Board (NPHDB) to award the construction contracts for the building of the new children's hospital on a shared campus with St James's Hospital and two paediatric outpatients and urgent care centres on the Connolly and Tallaght Hospitals campuses.

There were many other significant achievements during 2017, the principal being as follows:

- In February 2017, the Definitive Business Case and Final Project Brief was submitted to the Department of Health. In February 2017 BAM Building Ltd was selected as the preferred bidder to build the new children's hospital and also as the preferred bidder to build the two new paediatric outpatients and urgent care centres at Connolly and Tallaght Hospitals;
- In April 2017, the Definitive Business Case, including the full project cost, was approved;
- In October 2017, An Taoiseach Leo Varadkar T.D. and Minister for Health Simon Harris T.D. turned the first sod for the 5,000m² new paediatric outpatients and urgent care centre on the grounds of Connolly Hospital. This new facility will be operational in 2019 and will be followed in 2020 by a second facility at Tallaght Hospital;
- In October 2017, the NPHDB in association with Enterprise Ireland organised a "Meet the Buyer" event for the new children's hospital in the Royal Hospital Kilmainham. Minister of State for Trade, Employment, Business, EU Digital Single Market and Data Protection, Pat Breen T.D. welcomed over 200 construction companies to this event; and
- In December 2017, the Minister for Health, Simon Harris T.D. welcomed the announcement by the European Investment Bank (EIB) of its decision to provide a loan of €490 million to Ireland to support the construction of the new children's hospital and associated paediatric outpatients and urgent care centres; This represents the EIB's largest ever single capital loan in Ireland.

The progress as outlined above was supported by the continued engagement and consultation with: local residents and businesses; the staff from the three children's hospitals; St. James's Hospital and the regional hospitals at Cork, Limerick and Galway; the Coombe and Connolly Hospitals; and with families of 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 1) Child Friendly by Design; 2) Clinical Excellence; 3) Sustainable Building; 4) Safety the Only Way; and 5) Considerate Neighbour. These five pillars are employed on all the development aspects of the new children's hospital.

Considerable progress was achieved during the year in conjunction with the St. James's hospital facilities and capital buildings team with the completion of the decanting activity and enabling works supported by the transitioning of services and staff to other areas of the St. James's Campus, to facilitate the clearance of the 12-acre site.

The Board of the NPHDB wishes to thank all of those who have assisted and supported the project throughout 2017. We are grateful to the Government and in particular the Minister for Health, Simon Harris 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, the Coombe Hospital, St. James's Hospital and their respective boards for their invaluable contribution to progressing the project to construction. We also greatly appreciate advice and support given from all political parties and their members, Senators, local TDs and Councillors.

We would like to thank the Board members and the staff of the Children's Hospital Group for their guidance and assistance to the project. The Design Team worked tremendously hard to progress the detailed delivery of a world-class building which will enable staff to deliver the best clinical care for children and young people; thanks 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 have five years of very intensive activity to construct, equip, fit out and to commission initially the 5,000m² new paediatric outpatients and urgent care centre at Connolly Hospital in the summer of 2019,

which will be followed in 2020 by the paediatric outpatients and urgent care centre at Tallaght Hospital and new children's hospital on the St James's Campus in 2022.

Is mise

Tom Costello

Chairperson

National Paediatric Hospital Development Board

Date: 7th August 2018



AERIAL VIEW OF THE NEW CHILDREN'S HOSPITAL, ST. JAMES'S CAMPUS

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 outpatients 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 outpatients and 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 two paediatric outpatients and 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 and responsibilities of the NPHDB are being discharged by the NPH Executive and supported by the Board Sub-Committees as outlined on pages 16 to 17. The Design Team led by BDP and O'Connell Mahon was appointed to design the new children's hospital and the Design Team led by HLM and Coady Architects was appointed to design the two paediatric outpatients and 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 the NPH Executive to plan the design, make the planning applications, draft the business case for the project and ultimately construct and equip the hospital.

In 2017 the National Paediatric Hospital (NPH) Executive procured construction management services to complement the NPH project team with personnel that have requisite construction knowledge and expertise with primary responsibility to manage all phases of construction in conjunction with the NPH Executive and the Design Teams (who act as the Employer's Representative). The key construction services include:

- Construction management;
- Design management;
- Project controls (including programme and schedule management);
- Project reporting; and
- Health, safety and environmental / Quality Assurance.

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 outpatients and 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 two paediatric outpatients and 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 (YAC) who are aged between 14 and 18 to engage their thinking. The YAC 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 Council, 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 outpatients and urgent care centres at Tallaght and Connolly Hospitals, 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 a parent/guardian 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 the Emergency Department 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 outpatients and urgent care centres at Tallaght and Connolly hospitals;
- 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 Children's Hospital Group Board (CHGB) have prepared a Programme Approach and Implementation Plan for ICT in the new children's hospital and the two paediatric outpatients and 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 two paediatric outpatients and 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 two paediatric outpatients and urgent care centres have been designed with supporting building infrastructure so that ICT and automation can be deployed to all areas for use by staff, patients, parents and non-clinical services. In effect, the supporting building infrastructure has been designed to support the CHGB in the delivery of 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 two paediatric outpatients and urgent care centres at Tallaght and Connolly hospitals; and
- Consolidate services in the new children's hospital on the joint campus at St. James's Hospital (SJH).

Upon establishment of the new legal entity, the CHGB 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 Children's Hospital Group (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 two paediatric outpatients 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 entity anticipated to legally commence on 1st January 2019. 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 paediatric outpatients and urgent care centres and keeping the Integration Programme in alignment with the National Model of Care.

Costs

Revenue costs

The new children's hospital and two paediatric outpatients and 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 two paediatric outpatients and urgent care 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 two paediatric outpatients and urgent care 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 two paediatric outpatients and urgent care centres will primarily be met by the Exchequer through the HSE Capital Programme as set out in HSE funding approval.

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

Design Programme

The new children's hospital and two paediatric outpatients and 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 two paediatric outpatients and 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 two paediatric outpatients and urgent care centres at Tallaght and Connolly hospitals.

10



Project Director's Report

Following a year of significant progress in 2016, I am pleased to report on the progress achieved in 2017, with the transition from the Planning and Design phase to clearing the site and commencing the main construction phase of the project. A key highlight in 2017 was the announcement by the Minister for Health Simon Harris T.D. that Government had approved the construction investment decision for the building of the new children's hospital and the two associated paediatric outpatients and urgent care centres at Connolly and Tallaght Hospitals, this decision paved the way for the National Paediatric Hospital Development Board (NPHDB) to award the contract to the preferred bidder BAM Ireland to build the new children's hospital and by separate tender also awarded BAM Ireland the contract to build the two new paediatric outpatients and urgent care centres at Tallaght and Connolly Hospitals.

In May 2017, An Taoiseach Mr Enda Kenny TD, together with Minister for Health Mr Simon Harris TD, and members of the Youth Advisory Council, cast the foundation stone for the new children's hospital and in October 2017, An Taoiseach Mr Leo Varadkar TD and Minister for Health Mr Simon Harris TD turned the first sod for the 5,000m² new paediatric outpatients and urgent care centre on the grounds of Connolly Hospital. This new facility will be operational in the summer of 2019 and will be followed in 2020 by a twin facility at Tallaght Hospital.

The new children's hospital Resident Project Monitoring Committee was established in late 2016 to develop a process for communication and dialogue and to manage and address residents' concerns and issues during the construction phase of the project and work as a collaborative group to mitigate and resolve these issues. This committee has provided a valuable communication vehicle between the residents and the Project Team and met on 8 occasions during 2017 to share progress and work on any issues.

2017 saw the first results of our innovative community benefit clause which has a focus on targeted recruitment and training and is contained in all construction contracts. The clause, when piloted within the enabling works phase, meant that 3 previously long term unemployed people and a young person from the area gained employment with BAM and resulted in 147 person weeks being delivered through community benefit. All have been retained in employment into the main phase of construction which holds a target of an additional 14,000 person weeks for new entrant employees i.e. long term unemployed, early school leavers, school leavers, graduates and those new to construction. During the enabling phase an additional 14 people from Dublin 8 and 12 were employed through sub-contractors providing 300 weeks of local employment

In conjunction with Enterprise Ireland a "Meet the Buyer" event was held in the Royal Hospital Kilmainham for construction related companies interested in opportunities with the build of the new children's hospital. Minister of State for Trade, Employment, Business, EU Digital Single Market and Data Protection Mr Pat Breen TD welcomed over 200 companies to the event, 128 companies from throughout Ireland attended, along with 57 from the Dublin region and 10 companies directly from Dublin 8 and 12. The Community Benefit Programme also organised a very successful Construction Careers Day with our main contractors and design team partners showcasing the diverse range of jobs within the industry to over 230 local secondary school students and young people. The Community Benefit Programme is delivered in a collaborative partnership by an Oversight Group comprised of the NPHDB, Children's Hospital Group (CHG), St James's Hospital, HSE, Department of Social Protection, City of Dublin Education and Training Board, Dublin City Council, local development companies and community networks.

| 11

Governance

The Board has adapted and complied with the Code of Practice for the Governance of State Bodies (the "Code"), in accordance with Section 1.9 "Business and Financial Reporting Requirements". The Board updated the NPHDB Code of Governance Manual to reflect these changes to the "Code" ensuring appropriate procedures for financial reporting, internal audit and Committee Terms of Reference were updated during the year. The preparation of the Annual Financial Statements and Annual Report for 2017 were prepared in compliance with the guidance developed by the Office of the Comptroller and Auditor General in consultation with the Department of Public Expenditure and Reform which was published in November 2017

On the 23rd May 2017, as part of the approval of the full project cost, the Department of Health approved the revised governance structure by establishing the Children Hospital Project and Programme (CHP&P) Board, which is chaired by the Secretary General of the Department of Health. This Board meets quarterly. The CHP&P Steering Group, which is chaired by the Chief Operating Officer of the HSE, meets monthly to direct the overall programme of work within the agreed parameters.

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 Traffic Consultancy.

In 2017 the Design Team continued to update the detailed design for the hospital and the two paediatric outpatients and urgent care centres at Tallaght and Connolly Hospitals, including updating of the 1:200 and 1:50 drawings; held user engagements to agree the updated drawings, developed and agreed specifications and procurement of equipment; developed Value Engineering proposals to progress the finalisation of the Guaranteed Maximum Price for the project, processed fire and disabled access certificates; and reviewed and agreed the An Bord Pleanála planning conditions including the updated Fire Certificate with Dublin City Council.

Construction Contracts

In 2017 the 12 Acre site for the new children hospital was fully decanted by St James's Hospital and the enabling works on the site were completed by BAM, together with the Aspergillus works at St James Hospital and two new paediatric outpatients and urgent care centres at Tallaght and Connolly.

The main construction contract was announced in February 2017, with BAM being selected as the preferred bidder to build the new children's hospital and by separate tender the two new paediatric out-patients and urgent care centres at Tallaght and Connolly.

BAM set up their Site Offices and progressed the development of the Utility Tunnel, Water Mains diversions in the Linear Park and Piling along the perimeter of St James's Hospital Site. Work progressed at two new paediatric outpatients and urgent care centres at Tallaght and Connolly Hospital, with the Connolly facility planned to be operational in the summer of 2019 and will be followed in 2020 by the Tallaght facility.

Equipping

Detailed research and analysis was undertaken in 2016 and 2017 into the optimum methodology for procuring and managing medical equipment in the medium term. This work included discussion with, and site visits to, other hospital projects of comparable scale around the world. It also included engagement with the medical equipment suppliers. Learning and analysis was synthesised into a business case that identified that both the traditional capital grant funded model and the emerging operational funded model, Managed Equipment Service (MES), are viable and used when new hospitals are being built equipped and commissioned. As part of the 23rd May 2017 approval for the construction investment decision, the Government allowed for further exploration of the suitability of MES as an option to be undertaken. In response the NPHDB secured the services of a specialist team (MESAS) who have led on a number of MES procurement projects of similar scale, to advise and support the next phase of the equipping analysis. Proposals as to the best way to procure Imaging, Laboratory and Clinical Measurement equipment will be developed and brought through the CHP&P Board governance structures, for approval.

In 2017 the equipping team participated in the user engagements associated with updating of the 1:200 and 1:50 drawings for the main site. As a result, they gained further knowledge and detail as to the equipping requirements to support the future operating model. This detail informed the development of the room designs and room data sheets and the component list that result from this process will form the basis of the equipping lists for the main site. These lists will need to be rationalised and amended to identify equipment required which was not identified as part of the building design.

Detailed user engagement specifically focused on equipping was undertaken for the two new paediatric outpatients and urgent care centres at Tallaght and Connolly Hospitals. The equipment for these areas will be procured in 2018 using the traditional capital grant funded model.

Risk Management

A risk management framework has been developed and is in place for the management of risk during the construction phase of the project covering all key delivery workstreams and which is underpinned by the application of robust risk management processes and procedures appropriately implemented and managed.

This management of risk associated with the CHG interface forms part of this risk management framework and regular engagement and discussion takes place between the National Paediatric Hospital (NPH) project team and CHG to ensure these risks are appropriately managed.

The management of risk associated with the construction work of the new children's hospital on the St James's site also forms part of forms part of this risk management framework, which takes place through a construction co-ordination group consisting of representatives from the NPH project team, St James's Hospital (SJH), the new children's hospital (nch) design team and the main works contractor. Similar construction co-ordination groups are in place for the management of risk associated with the construction of the two new paediatric outpatients and urgent care centres at Tallaght and Connolly Hospitals.

Campus Shared Infrastructure and Associated Services

The shared services initiative on the St James's Hospital campus continues to be progressed and managed by the Campus Shared Infrastructure and Associated Services Steering Group (CSIAS), which meets monthly to progress matters. The focus of CSIAS at this stage is on the Facilities Management Logistics and a resource plan is being developed by the CHG and SJH to progress the implementation of both clinical and non-clinical services.

Agreement has been reached between the CHG and SJH on the approach to special diets and good progress continues to be made with central decontamination unit, the energy centre and the other FM shared service workstreams. In December 2017 a Programme Manager was recruited by CHG to lead the CSIAS workstream which will provide a single lead for both CHG and SJH.

Regarding shared infrastructure and associated services at Tallaght and Connolly hospitals, the principles associated with Service Level Agreements (SLAs) for Connolly Hospital have been agreed between CHG and the hospital and the documentation will be drafted in the coming weeks. Once these are complete CHG will engage with Tallaght Hospital to discuss Service Level Agreements for shared infrastructure and associated services at this location.

NPHDB Sub-committees

The sub-committees of the NPHDB continued to meet during 2017 playing a key role in supporting the project activities. The details of the sub-committees are set out on pages 16 to 17 of the report.

Dublin 8 Urban Regeneration Joint Working Group

The Dublin 8 Urban Regeneration Joint Working Group (D8UR) comprises two Board members and five independent members. The role of the working group is to prepare a feasibility study and an outline framework plan for an area approximately 1.0 to 1.5 km radius of the SJH campus to identify significant potential redevelopment sites; in consultation with IDA Ireland and the teaching hospitals on the campus provide a broad estimate of the likely nature and scale of demand for healthcare-related research and manufacturing facilities which could benefit from proximity to the campus and thereafter to put in place the structure to promote the Dublin 8 Healthcare & Innovation corridor; in consultation with the key stakeholders provide a broad estimate of demand for key worker accommodation for hospital staff including trainees and potential funding mechanisms; prepare an outline framework plan for the area: and identify any infrastructural investment required to support such development.

The Chair of the D8UR is John Martin. There were 5 meetings of the D8UR in 2017.

Budgets/Plans

In April 26th 2017 the Government approved the construction investment for the new children hospital totalling €983M, based on the Definitive Business Case and Final Project Brief which had been submitted to Government. The Definitive Business Case set out the key activities, the principal being Design, Planning, Procurement, Decanting, Construction, and Fit-out including related technologies and commissioning. The plans and budgets for these are set out in the Definitive Business Case.

In December 2017 the European Investment Bank (EIB) announced its decision to provide a loan of €490 million to Ireland to support the construction of the new children's hospital and associated outpatient and urgent care centres. This is the EIB's largest ever single capital loan in Ireland and the loan represents almost half of the €1bn exchequer investment required to develop the core hospital and the two outpatient and urgent care centres. Securing this long-term financing from the EIB will reduce the overall interest cost to the State of financing the new children's hospital and urgent care centres.

Conclusion

In conclusion the progress made during 2017 in the delivery of the new children's hospital and two new paediatric outpatients and urgent care centres at Tallaght and Connolly hospitals has been as planned and within the approved funding. The principal project Milestones achieved in 2017 are as follows:

- The 12 Acre site for the new children's hospital was fully decanted by SJH;
- All aspergillus works were successfully completed at SJH, Connolly and Tallaght Hospitals;
- BAM Civil Ltd. completed the enabling works contract on the SJH site;
- The Government approved the construction investment to award the main construction contracts;
- Taoiseach Mr Enda Kenny TD marked the commencement of the construction works;
- Construction contracts were signed with BAM Building Ltd for the construction of the new children's hospital and two new paediatric outpatients and urgent care centres at Tallaght and Connolly hospitals and works are progressing; and
- The European Investment Bank, Department of Health and NPHDB signed the Project Deed to provide €490 million to support construction of the new children's hospital and two new paediatric outpatients and urgent care centres.

The challenge now is to maintain this progress and build a new world-class hospital facility for the children of Ireland within the planned timeline and approved budget. The key organisations and stakeholders involved in the project (Department of Health, HSE, Children's Hospital Group Board and NPHDB) have a clear understanding of their respective roles and responsibilities and continue to work together in a real spirit of collaboration to ensure the successful delivery of the project.

I would like to thank Mr. Tom Costello (Chairman) and the members of the NPHDB Board for their invaluable guidance, direction and support throughout 2017. I would also like to thank the NPH Executive and the NPH project team including the two design teams for their ongoing commitment, dedication and assistance throughout the year.

I am extremely grateful for the support of the Minister for Health, Mr Simon Harris TD and his Department officials, and for the guidance provided by several departments of the HSE, in particular the Director General's Office, HSE Estates and Finance Office.

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 2017.

Finally, I am confident that we will continue to receive the goodwill and support of the many stakeholders on this project as we move forward with the construction of the new children's hospital and two new paediatric outpatients and urgent care centres and ensure the successful delivery of this important national infrastructure project for the children of Ireland.



John Pollock

Project Director

National Paediatric Hospital Development Board

Date: 7th August 2018

Governance Statement and Board Members' Report

Governance

The Board of the NPHDB was established under Statutory Instrument (S.I.) No.246 of 2007. The functions of the Board are set out in section 5 of this Act. The Board is accountable to the Minister for Health and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key project issues. The regular day-to-day management, control and direction of the NPHDB are the responsibility of the Project Director (PD) and Executive. The PD and the Executive must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant tasks likely to arise. The PD acts as a direct liaison between the Board and the Executive of the NPHDB.

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 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 and urgent care centres, and the 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 are detailed on Page 4, information on the Board.

Board Responsibilities

The work and responsibilities of the Board are set out in the NPHDB Code of Governance manual, which also contain the matters specifically reserved for Board decision. Standing items considered by the Board include:

- declaration of interests;
- review and approval of minutes and action items;
- reports from committees;
- performance reports; and
- reserved matters.

Section 14 of the Statutory Instrument (S.I.) No.246 of 2007 requires the Board of the 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 these financial statements, the Board of 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 adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 14 of the S.I. No.246 of 2007. The maintenance and integrity of the corporate and financial information on the NPHDB's website, www.newchildrenshospital.ie, is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of the NPHDB by reference to the annual plan and budget is carried out on a monthly basis at the Board meeting. An evaluation of the yearly performance of the NPHDB by reference to the annual plan and budget was carried out at the Board meeting of 7th March 2018.

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.

The Board considers that the financial statements of the NPHDB give a true and fair view of the financial performance and the financial position of the NPHDB at 31st December 2017.

Board Structure

The Board consists of a Chairperson, Deputy Chairperson and ten ordinary members, all of whom are appointed by the Minister of Health for a period of five years and meet on a monthly basis. The table below details the appointment period for current members:

Board Member	Role	Date Appointed
Mr Tom Costello	Chairperson	02 August 2013
Mr Tim Bouchier-Hayes	Vice Chairperson	02 August 2013
Mr John Cole	Ordinary Member	02 August 2013
Mr Brian Fitzgerald	Ordinary Member	02 August 2013
Mr Karl Kent	Ordinary Member	02 August 2013
Mr John Martin	Ordinary Member	02 August 2013
Mr Paul Quinn	Ordinary Member	02 August 2013
Ms Anne Butler	Ordinary Member	02 August 2013
Ms Marguerite Sayers	Ordinary Member	02 August 2013
Prof Hilary Hoey	Ordinary Member	18 October 2013
Mr Liam Woods	Ordinary Member	04 March 2015
Mr Lorcan Birthistle	Ordinary Member	02 February 2016

The Board commenced a Board Effectiveness and Evaluation review in August 2017 which was completed in Q4 2018. A Governance Systems Review will be completed in 2018.

The Board has established eight Sub-Committees, as follows:

1. **The Audit and Risk Sub-Committee (ARSC)** comprises three Board members and the NPH Executive. The role of the committee is to monitor and review the integrity of the financial statements, the management accounts and make recommendations to the Board; monitor and review the internal controls; review arrangements for Protected Disclosures; monitor and review the Internal Audit function, external auditors, risk management and governance.

The Board members of the ARSC are Brian Fitzgerald (Chair), Marguerite Sayers and Tim Bouchier-Hayes. There were 6 meetings of the ARSC in 2017.

2. **The Finance Sub-Committee (FSC)** comprises three Board members, one independent member and the NPH Executive. The role of the committee is to review and recommend the annual financial plan to the Board; monitor progress against project schedule and cash-flow/funding to complete the project on plan and update the Board; support evaluation of specific SAQ/tenders and report to the Board; and review and recommend change orders for approval to the Board.

The Board members of the FSC are Paul Quinn (Chair), Brian Fitzgerald and Tom Costello. Jim Curran (Head of Estates, HSE) is the independent member. There were 11 meetings of the FSC in 2017.

3. **The Procurement Sub-Committee (PSC)** comprises three Board members, three independent members and the NPH Executive. The role of the committee is the identification and dissemination of best procurement practices; liaise as appropriate with other key stakeholders; and review the outcome from tender competitions and accept, approve or reject the outcome, ensuring best value for money from the procurement policies is delivered to the Board.

The Board members of the PSC are Tim Bouchier-Hayes (Chair), Paul Quinn and Tom Costello. Jim Curran, Peter Finnegan (Principal Quantity Surveying Adviser, HSE) and Paul deFreine (Chief Architectural Advisor, HSE Estates) are the independent members. There were 4 meetings of the PSC in 2017.

4. **The Organisational and Recruitment Sub-Committee (ORSC)** comprises of two Board members, one independent member and the NPH Executive. The role of the committee is to promote standards and quality in staffing and human resources to ensure best practices and excellence in service provision; set goals that are consistent with the NPH mission; and ensure that there is a robust and effective recruitment process in place to support the organisational structure.

The Board members of the ORSC are Liam Woods (Chair), and Anne Butler. Fionnuala Duffy (Head of Unit Health, HSE) is the independent member. No meetings of the ORSC were held in 2017.

- 5. The Healthcare Technology Sub-Committee (HTSC)** comprises two Board members, six independent members and the NPH Executive. The role of the committee is to ensure that timely procurement delivers the optimum equipping solution for the nch to allow world-class care to be delivered at best value.

The Board members of the HTSC are Marguerite Sayers (Chair) and Tom Costello. Seamus Priest (Head of Procurement, Mater Group), Frank McGuinness (ICT Contract Manager, Children's Hospital Group (CHG)), Dr. Aisling Snow (Clinical Lead Radiology, CHG), Valerie Plant (CFO, CHG), Paul deFreine and Ger Flynn (National Lead Medical Equipment, HSE) are the independent members. There were 6 meetings of the HTSC in 2017.

- 6. The Planning and Access Sub-Committee (PASC)** comprises three Board members, two independent members and the NPH Executive. The role of the committee is to monitor progress regarding planning, design, construction, access, risk and mobility management; report significant issues to the Board; identify risks and ensure they are communicated to the Board and adequately addressed by the design team, liaise with St. James's Hospital and oversee ongoing engagement with the relevant county and city councils and An Bord Pleanála.

The Board members of the PASC are Karl Kent (Chair), John Martin and Anne Butler. Paul deFreine and Niall McElwee (Director of Capital Projects, SJH) are the independent members. There were 7 meetings of the PASC in 2017.

- 7. The Design Sub-Committee (DSC)** comprises four Board members, three independent members and the NPH Executive. The role of the committee is to champion the pursuit of design excellence throughout the project; quality assure the procurement process, participate in regular reviews of the design development and make recommendations to the Board, liaise as appropriate with other key stakeholders and oversee the coordinated integration of a programme of art into the project design.

The Board members of the DSC are John Cole (Chair), Tom Costello, John Martin and Karl Kent. Eilish Hardiman (CEO, CHG), Orla O'Brien (COO, CHG) and Paul deFreine are the independent members. There were 9 meetings of the DSC in 2017.

- 8. The Construction Sub-Committee (CSC)** comprises two Board members, two independent members and the NPH Executive. The role of the committee is to deliver the project within budget and on schedule, engage with management and the project teams to oversee the progress and issues relating to the construction of the nch and satellite centres and to liaise, recommend and report to the Board; to liaise with the FSC and to advise as to construction progress and financial status of the project in comparison to budget; and to examine the impact of changes or potential changes to the budget and consider actions or proposals to enable savings to the budget to be achieved.

The Board members of the CSC are Tim Bouchier-Hayes (Chair) and Tom Costello. Jim Curran and Paul deFreine are the independent members. There were 6 meetings of the CSC in 2017.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2017 is set out on the following page including the fees and expenses received by each member.

There was four Board members, Paul Quinn, Marguerite Sayers, Liam Woods and Lorcan Birthistle, who did not receive a Board fee under the One Person One Salary (OPOS) principle. There was one Board member, Tim Bouchier-Hayes, who provided his services to the Board pro-bono.

Schedule of Attendance, Fees and Expenses												
	Board	ARSC	FSC	PSC	ORSC	HTSC	PASC	DSC	CSC	Fees		Expenses
										2017	2017	
										€	€	€
No of meetings	12	6	11	4	0	6	7	9	6			
Mr Tom Costello	10		5	2		1		0	4		11,970	
Mr Tim Bouchier-Hayes	11	5		4					6			
Mr John Cole	10							6			7,695	2,777
Mr Brian Fitzgerald	11	6	11								7,695	
Mr Karl Kent	12						7	9			7,695	
Mr John Martin	12						7	9			7,695	
Mr Paul Quinn	8		9	2								
Ms Anne Butler	11				0		3				7,695	
Ms Marguerite Sayers	11	5				6						
Prof Hilary Hoey	7										7,695	
Mr Liam Woods	5				0							
Mr Lorcan Birthistle	8											
Mr Jim Curran	-		9	3					2			
Mr Peter Finnegan	-			3								
Mr Paul deFreine	-			1		5	3	7	2			
Ms Fionnuala Duffy	-				0							
Mr Seamus Priest	-					3						
Mr Frank McGuinness	-					3						
Ms Aisling Snow	-					5						
Ms Valerie Plant	-					6						
Mr Ger Flynn	-					4						
Mr Niall McElwee	-						6					
Ms Eilish Hardiman	-							7				
Ms Orla O'Brien	-							6				
											58,140	2,777

Key Personnel Changes

There were no resignations or new appointments during 2017.

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that the NPHDB has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range		Number of employees	
From	To	2017	2016
€60,000 -	€69,999	4	3
€70,000 -	€79,999	3	2
€80,000 -	€89,999	1	2
€90,000 -	€99,999	0	1
€100,000 -	€109,999	1	0
€110,000 -	€119,999	1	0
€120,000 -	€129,999	0	1
€130,000 -	€139,999	3	3

The NPHDB has finalised discussions with the Department of Health in relation to salary sanctions, these are now approved.

Consultancy Costs

Consultancy costs are all outsourced "Business-as-usual" functions.

Legal Costs and Settlements

The legal fees relating to the O'Reilly Avenue injunction proceedings amounted to €98,139. The legal fees and related costs are being claimed under the insurance cover that is in place.

Travel and Subsistence Expenditure

Travel and Subsistence Expenditure		
Travel and subsistence expenditure is categorised as follows:		
	2017	2016
	€	€
Domestic		
- Board	-	1,820
- Employees	718	6,378
International		
- Board	2,777	8,859
- Employees	10,900	21,394
Total	14,395	38,451

Hospitality Expenditure

There was no Hospitality Expenditure incurred in 2017.

Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The NPHDB was in full compliance with the Code of Practice for the Governance of State Bodies for 2017.

On behalf of the Board:



Tom Costello
Chairperson

National Paediatric Hospital Development Board
Date: 7th August 2018



Brian Fitzgerald
Board Member & Chairperson of Audit
& Risk Committee

National Paediatric Hospital Development Board
Date: 7th August 2018



NCH new children's hospital

A world class children's hospital

- 6150** rooms in total
- Located on **12** acres
- the size of **6** soccer pitches
- The size of Dundrum Town Centre, with an internal street the length of Grafton Street
- 380** individual, ensuite inpatient bedrooms each with a bed for parent
- 93** Day Beds
- 53** unit family accommodation facility
- 1,000** Parking Spaces
- 675** dedicated for families
- 31** emergency spaces at ground level
- TRI-LOCATION: Children's Hospital, Adult Hospital, Maternity Hospital
- Tri-location with Adult Maternity hospitals on a shared campus
- A Children's Research and Innovation Centre
- 1st** public digital hospital
- 2** New paediatric outpatients & urgent care centres at Tallaght and Connolly Hospital
- 22** Operating theatres & procedure rooms (nch only)
- 4** acres of outdoor space with **14** gardens and courtyards



working together for our children
www.newchildrenshospital.ie @nch_info #ourchildrenshospital

Report of the Comptroller & Auditor General



Ard Reachtair Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

The National Paediatric Hospital Development Board

Qualified opinion on financial statements

I have audited the financial statements of the National Paediatric Hospital Development Board for the year ending 31 December 2017 as required under the provisions of Section 5 of the Comptroller and Auditor General Amendment Act 1993. The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland* and 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, including a summary of significant accounting policies.

In my opinion, except for the non-compliance with the requirements of FRS102 in relation to retirement benefit entitlements referred to below, the financial statements give a true and fair view of the assets, liabilities and financial position of the National Paediatric Hospital Development Board at 31 December 2017 and of its income and expenditure for 2017 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis for qualified opinion on financial statements

In compliance with the directions of the Minister for Health, the National Paediatric Hospital Development Board accounts for the costs of retirement benefit entitlements only as they become payable. This does not comply with FRS 102 which requires that the financial statements recognise the full cost of retirement benefit entitlements earned in the period. The effect of the non-compliance on the National Paediatric Hospital Development Board's financial statements for 2017 has not been quantified.

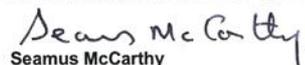
I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the National Paediatric Hospital Development Board and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The National Paediatric Hospital Development Board has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Board members' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.


Seamus McCarthy
Comptroller and Auditor General

17 August 2018

Appendix to the report

Responsibilities of Board members

The governance statement and Board members' report sets out the Board members' responsibilities. The Board members are responsible for

- the preparation of financial statements in the form prescribed under section 14 of the National Paediatric Hospital Development Board (Establishment) Order 2007 (SI 246/2007)
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under Section 5 of the Comptroller and Auditor General Amendment Act 1993 to audit the financial statements of the National Paediatric Hospital Development Board and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit

evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Paediatric Hospital Development Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the National Paediatric Hospital Development Board to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Certification of Project Director and Chairperson

For the year ended 31st December 2017

We certify that the financial statements of the National Paediatric Hospital Development Board for the year ended 31st December 2017 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 28 to 36 and the statement of accounting policies on pages 26 and 27, give a true and fair view of the state of affairs of the Board at 31st December 2017 and of its income and expenditure for the year then ended.



John Pollock

Project Director

National Paediatric Hospital Development Board

Date: 7th August 2018



Tom Costello

Chairperson

National Paediatric Hospital Development Board

Date: 7th August 2018

Statement on Internal Control

Scope of Responsibility

On behalf of the National Paediatric Hospital Development Board (NPHDB), we acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the NPHDB for the year ended 31st December 2017 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The NPHDB has an Audit & Risk Sub-Committee (ARSC) comprising three Board members and two executive members, with financial and audit expertise, one of whom is the Chair. The ARSC met six times in 2017.

The NPHDB has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the ARSC. The internal audit function is externally sourced.

The ARSC has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been made available to all staff who are expected to work within the NPHDB's risk management policies, and who are made responsible for alerting the Executive on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

24 |

Risk and Control Framework

The NPHDB has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the NPHDB and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARSC on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. We confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented;
- financial responsibilities have been assigned at Executive level with corresponding accountability;
- there is an appropriate budgeting system with an annual budget which is kept under review by the Executive;
- there are systems aimed at ensuring the security of the information and communication technology systems; and
- there are systems in place to safeguard the assets.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to the Executive and the Board, where relevant, in a timely way. We confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- the operation of those key controls and report any identified deficiencies;
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- there are regular reviews by the Executive of periodic and annual performance and financial reports which indicate performance against budgets and forecasts.

Procurement

We confirm that the NPHDB has a policy and procedures in place to ensure compliance with current procurement rules and guidelines and that during 2017 the NPHDB complied with those procedures.

Review of Effectiveness

We confirm that the NPHDB has procedures to monitor the effectiveness of its risk management and control procedures. The NPHDB's monitoring and review of the effectiveness of the system of internal financial controls is informed by the work of the internal and external auditors, the ARSC which oversees their work, and the Executive within the NPHDB responsible for the development and maintenance of the internal control framework.

We confirm that the Board conducted an annual review of the effectiveness of the internal controls in 2017.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2017 that require disclosure in the financial statements.

On behalf of the Board:



Tom Costello
Chairperson

National Paediatric Hospital Development Board
Date: 7th August 2018



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

National Paediatric Hospital Development Board
Date: 7th August 2018

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. Statement of Compliance

The financial statements of the NPHDB for the year ended 31st December 2017 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.

2. Basis of Preparation

The financial statements have been prepared:

- i) 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 (3 to 13) have been applied consistently in dealing with items which are considered material in relation to the NPHDB's financial statements; and
- ii) on a going concern basis. While legislation has been drafted for the dissolution of the Board the legislation provides for the transfer of all assets and liabilities to the Health Service Executive. Accordingly no adjustments to the carrying value of asset or liabilities were required.

3. 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.

4. 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.

5. 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.

6. Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period.

7. Payables

Payables are initially recognised at fair value. Payables are classified as current if payable within one year or less. If not, they are presented as non current liabilities.

8. Capital Account

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

9. Retirement Benefits

The Public Service (Single Scheme and Other Provisions) Act 2012 became law on 27th July 2012 and introduced the new Single Public Service Pension Scheme ("Single Scheme") which commenced with effect from 1st January 2013. There are two employees of NPHDB that are members of the Single Scheme.

In accordance with direction from the Minister of Health, pensions are accounted for on a pay as you go basis. The provisions of FRS 102 'Section 28: Employee Benefits' are not applied and the liability for the future pension benefits accrued in the year has not been recognised in the financial statements.

The provision of the superannuation liability for the twelve staff seconded to the Board during 2017 remains the responsibility of the respective employer body and not NPHDB.

Other contributions are made to a PRSA pension contract. These contributions are funded out of capital income of the Board and are charged to the Statement of Income and Expenditure and Retained Revenue Reserves in the year in which they become payable.

10. Receivables

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

11. 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.

12. Critical Accounting Judgement and Estimates

The preparation of the financial statements requires the Executive 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 2017.

13. 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; and
- 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 of the financial statements.

Statement of Income and Expenditure and Retained Revenue Reserves

For the year ended 31st December 2017

	Note	2017 €	2016 €
Income			
Oireachtas grants	9	67,211,202	28,671,035
Other income	1	-	-
Total Income		67,211,202	28,671,035
Expenditure			
Administration & Operations	2	67,211,202	28,671,035
Total Expenditure		67,211,202	28,671,035
Surplus / (Deficit) for the Year before Appropriations			
		-	-
Transfer from/(to) the Capital Account	7	(67,211,202)	(28,671,035)
Transfer to construction work in progress	2	67,211,202	28,671,035
		-	-
Surplus / (Deficit) for the Year after Appropriations			
		-	-
Balance Brought Forward at 01 January		-	-
Surplus / (Deficit) for the Year at 31 December			
		-	-

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 12 form part of these financial statements.

On behalf of the Board of the NPHDB:



Tom Costello
Chairperson
National Paediatric Hospital
Development Board

Date: 7th August 2018



John Pollock
Project Director
National Paediatric Hospital
Development Board

Date: 7th August 2018

Statement of Financial Position

As of 31st December 2017

		2017	2016
	Notes	€	€
Fixed Assets			
Construction work in progress	2	132,211,767	65,000,565
Total Fixed Assets		132,211,767	65,000,565
Current Assets			
Receivables	3	9,172,075	2,110,850
Cash and cash equivalents	4	997,301	855,079
		10,169,376	2,965,929
Current Liabilities (amounts falling due within one year)			
Payables	6	(5,608,185)	(2,965,929)
Net Current Assets		4,561,191	-
Long Liabilities (amounts falling due after one year)			
Payables	6	(4,561,191)	-
Total Net Assets		132,211,767	65,000,565
Represented by:			
Capital account	7	132,211,767	65,000,565
		132,211,767	65,000,565

29

The Statement of Cash Flows and notes 1 to 12 form part of these financial statements.

On behalf of the Board of the NPHDB:



Tom Costello
Chairperson
National Paediatric Hospital
Development Board

Date: 7th August 2018



John Pollock
Project Director
National Paediatric Hospital
Development Board

Date: 7th August 2018

Statement of Cash Flows

For the year ended 31st December 2017

	2017	2016
	€	€
Net Cash Flow from Operating Activities		
Excess Income over Expenditure	-	-
(Increase) / Decrease in Receivables	(7,061,225)	1,325,296
Increase / (Decrease) in Payables	7,203,447	(907,079)
Bank interest received	-	-
Net Cash Inflow from Operating Activities	142,222	418,217
Cash Flows from Financing Activities		
Bank Interest received	-	-
Net Cash Flows from Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents	142,222	418,217
Cash and cash equivalents at 01 January	855,079	436,862
Cash and cash equivalents at 31 December	997,301	855,079

Notes to Financial Statements

For the year ended 31st December 2017

1. Other Revenue		
	2017	2016
	€	€
Bank deposit income	-	-

2. Administration & Operations / Construction work in progress

Total costs incurred to date amount to €132.2m with costs of €67.2m incurred in 2017. 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.

	2017			Cumulative to 31 December 2017		
	Excl. VAT €	Irrecoverable VAT €	Total Cost €	Excl. VAT €	Irrecoverable VAT €	Total Cost €
(i) BST / CMS *	1,333,222	306,641	1,639,863	4,473,228	1,042,265	5,515,493
(ii) Design Team	9,066,778	2,085,359	11,152,137	31,908,822	7,356,904	39,265,726
(iii) Site development and clearance	11,629,898	1,677,960	13,307,858	26,781,172	3,937,173	30,718,345
(iv) Construction	25,747,986	3,294,189	29,042,175	25,747,986	3,294,189	29,042,175
(vi) Admin Costs	11,677,455	391,714	12,069,169	25,892,250	1,777,778	27,670,028
	<u>59,455,339</u>	<u>7,755,863</u>	<u>67,211,202</u>	<u>114,803,458</u>	<u>17,408,309</u>	<u>132,211,767</u>

* BST / CMS is Business Services Team / Construction Management Team

	2016			Cumulative to 31 December 2016		
	Excl. VAT €	Irrecoverable VAT €	Total Cost €	Excl. VAT €	Irrecoverable VAT €	Total Cost €
(i) BST / CMS *	-	-	-	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) Construction	-	-	-	-	-	-
(vi) Admin Costs	5,251,841	524,056	5,775,897	14,214,795	1,386,064	15,600,859
	<u>24,745,895</u>	<u>3,925,140</u>	<u>28,671,035</u>	<u>55,348,119</u>	<u>9,652,446</u>	<u>65,000,565</u>

* BST / CMS is Business Services Team / Construction Management Team

2 (vi) Administration Costs:				2017
		Excl.	Irrecoverable	Total
		Vat	Vat	Cost
	Note	€	€	€
Remuneration and other pay costs	2 (a)	2,021,769	37,302	2,059,071
ICT		151,192	34,774	185,966
Legal expenses		332,619	76,502	409,121
Procurement fees		139,967	32,192	172,159
Other professional fees		246,852	41,207	288,059
Office expenses		85,259	16,829	102,088
Rent & Rates		201,911	35,431	237,342
Office fit out		111,566	22,379	133,945
Communications		288,563	65,053	353,616
C&AG audit fees		15,000	-	15,000
Internal audit fees		7,726	1,777	9,503
Insurance		471,013	-	471,013
Planning application costs *		7,326,526	-	7,326,526
Business case development		43,474	9,999	53,473
Health planning		(107,283)	(24,675)	(131,958)
Programming and scheduling services		182,395	41,951	224,346
Capital Contribution		111,950	-	111,950
Other administration expenses		46,956	993	47,949
		11,677,455	391,714	12,069,169

* The Planning application costs due to DCC have been recognised in 2017. A payment plan is in place to repay same which is recognised in payables as at 31 Dec 2017.

				2016
		Excl.	Irrecoverable	Total
		Vat	Vat	Cost
	Note	€	€	€
Remuneration and other pay costs	2 (a)	2,189,206	-	2,189,206
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	150,288
Rent and Rates		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
		169,454	22,876	192,330
		69,130	1,713	70,843
		5,251,841	524,056	5,775,897

Remuneration

2 (a) Remuneration and Other Pay Costs

	2017	2016
	€	€
Staff salaries	956,023	1,123,561
Seconded Salaries	903,560	889,788
Employer's contribution to social welfare	96,299	110,262
Board members' emoluments	58,140	58,140
Retirement Benefit Costs	7,747	7,455
	<u>2,021,769</u>	<u>2,189,206</u>

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

2 (b) Aggregate Employee Benefits

	2017	2016
	€	€
Basic Pay	1,859,583	2,013,348
Employer's contribution to social welfare	96,299	110,262
	<u>1,955,882</u>	<u>2,123,610</u>

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

	2017	2016
Executive & Staff	12.4	14.6
Seconded Staff	7.5	10.6
Total	<u>19.9</u>	<u>25.2</u>

The total number of staff employed (WTE) at year ended was 17.5 (2016: 20.8)

2 (c) Key Management Personnel

Key management personnel in the NPHDB consists of the members of the Board, the Project Director, the Design Director / Deputy Project Director, the Commercial Advisor, the Medical Director and the Finance Officer. The total value of employee benefits for key management personnel is set out below:

	2017	2016
	€	€
Salary	667,086	679,083
Retirement Benefit Costs	7,747	7,455
	<u>674,833</u>	<u>686,538</u>

The Project Director's pension entitlement do not extend beyond the standard entitlements in the model single public service pension scheme and a PRSA contract is in place for the Finance Officer. The remaining key management personnel are seconded staff. The amounts disclosed above do not include the value of retirement benefits earned in the period.

2 (d) Project Director Salary and Benefits

The Project Director remuneration package for the financial period was as follows:

	2017	2016
	€	€
Basic Pay	<u>133,613</u>	<u>125,761</u>

The Project Director is a member of the Single Public Service Pension Scheme, and his entitlements in that regard do not extend beyond the terms of the model single public service pension scheme. The value of retirement benefits earned in the period is not included above.

3. Receivables			
	Note	2017	2016
		€	€
HSE grants due	9	150,418	685,591
Other debtors and prepayments		9,021,657	1,425,259
		<u>9,172,075</u>	<u>2,110,850</u>

4. Cash & Cash Equivalents			
	Note	2017	2016
		€	€
NPHDB bank balance		997,290	770,633
Community Benefit Oversight Group bank balance	5	11	84,446
		<u>997,301</u>	<u>855,079</u>

5. Cash & Cash Equivalents concerning Community Benefit Oversight (CBOG) Funding
As outlined in the Accounting Policies, 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 2017 are set out below.

CBOG Bank Account:			
		2017	2016
		€	€
Balance on deposit account on 01 January		84,446	70,001
Receipts:			
Dublin City Council		-	-
Tusla		-	-
Health Service Executive		-	45,000
Education Training Board		-	20,000
NPHDB		(362)	9,534
Interest		4	16
		<u>(358)</u>	<u>74,550</u>
Payments:			
Salaries		(76,962)	(47,711)
Consultant fees		(5,760)	(11,691)
Administration expenses		(1,355)	(703)
		<u>(84,077)</u>	<u>(60,105)</u>
Balance on deposit account on 31 December		<u>11</u>	<u>84,446</u>

6. Payables			
Amounts falling due within one year:			
	Note	2017	2016
		€	€
Trade creditors		453,377	1,315,871
Other creditors		60,391	77,484
		4,507,339	1,236,563
- PAYE / PRSI		34,907	48,710
- PSWT		552,172	287,301
		<u>5,608,185</u>	<u>2,965,929</u>
Amounts falling due after more than one year:			
		2017	2016
		€	€
Trade creditors	6.1	<u>4,561,191</u>	-

6.1: The trade creditors falling due after one year relates to the outstanding Dublin City Council Contribution as per condition 16 of the planning permission requirements. The final instalment is payable May 2021.

7. Capital Account		
	2017	2016
	€	€
Opening balance	65,000,565	36,329,530
Transfer to Income and Expenditure		
- Capital expenditure	67,211,202	28,671,035
Closing balance	132,211,767	65,000,565

8. Capital Commitments

8.1: Capital Commitments (excluding Lease Commitments):

At 31 December 2017, the Board had the following capital commitments:

	2017	2016
	€	€
Contracted for but not provided in the financial statements		
Within 1 year	89,684,335	11,642,001
Between 1 and 2 years	38,095,956	8,736,974
Between 2 and 5 years	9,774,313	6,540,798
Total	137,554,604	26,919,773

The year on year changes reflects new contracts entered into during the period and the expenditure on the contracts during the period. The principle changes from 2016 to 2017 reflects the construction contracts entered into for the main children's hospital and two paediatric outpatients and urgent care centres as tendered.

The agreement for the main hospital provides for a two phased process - Phase A, being site prep and ground works which has been contracted and included within capital commitments of €137m at 31 December 2017, and Phase B, being the main contract works which is subject to a number of conditions under the terms of the agreement. Given same, only the commitment to Phase A has been included above.

8.2: Lease Commitments:

The NPHDB is located at Block A, Herberton, St. James's Walk, Rialto, Dublin 8 D08 HP97 at an annual rental cost of €215,902, with the office lease due to expire 29 June 2019. The NPHDB sub-lease office space within the building to the CHG resulting in a net rental cost of €108,951 in 2017. The sub-lease to the CHG is on the same terms and conditions as the NPHDB lease.

	2017	2016
	€	€
Contracted for but not provided in the financial statements		
Within 1 year	215,902	215,902
Between 1 and 2 years	161,927	377,829
Between 2 and 5 years	-	-
Total	377,829	593,731

8.3: Total Capital Commitments:

	2017	2016
	€	€
Contracted for but not provided in the financial statements		
Within 1 year	89,900,237	11,857,903
Between 1 and 2 years	38,257,883	9,114,803
Between 2 and 5 years	9,774,313	6,540,798
Total	137,932,433	27,513,504

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 2017 were:

		2017	2016
	Note	€	€
Total capital grants notified by the HSE for the year		68,000,000	31,000,000
Opening balance due from HSE at 1 Jan 2017		685,591	2,651,546
Capital expenditure incurred in the year		67,211,202	28,671,035
Less: Remittances from the HSE in the year		(67,746,375)	(30,636,990)
Less: Other Income		-	-
Balance due from the HSE at 31 Dec 2017	3	<u>150,418</u>	<u>685,591</u>

10. Related Party Disclosures

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 was one conflict of interest recorded in 2017. This related to a discussion on legal fees. The conflicted Board Member absented himself from the room for this discussion.

11. Events after the reporting date

Subsequent to the year end, the grant of a Fire Safety Certificate in May 2017 by Dublin City Council Fire Prevention Services imposed a condition that; 'A life-safety sprinkler system complying with BS EN 12845 shall be installed throughout the building'. The works to be completed and the cost of these additional works have not yet been determined.

There have been no other significant events since the year end date.

12. Approval of the financial statements

The financial statements were approved by the Board of the NPHDB on 6th June 2018.

