

2012

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

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General Information

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National Paediatric Hospital Development Board

Project Office	Sir Patrick Dun's Hospital Lower Grand Canal Street Dublin 2
Main Banker	Ulster Bank 2-4 Lower O'Connell Street Dublin 1
Auditor	Comptroller and Auditor General Treasury Block Lower Yard Dublin Castle Dublin 2
Solicitors	William Fry Fitzwilton House Wilton Place Dublin 2



The Board

About the National Paediatric Hospital Development Board

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

The Development Board is responsible for planning, designing, building, equipping and furnishing a new national 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 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 Satellite 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 Development Board

The functions of the Development Board, as outlined in SI 246 of 2007, are:

- to plan, design, build, furnish and equip a national paediatric hospital (‘the hospital’) in accordance with a brief approved by the Health Services Executive (‘the Executive’) with the prior consent of the Minister, and subject to any subsequent variations to this brief as may be determined by the Executive in consultation with the Board, 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 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.

It is understood that the Minister for Health intends to bring in legislation to Government amending the functions of the Development Board, so that its focus is solely on the planning, designing, building, furnishing and equipping of the hospital.

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Membership of the Development Board

Under the terms of the Statutory Instrument, the Minister for Health & Children may appoint thirteen members to the Board – a Chairperson and twelve ordinary members.

Board membership during the year ended 31st December 2012:

Mr Harry Crosbie - Chairman

Mr Harry Crosbie is Director of Arvo Construction Ltd, Point Village Co. Ltd, Point Village Management Ltd, Point Village Development Ltd, Grand Canal Theatre Co. Ltd, Tora Co. Ltd, Spencer Dock Development Co. Ltd, Spencer Dock International Convention Centre Ltd, Spencer Dock Housing Association Ltd, SDDC (No.1) Ltd, and SDDC (No. 2) Ltd.

Mr Crosbie’s term of appointment expired on 4 December 2012

Mr Lorcan Birthistle

Mr Lorcan Birthistle is Chief Executive Officer of Our Lady’s Children’s Hospital, Crumlin.

Mr Birthistle’s term of appointment expired on 4 December 2012

Ms Norah Casey

Ms Norah Casey is Chief Executive of Harmonia Ltd and Chairperson of the Mayor of London’s St Patrick’s Day Festival.

Ms Casey’s term of appointment expired on 4 December 2012

Ms Linda Dillon

Ms Linda Dillon is the parent patient representative on the Board and founder director of Alice's Wonderland Foundation.

Ms Dillon's term of appointment expired on 4 December 2012

Dr Pat Doherty

Dr Pat Doherty is a consultant anaesthetist at Our Lady's Children's Hospital, Crumlin.

Dr Doherty resigned from the Board in 2013

Prof Brendan Drumm

Prof Brendan Drumm is Professor of Paediatrics at UCD and between 2005 and 2010 he served as CEO of the Health Service Executive.

Prof Drumm's term of appointment expired on 4 December 2012

Dr Alan Finan

Dr Alan Finan is a consultant paediatrician, Cavan Monaghan Hospital Group, Clinical Network Director for Paediatrics for the North East and member of the Board of the Faculty of Paediatrics, Royal College of Physicians of Ireland.

Dr Finan's term of appointment expired on 4 December 2012

Dr Owen Hensey

Dr Owen Hensey is a consultant paediatrician, Children's University Hospital, Temple Street and Medical Director, Central Remedial Clinic, Clontarf.

Dr Hensey's term of appointment expired on 4 December 2012

Dr Edna Roche

Dr Edna Roche is a consultant paediatric endocrinologist at the National Children's Hospital, Tallaght and a Senior Lecturer at the University of Dublin, Trinity College.

Dr Roche's term of appointment expired on 4 December 2012

The new Board was appointed on 24 January 2013 by the Minister for Health.

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 had worked for 8 years in Newcastle upon Tyne, had completed her training in community child health and was appointed to a consultant post there 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

There were a number of significant developments during 2012 which have impacted the work of the Development Board. The most notable of these was the refusal by An Bord Pleanála on 23rd February 2012 of the planning application for the proposed construction of the new 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.

Following this decision, the Development Board is delighted that the Government has reaffirmed its commitment to proceed with the new children's hospital and to deliver a project for the benefit of Ireland's children and young people.

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.

The Development Board wishes to thank all those who assisted and supported the project throughout 2012. Special thanks are due to the young people who have contributed their views on the design and operation of the new hospital as part of the Youth Advisory Council and to the parents and illness support groups who have participated in the Family Forum. Much of the information and insight gained in these engagements is still relevant to the ongoing project and the Development Board is determined to bring these views to bear on their planning and deliberation for the new children's hospital.

We are grateful to the Government and in particular the Minister for Health, Dr James Reilly, T.D., and the personnel in his department for their support. We also wish to acknowledge the leadership, direction and commitment to the project demonstrated by Mr Harry Crosbie, the Development Board's Chairman whose term of appointment expired on 4th December 2012. We are also indebted to the Health Service Executive and the National Development Finance Agency for the sound advice and guidance we have received to date. We look forward to continuing to work in unison with them towards the successful delivery of the new hospital.

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 & 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 Development Board all of which will help inform planning for the new hospital.

We acknowledge the contribution made by individual Development Board members, and former members, and thank them for their dedication, support and guidance throughout 2012. We commend the Executive for continued progress in what was a challenging year for the project and wish to thank the former Project Team for their hard work and dedication to the project over the last number of 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

31/1/2014

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, 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
- Review the role of the Satellite Centre at Tallaght Hospital 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 on both the main Hospital and Satellite Centre; and
- Be the primary centre for paediatric research, education and training in Ireland;

The Project Team

The work of the Development Board 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 will begin in 2013. These teams working together with the Development Board and its Executive to plan the design, finance and, ultimately, construction and equipping of the hospital.

Healthcare Planning

In consultation with the hospitals and 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 hospital in its previous location and for the Satellite Centre 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 main inpatient hospital and the Satellite Centre at a remote location.

The change in location of the hospital site required a review of the Satellite Centre plan at Tallaght Hospital. (A decision to locate two new satellite Centres on the campuses of Tallaght and Connolly Hospitals was announced by the Minister for Health on 28th January, 2014).

The schedule of accommodation for the new hospital is also being revised to reflect the new location.

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. To engage their thinking a panel of 17 young people ('Youth Advisory Panel'), aged between 14 and 18, each with their own individual experience of care in the existing children's hospitals, was originally formed following a 2-day consultation event in Dublin Castle in December 2009. That consultation gathered the views of children and young people during the planning stage of the new hospital. The Youth Advisory Panel, met regularly thereafter with the project architects to input on plans for the new hospital with particular focus on patient experience in relation to patient bedrooms, outdoor spaces, 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 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 met regularly with the Project Team to provide insight into the requirements for the new hospital and 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 areas.

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 Development Board is to develop a built environment and Hospital to enable the attainment of this goal.

From an early stage the Development Board 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 two Satellite Centres, where secondary care is 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-focussed services:

- 100% single 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. It is planned that this service will be provided by the Ronald McDonald House, a charitable agency with extensive experience in supporting family accommodation facilities for children's hospitals.

Information and Communications Technology (ICT)

The NPHDB has prepared a Programme Approach and Implementation Plan for ICT in the new hospital and 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, the Children's 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 Development Board 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 Satellite Centres adjacent to an adult hospitals 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.

Other sources of funding include educational institutions, research organisations, philanthropy and car parking financing by commercial banks.

Design Presentation

The concept and preliminary design of the hospital was completed in 2011 for the Mater site by the Integrated Design Team led by NBBJ and O'Connell Mahon Architects.

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 reviews process covered a wide range of areas including architectural, civil, structural, mechanical, electrical, environmental impact and value for money. The reviews 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 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 Development Board is satisfied that a certain portion of that work will be 'reusable' at St James's Campus.

Interim Chief Executive's Report

In 2012 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 Development Board. On 23 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 recommend next steps.

Following the report of the Dolphin Review Group, the Government reaffirmed its commitment to build a national children's hospital and decided that the new hospital should be located on the campus of St James's Hospital in Dublin 8.

Once the St James's site was confirmed, the Development Board 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 Development Board, with significant input from the HSE Estates Office, to advance the work required.

The membership of the majority of the existing 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 in August 2013 on a non-statutory or administrative basis, in the context of the overall policy on Hospital Groups. The Board's remit is to oversee the operational integration of the three hospitals in advance of the move to the new children's hospital. As the client for the building project, the Board is also playing a key role in ensuring the new hospital is optimally designed and completed as swiftly as possible. The National Paediatric Hospital Development Board is focused specifically on the capital project including the planning, designing, building, furnishing and equipping of the hospital.

The National Paediatric Hospital Development Board appointments reflect the Development Board's 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 Development Board began the process of recruiting a new design team in the Summer of 2013, The team will comprise all necessary disciplines and design consultancy services needed to develop the design of the project to procure a build contractor for the project. That work is envisaged to be architect-led and to 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 Consultant

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, CHGB 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 proposed hospital at the Mater site. This is currently being updated to reflect the new configuration, revised room sizes and other accommodation updates for 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 Centre

The original proposal was that the main new children's hospital would be built at the Mater Hospital on Eccles Street and that a Satellite Centre would be built at Tallaght Hospital. The Satellite Centre would provide 45% of urgent/emergency care; 30% of outpatient care and 35% of day-care. All inpatient care would be at the main hospital. When the Dolphin Group reviewed the issue of the location of the main hospital, they recommended that if a new site was chosen for the hospital, the plan for the Satellite Centre should be revisited.

Following the Government's decision to locate the new hospital at the St. James's campus, the interim Board undertook a review of the existing plan. To this end, a task force was set up, led by Dr Emma Curtis, with support from the CHGB and Health Planners and other partners.

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 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. (e.g. Pharmacy, Canteen Staff changing facility are on the project programme critical path).

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/NCHG/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
- Catering Facilities including staff restaurant
- Laboratories
- ICT Servers rooms/data storage etc
- Waste Management
- CSSD
- Mobility
- Education

Re-establishment of Board 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 circulated to all members.

- Audit Committee
- Finance Committee
- Communications Committee
- Planning Committee
- Design Committee
- Procurement Committee
- Decanting Committee
- Shared Services Committee

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. Consultation with the authorities remains on-going with the aim of making a planning application, including an environmental impact statement, to An Bord Pleanála.



Conclusion

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

I would like to thank the members of the Development Board for their guidance and support throughout 2012, and wish to acknowledge the leadership, direction and commitment to the project demonstrated by the former Chairman Mr Harry Crosbie OBE (whose term of appointment expired on 4 December 2012). I would also like to thank the Executive and Project Team for their commitment and assistance throughout the year.

I am extremely grateful for the invaluable 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 2012.

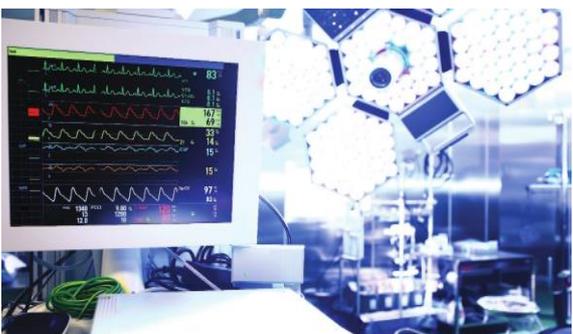
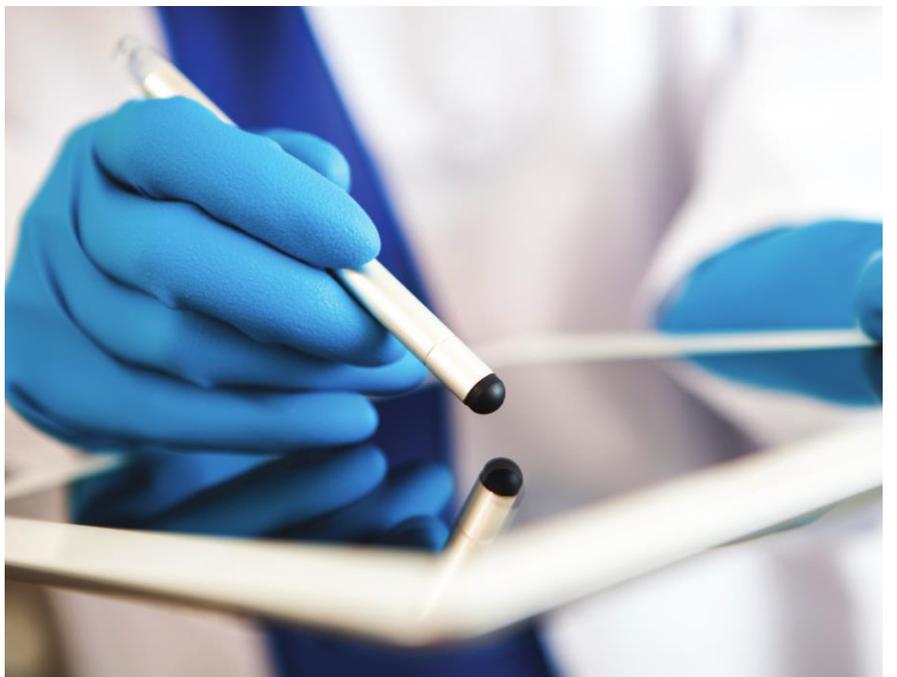
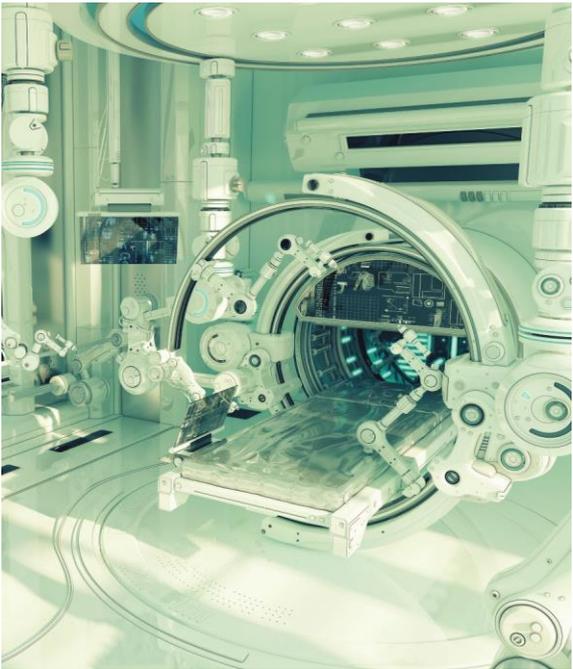
Finally, I am confident that we will continue to receive the goodwill and support of the many stakeholders in this project. With the decision to locate the hospital at the St James's campus, a new and exciting phase in the development of the new children's hospital has commenced.



Jim Farragher

Interim Chief Executive Officer

National Paediatric Hospital Development Board



Board Members' Report

Governance

The National Paediatric Hospital Development Board ('the Board') has adopted the *Code of Practice for Governance of State Bodies 2009*, and has implemented the provisions of that Code. The Board 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 Board 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 Board consists of a Chairman and twelve ordinary members, all of whom are non-executive and are appointed by the Minister for Health. The members during the year ended 31 December 2012 are set out on pages 2 and 3 of the annual report.

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

The Board 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 2012 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 2012 the Board met on 7 occasions.

- The Audit Committee and the Finance committee did not meet in 2012.
- The attendance at Board meetings is set out in the table below.

Attendance at meetings of the Board

Member	Meetings	Attendance
Mr Harry Crosbie	7	7
Mr Lorcan Birthistle	7	5
Ms Norah Casey	7	5
Ms Linda Dillon	7	7
Dr Pat Doherty	7	3
Prof Brendan Drumm	7	5
Dr Alan Finan	7	5
Dr Owen Hensey	7	6
Dr Edna Roche	7	5

* Mr Harry Crosbie's term of appointment expired on 4 December 2012.

Board members remuneration

Board Member	Fees	Travel
Mr Harry Crosbie	-	-
Mr Lorcan Birthistle	-	-
Ms Norah Casey	€7,000	-
Ms Linda Dillon	€7,000	€128
Dr Pat Doherty	-	-
Prof Brendan Drumm	-	-
Dr Alan Finan	-	-
Dr Owen Hensey	-	-
Dr Edna Roche	-	-
Total	€14,000	€128

Statement of Board Members' Responsibilities

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 Board 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 Board 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 Board 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



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 2012 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

At 31 December 2012, the financial statements include assets valued at €40 million in relation to planning and development costs for the national paediatric hospital. Arising from the Government decision to change the location of the hospital, it is likely that these assets are now impaired.

As disclosed in Note 3 to the financial statements, the Board has initiated a detailed asset impairment review. This exercise has not yet been completed and as a result, there is uncertainty around the value of the assets.

Except for the possible effects of uncertainty around the value of the assets, 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 2012 and of its income and expenditure for 2012.

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

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 McCarthy
Comptroller and Auditor General

17 February 2014

Certification of Chief Executive Officer and Chairperson

for the year ended 31 December 2012

We certify that the financial statements of the National Paediatric Hospital Development Board for the year ended 31 December 2012 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 28 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 December 2012 and of its income and expenditure for the year then ended.



Jim Farragher
Interim Chief Executive Officer
National Paediatric Hospital Development Board



Tom Costello
Chairperson
National Paediatric Hospital Development Board

31/1/2014

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 2012 which have impacted the work of the National Paediatric Hospital Development Board (the "Board"), notably:

- the refusal by An Bord Pleanála of the planning application for the new hospital at the Mater site;
- the subsequent decision by Government to locate the new 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 2012, all sub-committees of the Board were subsumed by the Board, including the Audit Committee, and consequently all significant control matters were discharged by the Board.

This statement should be read in light of these events.

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

Key Control Procedures:

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

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

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

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

In particular it includes:

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

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

Review of the effectiveness of the system of Internal Financial Controls

I confirm that in the year ended 31 December 2012 the Board conducted a review of the systems of Internal Financial Controls.



Tom Costello

Chairperson, National Paediatric Hospital Development Board

31/1/2014

Statement of Accounting Policies

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 December 2012.

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.

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 Board 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 Board 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 December 2012

		2012	2011
	Notes	€	€
INCOME			
Oireachtas Grants		3,349,242	8,687,983
Other income		9,037	93
		3,358,279	8,688,076
Transfer to capital account		(3,358,279)	(8,688,076)
		-	-
EXPENDITURE			
Expenditure	1	(3,358,279)	(8,688,076)
Transfer to construction work in progress		3,358,279	8,688,076
		-	-

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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 28 form part of these Financial Statements.

On behalf of the Board



Tom Costello

Chairperson

National Paediatric Hospital Development Board

31/1/2014



Jim Farragher

Interim Chief Executive Officer

National Paediatric Hospital Development Board

Balance Sheet

as at 31 December 2012

	Note	2012		2011	
		€	€	€	€
FIXED ASSETS					
Construction work in progress	3		39,984,260		36,625,981
CURRENT ASSETS					
Debtors and prepayments	4	271,503		4,604,152	
Bank and cash		21,087		178,440	
		292,590		4,782,592	
CURRENT LIABILITIES					
Creditors	5	(292,590)		(4,782,592)	
Net current assets			-		-
Total Assets			39,984,260		36,625,981
Represented by:					
Capital account	6		39,984,260		36,625,981
			39,984,260		36,625,981

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The accounting policies on page 20 and the notes on pages 24 to 28 form part of these Financial Statements.

On behalf of the Board



Tom Costello

Chairperson

National Paediatric Hospital Development Board

31/1/2014



Jim Farragher

Interim Chief Executive Officer

National Paediatric Hospital Development Board

Cash Flow Statement

for the year ended 31 December 2012

	Note	2012		2011	
		€	€	€	€
Net cash flow from operating activities	7		–		–
Returns on investments and servicing of finance					
Interest received		9,037		93	
Net cash inflow from investments and servicing of finance			9,037		93
Capital expenditure					
Expenditure from HSE capital		(3,358,279)		(8,688,076)	
Add back: capital expenditure payable/accrued		(4,484,694)		833,438	
Net cash outflow from capital expenditure			(7,842,973)		(7,854,638)
Net cash outflow before financing			(7,833,936)		(7,854,545)
Financing					
Capital grant received from HSE		7,676,583		8,029,229	
Net cash inflow from financing			7,676,583		8,029,229
Increase/(decrease) in cash in the year			(157,353)		174,684
Reconciliation of net cash flow to movement in net funds					
Increase/decrease in cash in the year			(157,353)		174,684
Net funds at 1 January 2012			178,440		3,756
Net funds at 31 December 2012			21,087		178,440

Notes to Financial Statements

for the year ended 31 December 2012

1 Income and expenditure account			
Included in the expenditure for the year are the following charges:			
	2012		2011
	€		€
<i>(i) Auditors' remuneration</i>			
Charge for the year	10,340		7,600
	10,340		7,600
<i>(ii) Board members' fees and expenses</i>			
Remuneration	14,000		17,500
Travel expenses			
- Board attendance	128		1,573
<p>The list of persons who were Board members during the year is contained in pages 2 and 3 of the annual report. Ms Norah Casey and Ms Linda Dillon are each in receipt of Board Members fees of €7,000 per annum. All other Board Members have waived their entitlement to fees.</p> <p>Effective from 01 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 was as follows:			
	2012		2011
Executive	1.5		2.0
Included in the expenditure for the year are the following payroll related costs.			
	2012		2011
	€		€
Payroll costs*	235,621		349,245
Social welfare costs	8,232		7,953
Pension costs	7,900		7,900
	251,753		365,098
<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 €83,486 (2011: €82,918) and a contribution by the employer to a PRSA of €7,900 (2011: €7,900).</p> <p>There were no performance related payroll costs incurred in relation to the interim CEO for the year ended 31 December 2012.</p>			

3 Fixed assets – construction work in progress			
		2012	2011
Cost		€	€
At 1 January 2012		36,625,981	27,937,905
Additions		3,358,279	8,688,076
At 31 December 2012		39,984,260	36,625,981
<p>Construction Work-in-Progress assets represent the accumulated balance of capital expenditure incurred by the Board up to the 31st December 2012, an analysis of which is provided in Note 3.1 below. Arising from the Government decision to change the location of the new children's hospital to the St. James's Hospital site, the Board is of the opinion that there are certain elements of the business/project management services and design works, procured to date, which are unlikely to retain their full value as assets for the future hospital. The Board will complete a process to review the matter, with a view to determining the extent to which amortisation/impairment is required. Consequently, no change to the carrying value of the above assets has been incorporated into the current year's accounts.</p>			

3.1 Analysis of expenditure			
A summary analysis of expenditure included in construction work in progress is included below.			
	Cumulative at 31 December 2012	2012	2011
	€	€	€
(i) Business Services Team	24,503,026	1,466,128	3,677,986
(ii) Project Management Services Team	3,180,186	133,363	258,047
(iii) Integrated Design Team	6,106,165	339,266	2,466,795
(iv) Administration/other costs	6,194,883	1,419,522	2,285,248
	39,984,260	3,358,279	8,688,076
<p>(i) Business Services Team</p> <p>The Business Services Team, which consists of a consortium of companies, was appointed in 2008 to support the Board 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.</p>			
<p>(ii) Project Management Services Team</p> <p>The Project Management Services Team was appointed in 2009 to manage the design, construction, equipping and commissioning of the new Children's Hospital of Ireland and the Satellite Centre. 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.</p>			

(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 of Ireland and the Satellite Centre. 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.

(iv) Administration/other costs

Analysis of administration/other costs at 31 December 2012

	Cumulative at 31 December 2012	2012	2011
	€	€	€
Payroll costs	1,749,993	251,753	365,098
Board Fees	131,833	14,000	17,500
ICT	386,620	9,218	105,053
Legal Expenses	878,055	242,408	481,402
Other professional fees	425,433	31,149	104,240
Office expenses	418,671	115,713	121,447
Communications	200,933	64,417	98,183
Stakeholder consultation	109,467	7,244	12,186
Travel expenses	43,640	1,588	2,634
Audit fees	39,450	10,340	7,600
Insurance	49,162	14,082	11,972
Planning Expenses	1,594,276	636,372	957,854
Other administration expenses	167,350	21,238	79
	6,194,883	1,419,522	2,285,248

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4	Debtors	2012	2011
		€	€
	Health Service Executive grants due (Note 9)	263,753	4,591,094
	Other debtors and prepayments	7,750	13,058
		271,503	4,604,152

5	Creditors: amounts falling due within one year	2012	2011
		€	€
	Trade creditors	12,403	4,237,114
	Accruals	280,187	545,478
		292,590	4,782,592

6 Capital account			
		2012	2011
		€	€
	Balance at 1 January 2012	36,625,981	27,937,905
	Transfer from Income and Expenditure Account	3,358,279	8,688,076
	Balance at 31 December 2012	39,984,260	36,625,981

7 Reconciliation of surplus / (deficit) to net cash flow from operating activities			
		2012	2011
		€	€
	Surplus / (deficit) for the year	-	-

8 Capital commitments			
At 31 December 2012, the Board had the following capital commitments:			
		2012	2011
		€	€
	Contracted for but not provided in the financial statements		
	Within 1 year	-	5,139,808
	Between 1 and 2 years	-	4,800,402
	Between 2 and 5 years	-	18,325,073
		-	28,265,283

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 December 2012 were:			
		2012	2011
		€	€
	Total capital grants notified by the HSE for the year	15,000,000	18,000,000
	Opening balance due from HSE at 1 January 2012	4,591,094	3,932,340
	Capital expenditure incurred in the year	3,358,279	8,688,076
	Less: Remittances from the HSE in the year	(7,676,583)	(8,029,229)
	Less: Other income	(9,037)	(93)
	Balance due from the HSE as at 31 December 2012	263,753	4,591,094

10 Property Lease

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 Board 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 to the Board's activities in which the Board's members had any beneficial interest.

