

# 2013

Annual Report



the new children's hospital



NATIONAL  
PAEDIATRIC  
HOSPITAL  
DEVELOPMENT  
BOARD

**DESIGN  
BUILD  
EQUIP**

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



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## General Information

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### *National Paediatric Hospital Development Board*

<b>Project Office</b>	Hospital 7 St. James's Hospital Campus James's Street Dublin 8
<b>Main Banker</b>	Ulster Bank 2-4 Lower O'Connell Street Dublin 1
<b>Auditor</b>	Comptroller and Auditor General Treasury Block Lower Yard Dublin Castle Dublin 2
<b>Solicitors</b>	William Fry Fitzwilton House Wilton Place Dublin 2

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# The Board

## **About the National Paediatric Hospital Development Board**

The National Paediatric Hospital Development Board (the “NPHDB”) was established by the Minister for Health & Children by Statutory Instrument SI 246 of 2007 on 23<sup>rd</sup> 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 Satellites 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 SI 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;
- 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;
- 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;
- do any other thing as is necessary for the performance of its functions.

The functions of the NPHDB have been changed and the updated S.I. is being redrafted and legislation prepared for government approval. The function of the NPHDB will focus on the planning, designing, building, furnishing and equipping of the hospital.

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## **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.

## **NPHDB membership during the year ended 31<sup>st</sup> December, 2013:**

### **Mr Tom Costello - Chairman**

Mr Tom Costello is a Chartered Engineer and Fellow of Engineers Ireland (C.Eng FIEI). Mr Costello established a project management consultancy business in July 2012. He is a former Managing Director (Ireland) of John Sisk & Son Ltd. During his tenure there, he directed the Sisk team on the successful completion of many of the largest and most significant projects built in Ireland.

Mr Tom Costello’s term of appointment commenced on 2<sup>nd</sup> August, 2013.

### **Mr Tim Bouchier-Hayes**

Mr Tim Bouchier-Hayes, Consultant with McCann FitzGerald Solicitors, has over 40 years’ experience in dealing with public authorities, developers, design professionals and contractors on all aspects of large scale construction projects. Mr Bouchier-Hayes received a Special Award from Engineers Ireland in recognition of outstanding contribution and commitment to the activities of the Institution. Mr Bouchier-Hayes is a member of the International Court of Arbitration, International Chamber of Commerce.

Mr Tim Bouchier-Hayes’ term of appointment commenced on 2<sup>nd</sup> August 2013.

### **Ms Anne Butler**

Ms Anne Butler is a Chartered Engineer and a former President of the Institution of Engineers of Ireland. A founding Director of the Environmental Protection Agency (EPA), she was on its board for ten years. After ten years with the EPA, Ms Butler established an environmental consultancy/advisory service where she specialises in environmental and regulatory matters, as well as strategy development and implementation. Ms Butler is on the Board of the ESB and on the Governing Body of the Dublin Institute of Technology.

Ms Anne Butler’s term of appointment commenced 02 August 2013

### **Mr John Cole CBE**

John Cole is an architect by profession. Prior to his retirement in 2013 from the Civil Service in Northern Ireland he had held for more than ten years the post of Deputy Permanent Secretary and Chief Estates Officer in the Department of Health Social Services and Public Safety. As part of this role he was responsible for overseeing the planning, project management, design and procurement of a wide range of major health facilities in Northern Ireland.

He is a former Chairman of the European Health Property Network and has lectured widely across the world on the planning and design of health buildings. Since his retirement from the Civil Service he has acted as an independent consultant and strategic client adviser on a number of major international health projects.

In 2014 he was made an Honorary Professor of Architecture at the Queen's University of Belfast.

He is currently a member of council of the Royal Institute of British Architects in London and has previously held the Presidency of the Royal Society of Ulster Architects.

In 2013 he was appointed a Commander of the British Empire (CBE) in recognition of his contribution to the development of health infrastructure.

Mr John Cole CBE's term of appointment commenced on 2nd August, 2013.

### **Professor Ian Hann**

Professor Ian Hann is a former Professor of Paediatric Haematology and Oncology and Associate Medical Director of Great Ormond St Children's Hospital, where he was a member of the Variety Club Building Project Team and later the Redevelopment Board. Professor Hann was a member of the Medical Research Council Leukaemia Trials committee for more than 20 years.

Professor Ian Hann's term of appointment commenced on 2<sup>nd</sup> August, 2013.

### **Mr Karl Kent**

Mr Karl Kent is a Registered Architect and Fellow of the Royal Institute of the Architects of Ireland (FRIAI). He is a consultant architect-planner with Doyle Kent Planning Partnership Ltd since early 2012, following completion at the end of December 2011 of two terms of office as a Member and Deputy Chairperson at An Bord Pleanála. Mr Kent was a Member of the Strategic Infrastructure Division of An Bord Pleanála from its establishment in January 2007 until his retirement from the Board.

Mr Karl Kent's term of appointment commenced on 2<sup>nd</sup> August, 2013.

### **Mr John Martin**

Mr John Martin is a planner with many years' experience in local government and An Bord Pleanála. He was Principal Planning Adviser in the Department of the Environment, Community and Local Government from 2002 to 2011. Mr Martin served as a member of the 2012 Review Group on the new children's hospital (the Dolphin Group).

Mr John Martin's term of appointment commenced on 2<sup>nd</sup> August, 2013.

### **Mr Paul Quinn**

Mr Paul Quinn is Government's Chief Procurement Officer at the Department of Public Expenditure and Reform, in which role he is tasked with transforming procurement across the Public Service. He previously worked with eircom where he was Supply Chain Director from 2007. Mr Quinn has a Master's Degree in Business Administration from Dublin City University and a Degree in Engineering from the College of Technology, Kevin Street.

Mr Paul Quinn's term of appointment commenced on 2nd August 2013.

### **Ms Marguerite Sayers**

Ms Marguerite Sayers is Managing Director of ESB Networks Ltd. Ms Sayers is an electrical engineer, with 24 years' experience working for ESB. Prior to taking up her current role, she held the positions of Customer Service Manager for Dublin, Head of Asset Management for ESB Networks and Manager of ESB's Generation Portfolio. Ms. Sayers is also a Chartered Engineer and member of both Engineers Ireland's Council and Executive Committees.

Ms Marguerite Sayers term of appointment commenced on 2nd August 2013.

### **Mr Ian Carter**

Mr Ian Carter is HSE National Director of Acute Hospitals. He was Chief Executive of St. James's Hospital from 2006 to 2012. Prior to this Mr Carter held various senior hospital management positions including Deputy CEO, St. James's Hospital and General Manager, Acute Hospitals, Mid-Western Health Board.

Mr Ian Carter's term of appointment commenced on 2<sup>nd</sup> August, 2013.

### **Mr Brian Fitzgerald**

Mr Brian Fitzgerald is the Deputy Chief Executive at Beacon Hospital. He is a fellow of the Association of Chartered Certified Accountants and holds a 1st class MBA from the Smurfit Business School, UCD. He also holds the position of Adjunct Assistant Professor at Trinity College Dublin.

Mr Brian Fitzgerald's term of appointment commenced on 2<sup>nd</sup> August, 2013.

### **Professor Hilary Hoey**

Professor Hilary Hoey is Director of Professional Competence at the Royal College of Physicians of Ireland and the Immediate Past Dean of the Faculty of Paediatrics at the Royal College of Physicians of Ireland and the Immediate Past President of the European Society for Paediatric Endocrinology. Professor Hoey was Head of the Department of Paediatrics in Trinity College, Dublin and Consultant Paediatrician and Endocrinologist at the Adelaide and Meath Hospital incorporating the National Children's Hospital and at Our Lady's Children's Hospital Crumlin from 1991 until 2011. She is currently Chairman of Diabetes Ireland and is a Council member of the Royal College of Paediatrics and Child Health UK.

Professor Hilary Hoey's term of appointment commenced on 18th October 2013.

### **Ms Regina Moran**

Ms Moran is CEO of Fujitsu in Ireland where she leads a 350-strong team focussed on delivering ICT services that add business value to the Irish marketplace. Ms Moran is currently Vice President of Engineers of Ireland (FIEI), a board member of IBEC Ltd., a member of the Dublin City University Governing Authority and a Director of EirGrid. Regina holds an MBA from Dublin City University, and was awarded the 'Sir Charles Harvey Award' for outstanding contribution in her post-graduate studies.

Ms Regina Moran's term of appointment commenced on 2<sup>nd</sup> August, 2013.

### **Dr Fergal Lynch**

Dr Fergal Lynch's term of appointment commenced on 24<sup>th</sup> January 2013 and expired on 31<sup>st</sup> July, 2013

### **Ms Fionnuala Duffy**

Ms Fionnuala Duffy's term of appointment commenced on 24<sup>th</sup> January 2013 and expired on 31<sup>st</sup> July, 2013.

### **Mr Charlie Hardy**

Mr Charlie Hardy's term of appointment commenced on 24<sup>th</sup> January 2013 and expired on 31<sup>st</sup> July, 2013.

### **Ms Bairbre Nic Aongusa**

Ms Bairbre Nic Aongusa's term of appointment commenced on 24<sup>th</sup> January, 2013 and expired on 31<sup>st</sup> July, 2013.

### **Mr Gerry O'Dwyer**

Mr Gerry O'Dwyer's term of appointment commenced on 24<sup>th</sup> January, 2013 and expired on 31<sup>st</sup> July, 2013,

### **Mr Jim Curran**

Mr Jim Curran's term of appointment commenced on 24<sup>th</sup> January, 2013 and expired on 31<sup>st</sup> July, 2013.

## **Executive Team**

### **Dr Emma Curtis, Medical Director**

Dr Emma Curtis is a Consultant Paediatrician, with a special interest in Community Child Health, at the National Children's Hospital in Tallaght. Dr Curtis was appointed as a Consultant to Tallaght Hospital in 2002. Prior to taking up this post Dr Curtis worked for 8 years in Newcastle upon Tyne, where she completed her training in community child health and was appointed to a consultant post in 1999. Dr Curtis has been Medical Director to the Project since September, 2008.

### **Mr Jim Farragher, Chief Financial Officer and Interim Chief Executive Officer**

Prior to his appointment, Mr Farragher was Director of Finance with 3Com Corporation for over ten years, in Ireland and the USA. Mr Farragher also worked with Digital Equipment Corporation in senior financial roles in their Irish operations, America and their European headquarters in Geneva, Switzerland.

Mr Farragher is a Fellow of the Institute of Chartered Accountants in England and Wales. He is a business graduate of University College Dublin and holds an MBA from University College Galway.

Mr Farragher was appointed Interim Chief Executive Officer on the resignation of Ms Eilish Hardiman in August 2011, in addition to continuing in his position as Chief Financial Officer.

# Chairman's Statement

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There were a number of significant developments during 2013 which have impacted the work of the National Paediatric Hospital Development Board (NPHDB). On 23<sup>rd</sup> February, 2012 An Bord Pleanála refused the planning application for the proposed construction of the new children's hospital on the Mater site. This was followed by the Government decision in November 2012 to locate the new hospital at St James's Hospital in Dublin 8, subsequent to the report of the Dolphin Review Group.

The new children's hospital will be central to finalising an integrated network of paediatric healthcare services in Ireland, currently under development by the HSE's Paediatric Clinical Programme. The amalgamation of the existing three children's hospitals in Dublin into a single hospital located adjacent to a leading adult academic hospital, and proposed maternity hospital, will give Ireland a world class specialist hospital, providing the cohesion and clinical depth and breadth required to meet the highly complex healthcare needs of Ireland's children.

An interim Board was put in place on 24<sup>th</sup> January, 2013 and its term expired on 31<sup>st</sup> July, 2013. The new Board, which consisted of the chair and 11 board members, was appointed on 2<sup>nd</sup> August, 2013 with the 12<sup>th</sup> board member joining on 18<sup>th</sup> October, 2013.

The NPHDB has begun the process of procuring a new design team to plan and design the new children's hospital at the St James's campus. A recruitment process for the CEO/Project Director through the public appointments process resulted in Mr John Pollock joining the project as Project Director on 6<sup>th</sup> January, 2014.

Work has already commenced on the new children's hospital site. The St James's Hospital decant team is working on transitioning services and staff to the St. James's Campus to free up the site.

The NPHDB wishes to thank all those who assisted and supported the project throughout 2013. We are grateful to the Government and in particular the Minister for Health, Dr James Reilly, T.D., and the personnel in the department for their support. We also wish to acknowledge the leadership, direction and commitment to the project demonstrated by Dr Fergal Lynch, the NPHDB's interim Chairman and other Board members whose term of appointment commenced on 24<sup>th</sup> January, 2013 and expired on 31<sup>st</sup> July 2013. We wish to thank the Health Service Executive and the National Development Finance Agency for the guidance we have received to date and we look forward to continuing to work with them towards the successful delivery of the new children's hospital.

We also wish to thank the Children's Hospital Group Board and the management and staff at Our Lady's Children's Hospital Crumlin, the Children's University Hospital Temple Street, the Adelaide & Meath Hospital incorporating the National Children's Hospital Tallaght, the Mater Misericordiae University Hospital, Beaumont Hospital, the Rotunda Hospital, Cappagh National Orthopaedic Hospital, Royal Victoria Eye and Ear Hospital and St James's Hospital for their invaluable contribution to planning the services, facilities and operations for the new hospital. We also appreciate the commitment from public representatives, local residents and public servants to continuous engagement with the NPHDB.

We acknowledge the contribution made by individual NPHDB members, and former members, and thank them for their dedication, support and guidance throughout 2013. We commend the Executive for continued progress in what was a challenging year.

We look forward with enthusiasm to the challenges ahead and are confident that we can drive this project forward to deliver the new children's hospital by the earliest possible completion date, with optimal design and value for money.



**Tom Costello**

**Chairperson**

National Paediatric Hospital Development Board

Date: 13/2/2015

# Project Overview

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The new children's hospital, co-located with St James's Hospital in Dublin 8, will be a world class, child-focused facility, 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;
- Provide secondary care for the Greater Dublin Area, 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 Satellite Centres 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 Satellite Centres; and
- Be the primary centre for paediatric research, education and training in Ireland.

## *The Project Team*

The work of the NPHDB has been discharged mainly under three core contracts secured under public procurement – the Business Services team, the Project Management Services team and the Integrated Design team. The contracts in place to deliver the project at the Mater site were terminated following the change of location to the St James's Hospital campus. The process of recruiting new teams began in 2013. These teams will work together with the NPHDB and its Executive to plan the design, financing and, ultimately, construction and equipping of the hospital.

## *Healthcare Planning*

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

The activity and capacity plan for the new children's hospital and for the connected Satellite Centres was based on projected future needs and developments in service delivery. It was evaluated and endorsed by PA Consulting and subsequently approved by the HSE. Inherent in this plan was the expected activity split between the new children's hospital and the Satellite Centres at Tallaght and Blanchardstown.

## 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. A panel of 17 young people aged between 14 and 18 was established to engage their thinking. Each member of the "Youth Advisory Panel" has had personal experience of care in the existing children's hospitals. The Youth Advisory Panel was originally formed following a two day consultation event in Dublin Castle in December 2009. It subsequently met regularly with the project architects to input on plans for the new children's hospital, with a particular focus on patient experience in relation to patient bedrooms, outdoor spaces, and recreational and play facilities.

In addition to the Youth Advisory panel, a survey of the views of children under 8 years of age was completed to further inform the design of the new children's hospital.

A Family Forum, attended by parents who collectively have experiences of sick children across a wide spectrum of illnesses (e.g. cardiology, respiratory, diabetes), also meet regularly with the Project Team to provide insight into the requirements for the new children's hospital and the Satellite Centres. There has been a particular focus on the experience of the child and younger person and the parent with relevance to the Model of Care and the accommodation to be provided, be it clinical or non-clinical. This will contribute to facilities such as the patient bedroom, various types of parent's accommodation, associated support facilities and the detailed development of recreational spaces.

### 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 Project Team meet regularly throughout the year. This consultation process has also been extended to other hospitals such as the regional centres for paediatric care, the Rotunda Hospital, Beaumont Hospital, Cappagh National Orthopaedic Hospital, Royal Victoria Eye and Ear Hospital, and St James's Hospital.

The results of this extensive and significant consultation process remain relevant to the project, despite the change in location, and will inform the revised Design Brief. Extensive and wide-ranging consultation will continue to be integral to the development and success of the project.

## Design

The hospital and the two Satellite Centres, where secondary care will be delivered are envisaged as secure, welcoming 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:

- 100% single, ensuite rooms
- In-room parent sleeping facilities
- Hospital school
- Undergraduate, postgraduate and continuing professional education
- Children's Research Institute
- Family Resource Centre
- Family accommodation near critical care
- Play areas, external gardens and courtyards
- Therapy area with hydro-pool and gym
- Car parking

Accommodation for families requiring a long-term, home-away-from-home environment will be provided.

## ***Information and Communications Technology (ICT)***

The NPHDB and CHGB have prepared a Programme Approach and Implementation Plan for ICT in the new children's hospital and the Satellite Centres 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. In accordance with its business strategy, the hospital will support the new national model for Paediatric Healthcare in Ireland. In line with this goal, ICT will deliver a digitally supported, paper-light working environment where the focus will be on the automation of clinical and operational processes to improve on healthcare outcomes.

The National Paediatric Hospital Development Board, Children Hospital Group Board and the HSE are considering key components of the ICT structure for the hospital and Satellite Centres that will be implemented as part of the HSE's national ICT programme, as these systems are of paramount importance to support an interfaced clinical network for paediatric healthcare in Ireland.

## **Costs**

### **Revenue costs**

The NPHDB is confident that significant annual savings are realisable on the current revenue cost base of the three existing hospitals. The primary sources of these savings are;

- The amalgamation of the three existing children's hospitals;
- The location of both the new children's hospital and the two Satellites Centres adjacent to an adult hospital and proposed maternity services;
- The reconfiguration, standardisation and streamlining of services and processes, to include outsourcing where value can be delivered; and
- The development of shared and campus-wide services.

### **Funding**

It is planned that the cost of the new children's hospital and Satellite Centres will primarily be met by the Exchequer through the HSE Capital Programme.

Other sources of funding include educational institutions, research organisations, philanthropy and car parking. Financing by commercial banks is also being considered.

## ***Design Presentation***

A team of experts, including independent Irish, UK, US, Canadian and Australian professionals from a broad range of disciplines participated in the design review process. The review process covered a wide range of areas including architectural, civil, structural, mechanical, electrical, environmental impact and value for money. The review paid particular attention to the functional operation of the hospital in such areas as clinical processes, health and safety, security, way finding, logistics, facilities management, access, lift requirements, catering and lifecycle operating costs.

An extensive consultation and evaluation exercise was completed on the configuration of the inpatient room and ward layouts with hospital representatives, parents and children. In line with international best practice, research findings and infection control guidelines, inpatient accommodation for children in the new children's hospital will be provided in 100% single rooms, with facilities for a family member to sleep in the room with their sick child.

Sustainability assessment workshops have been held with the support of BRE Ireland and the Sustainable Energy Authority of Ireland.

While a portion of the work undertaken was specific to the environment and locale of the Mater site, the NPHDB is satisfied that a significant portion of that work will be 'reusable' at the St James's Campus.

# Project Director's Report

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2012 saw the Government reaffirm its commitment to delivering a new children's hospital for Ireland, with the change to the location of the hospital signalling a new phase of the project for the NPHDB. On 23<sup>rd</sup> February, 2012, An Bord Pleanála refused planning application for the proposed construction on the Mater site. In response, an expert review group under the chairmanship of Dr Frank Dolphin was asked by the Minister for Health, Dr James Reilly, T.D., to consider the implications of the decision and to consider the merits of other locations as the site for the proposed hospital.

Following the report of the Dolphin Review Group, the Government reaffirmed its commitment to build a new children's hospital and directed that the project proceed on the grounds of St James's Hospital in Dublin 8.

Once the St James's site was confirmed, the NPHDB took the decision on legal advice to terminate all of the existing technical and support contracts that had been in place to deliver the project at the Mater campus. It was also decided to reorganise the resources of the Board to take on the new project.

St James's Hospital is leading the process of preparing the St James's site for construction work. A joint working structure is in place between the management of St James's and the NPHDB, with significant input from the HSE Estates Office, to advance the work required.

The membership of previous Board Members expired on 4th December 2012. A transitional Board of senior officials from the Department of Health and the HSE was appointed on 25 January 2013, chaired by Mr Fergal Lynch. This Board was in place until the Minister for Health, Dr James Reilly, TD, announced on 2 August 2013 the appointment of Board members to the Children's Hospital Group Board (CHGB) and National Paediatric Hospital Development Board (NPHDB).

The Children's Hospital Group Board has been established on a non-statutory or administrative basis, in the context of the overall policy on Hospital Groups. The new Board members will join existing Chair, Dr Jim Browne, in overseeing the operational integration of the three hospitals in advance of the move to the new children's hospital. As a client for the building project, the Board will also play a key role in ensuring the new hospital is optimally designed and completed as swiftly as possible. The NPHDB will focus specifically on the capital project including the planning, designing, building, furnishing and equipping of the hospital.

The Board appointments reflect the NPHDB's sole focus on the building project, to which they bring construction, architectural, engineering, planning and procurement expertise and experience. They also reflect the involvement of key stakeholders in this large-scale, complex and hugely important development.

The new children's hospital will be a world-class facility, planned and designed to ensure excellence in the delivery of clinical services for our children. It will also be a globally connected centre for teaching and research that seeks new, innovative solutions in paediatric healthcare.

## *Design Team Procurement*

The NPHDB is in the process of recruiting a new design team for the project, The team will comprise all necessary disciplines and design consultancy services needed to develop the design of the project to the level required for the procurement of a design and build contract. That work will be architect-led and include eight primary disciplines including:

- Architectural services
- Quantity surveying services
- Mechanical and electrical engineering services
- Civil and structural engineering services
- Fire consultancy services
- Planning consultancy services
- Project supervisor design process
- Traffic consultants

It is anticipated that contracts will be awarded and finalised in the summer of 2014.

## Healthcare Planning

The Design Brief and schedule of accommodation are currently being developed by the Medical Director and the Health Planners for the hospital at the St James's site.

### Schedule of Accommodation

A significant amount of work was done on the schedule of accommodation for the previous proposal. This is currently being updated to reflect the new configuration, revised room sizes and other accommodation updates for the children's hospital on the site at St James's.

### Design Brief

The Design Brief for the hospital is currently being developed by the Health Planners to reflect the following:

- Description of departments and associated accommodation to reflect revised model of care
- Revised configurations and updated rooms/departments
- Updated service descriptions
- Revised operational flows
- Revised Model for elective versus unplanned care
- Revised Emergency Care model
- Revised Shared Service models
- Incorporation of revised Schedule of Accommodation into Design Brief

### Review – Proposed Model for the Main Hospital and Satellite Centres

The original proposal was that the new children's hospital would be built with one Satellite Centre. When the Dolphin Committee reviewed the location of the main hospital, they recommended that the Satellite Centre Model of Care, the number of centres and location(s) of the centre(s) also be reviewed.

Based on ministerial approval of the St James's Hospital site, the Minister tasked the NPHDB to develop plans for Satellite Centre Care activity to determine where, and how, this should be provided. To this end, a task force was set up, led by Dr Emma Curtis, with support from The Health Planners and other partners. They reported to the Minister for Health Dr James Reilly and, in January 2014, the Minister approved two Satellite Centres, one at Connolly Memorial Hospital in Blanchardstown and the other at Tallaght Hospital.

### Business Planning

#### Shared Services

A shared services group has been established comprising initially of representatives from SJH, HSE and NPH. This group's initial goal is to focus on identifying the facilities which can be shared in order to optimise the build on the site. Once the infrastructure analysis has been completed then the focus will move on to the operational services which can be shared. The Group has invited a representative from the Children's Hospital Group to attend all future meetings.

The Group has a schedule of bi-weekly meetings agreed to progress the critical infrastructure decisions which are required for decanting.

Given that there are a number of groups involved in the shared services work, it was agreed to streamline the membership of the group and to create a Shared Services Steering Group to review and manage the workings of the shared service activities and to represent the principles (SJH/HSE/CHG/NPHDB).

Shared Services Sub Groups are to be established to develop proposals which outline at least the high level operational and financial benefits of the proposed shared services for the following activity:

- Pharmacy and compounding
- Catering facilities including staff restaurant
- Laboratories
- ICT Servers rooms/data storage etc.
- Waste management
- CSSD
- Mobility
- Education

## **Re-establishment of NPHDB Sub-committees**

In 2012, all sub-committees of the Board were subsumed by the Board, and their functions discharged by the Board.

The following sub-committees were re-established during 2013 and terms of references for each committee were circulated to all members.

- Audit Committee – Reviews all matters relating to the financial affairs of the NPHDB.
- Finance Committee – Engages with the Executive to oversee the progress and issues relating to the financial planning, design, building, furnishing and equipping of the new children hospital and liaises, recommends and reports to the NPHDB.
- Communications Committee - This Committee continued to meet – working to ensure that the groups, communities and individuals who have an interest in, or are affected by the project, are kept informed of developments. It also oversees the effective application of the NPHDB's Communications Strategy. This work includes; updating of the project website; developing an engagement strategy for liaison with groups such as the project's residents, family forums, local community groups and hospitals connected to the project.
- Planning Committee - Identifies the high-level planning risks associated with the proposed new children's hospital development. It ensures that these risks are communicated to, and adequately addressed by, the Design Team. It liaises with SJH regarding the master plan for the overall campus and ancillary sites in the vicinity. It oversees engagement with Dublin City Council and An Board Pleanála. It monitors progress regarding planning issues generally, and reports any significant issues to the NPHDB, particularly where such issues may affect the Board's risk assessment and/or the project timetable.
- Design Committee - Provides a strategic overview of the development process from concept to completion to ensure a child and family centred hospital that achieves the agreed quality objectives in terms of:
  - Functionality and fitness for purpose
  - Overall aesthetics and therapeutic environment
  - Contribution to its urban setting
  - and social, economic and environmental sustainability

It champions the pursuit of design excellence throughout the project. It contributes to and signs off on the development of the agreed quality objectives for the project and ensures its incorporation into the brief. It quality assures the procurement process adopted to ensure that it properly reflects the importance of, and facilitates the selection of, design and construction teams capable of delivering the highest quality standards. It participates in regular reviews of the design development and makes recommendations to the Board, as appropriate; to ensure that the appropriate focus on the achievement of the quality objectives is being maintained. It liaises as appropriate with other key stakeholders in relation to design quality issues.

- Decanting Committee - This Committee facilitates the establishment of sub-groups which examine report and make recommendations. Its role is to then review and approve the recommendations from the sub-groups. It develops and agrees an appropriate decant strategy for the full extent of the site required for the new children's hospital at the St. James's Hospital campus. It assesses all the possible options available to decant the existing services and functions currently operating on the site, considering both on-site and off-site solutions. It monitors progress of the overall site decant, in order to ensure that the overall decant operations is completed in time to allow for the construction of the new children's hospital.
- Shared Services Committee – It further examines and develops the shared service principle in relation to the new children's hospital and prepares a comprehensive report, noting Government policy in relation to shared services and the guiding principles for shared services:
  - Serves the entire campus
  - Supports the mission of teaching, research, and innovation
  - Increases efficiencies
  - Leverages functional expertise and institutional knowledge
  - Creates a strong service focus
  - Strives for simplicity
  - Optimises savings
  - Enables performance metrics

It outlines the scope of the new children's hospital. It details the current infrastructure in each hospital and specifies the requirements for the new children's hospital and the SJH campus. It defines the processes and outlines the feasibility of the proposed shared service, noting the benefits arising and identifying any reference sites. It identifies the preferred location for the shared service. It costs the infrastructural requirements of the shared service and provides an overview as to how the shared services would operate in terms of service arrangements for the campus. Part of its remit is to produce a robust recommendation document for submission to the SSSG that will form part of the overall design brief for the new children's hospital.

### **Planning Application**

The project is a strategic infrastructure development for which planning will be sought in accordance with the requirements of the Planning and Development Strategic Infrastructure Act. This requires advance planning with the various authorities – An Bord Pleanála and Dublin City Council.

### **Conclusion**

Since the confirmation by Minister Reilly of the Government's decision to relocate the hospital to the St James site, the NPHDB has been engaged with the Minister and the Department to reshape both the project and the Board.

I would like to thank Mr. Tom Costello (Chairman) and the members of the NPHDB for their invaluable guidance, direction and support throughout 2013, and wish to acknowledge the leadership, direction and commitment to the project demonstrated by the former interim Chairman Dr Fergal Lynch and Board Members whose term of appointment expired on 31 July 2013. The Board would also like to thank the Executive and Project Team for their commitment and assistance throughout the year.

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

I wish to extend my thanks to the management and staff in the three children's hospitals, to the children and young people, parents, public servants, community representatives, local residents and the many other individuals and organisations who engaged with the project throughout 2013.

Finally, I am confident that we will continue to receive the goodwill and support of the many stakeholders in this project. With the approval of the St James's site, a new and exciting phase in the development of this great national project - the new children's hospital - has commenced.

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**John Pollock**

**Project Director**

National Paediatric Hospital Development Board

Date: 13/2/2015

# Board Members' Report

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## ***Governance***

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

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

## ***Ethics and standards***

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

## ***Board***

The NPHDB consists of a Chairman and 12 ordinary members, all of whom are non-executive and are appointed by the Minister for Health. The members during the year ended 31<sup>st</sup> December, 2013 are set out on pages 2-4 of this Annual Report.

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

The NPHDB has established sub-committees to assist in the effective discharge of its responsibilities.

## ***Board Secretary***

Mr Jarleth Heneghan of William Fry Solicitors was Board Secretary throughout 2013 and was responsible for ensuring that Board decisions on procedures and controls were implemented, and that relevant legislation, regulations and guidelines were complied with.

## ***Meetings of the Board***

In 2013 the Board met on 11 occasions.

- The Audit and Finance Committees were combined during 2013 and met on 4 occasions. In early 2014, the Audit Committee was re-instated.
- The attendance at Board meetings is set out in the table below.



## Attendance at meetings of the NPHDB

Member	Meetings	Attendance	Resignation Date	Appointment Commencement
Dr Fergal Lynch	7	7	31-Jul-13	24-Jan-13
Ms Fionnuala Duffy	7	6	31-Jul-13	24-Jan-13
Mr Charlie Hardy	7	4	31-Jul-13	24-Jan-13
Ms Bairbre Nic Aongusa	7	6	31-Jul-13	24-Jan-13
Mr Gerry O'Dwyer	7	5	31-Jul-13	24-Jan-13
Mr Jim Curran	7	7	31-Jul-13	24-Jan-13
Mr Tom Costello	4	4		02-Aug-13
Mr Ian Carter	4	3		02-Aug-13
Mr John Cole CBE	4	2		02-Aug-13
Mr Brian Fitzgerald	4	4		02-Aug-13
Professor Ian Hann	4	4		02-Aug-13
Mr Tim Bouchier Hayes	4	3		02-Aug-13
Mr Karl Kent	4	4		02-Aug-13
Mr John Martin	4	4		02-Aug-13
Mr Paul Quinn	4	4		02-Aug-13
Ms Marguerite Sayers	4	3		02-Aug-13
Ms Regina Moran	4	2		02-Aug-13
Professor Hilary Hoey	2	0		18-Oct-13
Ms Anne Butler	4	2		02-Aug-13

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## Board members remuneration

Member	Fees	Travel
Mr Tom Costello	€4,988	-
Mr John Cole CBE	€3,206	€1,071
Professor Ian Hann	-	€818
Mr Karl Kent	€3,206	-
Mr John Martin	€3,206	-
Professor Hilary Hoey	€1,604	-
Ms Anne Butler	€3,206	-
<b>Total</b>	<b>€19,416</b>	<b>€1,889</b>

# Statement of Board Members' Responsibilities

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The National Paediatric Hospital Development Board was established by the National Paediatric Hospital Development Board (Establishment) Order, 2007 (S.I No.246 of 2007) on 23 May 2007, as amended by the Health (Miscellaneous Provisions) Act 2007.

Under the terms of the National Paediatric Hospital Development Board (Establishment) Order, 2007 (S.I. No.246 of 2007), as amended by the Health (Miscellaneous Provisions) Act 2007, the NPHDB acknowledges the requirement to prepare financial statements for the year which give a true and fair view of the state of affairs of the National Paediatric Hospital Development Board and its income and expenditure for the period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the National Paediatric Hospital Development Board will continue in existence.

The NPHDB is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the National Paediatric Hospital Development Board and to enable the Board to ensure the financial statements comply with the relevant Order and with the accounting standards laid down by the Minister for Health. The Board is also responsible for safeguarding the assets of the National Paediatric Hospital Development Board and hence for taking reasonable steps for the prevention and the detection of fraud and other irregularities.

On behalf of the Board:



**Tom Costello**

*Chairperson*

National Paediatric Hospital Development Board

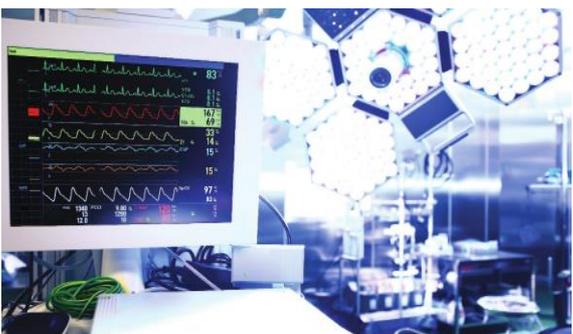
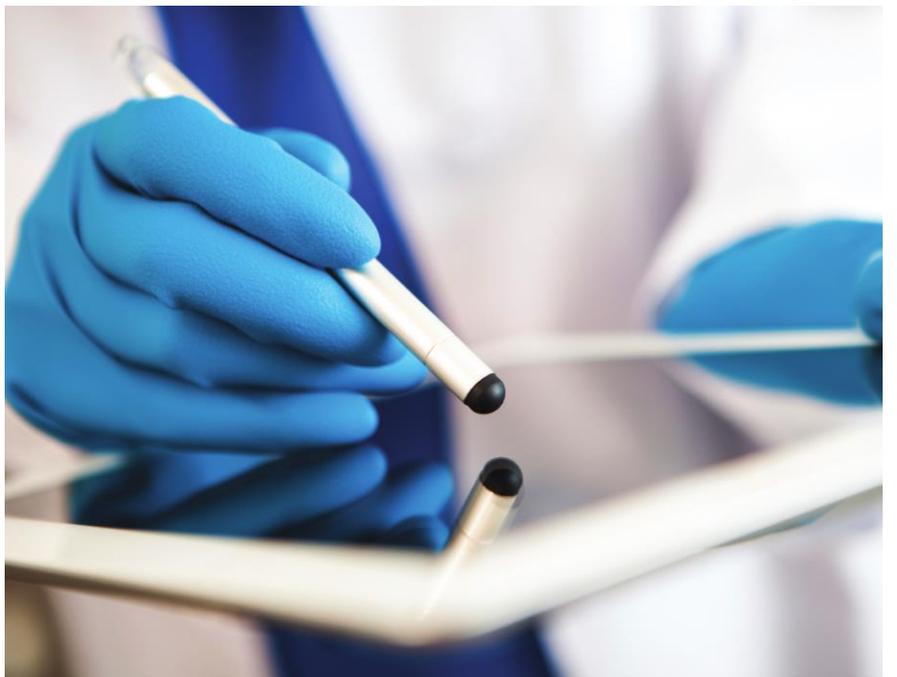
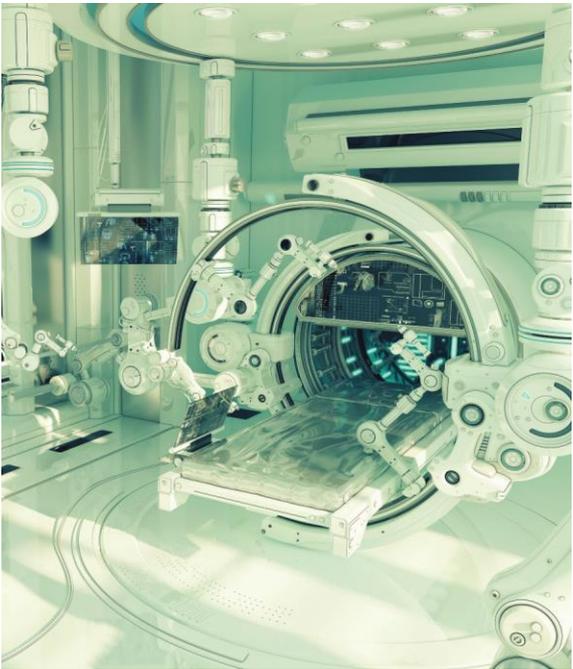
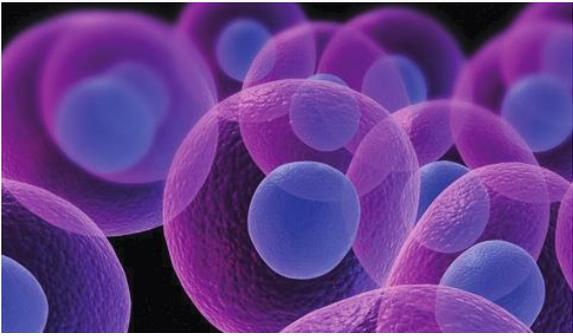
*Date: 13/2/2015*



**Brian Fitzgerald**

*Board Member*

National Paediatric Hospital Development Board





## National Paediatric Hospital Development Board

I have audited the financial statements of the National Paediatric Hospital Development Board for the year ended 31 December 2013 under Section 5 of the Comptroller and Auditor General Amendment Act 1993. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in accordance with Section 14 of the National Paediatric Hospital Development Board (Establishment) Order 2007 (SI 246/2007), and in accordance with generally accepted accounting practice in Ireland.

### Responsibilities of the Board

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

### Responsibilities of the Comptroller and Auditor General

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

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

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

### Scope of audit of the financial statements

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

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

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

### Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Board's affairs at 31 December 2013 and of its income and expenditure for 2013.

In my opinion, proper books of account have been kept by the Board. The financial statements are in agreement with the books of account.

### Impairment Charge

Without qualifying my opinion, I draw attention to Note 3 which sets out the background to the impairment charge of €35.5 million recorded in the income and expenditure account. Arising from the Government decision to change the planned location of the national paediatric hospital, the Board undertook a review of the valuation of its assets which gave rise to the impairment charge.

### Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Board's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

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

*Seamus Mc Carthy*

Seamus McCarthy  
Comptroller and Auditor General

20 February 2015

# Certification of Chief Executive Officer and Chairperson

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*For the year ended 31st December, 2013*

We certify that the financial statements of the National Paediatric Hospital Development Board for the year ended 31<sup>st</sup> December, 2013 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 21 to 29 and the statement of accounting policies on page 20, give a true and fair view of the state of affairs of the Board at 31<sup>st</sup> December, 2013 and of its income and expenditure for the year then ended.



**Jim Farragher**

*Interim Chief Executive Officer*

National Paediatric Hospital Development Board

*Date: 13/2/2015*



**Tom Costello**

*Chairperson*

National Paediatric Hospital Development Board

# Statement on Internal Financial Controls

## *Responsibility for the System of Internal Financial Controls*

On behalf of the Board I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

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

There were a number of significant developments during 2013 which have impacted the work of the National Paediatric Hospital Development Board (the "NPHDB"), notably:

- The decision by Government to locate the new children's hospital at the St James's site;
- The termination of all the main contracts and discharge of liabilities on foot of this decision;
- A number of Board vacancies during the year; and;
- In 2013, the current Board was appointed in 2 August, the Board set about the re-appointment of Board Committees to support the work of the Board.

This statement should be read in light of these events.

The NPHDB has taken the necessary steps to ensure that there is an effective system of financial controls in place by implementing a system of internal controls based on regular information about expenditure being supplied to management, administrative procedures including segregation of duties, and a system of delegation of responsibility. This system of internal controls applies both to the internal activities of the body and, as appropriate, to the operations of third parties to whom services have been outsourced ("Third Party Providers").

## *Key Control Procedures:*

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

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

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

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

In particular it includes:

A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board;

- Accounts and annual financial reports which indicate financial performance against forecasts;
- Clearly defined capital investment control guidelines.

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

## *Review of the effectiveness of the system of Internal Financial Controls*

I confirm that in the year ended 31<sup>st</sup> December, 2013 the NPHDB conducted a review of the systems of Internal Financial Controls.



**Tom Costello**

**Chairperson**

National Paediatric Hospital Development Board

Date: 13/2/2015

# Statement of Accounting Policies

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## ***Accounting convention***

The financial statements are prepared in accordance with historical cost convention and in accordance with the accounting standards laid down by the Minister for Health.

## ***Period of the financial statements***

The financial statements relate to the accounting year ended 31<sup>st</sup> December, 2013.

## ***Grant income***

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

## ***Expenditure***

Expenditure is recognised on an accruals basis and is transferred to construction work in progress.

## ***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.

All costs relating to the Mater site which cannot be utilised or modified to give future value to the new site have been written off.

## ***Capital Account***

The capital account represents the unamortised value of funding applied for the purchase of fixed assets.

## ***Superannuation***

The provision of superannuation for staff seconded to the NPHDB remains the responsibility of the respective employer body. The charges for superannuation benefits in respect of seconded staff are recouped by the respective employer as part of the secondment arrangement and are charged to the Income and Expenditure Account.

Other pension contributions are made to a PRSA pension contract. These contributions are funded out of capital income of the NPHDB and are charged to the Income and Expenditure Account in the year in which they become payable.

# Income and Expenditure Account

For the year ended 31<sup>st</sup> December, 2013

		2013	2012
	Notes	€	€
<b>INCOME</b>			
Oireachtas Grants	6	1,706,151	3,349,242
Other income		1	9,037
		<b>1,706,152</b>	<b>3,358,279</b>
Transfer (to) / from Capital Account	6	33,795,434	(3,358,279)
		<b>35,501,586</b>	<b>–</b>
<b>EXPENDITURE</b>			
Expenditure	3	1,706,152	3,358,279
Transfer to construction work in progress	3	(1,706,152)	(3,358,279)
Write-off of construction work in progress	3	35,501,586	–
		<b>35,501,586</b>	<b>–</b>
Surplus of Income over Expenditure		<b>–</b>	<b>–</b>

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There are no recognised gains or losses other than those dealt with in the Income and Expenditure Account. The accounting policies on page 20 and the notes on pages 24 to 29 form part of these Financial Statements.

On behalf of the Board



**Tom Costello**

*Chairperson*

National Paediatric Hospital Development Board

Date: 13/2/2015



**Jim Farragher**

*Interim Chief Executive Officer*

National Paediatric Hospital Development Board

# Balance Sheet

As of 31<sup>st</sup> December, 2013

	Notes	2013		2012	
		€	€	€	€
<b>FIXED ASSETS</b>					
Construction work in progress	3		<b>6,188,826</b>		39,984,260
<b>CURRENT ASSETS</b>					
Debtors and prepayments	4	<b>762,172</b>		271,503	
Bank and cash		<b>22,616</b>		21,087	
		<b>784,788</b>		292,590	
<b>CURRENT LIABILITIES</b>					
Creditors	5	<b>(784,788)</b>		(292,590)	
<b>Net CURRENT ASSETS</b>			<b>-</b>		<b>-</b>
Total Assets			<b>6,188,826</b>		39,984,260
<b>REPRESENTED BY</b>					
Capital account	6		<b>6,188,826</b>		39,984,260
			<b>6,188,826</b>		39,984,260

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The accounting policies on page 20 and the notes on pages 24 to 29 form part of these Financial Statements.

On behalf of the Board:



**Tom Costello**

*Chairperson*

National Paediatric Hospital Development Board

Date: 13/2/2015



**Jim Farragher**

*Interim Chief Executive Officer*

National Paediatric Hospital Development Board

# Cash Flow Statement

For the year ended 31 December 2013

	Notes	2013		2012	
		€	€	€	€
Net cash flow from operating activities	7		–		–
<b>Returns on investments and servicing of finance</b>					
Interest received		1		9,037	
<b>Net cash inflow from investments and servicing of finance</b>			1		9,037
<b>Capital expenditure</b>					
Expenditure from HSE capital		(1,706,152)		(3,358,279)	
Add back: capital expenditure payable/accrued		494,465		(4,484,694)	
<b>Net cash outflow from capital expenditure</b>			(1,211,687)		(7,842,973)
<b>Net cash outflow before financing</b>			(1,211,686)		(7,833,936)
<b>Financing</b>					
Capital grant received from HSE		1,213,215		7,676,583	
<b>Net cash inflow from financing</b>			1,213,215		7,676,583
<b>Increase/(decrease) in cash in the year</b>			1,529		(157,353)
<b>Reconciliation of net cash flow to movement in net funds</b>					
Increase/decrease in cash in the year			1,529		(157,353)
Net funds at 1 <sup>st</sup> January, 2013			21,087		178,440
<b>Net funds at 31<sup>st</sup> December, 2013</b>			22,616		21,087

# Notes to Financial Statements

For the year ended 31<sup>st</sup> December, 2013

1 Income and expenditure account		
Included in the expenditure for the year are the following charges:	<b>2013</b>	2012
	€	€
<i>(i) Auditors' remuneration</i>		
Charge for the year	<b>11,200</b>	10,340
	<b>11,200</b>	10,340
<i>(ii) Board members' fees and expenses</i>		
Remuneration	<b>19,416</b>	14,000
Travel expenses		
- Board attendance	<b>1,889</b>	128
<p>The list of persons who were Board members during the year is contained in page 2 of the Annual Report. Mr Tom Costello (€4,988), Mr John Cole CBE (€3,206), Mr Karl Kent ((€3,206), Mr John Martin (€3,206), Professor Hilary Hoey (€1,604), and Ms Anne Butler (€3,206) were in receipt of Board Members fees in 2013. Ms Regina Moran &amp; Mr Tim Bouchier Hayes waived their entitlement to fees.</p> <p>Effective from 1<sup>st</sup> November, 2011, Board Members fees ceased to be paid to all public sector remunerated members, based on the "One Salary One Person Principle" directive, issued by the Department of Public Expenditure and Reform.</p>		

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2 Employees		
The average number of employees (full time equivalents) during the year as follows:		
	<b>2013</b>	2012
Executive	<b>1.5</b>	1.5
Other Staff	<b>4.0</b>	-
Total	<b>5.5</b>	1.5
<p>The executive staff number represents one full time employee directly employed by the Board and one executive who is seconded and is 0.5 of a FTE. In addition to the executive, there are 4 seconded employees.</p>		
Included in the expenditure for the year are the following payroll related costs.		
	<b>2013</b>	2012
	€	€
Payroll costs*	<b>423,484</b>	235,621
Social welfare costs	<b>13,842</b>	8,232
Pension costs	<b>7,678</b>	7,900
	<b>445,004</b>	251,753
<p>* Included in payroll costs are locum, social welfare and superannuation costs of seconded employees which are incurred by the respective employers and recouped as part of the secondment arrangement through a charge to the National Paediatric Hospital Development Board.</p> <p>The payroll costs of Interim Chief Executive Officer, who held office for the entire year, included a basic salary of €77,517 (2012: €83,486) and a contribution by the employer to a PRSA of €7,678 (2012: €7,900).</p> <p>There were no performance related payroll costs incurred in relation to the interim CEO for the year ended 31<sup>st</sup> December, 2013.</p>		

<b>3 Fixed assets – construction work in progress</b>				
	Cum Exp to 31 Dec 2012	Impairment	<b>2013 Costs</b>	Cum Exp to 31 Dec 2013
			€	€
(i) Business Services Team	24,503,026	(20,627,396)	-	3,875,630
(ii) Project Management Services Team	3,180,186	(3,180,186)	-	-
(iii) Integrated Design Team	6,106,165	(5,866,504)	255,086	494,747
(iv) Administration Costs	6,194,883	(5,827,500)	1,451,066	1,818,449
At 31 <sup>st</sup> December, 2013	39,984,260	(35,501,586)	1,706,152	6,188,826
			<b>2013</b>	<b>2012</b>
<b>Amortisation</b>				
At 1 <sup>st</sup> January, 2013				
Provided during the year			35,501,587	-
At 31 <sup>st</sup> December, 2013			35,501,587	-
			<b>2013</b>	<b>2012</b>
<b>Net Book Value</b>				
At 1 <sup>st</sup> January, 2013			39,984,260	36,625,981
At 31 <sup>st</sup> December, 2013			6,188,826	39,984,260

### 3.1 Impairment Review

Construction Work-in-Progress (CIP) assets represent the accumulated balance of capital expenditure incurred by the Board up to the 31st December 2013, as analysed in the above table. Arising from the Government decision to change the location of the new children's hospital to the St. James's Hospital site, the Board spent considerable time in ascertaining potential reusable value. The review was carried out based on guidelines in FRS11 ensuring any impairment or loss is measured and recognized. It has:

- reviewed all CIP expenditure
- identified the deliverables which were supported by the CIP expenditure
- set out the sections of the deliverables which can be utilised on the St. James's campus
- attained agreement using detailed analysis on the value of the sections of work which can be utilised or modified to provide future value

The impairment analysis comprised detailed analysis of all expenditure, divided into separate distinct components being examined by the staff of The Board who have project knowledge of the individual components involved. The review involved detailed analysis of the costs up to November 2012 (the date of the decision to move to the St. James's site. The review was completed in September 2014.

This review resulted in impairment of €35,501,586 related to the provision of services as set out below, which were specific to the activities and services supporting the Mater site and cannot be utilized or transferred to the project on the St. James's site. The details are as follows:

#### **(i) Business Services Team**

The Business Services Team, which consists of a consortium of companies, was appointed in 2008 to support the NPHDB and Executive by providing an extensive range of services including: programme management, business planning, programme planning & reporting, legal services, healthcare planning, policy and procedures development, quality management, philanthropic organisation support, organisational planning, financing advice, administration services, change management, budget & fiscal control, stakeholder engagement management, risk management, procurement services, accounts & audit services, and cost and value management. All contracts were terminated in 2013.

#### **(ii) Project Management Services Team**

The Project Management Services Team was appointed in 2009 to manage the design, construction, equipping and commissioning of the new children's hospital and the Satellites Centres. The services provided include: project planning and Management, design quality management, procurement management (design and construction related contracts), capital cost & value management, Integrated Design Team coordination, design and construction planning, shared infrastructure planning, design & construction risk management, equipment planning, monitoring of overall construction phase, health & safety planning, and building commissioning. All contracts were terminated in 2013.

#### **(iii) Integrated Design Team**

The Integrated Design Team, which is also a consortium of companies, was appointed in 2009 to develop the Exemplar Design for the new children's hospital and the Satellites Centres. The services provided by the Integrated Design Team include: architectural design, environmental engineering, healthcare architecture, quantity surveying, civil and structural engineering, planning process management, mechanical and electrical engineering, and mobility management planning. All contracts were terminated in 2013.

<b>(iv) Administration/other costs</b>			
Analysis of administration/other costs at 31 <sup>st</sup> December, 2013			
	2013		2012
	€		€
Payroll costs	<b>445,004</b>		251,753
Board fees	<b>19,416</b>		14,000
ICT	<b>40,718</b>		9,218
Legal expenses	<b>133,202</b>		242,408
Other professional fees	<b>137,727</b>		31,149
Office expenses	<b>7,767</b>		115,713
Communications	<b>79,263</b>		64,417
Stakeholder consultation	–		7,244
Travel expenses	<b>1,889</b>		1,588
Audit fees	<b>11,200</b>		10,340
Insurance	<b>14,178</b>		14,082
Planning expenses	<b>4,918</b>		636,372
Financial support	<b>78,474</b>		–
Health planning	<b>202,796</b>		–
Decanting costs	<b>261,000</b>		–
Other administration expenses	<b>13,514</b>		21,238
	<b><u>1,451,066</u></b>		<b><u>1,419,522</u></b>

<b>3.2 Post Impairment Valuation</b>		
		2013
		€
Item Healthcare Planning	Hospital layout as agreed with user groups. This value is based on the reduction in the number of the meetings and production of architectural layouts required to support the user engagement to deliver the planning and layout for the new children's hospital on the St. James's campus.	<b>3,739,100</b>
Architectural Planning and Layout	Hospital layout as agreed with user groups. This value is based on the reduction in the number of the meetings and production of architectural layouts required to support the user engagement to deliver the planning and layout for the new children's hospital on the St. James's campus.	<b>369,000</b>
Other Costs	This value is based on reuse of ICT Strategy and plans, office equipment, food services planning and design, and the Project Execution Plan.	<b>629,660</b>
Costs incurred after decision to relocate	This value is only based on the costs associated with the new site located on the St. James's Hospital campus	<b>1,451,066</b>
	Total value at 31 <sup>st</sup> December, 2013	<b><u>6,188,826</u></b>

4 Debtors				
		2013		2012
		€		€
	Health Service Executive grants due (Note 9)	756,689		263,753
	Other debtors and prepayments	5,483		7,750
		<b>762,172</b>		<b>271,503</b>

5 Creditors: amounts falling due within one year				
		2013		2012
		€		€
	Trade creditors	-		-
	Accruals	764,208		280,187
	<b>Taxation creditors</b>	-		-
	PAYE/PRSI	7,380		-
	PSWT	13,200		12,403
		<b>784,788</b>		<b>292,590</b>

6 Capital account				
		2013		2012
		€		€
	Balance at 1 <sup>st</sup> January, 2013	39,984,260		36,625,981
	Transfer from Income and Expenditure Account	1,706,152		3,358,279
	Write down	(35,501,586)		-
	Balance at 31 <sup>st</sup> December, 2013	<b>6,188,826</b>		<b>39,984,260</b>

7 Reconciliation of surplus / (deficit) to net cash flow from operating activities				
		2013		2012
		€		€
	Surplus / (deficit) for the year	-		-

8	Capital commitments		
At 31 <sup>st</sup> December 2012, the NPHDB had the following capital commitments:			
	<b>2013</b>		2012
	€		€
<b>Contracted for but not provided in the financial statements</b>			
Within 1 year	-		-
Between 1 and 2 years	-		-
Between 2 and 5 years	-		-
	-		-
	-		-
In January 2013, following the decision of the Government to change the location of the site of the new hospital to a site at St James's Hospital, all contracts were terminated.			

9	Related parties		
Advances and balances due from the Health Service Executive (HSE), which were all capital related, at the 31 <sup>st</sup> December, 2013 were:			
	<b>2013</b>		2012
	€		€
Total capital grants notified by the HSE for the year	<b>8,000,000</b>		15,000,000
Opening balance due from HSE at 1 <sup>st</sup> January, 2013	<b>263,753</b>		4,591,094
Capital expenditure incurred in the year	<b>1,706,152</b>		3,358,279
Less: Remittances from the HSE in the year	<b>(1,213,215)</b>		(7,676,583)
Less: Other income	<b>(1)</b>		(9,037)
Balance due from the HSE as at 31 <sup>st</sup> December, 2013	<b>756,689</b>		263,753

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10	Premises
	In March 2012, the NPHDB vacated the offices that it had rented at 2-3 Parnell Square East, Dublin 1. The NPHDB now use offices provided by the HSE, rent free, at Sir Patrick Dun's Hospital, Grand Canal Street Lower, Dublin 2.

11	Disclosure of members' interests
	The NPHDB has adopted procedures in accordance with guidelines issued by the Department of Finance in relation to the disclosure of interests by Board members and these procedures were adhered to during the year. There were no transactions in the year in relation NPHDB activities in which the Board's members had any beneficial interest.

