

**NATIONAL PAEDIATRIC HOSPITAL DEVELOPMENT BOARD**

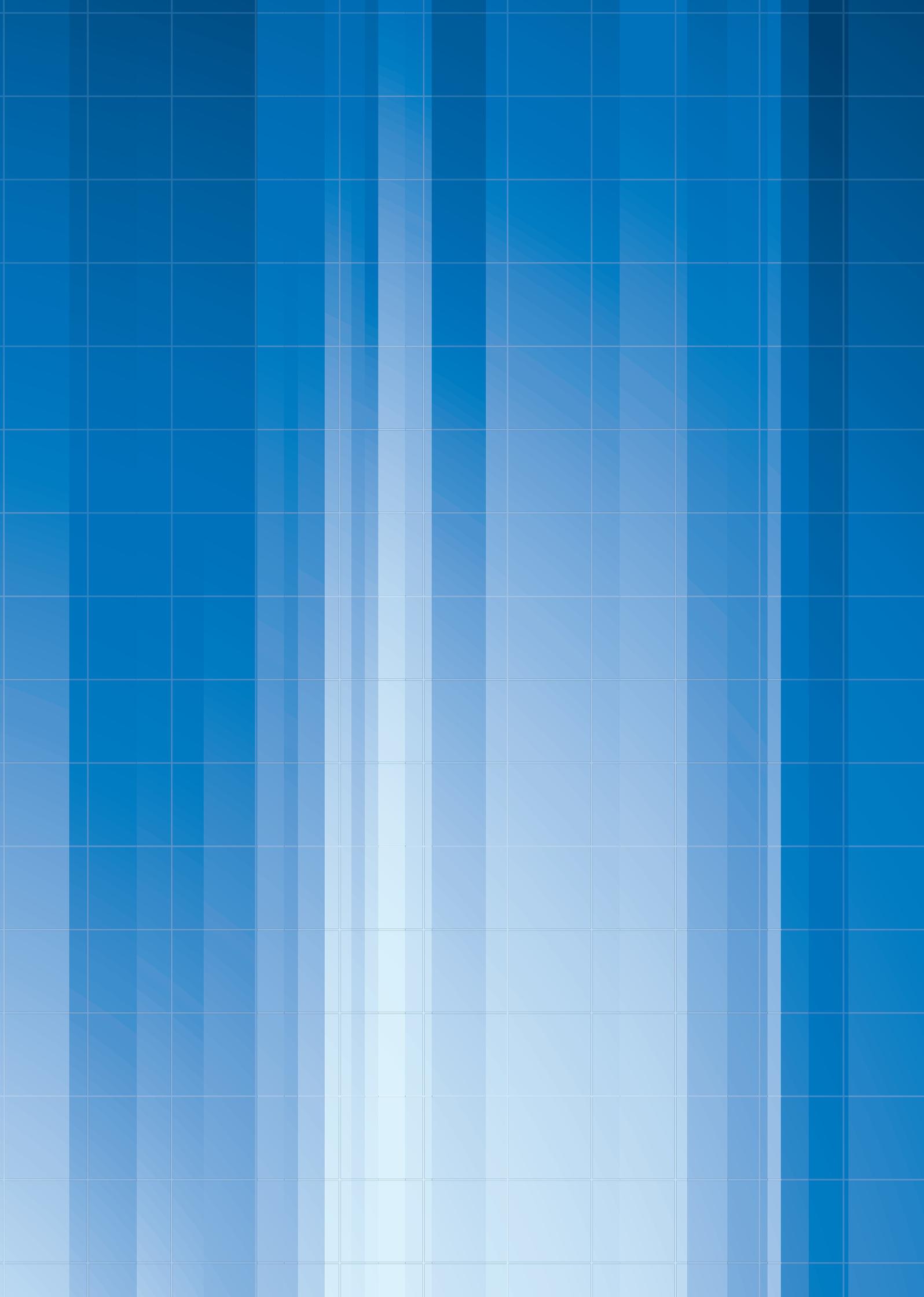
Designing, Building & Equipping the Children's Hospital

# **The Children's Hospital**

**2007**

**ANNUAL REPORT**





## About the NPHDB (the Children's Hospital)

### National Paediatric Hospital Development Board (the Children's Hospital)

A body to be known as the National Paediatric Hospital Development Board (an Bord Forbartha don Oispideal Naisiunta Peidiatraiceach) was established by the Minister for Health by Statutory Instrument SI 246 of 2007 on May 23, 2007.

The Development Board is responsible for designing, building and equipping the new National Paediatric Hospital in accordance with the high-level framework brief which was commissioned by the Health Service Executive (HSE). The brief will include advice on the preferred model of 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 will include an assessment of the range of services to be provided through the urgent/ambulatory care service, and on the preferred location(s) for this service, taking account of international best practice in the planning of children's hospital services.

## Functions of the Board

The functions of the Board in accordance with SI 246 of 2007 are:

- (a) to plan, design, build, furnish and equip a national paediatric hospital ("the hospital") in accordance with a brief approved by the Health Services 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;
- (b) in consultation with the relevant hospitals, prepare plans for the transfer of services from the relevant hospitals to the hospital;
- (c) in consultation with the relevant hospitals, prepare a human resource strategy for the transfer to the hospital;
- (d) 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.

## Membership of the Board

The membership of the Board shall consist of thirteen persons being -

- (a) A Chairperson appointed by the Minister and
- (b) Twelve ordinary members appointed by the Minister.

Of the ordinary members of the Board -

- (a) Three shall be appointed to represent the interests of the general Public;
- (b) Three shall be appointed on the nomination of the Chairperson;
- (c) Two shall be appointed on the nomination of the Health Service Executive;
- (d) One shall be appointed on the nomination of Our Lady's Children's Hospital, Crumlin;
- (e) One shall be appointed on the nomination of the Children's University Hospital, Temple Street;
- (f) One shall be appointed on the nomination of the National Children's Hospital at Tallaght;
- (g) One shall be appointed on the nomination of the Faculty of Paediatrics, Royal College of Physicians of Ireland.

## Board Members in 2007

### Mr Philip Lynch – Chairman

Philip Lynch is Chief Executive Officer of One51 plc. He is an Executive Director of the Irish Agricultural Wholesale Society Limited, a Non-executive Director of C&C Group plc, Coillte Teoranta and FBD Holdings plc and is Chairman of the Educate Through Sports Foundation.

### Mr Michael Flaherty

Michael is a senior audit partner in KPMG's Consumer and Industrial Marketing division. Michael has extensive experience of providing audit and advisory services to significant private, public interest and listed companies. Michael is a Fellow of the Institute of Chartered Accountants in Ireland and is a business graduate of NUIG.

### Ms Kathryn Raleigh is the Director of ICT Ireland, IBEC

Kathryn Raleigh is the Director of ICT Ireland, IBEC's representative body for the information and communications technology sector. Prior to her appointment as Director in 2004, Kathryn held the position of Director of The Irish Software Association in IBEC since 2001. A graduate of University Collage Cork, Kathryn was also Assistant Director of the Food and Drink Federation and worked with Bord BIA in Germany and London before joining IBEC in 1995.

### Mr Harry Crosbie – Leading Businessman

Harry is leading a €700M docklands development that has been unveiled for lands around Dublin's Point Theatre. The signature building of the project is a 100-metre high landmark tower, mirroring the new U2 tower across the Liffey. The two will, it is said, combine to give Dublin Bay a distinctive maritime gateway. Hailed as a state-of-the-art project, The Point Village will include a four-star hotel, Luas terminal and a revamp of the Point Theatre, creating over 1,500 jobs for the area.

### Ms Vera Wegner is being appointed to represent the public interest

Ms Vera Wegner is a Psychologist and Psychotherapist. She works in Private Practice with adults and adolescents. She is a graduate of University College Dublin.

### Ms Linda Dillon is being appointed to represent the interests of the parents of sick children

In 2001 Linda Dillon co-founded and was elected Chairperson of a Parents advocacy group which successfully lobbied for the development of the new national Children's hospital. Linda founded and is now director of a charitable foundation dedicated to improving the quality of life of seriously ill children and their families. Linda has extensive real life experience of being a parent of a seriously ill child and has spent a number of years attending a children's hospital. Before becoming a fulltime homemaker and a children's hospital advocate her career was in the banking sector.

### Ms Norah Casey is the Chief Executive Officer of Harmonia Ltd.

Norah Casey is Chief Executive (owner proprietor) of Harmonia which is the largest magazine company in Ireland printing over four million magazines each year. The company owns and publishes a range of established Irish consumer titles including; Irish Tatler, Woman's Way, U magazine, Food & Wine, Diarmuid Gavin's Garden Designs, Auto Ireland, Auto Woman, Ireland of the Welcomes and owns Ireland's most popular woman's web site iVenus.com. Norah also chairs the Mayor of London's St Patrick's Day Festival and is a trustee of the Dublin City University Educational Trust.

### Mr John O'Brien is the Advisor to the CEO, Health Service Executive

John is on secondment from his post of Chief Executive at St. James's Hospital, the largest Academic Teaching Hospital in Ireland as Adviser to the CEO of the HSE on strategic issues, pertaining mainly to Hospitals. He has extensive experience in Health and Hospital Management both nationally and internationally covering some 30 years. John has led and executed a large range of special interest initiatives in the Health Sector covering areas such as Information Systems, Strategy Planning, Commissioning of major health Enterprises, Corporate Governance and Executive systems design and large scale organisation reconfiguration and change. John holds graduate qualifications in Economics, Political Science and Health Management and a Masters degree in

Public Administration. He is a Fellow of the Royal Academy of Medicine in Ireland and a member of the Irish Statistical and Social Enquiry Society.

#### [Mr Brian Gilroy is the National Director of Estates, Health Service Executive](#)

Brian has specific responsibility for managing the HSE estates portfolio, including the organisation's €10 billion capital infrastructure and the €500m annual capital plan. Brian is also a board member of the Grangegorman Development Agency.

#### [Dr Owen Hensey](#)

Dr Hensey is a Consultant Paediatrician with a special interest in Medical Rehabilitation. He is a consultant in the Children's University Hospital, Temple Street, where he served as Chairman of the Medical Board for the five year period 2002 –2007. He is also Medical Director of the Central Remedial Clinic, Clontarf and in this role has been involved in the development of services to physically disabled children and adults, both locally and nationally. He is a fellow of the Royal College of Physicians, Ireland and the Royal College of Paediatrics and Child Health, UK. He sits on the NPHDB as the nominee of the Children's University Hospital

#### [Dr Emma Curtis](#)

Dr Emma Curtis is a Community Pediatrician, Tallaght Hospital. Dr Curtis is also a Director of the Board of The National Children's Hospital, Tallaght, which was Ireland's first Children's Hospital, founded in 1821. The hospital was previously based in Harcourt Street, in Dublin city centre, and in 1998 moved to its new home in Tallaght.

#### [Dr. Alan Finan, Consultant General Paediatrician](#)

Department of Paediatrics Cavan Monaghan General Hospitals (since 2001) currently Clinical Network Director for Paediatrics for the North East, charged with leading a Clinical Network Team in planning changes to acute and community based paediatric services across the North East of the country in the context of the HSE's North East Transformation Programme. Dr. Finan is currently a member of Board of Faculty of Paediatrics, Royal College of Physicians of Ireland. The Faculty of Paediatrics has broad responsibilities for the supervision of standards of post-graduate paediatric medical training as well as acute and community based paediatric services at primary, secondary and tertiary levels. Dr. Finan sits on the NPHDB as a nominee of the Board of the Faculty of Paediatrics.

#### [Chief Executive Officer](#)

In accordance with paragraph 16 (1) of SI 246 of 2007 there shall be a chief officer of the Board, to be known as the Chief Executive Officer. The Chief Officer shall not be a member of the Board, but may attend at all Board meetings unless the Board otherwise decides. In July 2007 the Board, through the Chairman and with the support of the Minister for Health and the CEO of HSE appointed an Interim CEO of the NPHDB

#### [Joe Kelly – Interim CEO](#)

Joe is a native of Tuam, Co. Galway and has lived in Newbridge, Co. Kildare since 1985. He has recently set up his own Management Support, Business Support and Training Consultancy Company called Uriel Consultants Limited.

Joe previously worked as Group Chief Executive of Mount Carmel Medical (MCM) formerly Harlequin Healthcare. A retired Captain in the Defence Forces, Joe has in excess of 17 years senior management experience in both the private Acute Hospital and Public / Voluntary Services. He graduated with a B.Comm degree from NUIG and a Masters in Healthcare Management from the IPA.

## Chairman's statement

When I took on the role of Chairman of the National Paediatric Hospital Development Board, I was very reassured by the vision and commitment of the Minister for Health, Mary Harney T.D for the provision of a world class hospital for the children of Ireland and the commitment and support of the Chief Executive of the Health Services Executive, Prof. Brendan Drumm. This project is one of the most significant and challenging ever undertaken in this country and it will only reach completion with the total commitment of all the decision-makers involved and the unanimous support of those who share the vision for the future of children's healthcare in Ireland.

In order to familiarise myself with the best facilities internationally, I undertook visits to one of the most renowned children's hospitals in the world. The Hospital for Sick Children (SickKids), affiliated with the University of Toronto is Canada's most research-intensive hospital and the largest centre dedicated to improving children's health in that country. It is my fervent wish to emulate these facilities in order to improve the health of our children by integrating best care, research and teaching.

With the training, expertise and experience of the staff that work in the paediatric services in the three major paediatric facilities in Dublin, OLHC in Crumlin, NCH in Tallaght and CUH Temple Street along with the paediatric departments in the regional hospitals including professionals from all disciplines of health care and research, there is no doubt that we in Ireland can provide and match the best in complex and specialized care by creating scientific and clinical advancements, sharing knowledge and expertise and championing the development of an accessible, comprehensive and sustainable child health system.

I continue to be heartened and reassured that, despite the recent downturn in general economic activity, both the Minister and Prof. Brendan Drumm have highlighted the Children's hospital as one of the top capital priorities and I have received clear assurances that the level of capital funding required from the exchequer to develop the new hospital will be provided by the Government. The Board for its part will commit itself to securing significant funding from philanthropic interests towards the cost of the development.

I was under no illusions about the enormity of the challenges that lay ahead when I took on the role of Chairman. Hence, to assist me in this challenge, I also took on the responsibility of sourcing very talented, experienced and committed people who continue to assist and support me in this task. I have received huge support from the members of the Board and I am deeply grateful to them for their commitment and input. The NPHDB has been given a very clear remit and mandate through the Statutory Instrument and this independence of the Board is very important in bringing this huge development forward.

As outlined in this annual report this has been a busy year with a number of significant activities and achievements. As a Board we have been busy laying down the foundation or ground work to kick start this major development which will be of the order of €800m to €1 billion. This includes the establishment of the NPHDB Management team and headquarters and going to the market by public tender to secure the support of knowledgeable and experienced companies who can provide the business support and project management experience and skills to realise the dream of a world class children's hospital for Dublin and to link in an effective manner with the services that will be required in the regions.

I would like to thank all my colleagues on the Board for their outstanding commitment and dedication during the year. I would like to thank our Interim CEO for his support and commitment and to thank the Minister for Health, Mary Harney T.D for her confidence and her commitment and Prof Brendan Drumm for his support and assistance through the HSE. We look forward to building on our achievements in 2007 and to making significant progress in accordance with the strategic objectives of NPHDB in 2008.

Finally, I cannot emphasise enough that a project of this magnitude and importance deserves the support of the entire country which it strives to serve. I urge all interested parties and potential donors and financial supporters to play their part in bringing this vital resource to fruition for the benefit of our children, both present and future.

Philip Lynch  
Chairman

## Chief Executive's Report

It was a great honour and pleasure to accept the post of Interim Chief Executive of the National Paediatric Hospital Development Board in July 2007. There were a number of key issues that required action as quickly as possible on appointment.

- » Full briefing and understanding of the requirements
- » Development of contacts and relationships with the stakeholders
- » Supporting and assisting the Board functions
- » Assessing the site and space requirements
- » Recruiting a Management team
- » Appoint External Consultants and Contractors to progress the business services and the project management of the development of the new children's hospital

One of the first events that I attended was the HSE organised sessions to brief all stakeholders in relation to the draft high level hospital framework brief, this was a well organised and very helpful, informative process. Prof. Brendan Drumm, John O'Brien and Brian Gilroy, Fionnuala Duffy and Helen Byrne from the HSE were extremely helpful in providing an excellent briefing and background to the Project

The next key objective was to make contact with the key stakeholders, the CEO, Medical Director, Director of Nursing and appropriate senior management at the major Dublin teaching hospitals where specialist paediatric services are currently provided, to assist in fostering co-operation and co-ordinating relationships between these hospitals and the Board. Another important relationship is the one between the new hospital and the Mater Misericordiae Hospital, prior and during the development and operational phases. All of the meetings were cordial, constructive and positive.

An important barometer for the CEO in any organisation is the working relationship with the Chairman and the Board. I have found this aspect of the job to be most rewarding with a great enthusiasm, commitment and support from the Chairman, Philip Lynch and the Board members, who come from many different backgrounds and sectors and who all make a significant personal contribution in terms of personal experiences expertise or knowledge. I thank them for their support and assistance

The site visit with the Board members was hugely significant, informative and helpful and, along with the presentation of the report from RKW, clearly demonstrated that a building of the requisite scale can be accommodated on the site in line with urban developments elsewhere on the assumption that a cleared site will be available and within an overall site development capacity of 140,000m<sup>2</sup>. There are many examples of children's hospitals in buildings of comparable density and height (to that which is likely to result from a development on the Mater site) in major cities throughout the world. In addition the RKW report outlines very clearly the next steps and the next actions that will bring this project forward.

A key element in the implementation of this major project will be the appointment of a Chief Executive and a senior management team of Medical Director and Finance Officer. This team will have a significant role in managing the relationships with external consultants and contractors appointed by the Board;

- » a pivotal role in managing contractual, commercial, and performance and aspects of these arrangements;
- » a lead role in facilitating involvement of such external parties in a manner which ensures effectiveness and efficiencies are optimised.

Facilitation will include; engagement with stakeholders and others whose involvement and co-operation will be critical to achieving progress on the various work streams which will be developed as part of the planning process; primary responsibility for monitoring performance against plan; and for reporting to the Board or subcommittees of the Board.

The necessary arrangements were put in place to make those appointments as early as possible in 2008. On November 29 a tender was published on the website for Irish public tenders, seeking consortia to provide business services in connection with the development of the children's hospital. The Board has set up a Business Executive Evaluation sub committee to short list the tenders and to choose the appropriate company to provide this important service. This service will be quickly followed by a tender to provide overall project management support of the development.

I wish to thank the Chairman, Mr Philip Lynch and the Board members for their support and assistance throughout the year. I would like to thank the team in the acute hospitals division, DoHC and all the assistance from the numerous departments of the HSE, CEO's Office, Estates, Finance and the National Hospital's Office. I look forward to the appointment of a new management team and to significant progress in 2008 on the hospital design brief.

Joe Kelly  
Interim CEO

## Key Activities in 2007

### Background

Following the decision of the Government to approve the Health Service Executive's recommendation that the new National Paediatric Hospital be built on a site to be made available by the Mater Hospital, a Joint HSE/Department of Health and Children Transition Group was established to progress the development. The first stage of the development process up to the inaugural meeting of the NPHDB on Monday, June 25, 2007, was overseen by the Transition Group, and included the preparation of a high level framework brief for the new hospital.

The Joint HSE/Department of Health and Children Transition Group was established to progress a number of Matters under the joint Chairmanship of John O' Brien, Director of the National Hospital's office and Mr. Paul Barron, Assistant Secretary, DOHC, these included; the definition of the precise site, to agree the arrangements for the transfer of the site by the Mater Misericordiae Hospital as already agreed, unencumbered and at no cost to the state. The Group were tasked, following consultation with relevant stakeholders and with outside experts, to define a high level framework brief for the new hospital. In addition the group determined the number and locations of the Urgent Care centres, the range of services to be provided by the centres and their relationship with the new Hospital. The transition group will determine the relationships and co-ordinating policies between the new hospital and the other hospitals, including the Mater and the paediatric facilities both in Dublin and the regions.

### March 8, 2007- Minister appoints Chairman-Designate of the National Paediatric Hospital Development Board

The Minister for Health and Children, Mary Harney TD on the March 8, 2007 announced the appointment of Mr Philip Lynch as Chairman-designate of the National Paediatric Hospital Development Board. Minister Harney said that she was delighted that a person of Mr Lynch's calibre and proven record of achievement had made himself available to chair the Board. At the time she commented:

*"The Government is grateful that Mr Lynch is prepared to give his time and expertise to the progression of this major development project. He is a person of exceptional ability and I am confident that he is the right person to lead the project and ensure the delivery of our shared objective, which is the delivery of a world-class hospital for the children of this country. It will certainly be a challenging assignment for Mr Lynch, but certainly a rewarding one."*

The Minister also announced that she would shortly be signing an Order establishing the National Paediatric Hospital Development Board under Mr Lynch's chairmanship, which would be responsible for designing, building and equipping the new hospital in accordance with the high level framework brief which was being prepared.

### May 4, 2007- Minister announces members of the National Paediatric Hospital Development Board

Mary Harney, Minister for Health & Children, on the May 4, 2007 announced the names of eight people whom she proposed to appoint to the National Paediatric Hospital Development Board, as follows:

Mr Michael Flaherty, Ms Kathryn Raleigh, Mr Harry Crosbie, Ms Vera Wegner, Ms Linda Dillon, Ms Norah Casey, Mr John O'Brien, Mr Brian Gilroy.

The Minister also invited Our Lady's Children's Hospital Crumlin, the Children's University Hospital, the National Children's Hospital at Tallaght and the Faculty of Paediatrics (RCPI) to each nominate a representative for appointment to the Board.

### May 27, 2007 – Minister signs the establishment Order for the NPHDB

The effect of this Order was to establish under the Health (Corporate Bodies) Act, 1961 a body known as the National Paediatric Hospital Development Board, which will design, plan, build, equip and furnish a National Paediatric Hospital.

### June 7, 2007 – Minister for Health & Children announces two further appointments to the Board

Mary Harney, Minister for Health & Children, on June 7, 2007 invited Dr Owen Hensey a representative from the Children's University Hospital, Temple Street and Dr Alan Finan, a representative from the Faculty of Paediatrics (RCPI) to be appointed to the Board.

### June 25, 2007 - the Inaugural meeting of the National Paediatric Hospital Development Board

The inaugural meeting was held at Dr Steevens Hospital, Dublin. The Minister for Health and Children, Mary Harney formally welcomed the new members, gave her full support to the Chairman, the nominees and the purpose of the NPHDB. She told the Board that she was pleased to be present for this new and exciting chapter in the development of a world-class children's hospital for Ireland and urged the Board to explore philanthropic funding for the project. She also assured the Board that she did not underestimate the challenge of bringing all the stakeholders together.

Prof. Brendan Drumm delivered a welcome speech and described an exciting vision for an internationally reknowned paediatric hospital service. The Chairman Philip Lynch emphasised the clear remit of the NPHDB and that the independence of the NPHDB will be an important tool in bringing the project to fruition.

### June 28 – 29, 2007 – Stakeholders meetings held by HSE in relation to the Draft Framework Brief for the Hospital

Prof Drumm and the Management of the HSE organised a very successful and informative two day stakeholders sessions to receive input and feedback in relation to the high level framework brief that was prepared by RKW Healthcare Consultants. There was a huge attendance over the two days with over 50 different agencies, who represent and advocate on behalf of children/ adolescents and their families, other service users and voluntary organisations, in the planning of the new hospital facilities.

### July 1, 2007 – Board appoints an Interim CEO for NPHDB

At the inaugural meeting the Chairman had committed to sourcing and appointing an Interim CEO to assist the Board in relation to secretariat support, financial estimating, the development of the hospital and project management brief. Joe Kelly was appointed as Interim CEO. The Chairman prepared and sent a case for the appointment of a full time CEO to the Department of Health and the Department of Finance.

### July 16, 2007 - Corporate Identity for New National Children's Hospital

The Chairman requested that Prof. Mary Lambkin, Professor of Marketing, UCD prepare a proposal and paper on the corporate identity for the new hospital. The term corporate identity or corporate reputation describes the sum of the total images or values associated with an organisation.

The corporate identity is embodied in the name of the organisation and what that suggests and implies. It is also symbolised by the physical facilities and appearance, sometimes referred to as the look and feel of the organisation, as well as the livery that it chooses to represent it, such as colours, logos, style and other visual signs and symbols. It is above all else embodied in the values that the organisation espouses and those that it lives by and the responsiveness of its service to the needs of the children and the families that are in need of its care.

The report was prepared by Professor Lambkin as part of the ongoing philanthropic contribution that so many experts and Board members have given, including ongoing advice and expertise, since the outset of this project

### August 27, 2007 – Minister for Health & Children announces a further appointment to the Board

Mary Harney, Minister for Health & Children, on August 27, 2007 invited Dr Emma Curtis a representative of the National Children's Hospital at Tallaght to join the Board.

### September 19, 2007 – Site Visit

On September 19 the Board visited the Mater Hospital Campus to view the site designated for the Children's Hospital. It was anticipated that this visit would coincide with the presentation of the RKW framework brief to the HSE. However, the Joint HSE/DOHC Transition Group and the International Panel working with RKW had not finalised the report. The comprehensive site visit gave Board members an opportunity to view the extent of the space and the opportunities that it represented.

### October 31, 2007 – HSE publishes the RKW Framework Brief

After many years of planning the development of a world-class health care system for children and families in Ireland moved one step closer with the publication of the High Level Framework Brief for Ireland's National Paediatric Hospital on October 31, 2007.

### October 12, 2007 - Medical Director and Procurement support for NPHDB

Following meetings with Prof. Brendan Drumm it was agreed that the HSE would assist the NPHDB in sourcing a Medical Director and the HSE Director of Estates agreed to provide procurement support through, Mr Terry Woulfe Flanagan who has significant and relevant experience in public procurement.

### November 5, 2007 - Sanction of CEO Post at Assistant Secretary Level

The Department of Health and Department of Finance conveyed sanction of CEO Post.

### November 29, 2007

NPHDB published a notice for tender seeking consortia to provide business services for the development of the Hospital. Below is a summary of the objectives of that procurement.

The organisation comprises or will comprise:

- » The Development Board
- » The Chairman

Management Team consisting of:

- » The Chief Executive Officer
- » Finance Officer
- » Medical Director
- » Chief Officer's office and secretariat

#### The service

The Development Board requires, for the duration of the procurement life-cycle of the proposed new Children's Hospital, a business service that will provide the following services and supports.

- » Establish the headquarters structure for the NPHDB
- » Support the Chief Executive, management team and secretariat
- » Support the NPHDB
- » Establish business processes and operational business model
- » Provide all administrative and business support
- » Lead the procurement of all services, supplies and works necessary to deliver an operational class-leading national tertiary children's hospital
- » Provide all project support services from a client perspective
- » Advise on all clinical planning matters
- » Medical Planning, including forecasting health-care trends, methodologies and medical technology development
- » Nurse planning
- » Flexibility and future expansion provisions
- » Prepare the Preliminary Project Brief and the Definitive Project Brief
- » Mandatory consultation with the National Development Finance Authority as to the most appropriate means of funding the procurement of the NPH
- » Provide workforce planning
- » Establish facilities management structure and contracts
- » Manage the operational commissioning process

- » Procure and manage training for all staff (front-line, support, technical etc.) in the operation of the completed facility
- » Develop and oversee the execution (by others) of validation procedures
- » Provide data for audit and attend any meeting required by auditors and, if necessary attend and participate in, audit hearings such as the Public Accounts Committee.

### Project Objectives

#### Project Out-turn

The out-turn required of the project is to provide a facility offering class-leading healthcare for children, by:

- » Delivering best practice
- » Delivering care processes that optimise patient satisfaction
- » Developing and applying integrated resources to enable sustainable health care and support for children and their families
- » Developing an aesthetically pleasing and appropriate health-care environment for children and their families
- » Being flexible to adapt to developing technologies and processes in delivering health care for children
- » Providing a safe and positive working environment for end-users (staff)
- » Being cost effective on a whole-life cost basis
- » Developing a sustainable development and, to the greatest degree possible, having minimal environmental impact.

### Next Steps

The Board set up a Business Executive Evaluation Sub Committee to short list the tenders and to choose the successful tender to provide this important service. This will be quickly followed by a tender to provide overall project management support.

### December 18, 2007 – Health (Miscellaneous Provisions) Bill 2007

The Minister for Health and Children, Mary Harney, presents a new bill to give statutory effect to, and amend, certain orders made under the Health (Corporate Bodies) Act 1961;

The Health (Corporate Bodies) Act 1961 provided that the Minister for Health and Children could establish bodies to perform functions in relation to the provision of a health service including any service relating to the protection, promotion or improvement of the health or welfare of people. Since 1961 over 40 bodies have been established under the Act of which 19 are still in existence. These cover a wide range of services and involve substantial expenditure of Exchequer funding. They include major hospitals such as St. James's Hospital and Beaumont Hospital, other agencies such as the Irish Blood Transfusion Service, the National Treatment Purchase Fund and the Crisis Pregnancy Agency and the National Paediatric Hospital Development Board (19 in all)

Following concerns raised by the Attorney-General about the powers conferred on the Minister in the 1961 Act and subsequent advice from Senior Counsel, the Attorney

General has concluded there is a serious risk, in the event of a constitutional challenge being brought, that the provisions of the Act would be held to be invalid having regard to the provisions of Article 15.2 of the Constitution. He recommended that, as a matter of urgency, primary legislation should be enacted to confirm the Orders which have been made to date under the Act

## Director's Report

### Governance

NPHDB ("the Board") has adopted the Code of Practice for Governance of State Bodies 2001 and the provisions of the Code are being implemented. The Board is committed to maintaining the highest standards of Corporate Governance best practice and compliance will be monitored on an ongoing basis. The Interim CEO has acted as Secretary to the Board and is responsible for ensuring that Board decisions on procedures and controls are implemented and that relevant legislation, regulations and guidelines are complied with.

In discharging its functions, the Board will appoint a Chief Officer, a Finance Officer and a Medical Director. These executives will together with other support staff appointed by the Board represent the management team. The Board will discharge its functions through this management team and through external consultants and contractors who 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 are being implemented.

## Workings of the Board

The Board is comprised of twelve members, all of whom are non-executive and were appointed by the Minister for Health and Children.

The Board meets at least six times a year. All members receive appropriate and timely information to enable the Board to discharge its duties.

The Board has established a number of sub-committees to assist in the effective discharge of its responsibilities. The purpose and scope of work of these sub-committees reflect the initial stage of the Boards development and activates.

## Recruitment Sub-Committee

Its purpose is to oversee and manage the recruitment process for the appointment of the three key executives who will form the Executive Team reporting to the Board being:

The Chief Executive Officer

The Medical Director\*

The Finance Officer

The Sub-Committee members are Dr. A. Finan, Dr. E. Curtis, Ms. N. Casey, Mr. M. Flaherty and Ms. K. Raleigh.

\*Note: Following advice it was agreed that no Board member would be involved in the recruitment process.

## Business Executive Evaluation Sub-Committee

Its purpose is to evaluate tenders received under a public procurement tender process and to recommend the appointment of the firm/consortium selected to perform the Business Executive function on a contractual basis to the Board.

The Sub-Committee members are Ms N Casey, Dr O Hensey, Ms V Wegner, Ms K Raleigh.

## Project Management Evaluation Sub-Committee

Its purpose is to evaluate tenders received under a public procurement tender process and to recommend the appointment of the firm/consortium to perform the Project Management function on a contractual basis.

The Sub-Committee members are Mr. M. Flaherty, Mr. H. Crosbie, Ms. L. Dillon and Mr. B. Gilroy.

## Next Steps

These sub-committees each have a specific purpose and are expected to complete their work in the first half of 2008. The Board will review the requirements for other sub-committee support and activity in 2008 following the recruitment of the Executive Team and the appointment of firms/consortia that will be contracted to perform the Business Executive and Project Management functions.

## Audit Committee

The Audit Committee is comprised of three members: Mr. M. Flaherty, Ms. N. Casey and Mr. J. O'Brien.

The Audit Committee will meet at least four times during the year and will invite other relevant individuals including members of the Executive Team, representatives of Business Executive and Project Management firms/consortia to attend meetings as appropriate.

The Committee will review all matters relating to the financial affairs of the Board and in particular:

- » The Annual Report and financial statements
- » The accounting policies
- » Compliance with accounting standards
- » The Boards assessment of risk
- » The Boards system of internal financial control
- » The scope and results of internal audit activity

## Board Responsibilities

The Board is required by Statutory Instrument (S.I.) No. 246 of 2007 to prepare an annual financial statement for submission to the Comptroller and Auditor General in respect of each financial year.

In preparing these financial statements, the Board is required to:

- » Select suitable accounting policies and apply them consistently
- » Make judgements and estimates that are reasonable and prudent
- » Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Board will continue in operation
- » State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The Board is responsible for keeping proper and usual accounts of all monies received or expended by the Board including an income and expenditure account and balance sheet and, in particular, shall keep all such special accounts as the Minister may from time to time require.

## Statement of Accounting Policies

### Basis of accounting

These financial statements are prepared under the accruals method of accounting in accordance with generally accepted accounting principles under the historical cost convention and comply with the financial reporting standards of the Accounting Standards Board as promulgated by the Institute of Chartered Accountants in Ireland.

### Currency

The financial statements are prepared in Euro.

## Capital Income and Expenditure Account for period ended 31 December 2007

<b>Capital Income</b>	€
Health Service Executive- Capital grant	0
<b>Total Income</b>	0
<b>Capital Expenditure</b>	
Construction Work in progress	20,000
<b>Total</b>	20,000
Surplus (Deficit) for year	(20,000)

The Statement of Accounting Policies and Note 1 form part of these financial statements.

Philip Lynch  
Chairman

Joe Kelly  
Interim Chief Executive

## Balance Sheet as at 31 December 2007

Assets	€
	€
Fixed Assets	
Construction work in progress	20,000
<b>Creditors (amounts falling due within one year)</b>	
Accruals	20,000
<b>Total Assets Less Current Liabilities</b>	-----
<b>Financed by Capital and Reserves</b>	-----

The Statement of Accounting Policies and Note 1 form part of these financial statements.

Philip Lynch  
Chairman

Joe Kelly  
Interim Chief Executive

## Notes forming part of the Financial Statements for period ended 31 December 2007

### Operations

The National Paediatric Hospital Development Board (NPHDB) was established under Statutory Instrument (S.I. No. 246) of 2007. The financial statements cover the period of approximately seven months from the S.I. date of 23 May 2007 to 31 December 2007.

During this period, the Board was engaged in initial activities as described in the Directors Report and did not receive or disburse cash.

The Statement of Income and Expenditure includes Capital costs of €20,000 which were incurred and accrued at 31 December 2007 and which will be discharged in 2008 on receipt of Capital Grants from the Health Service Executive.

Other costs incurred during the period relating to the operation of the Board including the remuneration of the Interim Chief Executive, meeting facilitation, legal advice etc were borne by other parties on a philanthropic basis.

## Statement on the System of Internal Financial Control

On behalf of the National Paediatric Hospital Development Board, (NPHDB), 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 are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

### Key Control Procedures

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

- » Clearly defining management responsibilities;
- » Establishing formal procedures for reporting significant control failures and
- » Ensuring appropriate corrective action.

In 2007, the Board established formal processes to identify and evaluate business risks by identifying the nature, extent and financial implications of risks facing the body including 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 does 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's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the Audit Committee which oversees the work of the executive managers within the NPHDB who have responsibility for the development and maintenance of the financial control framework.

### Annual Review of Controls

I confirm that in the year ended 30 April 2008 the Board had initiated the proper policies and procedures commensurate with the level of financial activity to ensure the effectiveness of the system of internal financial controls

Signed on behalf of the Board

Philip Lynch  
Chairman  
30 April 2008.

