

2018

Annual Report



NATIONAL
PAEDIATRIC
HOSPITAL
DEVELOPMENT
BOARD

**DESIGN
BUILD
EQUIP**

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



▲ CONCEPT IMAGE OF SINGLE BEDROOM



▲ CONCEPT IMAGE OF NEW CHILDREN'S HOSPITAL



▲ CONCEPT IMAGE OF ROOFTOP GARDEN



▲ CONCEPT IMAGE OF NEW CHILDREN'S HOSPITAL



▲ AERIAL VIEW OF SITE AT NEW CHILDREN'S HOSPITAL



▲ CONCEPT IMAGE OF NEW CHILDREN'S HOSPITAL



▲ AERIAL VIEW OF NEW CHILDREN'S HOSPITAL



▲ HEALTH IN A BOX GRADUATION

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General Information

National Paediatric Hospital Development Board

Project Office	Block A, Herberton, St. James's Walk, Rialto, Dublin 8.
Bank	Ulster Bank 2-4 Lower O'Connell Street Dublin 1
Auditor	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1
Solicitors	McCann Fitzgerald Riverside One Sir John Rogerson's Quay Dublin 2



The Board

About the National Paediatric Hospital Development Board

The National Paediatric Hospital Development Board (NPHDB) was established by the Minister for Health & Children by Statutory Instrument (S.I.) 246 of 2007 on 23rd May 2007.

The NPHDB is responsible for planning, designing, building, equipping and furnishing a new children's hospital in accordance with the high-level framework brief which was commissioned by the Health Service Executive (HSE). The brief includes advice on the preferred national network of paediatric care, on the core services to be delivered at the new children's hospital, and on the additional range of services to be provided outside of the main hospital. This includes an assessment of the range of services to be provided through the paediatric outpatients and urgent care centres (OP & UCCs), and the preferred location(s) for these services, taking account of international best practice in the planning of children's hospital services.

Functions of the NPHDB

The functions of the NPHDB, as outlined in S.I. 246 of 2007, and as amended by the Children's Health Act 2018, are:

- to plan, design, build, furnish and equip a national paediatric hospital ('the new children's hospital') in accordance with a brief approved by the Health Services Executive ('the HSE') with the prior consent of the Minister, and subject to any subsequent variations to this brief as may be determined by the HSE in consultation with the NPHDB, and with the prior consent of the Minister; and
- do any other thing as is necessary for the performance of its functions.

The 'other' functions of the NPHDB are currently undertaken by Children's Health Ireland. Responsibility for the 'other' functions passed to the Children's Hospital Group (CHG) / Children's Health Ireland (CHI) on the 13th September 2013, as set out in an operational agreement between the NPHDB, the CHI and the HSE and approved by the Department of Health (DoH).

On the 1st January 2019 the CHG was replaced under legislation by CHI. CHI is now the entity that governs and delivers acute paediatric services currently at Crumlin, Temple Street and Tallaght.

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Membership of the NPHDB

Under the terms of the Statutory Instrument, the Minister for Health may appoint thirteen members to the Board – a Chairperson and twelve ordinary members. Details are set out in the Governance Statement and Board Members Report on Page 15.



▲ NEW PAEDIATRIC OUTPATIENT AND URGENT CARE CENTRE
CHILDREN'S HEALTH IRELAND (CHI) AT CONNOLLY IN BLANCHARDSTOWN



▲ BALLOON TREE - NEW PAEDIATRIC OUTPATIENT AND URGENT CARE CENTRE
CHILDREN'S HEALTH IRELAND (CHI) AT CONNOLLY IN BLANCHARDSTOWN

Chairperson's Statement

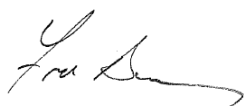
The highlight of 2018 was that the Government committed fully to the construction of the new children's hospital. After decades of reports, studies and analysis, the hospital is now becoming a reality. This new hospital will be amongst the best healthcare facilities in the world and will transform the provision of children's health services in Ireland.

It hasn't been plain sailing in getting to this point. The realisation that the development costs would be much higher than had been expected originally caused a significant level of concern, but notwithstanding the original underestimation of the costs involved, it is broadly accepted that the vast improvement in health service provision that will result from the new hospital and paediatric outpatients and urgent care centres at Tallaght and Connolly Hospitals will be an excellent return on the investment of public monies involved.

On behalf of the Board, I would like to thank all of those who have assisted and supported the project throughout 2018. We would like to acknowledge the former Chair, Mr. Tom Costello, and Project Director, Mr. John Pollock, for their commitment and dedication to the project. Both served more than five years and contributed very significantly to the project over that time. We wish to thank the Board, Executive Management Team and staff at Children's Health Ireland (CHI) for their guidance and assistance and we look forward to working with them over the coming years to ensure we deliver the hospital that we can all be proud of. We also wish them every success with CHI at Connolly Blanchardstown which opened in July 2019. We would like to thank our closest neighbour, the Board and Management Teams at St. James's Hospital, for their support in assisting our project team with progressing the construction. We would also like to thank the Department of Health and the Health Service Executive for the invaluable advice and guidance that we have received to date.

A public project of this scale requires strong political support if it is to be delivered. I would like to acknowledge that throughout the difficulties arising from the cost underestimation, the Government, An Taoiseach Leo Varadkar T.D. and Minister for Health, Simon Harris T.D., have been unwavering in their support for the development of the new children's hospital.

Finally, I would like to acknowledge the dedication and commitment of my fellow Board members, of our staff, and of the design team. Without them, there could be no children's hospital.



Fred Barry

Chairperson

National Paediatric Hospital Development Board

Date: 09 October 2019

Project Overview

The new children's hospital (NCH), co-located with St James's Hospital in Dublin 8, will be a world-class, child-focused facility, supported by the two new paediatric outpatients and urgent care centres (OP & UCCs) at Tallaght and Connolly Hospitals, delivering optimum healthcare to Ireland's children, equal to the highest international standards. The NCH will:

- Provide national tertiary paediatric care for Ireland's children and young people; combining onto one site the clinical services currently being provided at Our Lady's Children's Hospital, Crumlin; the Children's University Hospital, Temple Street and the National Children's Hospital, Tallaght;
- Treat children up to the eve of their 16th birthday, with children in the system treated up to eve of their 18th birthday. Programmes for transition of children to adult services will commence early and be completed by their 18th birthday unless in specific circumstances where clinical outcomes are proven better under paediatric services;
- Expand the role of the paediatric outpatients and urgent care centres at the NCH and at Tallaght and Connolly Hospitals and reduce reliance on inpatient treatment, in line with international trends and best practice;
- Deal with higher levels of acuity among inpatients;
- Support and enable the transformation of paediatric healthcare services in Ireland through working closely with the National Paediatric Programme in its implementation of the new national model of care;
- Be the driving force behind a move towards home-based care, wherever clinically appropriate;
- Support efficiencies through innovative campus-wide sharing and use of clinical and non-clinical services as appropriate at both the NCH and the OP & UCCs at Tallaght and Connolly hospitals; and
- Be the primary centre for paediatric research, education and training in Ireland.

PROJECT VISION

The NPHDB set out a bold vision for the project – 'to deliver one of the finest Children's Hospitals in the world.' And specifically, to deliver:

- A hospital for children, that provides a truly supportive and therapeutic environment for children and their families. All bedrooms are single bed en-suite with bed space for parent/guardian. Access is provided to extensive outdoor gardens and internal recreation spaces;
- A hospital with a layout, detailed design and construction quality that will facilitate the optimum delivery of all aspects of leading current and developing clinical practice. The NCH is designed to be a fully digital hospital with necessary ICT and Building Management Systems (BMS) infrastructure;
- A hospital that provides a safe and stimulating work environment for all staff. The design recognises the importance of staff wellness with a focus on excellent daylight, air quality and access to outdoor gardens and high-quality recreation and break out spaces;
- Lifecycle costings are included in the selection criteria for building systems and materials. All works are competitively bid in line with EU procurement rules;
- Ensure sustainable solutions are integrated into all stages of project life cycle. The NCH is designed to BREEAM (Building Research Establishment Environmental Assessment Method) 'Excellent' standard and BER (Building Energy Rating) A3 including the installation of the most efficient energy systems delivering 60-70% reduction in energy running costs when compared to the existing children's hospitals, and well in excess of the Government commitment to improve energy efficiency by 33% by 2020;
- A children's hospital which is successfully integrated with St. James Hospital (SJH) and in time with the new Maternity Hospital, including efficient approach to Shared Services; getting vacant possession of the site required decanting of 20,000sq.m of existing buildings and efficiently providing replacement accommodation on and off site; and delivering an integrated solution for access/traffic, logistics management and shared services for overall campus; and
- A hospital design which is sensitive to and positively enhances its urban setting and the quality of life of the local population. The hospital concourse will be one of the finest public spaces in Dublin. Significant improvements are included to access roads with public access to campus parks. From early 2014 the NPHDB had a comprehensive, meaningful and effective engagement programme with all stakeholders, particularly residents and community groups and, where possible, changes to the design of the hospital have been accommodated. The Community Benefit programme includes commitment to generate new entrant work opportunities including apprenticeships for the local community and raising aspirations through engagement with local schools. In seeking to deliver on this vision the NPHDB, CHI, SJH and The Coombe Women and Infants University Hospital are sponsoring an initiative with Dublin City Council (DCC) and the

IDA 'The Dublin 8 Health and Innovation Hub' – In its final report it sets out a vision 'to become a corridor of health innovation, generating significant growth in high value jobs as well as other benefits for Ireland over the medium to long term'.

The NCH will not only have a lasting impact on the health and wellbeing of children and young people but also provide a lasting benefit to the Dublin 8 community. This is a once-in-a-life time opportunity for the Dublin 8 community and it is right that everyone is working together to ensure that the vision is realised.

NPHDB Project Team

The work and responsibilities of the NPHDB continue to be discharged by the NPHDB Executive supported by the Sub-Committees and the primary focus for this year has been:

1. The construction of the basement and associated works for the NCH on the SJH campus during which all foundation work and piling activities were successfully completed along with the Drimnagh Sewer diversion;
2. Progressing the pre-Phase B/GMP process with the contractors to agree the adjusted contract sum for the construction of the NCH which concluded in November 2018. Following conclusion of the pre-Phase B/GMP process the NPHDB sought approval from the HSE and the DoH to the revised project budget and approval to this was received from the HSE on the 24th December 2018;
3. The successful completion and handover of the decant and crèche facility at Tallaght Hospital in November 2018, which enabled the construction of the OP & UCC at Tallaght commence; and
4. The construction of the OP & UCC at Connolly Hospital is now complete. It was handed over to CHI in May 2019 and successfully opened in July 2019.

Items 1 and 2 above were led and managed by the NCH design team whilst Items 3 and 4 were led and managed by the OP & UCC design team. The NPHDB inputted to these in the appropriate manner to ensure the requirements of the Board and end user (CHI) were addressed.

Children, Young People and their Families

The views of children, young people and their families are of paramount importance in planning the development and operation of the NCH. The design team worked with a panel of young people called the Youth Advisory Council (YAC) who are aged between 14 and 18 to engage their thinking. The YAC are current and former users of hospital services and have spent many hours talking to the team who are designing the NCH. They been involved in every step of the project - helping to inform the design, suggesting the inclusion of facilities and features that would help children and their families who stay in hospital for long periods of time. In addition to the Youth Advisory Council, a survey of the views of children under 8 years of age was completed to further inform the design of the NCH and we continue to engage with children, young people and their families to solicit their inputs.

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Hospital Staff

The delivery of a high performing children's hospital of international renown will be an achievement of the staff in the hospital. The role of the NPHDB is to develop a built environment and hospital to enable the attainment of this goal.

From an early stage the NPHDB has continued an extensive programme of engagement which is guided by senior corporate and clinical leaders from the three children's hospitals, with whom the Executive and design team meet regularly throughout the year.

Extensive and wide-ranging consultation will continue to be integral to the development and success of the project.

Design

The National Paediatric Hospital Project represents a 'once-in-a-lifetime opportunity' for all those involved in its design and implementation. Encompassing two new paediatric OP & UCCs at Tallaght and Connolly Hospitals as well as the NCH at St James's, it is the most significant capital investment project ever undertaken in healthcare in Ireland and is a core part of our transition to a new model of care for paediatric services.

To achieve this, the NPHDB set the vision to create "one of the finest children's hospitals in the world" – an aspiration which recognises the importance that the building itself can play in supporting the work of clinicians and creating an environment that is welcoming to children and their families and makes a real long-term impact on health outcomes.

The design concept gives the new hospital a strong identity that is unlike any other hospital. Deliberately so, as the intention is to break with the institutional mould of traditional hospital designs and create an innovative

environment – one that not only meets the highest clinical standards but is also uplifting, engaging and child and family-centred.

The design, now completed in detail and under construction, has evolved out of extensive dialogue with many stakeholders over the last number of years, including staff from the three children's hospitals, with families, young people and children who are former or current users of the service, and with local residents and businesses. This process, which also fostered integration and alignment of new ways of providing clinical care, has led to the development of a world class building, expressly designed for staff to deliver the best possible clinical care for children and young people.

The design also maximises the therapeutic benefits of outdoor space, daylight, natural ventilation, and break-out spaces for patients, families and staff that offer opportunities for learning, play and distraction as well as respite from the clinical environment. The entrances lead directly into the hospital from the LUAS, the South Circular Road and the underground car park will make access as convenient as possible for patients, visitors and staff.

Sustainability is embedded in the design of the hospital, which is targeting a BREEAM Excellent rating and will be the first large hospital development in Ireland to achieve this. It is recognised that this additional 3% capital investment will deliver reductions in operational costs over the long term. A whole-life costing approach has been adopted from the design of engineering services, maintainable building assets to clinical equipment selection. The NCH is also designed to achieve BER A3 including the installation of the most efficient energy systems delivering 60-70% reduction in energy running costs when compared to the existing children's hospitals, and well in excess of the Government commitment to improve energy efficiency by 33% by 2020.

The NCH is part of a coordinated masterplan for the St James's campus, aimed at integrating NCH with the existing adult and future maternity hospitals. This 'tri-location' represents the optimum clinical model, that will enable significant operational synergies between all three services. The project's scale and national importance is being harnessed as a catalyst for regeneration of surrounding neighbourhoods and businesses. Significant high-quality improvements to the surrounding transportation network and also to the public realm on and adjacent to the campus have been developed with local stakeholders as part of this long-term vision. Being the first smart digital public hospital in Ireland requires a capital investment in ICT data infrastructure that is world class. Healthcare innovation is evolving at a rapid rate and it is essential that the hospital is future proofed now to facilitate the optimum delivery of all aspects of current and developing clinical best practice. The supporting infrastructure is designed to optimise the integration of clinical equipment with an Electronic Health Records system (EHR) supported by a clinical command centre.

The following hospital facilities are required to deliver high quality, child-centred and family-focused services:

- The NCH will be tri-located with adult and maternity hospitals on a shared campus. It is envisaged that the Coombe Women and Infants University Hospital will also relocate to the same campus;
- The NCH will be 7 storeys at its highest, comprising of approx. 160,000m² of accommodation including the 1,000 space car park;
- Approximately 6,000 rooms in total in the NCH and the two paediatric OP & UCCs;
- 380 individual inpatient rooms, each with an en-suite and bed for a parent/guardian to sleep near their child;
- 93-day beds;
- 22 operating theatres and procedure rooms;
- 1,000 underground car parking spaces (675 of these for families which can be pre-booked and 31 emergency spaces outside the Emergency Department supported by a concierge);
- 4 acres of outdoor areas & gardens;
- 14 gardens and internal courtyards – including the Rainbow Garden which is the length of Croke Park; and
- 2 new paediatric OP & UCCs at Tallaght and Connolly hospitals.

Public Art Programme

In 2017, the CHI held an open competition seeking proposals for innovative artworks for the public spaces at the paediatric OP & UCCs at Tallaght and Connolly, and in the public spaces of the NCH including the waiting areas. This was a highly competitive process and seven contracts were awarded to eight leading artists to develop artworks for the entrances and concourse areas, including the parking areas and the 'frieze' of the NCH. The successful artists were Róisín de Buítléar, Jason Bruges Studio, Remco DeFouw, Vera Klute, Rhona Byrne, Ian Wilson, Gareth Kennedy and Martin Healy.

In 2018, these artists worked closely with the NPHDB design team and the CHI on the development of their proposed artworks to ensure that they are fully integrated into the design of the buildings. The artists also

engaged with children and young people attending the three children's hospitals, at Crumlin, Temple Street and Tallaght on the development of the works.

All of the artworks are conceived with a view to creating a child-friendly environment in the paediatric OP & UCCs and the NCH and were inspired by the hospital design, including the many gardens.

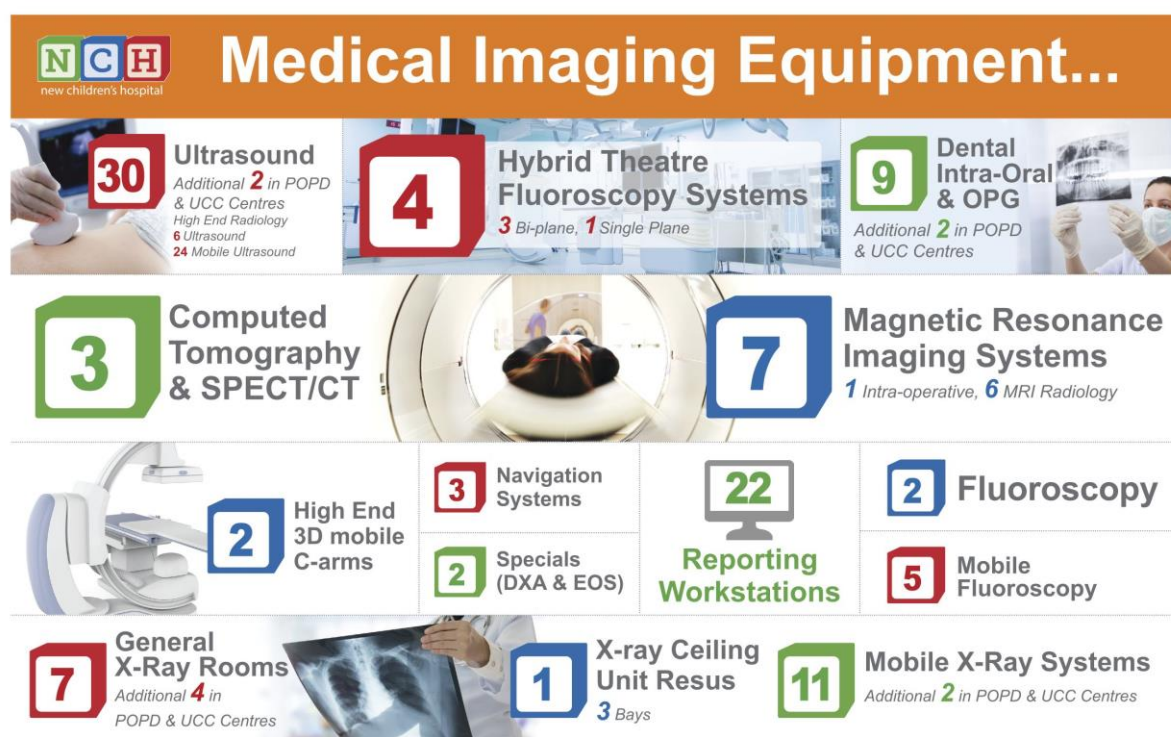
Children's Health Ireland - Integration Programme

On the 1st January 2019 the Children's Hospital Group (CHG) was replaced under legislation by Children's Health Ireland (CHI). CHI is now the entity that governs and delivers acute paediatric services currently at Crumlin, Temple Street and Tallaght. The CHI also has responsibility for the integration of these three existing hospitals into the children's hospital on the at the SJH campus and the two OP & UCCs at Tallaght and Connolly hospitals.

Information and Communications Technology (ICT)

The implementation of ICT in the NCH and the two paediatric OP & UCCs at Tallaght and Connolly is within the remit of CHI and they propose to implement an Electronic Medical Record (EMR) and an Enterprise Resource Planning (ERP) system.

ICT is a critical enabler in achieving this and will be embedded in all aspects of care delivery, service delivery and business management. The NCH and OP & UCCs have been designed with supporting building infrastructure so that ICT and automation can be deployed to all areas for use by staff, patients, parents and non-clinical services. In effect, the supporting building infrastructure has been designed to support the CHI in the delivery of a digital hospital.



Chief Officer's Report

The National Paediatric Hospital Development Board (NPHDB) was appointed in August 2013 to design, build and equip a new children's hospital. A planning application was lodged in August 2015 and in April 2016 An Bord Pleanála granted planning permission for the NCH, the OP & UCCs at Tallaght and Connolly Hospitals and related developments including the Children's Research and Innovation Centre (CRIC) and a family accommodation unit adjacent to the NCH.

In November 2018 following the completion of the second stage of the two-stage procurement process, the final Guaranteed Maximum Price (GMP) of the design, build and equipment programme for which the NPHDB is responsible was finalised at €1,433 million, €450m more than the estimate provided to Government in April 2017. After careful consideration the NPHDB recommended proceeding with the contract as it offered the best value for money and would ensure the completion of the NCH in the shortest possible timeframe. This recommendation was accepted by the HSE and the DoH and approved by Government.

In January 2019 the HSE commissioned a review to be undertaken by Price Waterhouse Coopers (PwC) into the escalation of cost on the project and recommendations were made within the published report in April 2019. The Board of the NPHDB have reviewed the report, acknowledged and noted the issues raised and recommendations set out in the PwC report and is developing an implementation plan.

Prior to the publication of the PwC report, the Board had identified and commenced implementing a number of key project changes, for example:

- Strengthening the executive with separate Chief Officer and Project Director roles;
- Establishing Commissioning and Project Controls workstreams within NPHDB;
- Management of Key Risks as a standing item at Board meetings;
- Agreed procurement strategy with stakeholders in relation to equipping the main children's hospital; and
- Application of performance based KPI's for the design team.

In addition, the NPHDB will continue to work with all stakeholders involved in this important project and will do all that is within its power to support the implementation of the PwC recommendations.

Update on the Construction and Project Timelines

The construction of the OP & UCC at Connolly Hospital is now complete. It was handed over to CHI in May 2019 and successfully opened in July 2019

Decant works at Tallaght University Hospital are now complete and the new crèche, changing facility and offices are open. Construction work on the 4600m² OP & UCC started in February 2019 and is due to open in 2020.

Construction work on the NCH on a shared campus with SJH is progressing well with basement excavation and piling now complete. The mechanical and electrical fit out of the basement plant areas has also commenced. Construction works on the NCH are scheduled to be completed in Q3 2022. This will be followed by a period of commissioning and it will open in 2023.

Community Benefit

The Community Benefit Programme for the NCH continued to make significant progress during 2018. So far, a total of 925 weeks of "new entrant" employment has been delivered due to the Community Benefit clause contained in our construction contract with BAM and carried through to all sub-contracts. New entrants are workers who have been previously long term unemployed, early school leavers, school-leavers, graduates or individuals new to construction, specifically recruited via the Department of Social Protection's Intreo offices, the local employment service and community partners. An additional 1,185 weeks of work were delivered by those living locally and a specific recruitment campaign in the area resulted in 7 young people taken on as apprentices by Jones Engineering.

A key focus of the community benefit clause in the contract has been on delivering tangible benefits to the local economy arising from the construction phase. Contractors working on the site have been encouraged to maximise their use of local businesses where feasible. Already BAM have estimated their spend in the area since coming on site to be over €2 million. The personal expenditure of staff is also an important contributor to the local economy and a staff survey of NPHDB and CHI staff, along with the BAM project team, was undertaken which showed the value of this to be in region of €688,000 per annum, an amount which will grow in line with the expanding construction workforce. Another notable achievement was the Community Benefit Programme pioneering two of the first "reserved contracts" under new Public Procurement guidelines which allows for the setting aside of suitable contracts for supported employment or social enterprises. Contracts for NPHDB/CHI office cleaning and in-house catering were awarded to two local social enterprises supporting not only the maintenance of local jobs but leading to direct job creation.

A second Careers Day in conjunction with our Contractors, Design Team Partners and Dublin Institute of Technology (now Technical University Dublin) was held in March 2018 highlighting the wide variety of job opportunities in construction with over 200 young people from local secondary schools in attendance. BAM, Mercury and Jones have followed this up with specific school visits to talk about career options, particularly apprenticeships, including encouraging girls especially, to consider careers in construction.

Finally, the Community Benefit Programme was responsible for developing an innovative hands-on educational programme for primary school pupils relating to health science, health career and health literacy. An initial pilot took place in during the summer term in St James's National School in Basin Lane delivered by NPHDB and CHI staff on their voluntary time. Following the very positive feedback from teachers and students alike it is hoped to roll this programme out further over coming years.

Resident Engagement

The new children's hospital Resident Project Monitoring Committee was established in late 2016 to develop a process for communication and dialogue and to manage and address residents' concerns and issues during the construction phase of the project and work as a collaborative group to mitigate and resolve these issues. This committee has provided a valuable communication vehicle between the Residents and the Project Team and met on 8 occasions during 2018 to share progress and work on any issues. All minutes of meetings are published on the www.newchildrenshospital.ie website.

Governance

The Board continued to ensure appropriate governance arrangements were in place through the NPHDB Executive and Sub-Committees to oversee the delivery of the NCH programme and manage those activities which were the responsibility of the NPHDB. The NPHDB continued to comply with the Code of Practice for the Governance of State Bodies (the "Code") through the NPHDB's Code of Governance Manual.

The NPHDB played a key role during the year on the Project Client Steering Group managing the interface between the CHI and the NPHDB. This Steering Group, chaired by the CEO of CHI, met monthly to review and discuss all aspects of the NCH and OP & UCCs programme.

During the year the NPHDB reported monthly to the Children Hospital Project and Programme (CHP&P) Steering Group on project matters, in particular the emerging costs associated with the pre-Phase B/GMP process and attended meetings chaired by the Chief Operating Officer of the HSE. The NPHDB also attended, when required, quarterly CHP&P Board meetings chaired by the Secretary General of the DoH.

Having received approval from the HSE to the revised project budget in December 2018, the NPHDB has commenced a review of the governance arrangements on the programme to ensure this is appropriate and fit for purpose to meet the future needs of the project as it moves through the construction, fit-out and commissioning phases.

Planning and Design

The design team are charged with completing the design for the NCH and procuring the various works contracts necessary for construction. The design team are architect-led and includes eight primary disciplines including, Architectural, Quantity Surveying, Mechanical and Electrical Engineering Services, Civil and Structural Engineering, Fire Consultancy Services, Planning Consultancy Services, Project Supervisor design process and Traffic Consultancy.

In 2018 the design for the NCH was largely completed leading to the agreement of the GMP. The design for the OP & UCC at Tallaght was completed taking into account any lessons learnt from the OP & UCC at Connolly and ongoing collaboration with the CHI. The design team have progressed amending fire and planning updates that are normally associated with projects of this scale and complexity across the OP & UCCs and the NCH developments.

Construction Contracts

Construction work progressed on all three sites during 2018.

Phase A works on the main site at SJH commenced in October 2017 and continued throughout 2018.

Construction on the new children's hospital is continuing with the structural frame now reaching roof level, in most advanced areas of the building, resulting in the building now being visible well above the hoarding. Basement excavation is over 95% complete and piling is also complete. The façade works on the south fingers adjoining the South Circular Road commenced in September 2019. A new permanent entrance to the St James's Hospital campus opened in September 2019 which allowed for excavation on the now closed central road. The removal of this closed central artery will facilitate the north and south side of the sites to be combined into one large build, a major milestone for the project, enabling the commencement of the mechanical and electrical work across the entire basement floors.

The adjusted contract sum and GMP for the main contract works was agreed with BAM and the reserved specialists with a recommendation on the way forward included. The instruction to commence phase B of the works was issued in January 2019.

Works at the OP & UCC in Connolly Hospital are now complete.

Decant works at Tallaght University Hospital to accommodate the new CHI paediatric OP & UCC are now complete and the new creche, changing facility and offices are open. Construction work on the 4600m² CHI paediatric OP & UCC started in February 2019 and is due to be completed in 2020.

Equipping

Detailed user engagement in 2018, specifically focused on equipping for the OP & UCCs at Tallaght and Connolly Hospitals, was concluded midway through 2018. To ensure best value for the exchequer, the procurement approach adopted was to avail of existing Health Business Services (HBS) frameworks, where doing so would deliver paediatric specific and acceptable equipment. The procurement process was led by NPHDB supported by HBS. The approach has allowed for a significant number of items to be procured using HBS frameworks. Where frameworks were not suitable, a procurement process was run by NPHDB, with the agreement of HBS. This approach has allowed for the timely execution of the equipping programme that is aligned with the overall build programme within NPHDB and the commissioning programme within CHI. The project first phase was for Connolly and the building was equipped on time and within budget. The second phase will be the draw down for Tallaght however, given the fact that the builds are almost mirrors of each other functionally, most of the procurement decisions are made and costs are now known for the Tallaght project as well. Phase two, the draw down for Tallaght, will be progressed in late 2019.

Detailed research and analysis was undertaken in 2016 and 2017 into the optimum methodology for procuring and managing medical equipment in the medium term. This work informed the Definitive Business Case and analysis suggested that using a Managed Equipping Services (MES) approach to procurement for the main site could add value. This approach was evaluated in detail with the support of external consultants but did not receive the necessary approval to proceed.

In February 2019 NPHDB recommended to revert to a traditional capital funded approach for equipment procurement and sought endorsement to this approach which was obtained. The capital costs of €68.6m associated with traditional procurement are included in the overall budget of €1,433m as sanctioned by Government in December 2018.

Risk Management

The NPHDB continued to ensure an appropriate risk management framework was implemented on the programme covering all key delivery workstreams.

Monthly risk meetings were held with the workstream leads and risk was reported to the Sub-Committees and the Board monthly or at least quarterly. Risks associated with the interface with CHI were managed through the joint and interdependent risk register and reported on at the monthly at the Project Client Steering Group meetings.

The management of risk associated with the Campus Shared Infrastructure and Associated Services Steering Group (CSIAS) on the St James's site was through the CSIAS Steering Group chaired by the CEO of SJH.

Campus Shared Infrastructure and Associated Services (CSIAS) – Sharing and Benefits

The shared services initiative on the SJH campus continues to be progressed and managed by the CSIAS, which generally met monthly. The focus of CSIAS continues to be the Facilities Management Logistics and a resource plan is being developed by the CHI and SJH to progress the implementation of both clinical and non-clinical services. The CHI has been engaging with Health Business Services (HBS) during the year to support the development of a business case for the Campus.

NPHDB Sub-Committees

The Sub-Committees of the NPHDB continued to meet during 2018 played a key role in supporting the project activities. The details of the Sub-Committees are set out on pages 15 to 16 of the report.

Budgets/Plans

In December 2018 following the completion of the second stage of the two-stage procurement process, the final cost of the design, build and equipment programme for which the NPHDB is responsible is now at €1,433 million, €450m more than the estimate provided to Government in April 2017. €319m of the additional cost relates to

construction costs, and the balance of €131m, which includes €50 million in VAT, relates to costs associated with staff, construction/design consultants, planning, design team fees, risk and contingency.

Conclusion

The NPHD Board and Executive Team have set about the task to design, build and equip a new children's hospital on the SJH campus and two paediatric OP & UCCs at Tallaght and Connolly hospitals in a competent and professional manner, putting in place the most appropriate structures and processes based on best international practice.

The Board and Executive are deeply disappointed with the significant cost increases which arose when the second stage procurement process was completed and acknowledge the challenges that these increases pose. Our focus now is on ensuring that all parties work safely and collaboratively and deliver a hospital of outstanding quality, a project we will all be proud of, one of the finest children's hospitals in the world, providing unsurpassed care for the nation's sick children for generations to come.

At the same time, we are very mindful of the Government's concerns to ensure that the project is indeed delivered within the agreed time and within the revised budget.

I would like to thank the board members of the NPHDB for their invaluable guidance, direction and support to the Executive team in 2018. I would also like to thank the NPHDB Executive members and the NPH project team including the design teams for their commitment, dedication and assistance throughout the year.

I am extremely grateful for the support of the Minister for Health, Mr Simon Harris TD and his Department officials, and for the guidance provided by several departments of the HSE, the Director General's Office, HSE Estates and Finance Office.

I wish to extend my thanks to the management and staff Connolly, Tallaght and St. James's Hospitals and Children's Health Ireland, to the children and young people, parents, public servants, community representatives, residents and the many other individuals and organisations who have engaged and supported the project throughout 2018.

This Project is a once in a lifetime Project. It is more than a construction project and more than a building. Once complete, it will help improve the lives of children, young people and families for generations.

David Gunning

Chief Officer

National Paediatric Hospital Development Board



The Digital Hospital Concept...

A **digital hospital** aims to be 'paperlite', utilising technology systems to streamline and automate processes.



Physical design of the building is based on it being a **digital hospital**. Our 'digital first' and mobile strategies will be supported by **wireless technologies** throughout the hospital.



Your hospital check-in will be **quick and easy** through the use of **Self-Service kiosks**.



We know that finding your way around a hospital can be stressful. Using **smartphone apps and interactive screens**, **wayfinding** will help guide you to your destination.



Your child's **key information** (allergies, current medications, etc.) will be captured once and available to you and all clinical staff through the **Electronic Healthcare Record (EHR)**.



The new hospital will be a **centre of excellence** for training healthcare professionals. To enhance learning, we will **stream live video** from operating theatres to the 3 lecture theatres in the hospital.



While your child is an inpatient, the **Patient Edu-tainment system** will provide you and your child with **health information** about your child's condition, **entertainment**, **food ordering** and **school education**.



Hospitals operate 24/7 with a constant movement of goods and supplies. This will be supported by **Automated Guided Vehicles (AGVs) or robots**.



Governance Statement and Board Members' Report

Governance

The Board of the NPHDB was established under Statutory Instrument (S.I.) No.246 of 2007 and amended by the Children's Health Act 2018. The functions of the Board are set out in section 5 of the S.I. and section 61 of the Children's Health Act 2018. The Board is accountable to the Minister for Health and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key project issues. The regular day-to-day management, control and direction of the NPHDB are the responsibility of the Chief Officer (CO) and the senior management team. The CO and the senior management team must follow the broad strategic direction set by the Board and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant tasks likely to arise. The CO acts as a direct liaison between the Board and the management of the NPHDB.

The NPHDB is responsible for planning, designing, building, equipping and furnishing a new children's hospital in accordance with the high-level framework brief which was commissioned by the Health Service Executive (HSE). The brief includes advice on the preferred national network of paediatric care, on the core services to be delivered at the NCH, 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 two paediatric outpatients and urgent care centres (OP & UCCs), and the location(s) for these services, taking account of international best practice in the planning of children's hospital services.

Functions of the NPHDB

The functions of the NPHDB are detailed on Page 4, information on the Board.

Board Responsibilities

The work and responsibilities of the Board are set out in the NPHDB Code of Governance manual, which also contain the matters specifically reserved for Board decision. Standing items considered by the Board include:

- declaration of interests;
- review and approval of minutes and action items;
- reports from committees;
- performance reports; and
- reserved matters.

Section 14 of the Statutory Instrument (S.I.) No.246 of 2007 requires the Board of the NPHDB to keep, in such form as may be approved by the Minister of Health with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

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

- select suitable accounting policies and then 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 it will continue in existence; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in financial statements.

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 14 of the S.I. No.246 of 2007. The maintenance and integrity of the corporate and financial information on the NPHDB's website, www.newchildrenshospital.ie, is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of the NPHDB by reference to the annual plan and budget is carried out on a monthly basis at the Board meeting. An evaluation of the yearly performance of the NPHDB by reference to the annual plan and budget was carried out at the Board meeting of 6th February 2019.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and the detection of fraud and other irregularities.

The Board considers that the financial statements of the NPHDB give a true and fair view of the financial performance and the financial position of the NPHDB at 31st December 2018.

The Children's Health Act 2018 has included the following sections relating to the Board:

- Section 62: Transfer of certain property, rights, and liabilities of the Board to Children's Health Ireland;
- Section 63: Dissolution of the Board;
- Section 64: Liability for loss occurring before dissolution day;
- Section 65: Provisions consequent upon transfer of functions, property, rights and liabilities to Executive;
- Section 66: Final accounts and final annual report to the Board; and
- Section 67: Cessation of membership of the Board.

The Children's Health Act 2018 was passed by Dáil Éireann on 7th November 2018.

Board Structure

The Board consists of a Chairperson, Deputy Chairperson and ten ordinary members, all of whom are appointed by the Minister of Health for a period of five years and meet on a monthly basis. The table below details the appointment period for current members:

Board Member	Role	Date Appointed	Date Retired	Date Resigned
Mr Tom Costello	Chairperson	02 August 2013		02 February 2019
Mr Tim Bouchier-Hayes	Vice Chairperson	02 August 2013		
Mr John Cole	Ordinary Member	02 August 2013		
Mr Brian Fitzgerald	Ordinary Member	02 August 2013		
Mr Karl Kent	Ordinary Member	02 August 2013		
Mr John Martin	Ordinary Member	02 August 2013		27 May 2019
Mr Paul Quinn	Ordinary Member	02 August 2013		19 July 2019
Ms Anne Butler	Ordinary Member	02 August 2013		
Ms Marguerite Sayers	Ordinary Member	02 August 2013		31 May 2019
Prof Hilary Hoey	Ordinary Member	18 October 2013	30 July 2018	
Mr Liam Woods	Ordinary Member	04 March 2015		
Mr Lorcan Birthistle	Ordinary Member	02 February 2016		
Mr Jonathan Hourihane	Ordinary Member	03 October 2018		03 September 2019

All Board members whose appointment expired on 2nd August 2018 were re-appointed for another 5 years.

The Board has commenced a Self-Assessment and Evaluation review for 2018 which will be completed in Q2 2019. The Governance Systems Review which was initiated in 2018 will be completed in Q3 2019.

The Board has established eight Sub-Committees, as follows:

1. **The Audit and Risk Sub-Committee (ARSC)** comprises three Board members and the NPHDB Executive. The role of the committee is to monitor and review the integrity of the financial statements, the management accounts and make recommendations to the Board; monitor and review the internal controls; review arrangements for Protected Disclosures; monitor and review the Internal Audit function, external auditors, risk management and governance.

The Board members of the ARSC are Brian Fitzgerald (Chair), Marguerite Sayers (Resigned 31.May.19) and Tim Bouchier-Hayes. There were 6 meetings of the ARSC in 2018.

2. **The Finance Sub-Committee (FSC)** comprises three Board members, one independent member and the NPH Executive. The role of the committee is to review and recommend the annual financial plan to the Board; monitor progress against project schedule and cash-flow/funding to complete the project on plan and update the Board; support evaluation of specific SAQ/tenders and report to the Board; and review and recommend change orders for approval to the Board.

The Board members of the FSC are Paul Quinn (Chair) (Resigned 19.07.19), Brian Fitzgerald and Tom Costello (Resigned 02.Feb.19). Jim Curran (Head of Estates, HSE) is the independent member. There were 13 meetings of the FSC in 2018.

3. **The Procurement Sub-Committee (PSC)** comprises three Board members, three independent members and the NPHDB Executive. The role of the committee is the identification and dissemination of best procurement practices; liaise as appropriate with other key stakeholders; and review the outcome from tender competitions and accept, approve or reject the outcome, ensuring best value for money from the procurement policies is delivered to the Board.

The Board members of the PSC are Tim Bouchier-Hayes (Chair), Paul Quinn (Resigned 19.07.19) and Tom Costello (Resigned 02.Feb.19). Jim Curran, Peter Finnegan (Principal Quantity Surveying Adviser, HSE) and Paul deFreine (Chief Architectural Advisor, HSE Estates) are the independent members. There were 4 meetings of the PSC in 2018.

4. The Organisational and Recruitment Sub-Committee (ORSC): With the implementation of the Children's Hospital Bill 2018, the workforce planning activity has transferred to the CHI. As this activity is no longer applicable to the NPH the ORSC has been disbanded and, in the interim, the Executive will update the ARSC with any H.R. related issues.

5. **The Healthcare Technology Sub-Committee (HTSC)** comprises two Board members, six independent members and the NPHDB Executive. The role of the committee is to ensure that timely procurement delivers the optimum equipping solution for the nch to allow world-class care to be delivered at best value.

The Board members of the HTSC are Marguerite Sayers (Chair) (Resigned 31.May.19) and Tom Costello (Resigned 02.Feb.19). Seamus Priest (Head of Procurement, Mater Group), Frank McGuinness (ICT Contract Manager, Children's Hospital Ireland (CHI)), Dr. Aisling Snow (Clinical Lead Radiology, CHI), Valerie Plant (CFO, CHI, resigned 31.Dec.18), Paul deFreine and Ger Flynn (National Lead Medical Equipment, HSE) are the independent members. There were 6 meetings of the HTSC in 2018.

6. **The Planning and Access Sub-Committee (PASC)** comprises three Board members, two independent members and the NPH Executive. The role of the committee is to monitor progress regarding planning, design, construction, access, risk and mobility management; report significant issues to the Board; identify risks and ensure they are communicated to the Board and adequately addressed by the design team, liaise with St. James's Hospital (SJH) and oversee ongoing engagement with the relevant county and city councils and An Bord Pleanála.

The Board members of the PASC are Karl Kent (Chair), John Martin (Resigned 27.May.19) and Anne Butler. Paul deFreine and Niall McElwee (Director of Capital Projects, SJH) are the independent members. There were 4 meetings of the PASC in 2018.

7. **The Design Sub-Committee (DSC)** comprises four Board members, three independent members and the NPH Executive. The role of the committee is to champion the pursuit of design excellence throughout the project; quality assure the procurement process, participate in regular reviews of the design development and make recommendations to the Board, liaise as appropriate with other key stakeholders and oversee the coordinated integration of a programme of art into the project design.

The Board members of the DSC are John Cole (Chair), Tom Costello (Resigned 02.Feb.19), John Martin (Resigned 27.May.19) and Karl Kent. Eilish Hardiman (CEO, CHI), Veronica Kavanagh (CCO, CHI) (Resigned 31.May.18), Deirdre Hegarty (CCO, CHI) and Paul deFreine are the independent members. There were 7 meetings of the DSC in 2018.

8. **The Construction Sub-Committee (CSC)** comprises two Board members, two independent members and the NPH Executive. The role of the committee is to deliver the project within budget and on schedule, engage with management and the project teams to oversee the progress and issues relating to the construction of the nch, the two outpatients & urgent care centres and to liaise, recommend and report to the Board; to liaise with the FSC and to advise as to construction progress and financial status of the project in comparison to budget; and to examine the impact of changes or potential changes to the budget and consider actions or proposals to enable savings to the budget to be achieved.

The Board members of the CSC are Tim Bouchier-Hayes (Chair) and Tom Costello (Resigned 02.Feb.19). Jim Curran and Paul deFreine are the independent members. There were 12 meetings of the CSC in 2018.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2018 is set out on the following page including the fees and expenses received by each member.

There were five Board members, Paul Quinn, Marguerite Sayers, Liam Woods, Lorcan Birthistle and Jonathan Hourihane, who did not receive a Board fee under the One Person One Salary (OPOS) principle. There was one Board member, Tim Bouchier-Hayes, who provided his services to the Board pro-bono.

Schedule of Attendance, Fees and Expenses												
	Board	ARSC	FSC	PSC	ORSC	HTSC	PASC	DSC	CSC	Fees 2018 €	Expenses 2018 €	
No of meetings	13	6	13	4	0	6	4	7	12			
Mr Tom Costello	12		9	0		0		0	6		636	
Mr Tim Bouchier-Hayes	12	6		3					11			
Mr John Cole	8							5		7,695	3,499	
Mr Brian Fitzgerald	13	6	13							7,695		
Mr Karl Kent	13						4	7		7,695		
Mr John Martin	13						4	6		7,695		
Mr Paul Quinn	11		12	4								
Ms Anne Butler	9				0		1			7,695		
Ms Marguerite Sayers	10	3				5						
Prof Hilary Hoey	9									6,150		
Mr Liam Woods	6				0							
Mr Lorcan Birthistle	7											
Mr John Hourihane	1										255	
Mr Jim Curran			7	1					9			
Mr Peter Finnegan				3								
Mr Paul deFreine				2		5	3	6	8			
Ms Fionnuala Duffy					0							
Mr Seamus Priest						5						
Mr Frank McGuinness						3						
Ms Aisling Snow						6						
Ms Valerie Plant						6						
Mr Ger Flynn						1						
Mr Niall McElwee							3					
Ms Eilish Hardiman								5				
Ms Veronica Kavanagh						2		3				
Ms Deirdre Hegarty						3		2				
										44,625	4,390	

Key Personnel Changes

There was one retirement (Prof Hilary Hoey) and one new appointment (Mr Jonathan Hourihane) during 2018.

Mr Tom Costello tendered his resignation and left the Board on 02 February 2019.

Mr Fred Barry was appointed as Chair of the Board on 09 April 2019.

Mr John Martin tendered his resignation and left the Board on 27 May 2019.

Ms Marguerite Sayers tendered her resignation and left the Board on 31 May 2019.

An Interim Project Director, Mr. Phelim Devine was appointed on 10 June 2019

Mr John Pollock tendered his resignation and left the NPHDB on 14 June 2019.

An Interim Chief Officer, Mr. Jack Golden was appointed from 07 June 2019 to 04 October 2019.

Mr Paul Quinn tendered his resignation and left the Board on 19 July 2019.

Mr John Hourihane tendered his resignation and left the Board on 03 September 2019.

Mr David Gunning was appointed as Chief Officer on 16 September 2019.

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that the NPHDB has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range		Number of employees	
From	To	2018	2017
€60,000 -	€69,999	2	4
€70,000 -	€79,999	4	3
€80,000 -	€89,999	1	1
€90,000 -	€99,999	1	0
€100,000 -	€109,999	1	1
€110,000 -	€119,999	1	1
€120,000 -	€129,999	0	0
€130,000 -	€139,999	0	3
€140,000 -	€149,999	1	0
€150,000 -	€159,999	1	0

18

Consultancy Costs

Consultancy costs are all outsourced "Business-as-usual" functions.

Legal Costs and Settlements

In 2018 the legal fees relating to the O'Reilly Avenue injunction proceedings amounted to €8,304.96. The legal fees and related costs are being claimed under the insurance cover that is in place.

Following the conclusion of the GMP for NCH Construction, agreement was reached following conciliation with the principal members of the design team concerning additional fees for prolongation, scope changes, alternative contractors proposals submitted by the main contractors, changes to planning applications and fire cert scope, additional resident staff, moving design team to site and strengthening of the design team functions.

The agreed settlement figure was €19.9m (net of VAT), with VAT at 23% of €4.6m, totalling €24.5m, of which €9.6m (gross of VAT) relates to and has been expensed in 2018. The balance of €14.9m (gross of VAT) is included in the Capital Commitments (Note 8).

Travel and Subsistence Expenditure

Travel and Subsistence Expenditure		
Travel and subsistence expenditure is categorised as follows:		
	2018	2017
	€	€
Domestic		
- Board	891	-
- Employees	4,202	718
International		
- Board	3,499	2,777
- Employees	9,037	10,900
Total	17,629	14,395

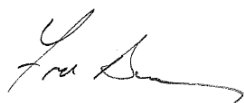
Hospitality Expenditure

There was no Hospitality Expenditure incurred in 2018.

Statement of Compliance

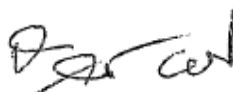
The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The NPHDB was in full compliance with the Code of Practice for the Governance of State Bodies for 2017.

On behalf of the Board:



Fred Barry
Chairperson

National Paediatric Hospital Development Board
Date: 09 October 2019



Brian Fitzgerald
*Board Member & Chairperson of Audit
& Risk Sub-Committee*

National Paediatric Hospital Development Board

Report of the Comptroller & Auditor General



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

The National Paediatric Hospital Development Board

Qualified opinion on financial statements

I have audited the financial statements of the National Paediatric Hospital Development Board for the year ended 31 December 2018 as required under the provisions of Section 5 of the Comptroller and Auditor General Amendment Act 1993. The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland* and comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, except for the non-compliance with the requirements of FRS102 in relation to retirement benefit entitlements referred to below, the financial statements give a true and fair view of the assets, liabilities and financial position of the National Paediatric Hospital Development Board at 31 December 2018 and of its income and expenditure for 2018 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis for qualified opinion on financial statements

In compliance with the directions of the Minister for Health, the National Paediatric Hospital Development Board accounts for the costs of retirement benefit entitlements only as they become payable. This does not comply with FRS 102 which requires that the financial statements recognise the full cost of retirement benefit entitlements earned in the period and the accrued liability at the reporting date. The effect of the non-compliance on the National Paediatric Hospital Development Board's financial statements for 2018 has not been quantified.

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the National Paediatric Hospital Development Board and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The National Paediatric Hospital Development Board has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Board members' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General
24 October 2019

Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of financial statements in the form prescribed under section 14 of the National Paediatric Hospital Development Board (Establishment) Order 2007 (SI 246/2007)
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under Section 5 of the Comptroller and Auditor General Amendment Act 1993 to audit the financial statements of the National Paediatric Hospital Development Board and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit

evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Paediatric Hospital Development Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the National Paediatric Hospital Development Board to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I find material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I find any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Certification of Chief Officer and Chairperson

For the year ended 31st December 2018

We certify that the financial statements of the National Paediatric Hospital Development Board for the year ended 31st December 2018 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 27 to 37 and the statement of accounting policies on pages 25 and 26, give a true and fair view of the state of affairs of the Board at 31st December 2018 and of its income and expenditure for the year then ended.

David Gunning
Chief Officer

National Paediatric Hospital Development Board
Date: 09 October 2019

Fred Barry
Chairperson

National Paediatric Hospital Development Board



new children's hospital

A world class children's hospital



6150 rooms in total

Located on **12** acres



the size of **6** soccer pitches



The size of Dundrum Town Centre, with an internal street the length of Grafton Street

380 individual, ensuite inpatient bedrooms each with a bed for parent



93 Day Beds



53 unit family accommodation facility



1,000 Parking Spaces

675 dedicated for families
31 emergency spaces at ground level

TRI-LOCATION



Tri-location with Adult Maternity hospitals on a shared campus

A Children's Research and Innovation Centre

1st public digital hospital





2 New paediatric outpatients & urgent care centres at Tallaght and Connolly Hospital



22 Operating theatres & procedure rooms (nch only)



4 acres of outdoor space with **14** gardens and courtyards

Statement on Internal Control

Scope of Responsibility

On behalf of the National Paediatric Hospital Development Board (NPHDB), we acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore 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 detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the NPHDB for the year ended 31st December 2018 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The NPHDB has an Audit & Risk Sub-Committee (ARSC) comprising three Board members and two executive members, with financial and audit expertise, one of whom is the Chair. The ARSC met six times in 2018.

The NPHDB has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the ARSC. The internal audit function is externally sourced.

The ARSC has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been made available to all staff who are expected to work within the NPHDB's risk management policies, and who are made responsible for alerting the Executive on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

Risk and Control Framework

The NPHDB has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the NPHDB and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARSC on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. We confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented;
- financial responsibilities have been assigned at Executive level with corresponding accountability;
- there is an appropriate budgeting system with an annual budget which is kept under review by the Executive;
- there are systems aimed at ensuring the security of the information and communication technology systems; and
- there are systems in place to safeguard the assets.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to the Executive and the Board, where relevant, in a timely way. We confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- there are regular reviews by the Executive of periodic and annual performance and financial reports which indicate performance against budgets and forecasts.

Procurement

We confirm that the NPHDB has a policy and procedures in place to ensure compliance with current procurement rules and guidelines and that during 2018 the NPHDB complied with those procedures.

Review of Effectiveness

We confirm that the NPHDB has procedures to monitor the effectiveness of its risk management and control procedures. The NPHDB's monitoring and review of the effectiveness of the system of internal financial controls is informed by the work of the internal and external auditors, the ARSC which oversees their work, and the Executive within the NPHDB responsible for the development and maintenance of the internal control framework.

We confirm that the Board conducted an annual review of the effectiveness of the internal controls in 2018.

Internal Control Issues

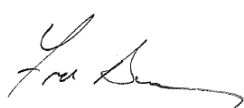
As set out in the Annual Report, the final Guaranteed Maximum Price (GMP) of the development of the Hospital and satellite centres was finalised at €1.433m in November 2018. This being €450m more than the estimate provided to the Government in April 2017.

The Board has set up a Committee to consider and address the recommendations of the Internal Audit (Mazars) Report and the HSE commissioned PWC report on the matter.

The increased cost of the project (as compared to the estimated cost) has been reviewed and approved by the Government, with corrective actions being put in place to address the key recommendations in the Reports, covering project control environment, performance monitoring and mitigation of residual risk for Phase B of the contract.

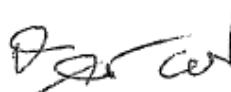
The leadership and governance of the NCH project has been reviewed and a new position of the Chief Officer (CO) identified, which has been permanently filled in September 2019. Following the departure of the Project Director the role is currently being filled on a temporary basis and the recruitment process for the position is progressing through the Public Appointments Service.

On behalf of the Board:



Fred Barry
Chairperson

National Paediatric Hospital Development Board
Date: 09 October 2019



Brian Fitzgerald
*Board Member & Chairperson of Audit
& Risk Sub-Committee*

National Paediatric Hospital Development Board
Date:

Statement of Accounting Policies

The basis of accounting and significant accounting policies adopted by the NPHDB are set out below. They have all been applied consistently throughout the year and for the preceding year.

1. Statement of Compliance

The financial statements of the NPHDB for the year ended 31st December 2018 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

2. Basis of Preparation

The financial statements have been prepared:

- i) under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Health with the concurrence of the Minister for Finance under the S.I. No.246 of 2007. The following accounting policies (3 to 13) have been applied consistently in dealing with items which are considered material in relation to the NPHDB's financial statements; and
- ii) on a going concern basis. While legislation has been drafted for the dissolution of the Board the legislation provides for the transfer of all assets and liabilities to the Health Service Executive. Accordingly, no adjustments to the carrying value of asset or liabilities were required.

3. Revenue

Oireachtas Grants

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

4. Expenditure

All expenditure, including administrative costs, incurred by the Board are recognised on an accruals basis and capitalised and transferred to construction work in progress and are not depreciated. All expenditure incurred is classified by cost type. As VAT is irrecoverable it is charged against the category for which it is incurred.

5. 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.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue reserves in the year.

6. Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period.

7. Payables

Payables are initially recognised at fair value. Payables are classified as current if payable within one year or less. If not, they are presented as non-current liabilities.

8. Capital Account

The capital account represents the unamortised value of funding applied for the purchase of fixed assets - Construction work in progress.

9. Retirement Benefits

The Public Service (Single Scheme and Other Provisions) Act 2012 became law on 28th July 2012 and introduced the new Single Public Service Pension Scheme ("Single Scheme") which commenced with effect from 1st January 2013. There are four employees of the NPHDB that are members of the Single Scheme.

In accordance with direction from the Minister of Health, pensions are accounted for on a pay as you go basis. The provisions of FRS 102 'Section 28: Employee Benefits' are not applied and the liability for the future pension benefits accrued in the year has not been recognised in the financial statements.

The provision of the superannuation liability for the twelve staff seconded to the Board during 2017, remains the responsibility of the respective employer body and not the NPHDB.

Other contributions are made to a PRSA pension contract. These contributions are funded out of capital income of the Board and are charged to the Statement of Income and Expenditure and Retained Revenue Reserves in the year in which they become payable.

10. Receivables

The balance due from the HSE represents expenditure accrued by the NPHDB for which funding has not yet been drawn down from the HSE. All other receivables are recognised at fair value.

11. Short-term Employee Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

12. Critical Accounting Judgement and Estimates

The preparation of the financial statements requires the Executive to make judgements, estimates and assumptions that effect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

There were no judgements required that had a significant effect on amounts recognised in the financial statements for 2018.

13. Community Benefit Oversight Group (CBOG)

In early 2015, a CBOG was established by the NPHDB and the CHI to promote active engagement between community interests and the hospital project. In 2018, the NPHDB paid salary costs on behalf of the CBOG. The CBOG was also funded by the HSE, Dublin City Council (DCC) and the CHI. Funding received by the CBOG is lodged to a separate bank account administered by the NPHDB and monies are transferred from the CBOG bank account to reimburse the NPHDB for expenses incurred by it on behalf of the CBOG.

While the NPHDB provides administrative support, the CBOG has established a governance and reporting structure and internal control processes for the CBOG. As a result, the transactions related to the operation of the CBOG are treated as follows in the NPHDB's financial statements:

- The NPHDB's financial statements recognise funding provided to the group as an administrative cost; and
- The CBOG's bank balance is recognised in the NPHDB's financial statements. The related debtors and creditors are also included. The CBOG's income and expenditure is disclosed only by way of a note to the NPHDB's financial statements. See note 5.

Statement of Income and Expenditure and Retained Revenue Reserves

For the year ended 31st December 2018

		2018	2017
	Note	€	€
Income			
Oireachtas grants	9	127,603,801	67,211,202
Total Income		<u>127,603,801</u>	<u>67,211,202</u>
Expenditure			
Administration & Operations	2	127,603,801	67,211,202
Total Expenditure		<u>127,603,801</u>	<u>67,211,202</u>
Surplus / (Deficit) for the Year before Appropriations		-	-
Transfer from/(to) the Capital Account	7	(127,603,801)	(67,211,202)
Transfer to construction work in progress	2	<u>127,603,801</u>	<u>67,211,202</u>
		-	-
Surplus / (Deficit) for the Year after Appropriations		-	-
Balance Brought Forward at 01 January		-	-
Surplus / (Deficit) for the Year at 31 December		<u>-</u>	<u>-</u>

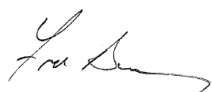
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All income and expenditure for the year relates to continuing activities at the balance sheet date.

The Statement of Income & Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year.

The Statement of Cash Flows and notes 1 to 12 form part of these financial statements.

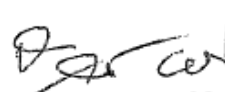
On behalf of the Board of the NPHDB:



Fred Barry
Chairperson

National Paediatric Hospital
Development Board

Date: 09 October 2019



Brian Fitzgerald
Board Member & Audit and
Risk Sub-Committee Chairperson
National Paediatric Hospital
Development Board

Statement of Financial Position

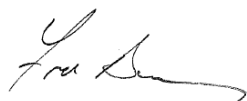
As of 31st December 2018

		2018	2017
	Notes	€	€
Fixed Assets			
Construction work in progress	2	259,815,568	132,211,767
Total Fixed Assets		259,815,568	132,211,767
Current Assets			
Receivables	3	20,282,337	9,172,075
Cash and cash equivalents	4	3,693,297	997,301
		23,975,634	10,169,376
Current Liabilities (amounts falling due within one year)			
Payables	6	(20,285,634)	(5,608,185)
Net Current Assets		3,690,000	4,561,191
Long Term Liabilities (amounts falling due after one year)			
Payables	6	(3,690,000)	(4,561,191)
Total Net Assets		259,815,568	132,211,767
Represented by:			
Capital account	7	259,815,568	132,211,767
		259,815,568	132,211,767

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The Statement of Cash Flows and notes 1 to 12 form part of these financial statements.

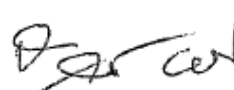
On behalf of the Board of the NPHDB:



Fred Barry
Chairperson

National Paediatric Hospital
Development Board

Date: 09 October 2019



Brian Fitzgerald
Board Member & Audit and
Risk Sub-Committee Chairperson
National Paediatric Hospital
Development Board

Statement of Cash Flows

For the year ended 31st December 2018

	2018	2017
	€	€
Net Cash Flow from Operating Activities		
Excess Income over Expenditure	-	-
(Increase) / Decrease in Receivables	(11,110,262)	(7,061,225)
Increase / (Decrease) in Payables	13,806,258	7,203,447
Bank interest received	-	-
Net Cash Inflow from Operating Activities	2,695,996	142,222
Cash Flows from Financing Activities		
Bank Interest received	-	-
Net Cash Flows from Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents	2,695,996	142,222
Cash and cash equivalents at 01 January	997,301	855,079
Cash and cash equivalents at 31 December	3,693,297	997,301

Notes to Financial Statements

For the year ended 31st December 2018

1. Administration & Operations / Construction work in progress

Total costs incurred to date amount to €259.8m with costs of €127.6m incurred in 2018. The table below shows the total cost incurred by cost category. As outlined in the accounting policy, VAT incurred in relation to expenditure incurred by the NPHDB is not recoverable. The table includes the amounts relating to irrecoverable VAT for information purposes.

	2018			Cumulative to 31 December 2018		
	Excl.	Irrecoverable	Total	Excl.	Irrecoverable	Total
	VAT	VAT	Cost	VAT	VAT	Cost
	€	€	€	€	€	€
(i) BST / CMS *	2,381,724	547,826	2,929,550	6,854,952	1,590,091	8,445,043
(ii) Design Team	15,520,673	3,569,796	19,090,469	47,429,495	10,926,700	58,356,195
(iii) Site development and clearance	262,199	42,822	305,021	27,043,371	3,979,995	31,023,366
(iv) Construction	88,648,063	11,966,828	100,614,891	114,396,049	15,261,017	129,657,066
(v) Equipment	3,647	839	4,486	3,647	839	4,486
(vi) Admin Costs	4,214,436	444,948	4,659,384	30,106,686	2,222,726	32,329,412
	111,030,742	16,573,059	127,603,801	225,834,200	33,981,368	259,815,568

	2017			Cumulative to 31 December 2017		
	Excl.	Irrecoverable	Total	Excl.	Irrecoverable	Total
	VAT	VAT	Cost	VAT	VAT	Cost
	€	€	€	€	€	€
(i) BST / CMS *	1,333,222	306,641	1,639,863	4,473,228	1,042,265	5,515,493
(ii) Design Team	9,066,778	2,085,359	11,152,137	31,908,822	7,356,904	39,265,726
(iii) Site development and clearance	11,629,898	1,677,960	13,307,858	26,781,172	3,937,173	30,718,345
(iv) Construction	25,747,986	3,294,189	29,042,175	25,747,986	3,294,189	29,042,175
(v) Equipment			-			-
(vi) Admin Costs	11,677,455	391,714	12,069,169	25,892,250	1,777,778	27,670,028
	59,455,339	7,755,863	67,211,202	114,803,458	17,408,309	132,211,767

* BST / CMS is Business Services Team / Construction Management Services

1 (vi) Administration Costs:				2018
		Excl.	Irrecoverable	Total
		Vat	Vat	Cost
	Note	€	€	€
Remuneration and other pay costs	1 (a)	1,785,629	47,493	1,833,122
ICT		157,808	36,236	194,044
Legal expenses		104,181	23,961	128,142
Other professional fees		680,105	113,584	793,689
Office expenses		105,166	18,045	123,211
Rent & Rates		15,897	20,605	36,502
Office fit out		118,329	19,810	138,139
Communications		279,755	58,696	338,451
C&AG audit fees		27,000	-	27,000
Internal audit fees		147,768	33,987	181,755
Insurance		328,416	-	328,416
Planning application costs		2,120	-	2,120
Business case development		38,798	8,924	47,722
Health planning		41,493	8,005	49,498
Programming and scheduling services		122,342	28,139	150,481
Capital Contribution		205,810	25,294	231,104
Other administration expenses		53,819	2,169	55,988
		4,214,436	444,948	4,659,384

				2017
		Excl.	Irrecoverable	Total
		Vat	Vat	Cost
	Note	€	€	€
Remuneration and other pay costs	1 (a)	2,021,769	37,302	2,059,071
ICT		151,192	34,774	185,966
Legal expenses		332,619	76,502	409,121
Procurement fees		139,967	32,192	172,159
Other professional fees		246,852	41,207	288,059
Office expenses		85,259	16,829	102,088
Rent & Rates		201,911	35,431	237,342
Office fit out		111,566	22,379	133,945
Communications		288,563	65,053	353,616
C&AG audit fees		15,000	-	15,000
Internal audit fees		7,726	1,777	9,503
Insurance		471,013	-	471,013
Planning application costs		7,326,526	-	7,326,526
Business case development		43,474	9,999	53,473
Health planning	-	107,283	24,675	131,958
Programming and scheduling services		182,395	41,951	224,346
Capital Contribution		111,950	-	111,950
Other administration expenses		46,956	993	47,949
		11,677,455	391,714	12,069,169

Remuneration

1 (a) Remuneration and Other Pay Costs

	2018	2017
	€	€
Staff salaries	829,835	956,023
Secondee Salaries	818,810	903,560
Employer's contribution to social welfare	82,587	96,299
Board members' emoluments	44,625	58,140
Retirement Benefit Costs	9,772	7,747
	<u>1,785,629</u>	<u>2,021,769</u>

The secondee salaries include costs associated with backfilling the secondee posts and locum fees.

1 (b) Aggregate Employee Benefits

	2018	2017
	€	€
Basic Pay	1,648,645	1,859,583
Employer's contribution to social welfare	82,587	96,299
	<u>1,731,232</u>	<u>1,955,882</u>

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

	2018	2017
Executive & Staff	11.1	12.4
Seconded Staff	6.2	7.5
Total	<u>17.3</u>	<u>19.9</u>

The total number of staff employed (FTE) at year ended was 15.5 (2017: 17.5)

1 (c) Key Management Personnel

Key management personnel in the NPHDB consists of the members of the Board, the Project Director, the Design Director / Deputy Project Director, the Commercial Advisor, the Medical Director and the Finance Officer. The total value of employee benefits for key management personnel is set out below:

	2018	2017
	€	€
Salary	673,483	667,086
Retirement Benefit Costs	9,772	7,747
	<u>683,255</u>	<u>674,833</u>

The Project Director's pension entitlement do not extend beyond the standard entitlements in the model single public service pension scheme and a PRSA contract is in place for the Finance Officer. The remaining key management personnel are seconded staff. The amounts disclosed above do not include the value of retirement benefits earned in the period.

1 (d) Project Director Salary and Benefits

The Project Director remuneration package for the financial period was as follows:

	2018	2017
	€	€
Basic Pay	143,303	133,613

The Project Director is a member of the Single Public Service Pension Scheme, and his entitlements in that regard do not extend beyond the terms of the model single public service pension scheme. The value of retirement benefits earned in the period is not included above.

2. Receivables

		2018	2017
	Note	€	€
HSE grants due	8	19,907,848	150,418
Other debtors and prepayments		374,489	9,021,657
		20,282,337	9,172,075

3. Cash & Cash Equivalents

		2018	2017
	Note	€	€
NPHDB bank balance		3,649,367	997,290
Community Benefit Oversight Group bank balance	4	43,930	11
		3,693,297	997,301

4. Cash & Cash Equivalents concerning Community Benefit Oversight Group (CBOG) Funding

As outlined in Accounting Policy I, NPHDB's financial statements includes a bank balance, debtors and creditors relating to the community benefit oversight group. The related figures together with the income and expenditure for the group for 2018 are set out below.

CBOG Bank Account:	2018	2017
	€	€
Balance on deposit account on 01 January	11	84,446
Receipts:		
Dublin City Council	30,000	-
Health Service Executive	20,000	-
CHI	30,000	
NPHDB	-	- 362
Interest	2	4
	80,002	- 358
Payments:		
Salaries	(28,020)	(76,962)
Consultant fees	(4,999)	(5,760)
Administration expenses	(3,064)	(1,355)
	(36,083)	(84,077)
Balance on deposit account on 31 December	43,930	11

5. Payables

Amounts falling due within one year:

	2018	2017
	€	€
Trade creditors	3,470,473	453,377
Other creditors	49,723	60,391
Accruals	16,016,904	4,507,339
Taxation creditors:		
- PAYE / PRSI	31,665	34,907
- PSWT	716,869	552,172
	20,285,634	5,608,186

Amounts falling due after more than one year:

	2018	2017
	€	€
Trade creditors	3,690,000	4,561,191

5.1: The trade creditors falling due after one year relates to the outstanding Dublin City Council Contribution as per condition 16 of the planning permission requirements. The final instalment is payable May 2021.

6. Capital Account

	2018	2017
	€	€
Opening balance	132,211,767	65,000,565
Transfer to Income and Expenditure		
- Capital expenditure	127,603,801	67,211,202
Closing balance	259,815,568	132,211,767

7. Capital Commitments

7.1: Capital Commitments (excluding Lease Commitments):

At 31 December 2018, the Board had the following capital commitments:

	2018	2017
	€	€
Contracted for but not provided in the financial statements		
Within 1 year	264,957,338	89,684,335
Between 1 and 2 years	653,024,342	38,095,956
Between 2 and 5 years	78,668,186	9,774,313
Total (including VAT)	996,649,866	137,554,604

The year on year changes reflects the agreement on the Guaranteed Maximum Price (GMP) for the construction of the hospital, the associated design changes less the expenditure on the contracts during the period. Up to the end of 2017, the Phase A of the construction contract was awarded which primarily supported the site enabling works of the project. In 2018, having agreed the GMP for the project, the contract for the main works was awarded for €887.7m (ex vat) which covered all of the construction works to the end of the project. As a result, the capital commitment above includes the outstanding commitments for the main works of €794.3m (ex. VAT) at the end of 2018.

7.2: Lease Commitments:

The NPHDB is located at Block A, Herberton, St. James's Walk, Rialto, Dublin 8 D08 HP97 at an annual rental cost of €215,902, with the office lease expiring 29th June 2019. In 2019, the lease was extended to 2023 for an annual rent of €235,053.

	2018	2017
	€	€
Contracted for but not provided in the financial statements		
Within 1 year	88,315	215,902
Between 1 and 2 years	-	161,927
Between 2 and 5 years	-	-
Total (including VAT)	88,315	377,829

7.3: Total Capital Commitments:

	2018	2017
	€	€
Contracted for but not provided in the financial statements		
Within 1 year	265,045,653	89,900,237
Between 1 and 2 years	653,024,342	38,257,883
Between 2 and 5 years	78,668,186	9,774,313
Total (including VAT)	996,738,181	137,932,433

8. Funding from the Health Service Executive

Advances and balances due from the Health Service Executive (HSE), which were all capital related, at the 31 December 2018 were:

	2018	2017
Note	€	€
Total capital grants notified by the HSE for the year	120,000,000	68,000,000
Opening balance due from HSE at 1 Jan 2018	150,418	685,591
Capital expenditure incurred in the year	127,603,801	67,211,202
Less: Remittances from the HSE in the year	(107,846,371)	(67,746,375)
Less: Other Income	-	-
Balance due from the HSE at 31 Dec 2018	2 19,907,848	150,418

9. Related Party Disclosures

Please refer to Note 1 for a breakdown of the remuneration and benefits paid to key management.

The NPHDB adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of Board members. In the normal course of business, the NPHDB may enter into contractual arrangements with entities in which the NPHDB Board members are employed or are otherwise interested.

In cases of potential conflict of interest, Board members do not receive Board documentation or otherwise participate in or attend discussions regarding these transactions. A register is maintained and available on request of all such instances.

List all party related disclosures

As per the Conflict of Interest Log, there was one conflict of interest recorded in 2018. This related to a discussion on legal fees. The conflicted Board Member absented himself from the room for this discussion.

10. Contingencies

The NPHDB are currently, and may be from time to time, involved in a number of construction related claims, which may be settled through the Employer's Representative's determination and these may also be referred to the Project Board Under Dispute Resolution procedures. If not settled by the Project Board, claims will proceed to conciliation and potentially proceed to court proceedings as set out in the contract.

The Board has been notified of a number of contractual claims by the main contractor for the development of the NCH. These claims have been referred to the Employer Representative and/or to Conciliation. The Board disputes the validity of such claims and is not in a position to estimate any potential liability arising from a possible adverse decision.

11. Events after the reporting date

On the 1st January 2019 the Children's Hospital Group was replaced under legislation by Children's Health Ireland (CHI). CHI is now the entity that governs and delivers acute paediatric services currently at Crumlin, Temple Street and Tallaght.

In January 2019 the HSE commissioned a review to be undertaken by PwC into the escalation of cost on the project and recommendations were made within the published report in April 2019. The Board of the NPHDB have reviewed the report, acknowledged and noted the issues raised and recommendations set out in the PwC report and is developing an implementation plan against this.

The Chairperson of the Board Mr Tom Costello tendered his resignation and left the Board on 02 February 2019.

Mr. Fred Barry was appointed as Chairperson of the Board on 09 April 2019.

Mr John Martin tendered his resignation and left the Board on 27 May 2019.

Ms Marguerite Sayers tendered her resignation and left the Board on 31 May 2019.

The Project Director, Mr. John Pollock tendered his resignation in March 2019 and left the project on 14 June 2019.

An Interim Project Director, Mr. Phelim Devine was appointed on 10 June 2019. The Project Director role has been advertised.

Mr Paul Quinn tendered his resignation and left the Board on 19 July 2019.

An Interim Chief Officer, Mr. Jack Golden was appointed from 07 June 2019 to 04 October 2019.

Mr John Hourihane tendered his resignation from the Board and left the NPHDB on 03 September 2019.

Mr David Gunning was appointed as Chief Officer on 16 September 2019.

In February 2019, the NPHDB recommended to revert to a traditional capital funded approach for equipment procurement and sought endorsement to this approach which was obtained. The capital costs of €68.6m associated with traditional procurement are included in the overall budget of €1,433m as sanctioned by Government in December 2018.

The OP & UCC at Connolly is complete and was handed over to CHI in May 2019 for the CHI to commence the commissioning and transitioning of staff. CHI will operate the service and the centre opened in July 2019.

12. Approval of the financial statements

The financial statements were approved by the Board of the NPHDB on 09 October 2019.

