



**NATIONAL PAEDIATRIC HOSPITAL DEVELOPMENT BOARD**  
Planning, designing, building, equipping and furnishing the new children's hospital

**ANNUAL REPORT 2011**

Planning, designing,  
building, equipping and  
furnishing the new  
children's hospital



General Information	2
The Board	3
Chairman's Statement	6
Project Overview	8
Chief Executive's Report	12
Board Members' Report	16
Statement of Board Members' Responsibilities	19
Report of the Comptroller and Auditor General	20
Certification of the Chief Executive Officer and Chairperson	21
Statement on Internal Financial Controls	22
Statement of Accounting Policies	23
Income and Expenditure Account	24
Balance Sheet	25
Cash Flow Statement	26
Notes to Financial Statements	27

# GENERAL INFORMATION



## 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



## 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 urgent and ambulatory care services, 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.

## 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 2011:

### 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. Following the resignation from the Board of Mr John Gallagher in March 2011, Mr Crosbie was appointed interim Chairman. Mr Crosbie was subsequently appointed Chairman in July 2011.

### Mr Lorcan Birthistle

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

### 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 Kathryn D'Arcy

Ms Kathryn D'Arcy is Director of ICT Ireland, Irish Business and Employers' Confederation. *Ms D'Arcy resigned from the board on 20th January 2011.*

### Ms Linda Dillon

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

### Dr Pat Doherty

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

### 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.

### 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.

### Mr Michael Flaherty

Mr Michael Flaherty was senior audit partner, Consumer and Industrial Markets Division, KPMG. *Mr Flaherty resigned from the board on 3rd June 2011*

### Mr John Gallagher

Mr John Gallagher is Director of Crownway Investments Group Holdings Limited and Crownway Investments. *Mr Gallagher resigned from the Board in March 2011.*

### Dr Owen Hensey

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

### Ms Joan O'Connor

Ms Joan O'Connor was the first woman to be president of the Royal Institute of the Architects of Ireland and she was Managing Director of Interactive Project Management LTD. *Ms Joan O'Connor was appointed to the Board in January 2011 and subsequently resigned in May 2011.*

### 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.

### Ms Vera Wegner

Ms Vera Wegner is a psychologist and psychotherapist in private practice. *Ms Wegner resigned from the board on 20th January 2011*



## Executive Team

### **Ms Eilish Hardiman, Chief Executive Officer**

Ms Eilish Hardiman has 20 years experience in acute healthcare – eight at senior management level in her roles as Deputy CEO and Director of Nursing at St James’s Hospital. Ms Hardiman has contributed to the development of national health policy through her membership on several national bodies, including the National Haemophilia Council, the Commission on Nursing and the National Implementation Body on Nurse Education.

Ms Hardiman holds an MBA in Executive Management from Smurfit School of Business Studies, University College Dublin.

Ms Hardiman resigned as Chief Executive Officer of the Board in August 2011.

### **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.



This report on the activities of the National Paediatric Hospital Development Board ('the Development Board') in respect of the year 2011 is being signed off in November 2012 against the backdrop of two major decisions that have changed the project completely since the end of the year under review.

At the end of 2011 the Development Board was awaiting the decision of An Bord Pleanála on its application to build the new Children's Hospital on the Mater site. The Mater was the preferred site of Government since 2006, a decision confirmed by an Independent Review of the project commissioned by Minister Reilly on his appointment as Minister in March 2011 and completed in June 2011.

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 to consider the merits of other locations as the site for the proposed hospital.

Following the report of the Dolphin Review Group, the Government has reaffirmed its commitment to build a national children's hospital and has directed that the project now proceed on the grounds of St James's hospital in Dublin 8. The Development Board is pleased that a final decision has been made as to location and that the commitment to proceed with the hospital has been reaffirmed. There is a compelling and coherent case to now develop the new hospital and related support structures without delay for the benefit of Ireland's sick 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. It will give Ireland a world class specialist hospital to provide the cohesion and

clinical depth and breadth required to meet the highly complex needs of Ireland's sickest children.

The existing three children's hospitals in Dublin will move into this new facility. This move will provide the impetus and release resources to support innovative, inter-professional work ensuring better clinical outcomes for children and young people.

The Development Board wishes to thank all those who assisted and supported the project throughout 2011. 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 Panel and to the parents and illness support groups who have participated in the Family Forum.

The project has received enormous support from children, families and staff connected with the three children's hospitals in Dublin. Over 1200 hours of consultation meetings have been held on topics such as the National Paediatric Model of Care, the hospital model of care, the specialty models of care, the design brief development, operational policies, equipping and all other associated meetings relating to progress of the project. The valuable contribution made by all stakeholders, both clinical and non clinical, parents and children at this planning stage of the project is hugely appreciated and highly influential to the project's progress through the design, construction, equipping, commissioning and operational start-up stages.

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 John Gallagher, the Development Board's Chairman who resigned in March 2011. 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, and look forward to continuing to work in unison 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 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.

We acknowledge the contribution made by individual Development Board members, and former members and thank them for their dedication, support and guidance throughout 2011. We commend the Executive and the Project Team for the progress and we wish to recognise the leadership provided by Ms Eilish Hardiman who resigned as Chief Executive Officer in August 2011.

Now that the decision on location has been confirmed, we hope to accelerate the project and we look forward to meeting the challenges ahead with vigour and proficiency.

**Harry Crosbie**

Chairman  
National Paediatric Hospital Development Board  
November 2012



While this report is focussed on 2011, the work to develop the new National Children's Hospital has been on-going since 2007. As the project is now in transition from one nominated location to another, the following outlines the core features of the Hospital – irrespective of location - and an outline of the key work-streams run by the Development Board.

The purpose of the new hospital project is to:

- Provide national tertiary paediatric care for Ireland's children and young people;
- Provide secondary care for the Greater Dublin Area combining onto one site the clinical services currently being provided at Our Lady's Children's Hospital, Crumlin; the Children's University Hospital, Temple Street and the National Children's Hospital, Tallaght;
- Treat children up to the eve of their 16th birthday, with children in the system treated up to eve of their 18th birthday. Programmes for transition of children to adult services will commence early and be completed by their 18th birthday unless in specific circumstances where clinical outcomes are proven better under paediatric services;
- Expand the role of ambulatory care 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 and ambulatory and urgent care campuses; 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. These three teams work together with the Development Board and its Executive to plan that design, financing and, in time, construction and equipping of the site.

### Healthcare Planning

In consultation with the hospitals and the HSE, the healthcare planners on the Project Team analysed the current and future requirements for children's healthcare services in Ireland to determine the capacity and service models required to meet future needs. The objective is to ensure that future services are delivered in a contemporary environment and at a performance level comparable with leading children's hospitals worldwide.

The activity and capacity plan for the new hospital and for the connected Ambulatory and Urgent Care Centre (A&UCC) is 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 is the expected activity split between the main inpatient hospital and an A&UCC at a remote location. The schedule of accommodation for the new hospital approved by the HSE to meet the identified Healthcare needs totals to 112,000m<sup>2</sup> including clinical and clinical support spaces, education research and the hospital school.



## Consultation

### Children and 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 that 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 A&UCC. Particular focus has been 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 has contributed specifically to facilities such as the patient bedroom, various types of parent's accommodation, associated support facilities and the detailed development of recreational spaces.

### Hospital Staff

The delivery of a high performing children's hospital of international renown will be an

achievement of the staff in the hospital. The role of the Development Board is to develop a built environment and Hospital to achieving this goal.

From an early stage the 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 Hospital.

### Design

The hospital and A&UCC are envisaged as secure, welcoming and environmentally sustainable facilities with maximum flexibility and adaptability in order to facilitate future changes in service delivery.

Based on the assessment of need in the Healthcare planning, the hospital is projected to provide 384 inpatient and critical care beds, 57 Day Care beds, 15 Operating Theatres and Procedure Rooms with modern interventional and diagnostic facilities. It will also include 81 Outpatient consulting rooms and a 24-Hour Emergency Department. In addition, the following hospital facilities which are required to deliver high quality, child-centred and family-focussed services will be provided:

- 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 Development Board has prepared a Programme Approach and Implementation Plan for ICT in the new hospital and A&UCC 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 of Ireland. In accordance with its business strategy, the hospital will support the new national model for Paediatric Healthcare in Ireland and in support of 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 Development Board and the HSE have decided that key components of the ICT structure for the hospital and A&UCC 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.

## Equipping

The equipping process for the Children's Hospital of Ireland commenced in 2010. The Equipment Steering Group, consisting of representatives from the children's hospitals and the HSE, was established to liaise with the Project Team on the equipment inventory and

equipment procurement plan for the new hospital.

## Costs

### Capital costs

The total capital cost provision for the new children's hospital at the Mater site and A&UCC at Tallaght was estimated to be €630M (excluding ICT) at 2012 prices. However, these estimates need to be revised to reflect the change of location of the Hospital to the St James Campus and any re-configuration of the A&UCC that may be required as a result.

The criticality of ICT to support contemporary clinical and business services is fully acknowledged in the business case. The ICT requirements are being provided separately through the HSE ICT programme. (Current estimate €30M).

### 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 source of these savings are;

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

### Funding

It is planned that the cost of the new children's hospital and A&UCC will primarily be met by the Exchequer through the HSE Capital Programme and the surplus funds available from proposed sale of the lottery.



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 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 significant portion of that work will be 'reusable' at St James Campus.



2011 was a year of significant progress in the planning and design of the new Children's Hospital of Ireland, which consists of a new national children's hospital ("hospital") and an Ambulatory and Urgent Care Centre ("A&UCC").

While the design as conceived will now not be used as planned for the Mater Site, much of the content and detail developed for that application can be used in the planning and design of the proposed hospital on the St James's site, following the Government's decision to locate the hospital there.

It is still the commitment of the government, and of the Development Board on its behalf, to provide a fully integrated, child-centred and family-focused state-of-the-art hospital that will facilitate excellence in the delivery of clinical services and in paediatric research and education. It will provide an environment that is fully supportive of children, young people, their families and healthcare staff.

While events since the end of 2011 have rendered the project in a new light, 2011 in itself was a year of significant progress.

## Healthcare Planning

The baseline for the hospital must always be the needs of sick children and their families. During 2011 further updated reviews of activity from the existing children's hospitals were undertaken.

Consequentially, the schedule of accommodation and design for the hospital underwent several iterations during 2011 in relation to service areas, OPD and therapies based on updated activity and proposed working practices.

In June 2011, the National Paediatric Clinical Programme was established by the HSE with the cooperation of the Faculty of Paediatrics and the RCPI. This saw the appointment of

Professor Alf Nicholson, Consultant Paediatrician, Children's University Hospital, Temple Street and Dr John Murphy, Consultant Neonatologist, National Maternity Hospital, Holles Street, as National Paediatric and Neonatal Clinical Leads.

Since then, the Programme Leads have worked closely with the Medical Director and the Children's Hospital Project team to ensure that the proposed model of care for the new hospital complements the national programme and fits in with the national model of care endorsed by the HSE in July 2011. Additional collaborative work has resulted in the development of specialty specific models of care the latest version of which was issued to the HSE in May 2012. Further work on this will continue throughout the duration of the hospital project in order to ensure the provision of safe, high quality, effective and efficient healthcare to the children of Ireland.

The development of service models for clinical support (e.g. imaging, pharmacy, pathology etc.), non-clinical support (e.g. catering, logistics, facilities management etc.), and corporate services (finance, HR, IT etc.) progressed during 2011 and into 2012. The services models will form the basis of the workforce plan for the hospital and A&UCC which has been further developed and updated in 2011/12 by the project team in detailed consultation with representatives of the three children's hospitals, supported by external experts.

Work also continued in 2011 on the organisation of out-patient services into clinical clusters, whereby, as much as possible, the multidisciplinary team will be located and accessible in "neighbourhoods" adjacent to where the child and family attend out-patient services. Intense consultation, design development and layout reviews continued during 2011 and early 2012 to complete and sign off the Design Development phase of the project in collaboration with the speciality



groups from the three children's hospitals, the design team, an external review team and the HSE Strategic Improvement group.

The development of the hospital plan has included the delivery of the A&UCC as an integral part. As per the Mater application, the schedule of accommodation for the A&UCC to be located at Tallaght hospital set out a gross area at just over 10,000 m<sup>2</sup> reflecting clinical need and the pattern of A&UC attendances. Following the change in location of the main hospital, the A&UCC will now be the subject of review starting with an examination of the requirements of sick children for ambulatory and urgent care services as identified by the activity in the three existing Paediatric Emergency Departments, day care activity and outpatient services.

## Business Planning

In 2011, we finalised the 2009 Business Case, whereby all elements of expenditure, including capital cost, recurrent direct and indirect costs, transition costs and the costs of additional services were rigorously analysed in line with Government guidelines and with the support of the National Development Finance Agency and the HSE.

Other business planning developments in 2011 include the following:

- Finalisation of the Family & Hostel Accommodation requirements
- Establishment of a Shared Services Advisory Group to develop a campus wide view of shared services at the main hospital site and at the A&UCC and advise the NPH executive on which services in the Children's Hospital should be shared, how such services should be provided and the structures required to deliver such services. This work will be updated for the services at the St James site;
- Established a Shared Infrastructure Forum

with the HSE, Mater Adult Hospital and the Rotunda for the provision of shared infrastructure for the Mater Campus; this work will be updated for the services at the St James site;

- Completed a study into the scope and feasibility of a MES (Managed Equipment Service);
- Completed the evaluation of the potential scope and benefits of an ESCo (Energy Service Company) agreement;
- Decision by the Development Board to progress with car park following an evaluation of options and preparation of a Business Case by the project team; this work will also have to be updated; and
- Progressed discussions on funding for Education, Research and the Hospital School.

## Equipping

The equipping process for the Children's Hospital of Ireland commenced in 2010. The Equipment Steering Group, consisting of representatives from the children's hospitals and the HSE, was established to liaise with the Project Team on the equipment inventory and equipment procurement plan for the new hospital.

A report and financial analysis of the optimal approach to procuring, maintaining and replacing the clinical equipment in the new hospital and A&UCC was completed in 2012.

## Developing Staff support

In 2011/12 over 400 consultation meetings have been held with the Project Team and hospital representatives. The meetings are held with multidisciplinary, cross-hospital user groups on topics including the hospital model of care, activity and capacity, service and specialty models, workforce, design, education and research.



This has culminated in the completion of the latest updates to the specialty and service models of care, the establishment of a new hospital Model of Care document, completion of updates to the workforce plan based on more recent 2010/11 activity input, detailed updates to layout drawings in particular those relating to OPD and therapy areas and subsequent input to early equipping planning.

In addition to the meetings with hospital representatives, an extensive programme of communications with all hospital staff was undertaken using newsletters, lunch-time presentations, individual and collective cross-hospital meetings. Road-shows were run in each of the three children's hospitals and the Mater adult hospital in 2011. These were supported by representatives from both the design team and the project team and proved to be a very effective means of communication.

## Planning Application

The Development Board commenced pre-consultation discussions with An Bord Pleanála in October 2010, shortly after the commencement of the relevant sections of the Planning and Development (Amendment) Act 2010 with respect to the treatment of planning applications for strategic infrastructure. Under the amended legislation, An Bord Pleanála was required to determine if the hospital development fell within the scope of the Act and if so, the planning application for the new hospital would be made directly to An Bord Pleanála. In April 2011, An Bord Pleanála confirmed that the development did fall under the Act.

Prior to the change in legislation, the Project Team engaged extensively with Dublin City Council on a wide range of planning issues including massing, access, water, drainage, traffic and conservation. The Council advised that the maximum permissible number of car park spaces was 1,000 spaces. In addition, a

cross-agency group on access was established with representatives from the Development Board, Dublin City Council, National Roads Authority, An Garda Síochána and the Emergency Services to review access.

Regular meetings were held throughout 2010 and 2011 with local Councillors and representatives of residents in the area surrounding the hospital. The Project Team outlined the plans for the development of the hospital and discussed a wide range of topics including the building height, traffic management, shadow casting, security and environmental impact. The Development Board appointed a community advocate to collate and articulate the concerns of local residents. A Community Gain report has been developed and can be updated for future planning application.

In May 2011, the Minister for Health Dr James Reilly commissioned a report to provide an independent review of the project to build the new children's hospital on the site of the Mater Hospital.

On 6 July 2011, following the publication of this report, the Minister confirmed that the new hospital would be located on the campus of the Mater Hospital.

Accordingly, the Development Board submitted a planning application to An Bord Pleanála under the Strategic Infrastructure Act on 20 July 2011 and participated in the oral hearing which commenced in mid-October 2011 and concluded in early November 2011.

An Bord Pleanála refused planning permission for the proposed development on the Mater site on the 23rd February 2012 based on the height and scale, impact on the historic city and the overdevelopment of the site. Subsequently, the Minister for Health Dr James Reilly T.D. appointed the Dolphin Review Group on the 6th March 2012 to examine the implications of the decision of An Bord Pleanála related to the



proposed siting of the National Children's Hospital and to evaluate the possible options for the location of the Hospital. The Dolphin review group reported in early June 2012. The Minister for Health, Dr James Reilly T.D., has taken his recommendation on the location of the National Paediatric Hospital to the Government, and an announcement was made on November 6th, 2012 of St James Hospital as the approved site.

## 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 2011, and wish to acknowledge the leadership, direction and commitment to the project demonstrated by the former Chairman Mr John Gallagher (resigned March 2011) and our current Chairman Mr Harry Crosbie OBE. I would also like to thank the Executive and Project Team for their commitment and assistance throughout the year.

I would like to thank in particular Eilish Hardiman, who resigned as CEO of the Development Board in August 2011, for her tremendous enthusiasm, commitment and invaluable support and direction during her term as CEO.

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 2011.

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

**Jim Farragher**

Interim Chief Executive Officer  
National Paediatric Hospital Development Board



## 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 Chief Executive, 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 2011 are set out on page 4 of the annual report. There were three vacancies on the Board at the year ended 31 December 2011.

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, and are described on page 17.

## Board Secretary

The Finance Officer resigned as Board Secretary on 25th January 2011 and was replaced by Mr Jarleth Heneghan of William Fry Solicitors on the same day. Mr Heneghan was Board Secretary throughout 2011 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 2011 the Board met on 6 occasions, the Audit Committee met on 3 occasions, and the Finance committee met on 6 occasions. The Philanthropy Committee did not meet in 2011 as it had prepared its draft report in 2010.

The attendance at Board meetings and sub-committees is set out in the tables below.

## Attendance at meetings of the Board

Member	Meetings	Attendance
Mr Lorcan Birthistle	6	6
Ms Norah Casey	6	5
Mr Harry Crosbie	6	6
Ms Linda Dillon	6	6
Dr Pat Doherty	6	6
Prof Brendan Drumm	6	6
Dr Alan Finan	6	6
Mr Michael Flaherty	4	4
Mr John Gallagher	2*	2
Dr Owen Hensey	6	5
Ms Joan O'Connor	4	4
Dr Edna Roche	6	4

\* Mr John Gallagher resigned as Chairman of the Board on 29th March 2011 and Mr Harry Crosbie OBE, was appointed chairman on the same date and subsequently appointed Chairman as the nomination of the Minister for Health.



## Attendance at meetings of the Board sub committees

Sub-Committee	Function	Membership	Meetings	Attendance
Audit Committee	<p>The Audit Committee reviews all matters relating to the financial affairs of the Board, and in particular:</p> <ul style="list-style-type: none"> <li>• The Annual Report and financial statements;</li> <li>• The accounting policies;</li> <li>• Compliance with accounting standards;</li> <li>• The Board's assessment of risk;</li> <li>• The Board's system of internal financial control; and</li> <li>• The scope and results of internal audit activity.</li> </ul>	Mr M. Flaherty	3	3
		Ms N. Casey	3	3
		Mr L Birthistle	3	3
Philanthropy Sub - Committee	The Philanthropy Sub – Committee reviews all issues relating to philanthropic funding.	Ms L. Dillon	0	0
		Dr O. Hensey	0	0
		Ms N. Casey	0	0
Finance Committee	The Finance Committee engages with the Executive and the project teams to oversee the progress and issues relating to the financial planning, design, building, furnishing and equipping of the new children's hospital and liaises, recommends and reports to the Board.	Mr J. Gallagher	3	3
		Mr H Crosbie	4	3
		Ms Joan O'Connor	4	4
		Mr L. McCabe	4	3
		Mr A Turner	3	3
		Mr K Hurley	3	3



### Board members' remuneration

Board Member	Fees	Travel
Mr Harry Crosbie	-	-
Mr John Gallagher	-	-
Mr Lorcan Birthistle	-	-
Ms Norah Casey	€7,583	-
Ms Kathryn D'Arcy	€1,167	-
Ms Linda Dillon	€7,583	€133
Dr Pat Doherty	-	-
Prof Brendan Drumm	-	-
Dr Alan Finan	-	€1,440
Mr Michael Flaherty	-	-
Dr Owen Hensey	-	-
Ms Joan O'Connor	-	-
Dr Edna Roche	-	-
Ms Vera Wegner	€1,167	-
<b>Total</b>	<b>€17,500</b>	<b>€1,573</b>

### Post balance sheet events

In February 2012, An Bord Pleanála rejected the planning application to locate the new children's hospital on the site of the Mater Misericordiae University Hospital in Dublin. In response to this decision the Minister for Health, Dr. James Reilly, established an independent group to consider the implications of the decision of An Bord Pleanála and to consider the different options which now exist for progressing the construction of a national children's hospital.

The Independent Review Group, chaired by Mr. Frank Dolphin, submitted their report in June 2012 and the final decision was made, by Government, on 6th November 2012, that confirmed a site at St James's Hospital as the location for the new national children's hospital.

The Minister and the Government have re-affirmed their commitment to the construction of a national children's hospital as a Government priority.

## 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

A handwritten signature in black ink, appearing to read 'Harry Crosbie'.

**Harry Crosbie**  
Chairperson  
National Paediatric Hospital  
Development Board

A handwritten signature in black ink, appearing to read 'Linda Dillon'.

**Linda Dillon**  
Board Member  
National Paediatric Hospital  
Development Board

**1 November 2012**



## **National Paediatric Hospital Development Board**

I have audited the financial statements of the National Paediatric Hospital Development Board for the year ended 31 December 2011 under 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 reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Practice in Ireland.

### **Responsibilities of the Board**

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

### **Responsibilities of the Comptroller and Auditor General**

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

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

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

### **Scope of Audit of the Financial Statements**

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

- whether the accounting policies are appropriate to the Board's circumstances,

and have been consistently applied and adequately disclosed

- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

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

### **Opinion on the Financial Statements**

In my opinion, the financial statements, which have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland, give a true and fair view of the state of the Board's affairs at 31 December 2011 and of its income and expenditure for the year then ended.

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 moneys have 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.

### **Andrew Harkness**

For and on behalf of the  
Comptroller and Auditor General  
5 November 2012

# CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHAIRPERSON for the year ended 31 December 2011



We certify that the financial statements of the National Paediatric Hospital Development Board for the year ended 31 December 2011 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 24 to 31 and the statement of accounting policies on page 23, give a true and fair view of the state of affairs of the Board at 31 December 2011 and of its income and expenditure for the year then ended.

**Harry Crosbie**  
Chairperson  
National Paediatric Hospital  
Development Board

**Jim Farragher**  
Interim Chief Executive Officer  
National Paediatric Hospital  
Development Board

**1 November 2012**



## 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.

The Board have 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, including examination of reviews carried out by Third Party Providers' internal auditors for their own activities.

The Board has 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 do occur. These processes include oversight of risk assessment reports provided by Third Party Providers.

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 and is informed and supported by the work of the Audit Committee which seeks to consider all significant control matters within the National Paediatric Hospital Development Board.

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

I confirm that in the year ended 31 December 2011 the Board conducted a review of the systems of Internal Financial Controls.

## Harry Crosbie

Chairperson, National Paediatric Hospital Development Board

1 November 2012



## **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 2011.

## **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 2011



	Note	2011 €	2010 €
<b>INCOME</b>			
Oireachtas Grants		<b>8,687,983</b>	11,800,238
Other income		<b>93</b>	4,078
		<b>8,688,076</b>	11,804,316
Transfer to capital account		<b>(8,688,076)</b>	(11,804,316)
		<b>-</b>	-
<b>EXPENDITURE</b>			
Expenditure	1	<b>(8,688,076)</b>	(11,804,316)
Transfer to construction work in progress		<b>8,688,076</b>	11,804,316
		<b>-</b>	-

There are no recognised gains or losses other than those dealt with in the Income and Expenditure Account.

The accounting policies on page 23 and the notes on pages 27 to 31 form part of these Financial Statements.

On behalf of the Board

**Harry Crosbie**  
Chairperson  
National Paediatric Hospital  
Development Board

**Jim Farragher**  
Interim Chief Executive Officer  
National Paediatric Hospital  
Development Board

**1 November 2012**

# BALANCE SHEET

as at 31 December 2011



	Note	2011		2010	
		€	€	€	€
<b>FIXED ASSETS</b>					
Construction work in progress	3		<b>36,625,981</b>		27,937,905
<b>CURRENT ASSETS</b>					
Debtors and prepayments	4	<b>4,604,152</b>		3,940,292	
Bank and cash		<b>178,440</b>		3,756	
		<b>4,782,592</b>		<b>3,944,048</b>	
<b>CURRENT LIABILITIES</b>					
Creditors	5	<b>(4,782,592)</b>		<b>(3,944,048)</b>	
<b>Net current assets</b>			<b>-</b>		<b>-</b>
<b>Total Assets</b>			<b>36,625,981</b>		<b>27,937,905</b>
<b>Represented by:</b>					
Capital account	6		<b>36,625,981</b>		<b>27,937,905</b>
			<b>36,625,981</b>		<b>27,937,905</b>

The accounting policies on page 23 and the notes on pages 27 to 31 form part of these Financial Statements.

On behalf of the Board

**Harry Crosbie**  
Chairperson  
National Paediatric Hospital  
Development Board

**1 November 2012**

**Jim Farragher**  
Interim Chief Executive Officer  
National Paediatric Hospital  
Development Board

# CASH FLOW STATEMENT

for the year ended 31 December 2011



	Note	2011		2010	
		€	€	€	€
<b>Operating activities</b>					
Net cash flow from operating activities	7		-		-
<b>Returns on investments and servicing of finance</b>					
Interest received		93		4,078	
<b>Net cash inflow from investments and servicing of finance</b>					
			93		4,078
<b>Capital expenditure</b>					
Expenditure from HSE capital		(8,688,076)		(11,804,316)	
Add back: capital expenditure payable/accrued		833,438		418,314	
<b>Net cash outflow from capital expenditure</b>					
			(7,854,638)		(11,386,002)
<b>Net cash outflow before financing</b>					
			(7,854,545)		(11,381,924)
<b>Financing</b>					
Capital grant received from HSE		8,029,229		11,363,336	
<b>Net cash inflow from financing</b>					
			8,029,229		11,363,336
<b>(Decrease)/increase in cash in the year</b>					
			174,684		(18,588)
<b>Reconciliation of net cash flow to movement in net funds</b>					
Increase/decrease in cash in the year			174,684		(18,588)
Net funds at 1 January 2011			3,756		22,344
<b>Net funds at 31 December 2011</b>					
			178,440		3,756

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2011



## 1 Income and expenditure account

Included in the expenditure for the year are the following charges:

	2011 €	2010 €
<i>(i) Auditors' remuneration</i>		
- Charge for the year	7,600	10,340
- Credit in respect of prior year	-	(5,830)
	<u>7,600</u>	<u>4,510</u>
<i>(ii) Board members' fees and expenses</i>		
Remuneration	17,500	28,000
Travel expenses		
- Board attendance	1,573	2,468
- Board business	-	1,721
	<u>1,573</u>	<u>4,189</u>

The list of persons who were Board members during the year is contained in page 3 of the financial statements. Ms Norah Casey and Ms Linda Dillon are each in receipt of Board Members fees of €7,000 per annum. Ms. Kathryn D'Arcy and Ms. Vera Wenger, who were in receipt of fees, both resigned from the Board in January 2011. All other Board Members have waived their entitlement to fees.

## 2 Employees

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

	2011	2010
Executive	<u>2.0</u>	<u>2.5</u>

Included in the expenditure for the year are the following payroll related costs.

	2011 €	2010 €
Payroll costs*	349,245	406,792
Social welfare costs	7,953	7,704
Pension costs	7,900	7,900
	<u>365,098</u>	<u>422,396</u>

\*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.

The secondment arrangement applied to the former Chief Executive Officer (CEO) who resigned as CEO of the Board during the year. The total cost recharged in the year up to the date of resignation by the respective employer was €103,470 (2010: €164,243) including a basic salary amount of €81,055 (2010: €129,733) and a charge of €20,264 (2010: €32,433) for superannuation commitments in accordance with the Department of Finance guidelines for Public Sector Employees on secondment to the National Paediatric Hospital Development Board. There were no performance related payroll costs incurred in relation to the CEO or interim CEO for the year ended 31 December 2011.



### 3 Fixed assets – construction work in progress

	2011	2010
Cost	€	€
At 1 January 2011	27,937,905	16,133,589
Additions	8,688,076	11,804,316
At 31 December 2011	<u>36,625,981</u>	<u>27,937,905</u>

#### 3.1 Analysis of expenditure

A summary analysis of expenditure included in construction work in progress is included below. Some of the prior year figures have been re-classified in line with those of the current year.

	Cumulative at 31		
	December 2011	2011	2010
	€	€	€
(i) Business Services Team	23,036,898	3,677,986	6,586,779
(ii) Project Management Services Team	3,046,823	258,047	1,612,782
(iii) Integrated Design Team	5,766,899	2,466,795	2,572,284
(iv) Administration/other costs	4,775,361	2,285,248	1,032,471
	<u>36,625,981</u>	<u>8,688,076</u>	<u>11,804,316</u>

#### (i) Business Services Team

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.

#### (ii) Project Management Services Team

The Project Management Services Team was appointed in 2009 to manage the design, construction, equipping and commissioning of the new Children's Hospital of Ireland and the Ambulatory and Urgent Care 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.

**(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 Ambulatory & Urgent Care 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 2011

	Cumulative at 31		
	December 2011	2011	2010
	€	€	€
Payroll costs	1,498,240	365,098	422,396
Board Fees	117,833	17,500	28,000
ICT	377,402	105,053	207,405
Legal Expenses	635,647	481,402	94,599
Other professional fees	394,284	104,240	136,094
Office expenses	302,955	121,447	19,013
Communications	136,516	98,183	38,333
Stakeholder consultation	102,223	12,186	37,477
Travel expenses	42,052	2,634	28,226
Audit fees	29,110	7,600	4,510
Insurance	35,080	11,972	15,260
Planning Expenses	957,904	957,854	-
Other administration expenses	146,115	79	1,158
	<u>4,775,361</u>	<u>2,285,248</u>	<u>1,032,471</u>

**4 Debtors**

	2011	2010
	€	€
Health Service Executive grants due (Note 9)	4,591,094	3,932,340
Other debtors and prepayments	13,058	7,952
	<u>4,604,152</u>	<u>3,940,292</u>



**5 Creditors: amounts falling due within one year**

	2011	2010
	€	€
Trade creditors	4,237,114	73,730
Accruals	545,478	3,870,318
	<u>4,782,592</u>	<u>3,944,048</u>

**6 Capital account**

	2011	2010
	€	€
Balance at 1 January 2011	27,937,905	16,133,589
<b>Additions</b>		
Transfer from Income and Expenditure Account	8,688,076	11,804,316
Balance at 31 December 2011	<u>36,625,981</u>	<u>27,937,905</u>

**7 Reconciliation of surplus / (deficit) to net cash flow from operating activities**

	2011	2010
	€	€
Surplus / (deficit) for the year	<u>-</u>	<u>-</u>

**8 Capital commitments**

At 31 December 2011, the Board had the following capital commitments:

	2011	2010
	€	€
<b>Contracted for but not provided in the financial statements</b>		
Within 1 year	5,139,808	7,770,930
Between 1 and 2 years	4,800,402	5,544,366
Between 2 and 5 years	18,325,073	16,299,998
	<u>28,265,283</u>	<u>29,615,294</u>



## 9 Related parties

Advances and balances due from the Health Service Executive (HSE), which were all capital related, at the 31 December 2011 were:

	2011	2010
<b>Capital</b>		
Total capital grants notified by the HSE for the year	<b>18,000,000</b>	20,000,000
Opening balance due from HSE at 1 January 2011	<b>3,932,340</b>	3,495,438
Capital expenditure incurred in the year	<b>8,688,076</b>	11,804,316
Less: Remittances from the HSE in the year	<b>(8,029,229)</b>	(11,363,336)
Less: Other income	<b>(93)</b>	(4,078)
Balance due from the HSE as at 31 December 2011	<b>4,591,094</b>	3,932,340

## 10 Property Lease

The HSE provided the use of offices at 2-3 Parnell Square East, Dublin 1 to the NPHDB rent free for the period January to March 2011. In April 2011, the HSE vacated these premises and the NPHDB incurred monthly charges of €7,693 for the rental of these premises for the remainder of the year.

The NPHDB vacated these premises in March 2012, and now use offices provided by the HSE 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.

## 12 Post balance sheet events

In February 2012, An Bord Pleanála rejected the planning application to locate the new children's hospital on the site of the Mater Misericordiae University Hospital in Dublin. In response to this decision the Minister for Health, Dr. James Reilly, established an independent group to consider the implications of the decision of An Bord Pleanála and to consider the different options which now exist for progressing the construction of a national children's hospital.

The Independent Review Group, chaired by Mr. Frank Dolphin, submitted their report in June 2012 and final decision was made, by Government, in November 2012, that confirmed a site at St James's Hospital as the location for the new national children's hospital.

The Minister and the Government have re-affirmed their commitment to the construction of a national children's hospital as a Government priority.





