

**NATIONAL PAEDIATRIC HOSPITAL DEVELOPMENT BOARD
("NPHDB" or the "Board")**

**Minutes of the NPHDB Board Meeting held on Wednesday, 6 February 2019
from 16.00 to 19.15**

Herberton Boardroom, St. James Walk, Rialto, Dublin 8

Attendance (Board)

Tim Bouchier-Hayes (Chairman)
John Cole
Brian Fitzgerald
Karl Kent
Marguerite Sayers
Liam Woods
Lorcan Birthistle
Jonathan Hourihane
John Martin
Paul Quinn

Attendance (Other)

John Pollock, Project Director
Fred Barry* (Chairman Designate)
Phelim Devine*, Design Director
Jim Farragher*, Finance Officer
Norman Craig*, Commercial Advisor
Richard Fitzpatrick*, Director Project Controls
Pat Molloy*, Construction Director
Declan Holmes*, Commercial Director
Neil Vaughan*, Project Controls
Ray Hunt, On behalf of HMP Secretarial
Limited – Board Secretary
Bridget Gallagher, On behalf of HMP
Secretarial Limited – Board Secretary
Eilish Hardiman*, Children's Hospital Group
Rhonda Evans*, Communications Manager
Angie Kinane*, Q4

**For part of the meeting only*

Apologies

Anne Butler

1.	Quorum & Chairman
	<p>The Chairman noted that a quorum, being five Board Members, was present and the meeting proceeded to business.</p> <p>The Board welcomed the Chairman Designate to the meeting and noted the resignation of the former Chairman, Tom Costello, in the preceding days. It was requested that the minutes note the Directors' gratitude to Mr Costello for the enormity of his contribution and commitment to the Board and to the project.</p> <p>The Board Indicated its continued support of the Executive and acknowledged their significant and ongoing efforts with respect to the project. The Board emphasised the value and importance of having the National Children's Hospital completed and of remaining focused on that objective, notwithstanding the challenges that may arise.</p>
2.	Declarations of Interest or Conflicts of Interest
	<p>In accordance with Section 19 of Statutory Instrument 246/2017, Mr Hourihane disclosed to the Chairman that he was a Director on the Board of the National Children's Research Centre and, for this reason, would abstain from any discussions or decisions that may arise during the presentation from the Children's Hospital Group later in the meeting.</p> <p>The remaining Directors confirmed that there were no new declarations of interest or conflicts of interest to be disclosed.</p>
3.	Design Team Presentation
	<p>The Board had previously requested a meeting with the Design Team Principals in order to reinforce the message regarding the need to protect the Guaranteed Maximum Price ("GMP").</p> <p>IT WAS NOTED THAT this meeting had taken place prior to the Board meeting and that the Design Team Principals had made a presentation to the Board which addressed, <i>inter alia</i>, their approach and methodology to protecting the GMP.</p>
4.	Previous Minutes
	<p>The Board reviewed the Minutes of the Board Meeting held on 9 January 2019.</p> <p>Following consideration, IT WAS RESOLVED THAT the Minutes be and are hereby approved for signature by the Chairman.</p>
4.2	Action Items arising from Minutes
	<p>The Board reviewed the current actions on the Action List and the following updates</p>

were provided:-

(i) Action 60:

It was noted that the Board Skills Review and Self-Evaluation Survey would be completed at a later date.

(ii) Action 60a

It was noted that a report on Mazars' external review on the NPH Team, Structures and Governance (the "**Mazars' Report**") was to be developed with the Executive and Audit & Risk Committee.

(iii) Action 66:

It was advised that the proposed date for submitting a programme in relation to Fire Certificates was 31 March 2019. An overview of resultant potential savings was provided to the Board.

(iv) Action 83:

It was noted that a report on Mazars' GMP Cost Escalation Report had been provided in draft form to the Department of Health ("**DoH**") and that this report would be finalised and provided to the Board. It was requested that the Board also be provided with an action plan for addressing any findings within the Mazars' GMP Cost Escalation Report and that the Chairman Designate be provided with a copy of the draft Report in the Interim **(AP102)**. It was noted that the action relating to a more detailed review of the GMP process remained open depending on the PWC review and the Aecom Review.

(v) Action 90:

In relation to KPIs, it was noted that the Executive was meeting the following week to agree a system for finalising Design Team performance and that this would be brought back to the Board for its consideration.

(vi) Action 97:

In regard to the status of the production of a mock-up single room unit, it was noted that a workshop was taking place the following day and that a completion date of July 2019 was anticipated. It was requested that the Chairman Designate be provided with an opportunity to view the mock-up **(AP103)**.

(vii) Action 98:

In relation to the Board's request to emphasise the importance to BAM of adhering to the completion timelines set out in their contract in circumstances where certain work was behind schedule, it was confirmed that BAM were working to get back on schedule and that engagement was ongoing to ensure work was completed on schedule.

(viii) Action Point 100:

It was noted that the Board would receive a presentation from Mr Frank

	<p>McGuinness in relation to the Electronic Healthcare Record programme, its backstop and milestones at a later date.</p> <p>The Secretary undertook to update the Action List in accordance with the updates provided.</p>
5.	S.I. Remit
5.1	Project Update
	<p>(i) Guaranteed Maximum Price</p> <ul style="list-style-type: none"> Oireachtas Committees <p>The Board noted the meetings that had taken place during January 2019 with the Joint Oireachtas Committee, DoH / Joint Oireachtas Committee and the Committee of Public Accounts ("PAC").</p> <ul style="list-style-type: none"> PwC Review and Terms of Reference ("TOR") <p>The Board discussed the TOR and noted the timeframe for completion of PwC's review of 29 March 2019.</p> <p>IT WAS NOTED THAT the Board welcomed the review and that PwC had the full support and cooperation of the Board and the Executive with its completion.</p> <p>The Board discussed the substantial volume of work involved with the exercise and requested that attention be given to ensuring that requisite resourcing was in place to deal with the increased workload. IT WAS AGREED THAT all information requested by PwC should be provided in a time efficient manner.</p> <p>IT WAS NOTED THAT, in order to streamline and make the information sharing process more efficient, a protocol was being drafted which was hoped to be finalised that evening.</p> <p>A discussion ensued with respect to any disclosure restrictions that may apply to documents. IT WAS AGREED THAT it would be prudent to obtain written confirmation from the external stakeholders / Contractors regarding the permissibility of sharing all documents with PwC (AP104).</p> <p>The Board discussed if there was a requirement to obtain agreement from external parties in advance of sharing information that concerned them with PwC. It was noted that such agreement would only need to be obtained where confidentiality clauses were in place. IT WAS AGREED THAT documentation would be reviewed for the presence of such confidentiality clauses and, where present, the contracting parties' agreement would be obtained in advance of the relevant documents being shared with PwC (AP105).</p>

IT WAS AGREED THAT a schedule of documents being provided to PwC would be maintained and this would include the dates on which documents were requested and provided **(AP106)**.

- **Commercial Presentation**

The Commercial Director made a presentation to the Board.

IT WAS NOTED THAT the approved GMP budget was EUR€1.433 billion; that EUR€1.254 billion had been committed to date, including Phase B, and that EUR€261 million had been spent to date.

IT WAS FURTHER NOTED THAT there were no changes to how the GMP was tracking from the previous reporting period.

The Commercial Director reported cashflow figures to the Board. In relation to the early warnings previously detected, it was advised that the Finance Committee had considered these in detail. The Board was advised of the total anticipated final account figure, which was being carried forward to the overall cost report. It was noted that an issue may arise with 2021 cashflow figures but further assessment by Linesight was required. It was also noted that cashflow was being monitored against projections by the HSE on a monthly basis and that, on a quarterly basis, any unused funds would be taken back by the HSE.

The precision required around the cashflow process was noted. The Board discussed the inclusion of philanthropy donations therein.

It was advised that there was a contingency in place to address the risk associated with the impending refurbishment of the Tallaght site. The Board were provided with an overview of the contingencies in place and their corresponding amounts.

- **Aecom Review**

The Commercial Advisor discussed with the Board the scope and conclusion of the Aecom MEP Review.

The Board was advised that it was intended to expand the scope of this review to ascertain additional information, including the reason(s) for the significant variance in cost and why quantities had changed. It was noted that Aecom had declined to extend the scope of its review and that work with respect to identifying an alternative firm was ongoing. It was advised that a proposal in respect of the new firm would be made to the Board, once available.

It was confirmed that it was preferable to complete this extended review as expeditiously as possible.

The Chairman Designate was not present for the following agenda items, (ii), (iii) and (iv).

(ii) Design Update

It was advised that a list of priorities for the Design Sub-Committee had been drafted and that these would be circulated to the Board **(AP107)**.

It was noted that now the project had moved to construction phase, there were similarities between the roles being performed by the Design Sub-Committee and the Construction Sub-Committee. It was suggested that a discussion regarding the role of each ought to take place and it was agreed this would be done at a later date **(AP108)**.

It was noted that the Connolly satellite centre was nearing completion and that work was being undertaken regarding quality assurance and lessons learned to be fed back to the main project. The Board discussed when it would be appropriate to visit the finalised site. Following discussion, it was agreed that a Board meeting would be held from the Connolly satellite centre in or around May 2019 and that a site visit would take place in advance of the Board meeting **(AP109)**.

(iii) Construction Update

The Board were provided with a "Construction Dash Board Report" dated January 2019.

The Board noted an update provided in relation to Health and Safety during the period.

A detailed update in respect of the main construction works of the North and South and the satellite centres at Connolly and Tallaght was presented. In relation to certain works being behind schedule by approximately three weeks, it was noted that BAM was working to address this. The Board queried if there was any issue with respect to BAM securing additional personnel for its workforce and it was confirmed that an additional forty to fifty personnel were starting work the following week. It was noted that the Contractor's biggest challenge was logistics. The Board queried if controls were in place to ensure that payments to contractors made were in line with legal requirements and it was advised that audits were being performed to ensure this was taking place.

The Board noted Key Project Milestones and suggested that it may be helpful to reference completion times in quarters.

(iv) Equipping and Managed Equipment Service ("MES") Decision

The Board noted its discussion from the previous Board meeting in relation to the MES position and that the matter had also been considered at the Procurement Sub-

	<p>Committee.</p> <p>IT WAS AGREED THAT it was in the interests of the project to proceed with traditional procurement in light of previous discussions with the Department of Public Expenditure & Reform ("DPER") and available timeframes. Reluctantly it was concluded that, in order to protect the overall project budget and timeline, it would be necessary to adopt traditional procurement for imaging technology.</p> <p>Following due consideration, IT WAS RESOLVED THAT traditional procurement would be used to source Healthcare Imaging Technologies.</p>
5.2	Finance
	<p>(i) Finance Results December 2018</p> <p>A report of the financial results for December 2018 was presented to the Meeting, copies of which had been circulated to the Board in advance and which were taken as read.</p> <p>The performance of an "Actual costs versus budget for 2018" review was highlighted and it was noted that this had been circulated to the Board.</p> <p>(ii) Finance Sub-Committee Update</p> <p>The Board noted the Minutes of the Finance Sub-Committee dated 9 January 2019 and 30 January 2019.</p> <p>Following consideration, and following recommendation for Board approval by the Finance Sub-Committee, IT WAS RESOLVED THAT the following Orders be and are hereby approved:-</p> <ul style="list-style-type: none"> • Change Order 281 for BAM on Connolly for EUR€289,861 plus VAT; • Purchase Order for Eir for €107,000, and; • Purchase Order for Cardiac Services for EUR€125,000.
6.	Correspondence
	<p>The following correspondence was noted by the Board:-</p> <ul style="list-style-type: none"> • Email from DoH regarding Procurement Strategy dated 23 January 2019; • Letter from NPHDB to BAM regarding site safety issues dated 24 October 2018; • Letter from NPHDB to BAM regarding site safety performance dated 26 November 2018;

	<ul style="list-style-type: none"> Letter from BAM to NPHDB regarding site safety performance dated 7 December 2018, and; Linesight Commitment and Acceptance Letter dated 7 January 2019.
7.	Any Other Business
	<p>(i) Update from the Audit Committee</p> <p>The Board was advised that following completion of a tender process for Internal Audit, Mazars were the preferred tenderer.</p> <p>(ii) Signatory for Authorising Payments</p> <p>It was noted that Mr Costello had been one of two signatories for authorising payments for and on behalf of the Board. It was agreed that, in his absence, it was prudent to appoint a second signatory until such time as the Chairman Designate's appointment became effective.</p> <p>Following consideration, IT WAS RESOLVED THAT Mr Bouchier-Hayes be and is hereby approved as a second signatory to approve payments for and on behalf of the Board.</p> <p><i>Ms Hardiman was present for the following agenda item, (iii), only</i></p> <p>(iii) Presentation from Children's Hospital Group ("CHG")</p> <p>Mr Hourihane abstained from the following discussions and/or decisions on the basis of his earlier disclosure of an interest.</p> <p>The Board discussed philanthropic donations with Ms Hardiman and the structure in place for how these were obtained. It was noted that Ms Hardiman would hold discussions with the DoH and CHI Board and revert in due course to the Board with more detail in relation to the philanthropic donations.</p> <p>The Board referred to the PwC Review being undertaken and advised Ms Hardiman that PwC had the full support and cooperation of the Board and the Executive in the completion of its review.</p> <p>The Board initiated a discussion regarding staffing for the satellite unit.</p> <p><i>The Board adjourned the meeting at 17:30 to hold a private session of board members only and the Board meeting reconvened at 18:00.</i></p> <p><i>Ms Evans and Ms Kinane joined the Board meeting and the Directors, Mr Pollock and the Secretary were the only original meeting participants present for the following agenda item, (iv).</i></p>

	<p>(iv) Communications Manager Update</p> <p>The Board discussed with Ms Evans and Ms Kinane the media's portrayal of the project and how this was being addressed.</p> <p>It was requested that the Board receive a copy of recent responses being provided to the media (AP110).</p>
8.	<p>Board Supporting Documentation</p> <p>The following documentation was noted by the Board:-</p> <ol style="list-style-type: none"> 1. Design Team Principals' Presentation 2. Draft Minutes of the Board Meeting held on 9 January 2019; 3. List of Action Items; 4. Project Update, January 2019; 5. Commercial Update Including Aecom Review, February 2019; 6. Financial Results, December 2018; 7. Draft Finance Sub-Committee Meeting Minutes, 9 January 2019 and 30 January 2019; 8. Draft Design Sub-Committee Meeting Minutes, 9 January 2019; 9. Draft Construction Sub-Committee Meeting Minutes, 30 January 2019; 10. Draft Procurement Sub-Committee Meeting Minutes, 21 January 2019; 11. CHP&P Steering Group Meeting Minutes, 17 December 2018; 12. CHP&P Board Meeting Minutes, 12 December 2018 13. Independent Review of the New Children's Hospital Project Letter and Terms of Reference 14. PWC Requested Documents Tracker
9.	<p>List of Supporting Documentation Available at Board Meeting</p> <ol style="list-style-type: none"> 1. Construction Dashboard, January 2019;

Next Meeting:

6 March 2019 in the Boardroom, Herberton, St. James Walk, Rialto, Dublin 8 at 16.00hrs.



Tim Bouchler-Hayes
Chairman