

2020

Annual Report



NATIONAL
PAEDIATRIC
HOSPITAL
DEVELOPMENT
BOARD

**DESIGN
BUILD
EQUIP**

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

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General Information

National Paediatric Hospital Development Board

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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 LLP
Riverside One
Sir John Rogerson's Quay
Dublin 2





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

Chairperson's Statement

I am honoured and delighted to assume my role as Chair of the National Paediatric Hospital Development Board following my appointment by Minister of Health, Mr. Stephen Donnelly T.D. I welcome the opportunity to be part of this important national project and to work with my fellow Board members and the Executive team to build on the success and milestones achieved last year. I would like to thank Deputy Chair, Tim Boucher Hayes, who acted as Interim Chair since February 2021, overseeing the challenging adjustment that was required during the pandemic.

Having reviewed the year just concluded, there is no doubt that for many reasons, 2020 was an extraordinary year. The impact of the global Covid-19 pandemic was felt acutely by every person in Ireland and beyond, and the reality is that we continue to battle to emerge from its grip. Progress on the new children's hospital was delayed following the closure of the construction site as part of the Covid restrictions, however, given the strategic importance of the project, work was permitted to resume on the hospital earlier than the wider construction sector to minimise the delay.

The Main Contractor BAM is to be commended for the strict and effective health and safety measures it implemented on the sites to ensure that work continued safely during the pandemic. I would also like to acknowledge the commitment from the broader construction team - subcontractors, the Design team and the NPHDB team who are working tirelessly to progress various work streams, in line with Government guidelines.

I am honoured to be tasked with the responsibility of leading a project of such size, scale and importance. The need for this hospital remains acute, something that became even more apparent as the staff in the three children's hospitals continued to deliver services throughout the height of the pandemic. The reality is that if our society ever had the misfortune of having to face into a pandemic of this nature again, the facilities under construction now would enable the team at Children's Health Ireland to deliver more services, more easily and efficiently. The NPHDB and the team working on the construction remain committed and focused on the goal of delivering this important and much needed facility to children and young people as soon as possible.

The construction of the 4,600m² Paediatric Outpatient and Emergency Care Unit, CHI at Tallaght was completed by the National Paediatric Hospital Development Board on the 9 September and Children's Health Ireland opened for services in November. The completion of this new facility, CHI at Tallaght, marks a significant milestone in the children's hospital project and the expansion of services being delivered to children, young people and their families. It follows the successful completion of a similar facility, CHI at Connolly, in Blanchardstown in July 2019. Since services opened at CHI at Connolly, it has contributed to a 65% reduction in waiting lists for general paediatric services.

Ultimately, everyone working on the new children's hospital project is motivated by this mission and has a shared purpose of working together to improve healthcare facilities for children and young people.

The project is not without its challenges, and they are well documented and outlined within this Annual Report. The impact of Covid-19 and Brexit on the construction sector and the supply chain also creates a degree of uncertainty. As a Board, we are committed to working closely with the NPHDB Chief Officer David Gunning and the Executive team to ensure that we work to deliver the project as quickly as possible and to manage the budget robustly.

This project is badly needed. Much of the infrastructure in the three children's hospitals in Dublin is outdated and this creates challenges for patients, their families and of course the thousands of staff that work in the hospitals. The new children's hospital, CHI at Connolly and CHI at Tallaght are purpose built, modern facilities and will provide the best possible conditions for providing care to Ireland's sickest children and young people. I am proud to be associated with this great and important project and look forward to working with the team to drive significant progress in the year ahead.



Fiona Ross
Chair
National Paediatric Hospital Development Board
25 November 2021

Chief Officer's Report

Background

The National Paediatric Hospital Development Board (NPHDB) was appointed by Government in 2013 to design, build and equip the new children's hospital (NCH) on the campus shared with St James's Hospital, as well as two new Paediatric Outpatient and Urgent Care Centres (OP & UCCs) at Tallaght University Hospital and Connolly Hospital in Blanchardstown, now referred to as CHI at Connolly and CHI at Tallaght. Since that time, it has overseen an immense programme of work on the planning and design and tendering for the facilities. This work has been carried out on behalf of Children's Health Ireland (CHI) whose staff, together with its current and former patients and their families, have helped to inform all aspects of the design of the NCH. This collaborative approach will ensure that, upon completion, the new children's hospital will meet the current and future needs of Ireland's sickest children and young people, as well as the needs of children and young people in the greater Dublin area.

The NCH is the most significant, single capital investment project in the healthcare system ever undertaken in Ireland. It is a priority government project that will have a significantly positive impact on the healthcare outcomes of 25% of the population. It will bring together the services currently provided at the three children's hospitals into one modern, custom-designed, digital hospital where staff will deliver the best available care and treatments to Ireland's sickest children and young people. It will also be the primary centre for paediatric education, training, and research in Ireland.

Construction Progress

CHI at Connolly is already fully operational – it opened to patients in July 2019. Practical completion of CHI at Tallaght was achieved in September 2021 and is now open for services. Our work on CHI at Tallaght also included a significant investment in Tallaght University Hospital including the delivery of a new changing and administration block, a new creche and the upgrade of roads and pavements, car park and electrical infrastructure.

Construction progress on the NCH site continued despite being closed for a period, following the arrival of Covid-19. The building's form is now at its highest level and the primary concrete frame was completed in March 2021; the infill concrete slabs over the steelwork frame closing in the concourse and the unitised glazing to the ward block at levels 4 to 6 are now complete. The façade to the building is now complete and the glazed Biome that links the building is scheduled to be completed in 2022. The fit-out of the south finger rooms comprising Outpatients, Cardiology Wards and Therapies and the hot block rooms comprising Emergency Department, Imaging, Critical Care and Theatres is progressing well. The remainder of the fit-out of the north finger rooms comprising Outpatients, Hospital School, 3rd Level Education, the Parent Accommodation Unit, Pharmacy, and the Ward block, has commenced. The primary mechanical and electrical plant comprising boilers, CHP, generators, transformers, main distribution boards and medical gases are well progressed with the focus now on primary and secondary distribution around the building. Some of the medical equipment such as pendants are being installed. Other medical equipment including the automated guided vehicles and clinical decontamination unit equipment is in procurement as are MRI's and CT scanners.

Financial Update

The NPHDB's 2020 accounts were audited and approved by the C&AG on the 30th November 2021. The cumulative expenditure to 31 December 2020 on the design and build of the hospital was €620,653,293.

Since the commencement of this project there have been a significant number of claims submitted by the Main Contractor, which it alleges are outside the agreed scope. There is an established processing place for the assessment of claims by the contractor in accordance with the construction contract. All claims are independently assessed and determined by the Employer's Representative (ER). Where there is a dispute on the validity of a claim, the construction contract sets out the dispute management process in place. Claims are now at all levels of the dispute management process and both parties have brought a number of disputes to the High Court. The specific details on individual claims are confidential and it is anticipated that the outcome of some of the disputes will not be known for a period of years. The NPHDB is defending each claim robustly to manage the cost of the project and defend the public purse. The sheer volume and nature of claims on this project is time consuming and costly and we have strengthened our team of experts in areas such as quantity surveying and programme assurance experts to effectively resource this process. It is essential to make this investment in expertise in order to effectively defend the claims and manage costs. To successfully deliver this hospital, we have further added to the capabilities of the project team and strengthened our project control systems.

As part of the combined effort to achieve delivery of the Programme within the shortest timeframe possible, all dispute mechanisms have been paused for a period of time. This moratorium has been agreed which enables the parties to focus all their efforts on ensuring that the new target completion date can be realised. This does not remove the risk of claims, nor does it mean that we will not continue to receive claims. Claims will continue to be determined by the Employer's Representative as set out in the Contract

Wider Construction Sector Challenges

The Covid-19 global pandemic has disrupted the construction sector and all its supply chains both nationally and internationally. Unfortunately, the NCH project has not been immune to this. In 2020, both the construction site of the NCH and CHI at Tallaght were closed due to the Government Covid-19 restrictions on construction which lasted for a period of seven weeks. Construction work was permitted to recommence from May 18th, however, the Main Contractor did not reopen the new children's hospital construction site for a further seven weeks, on July 13th, and it then commenced a phased return to work

In 2021, the sites remained open as essential sites during the 2021 level 5 lockdown. The contractor introduced extensive health and safety measures which includes weekly screening and PCR testing for all workers. This level of focus has enabled the NCH site to remain open and is a testament to the contractor's diligent staff and the health and safety measures put in place. The challenges presented by Covid-19 remain immense and will be with us for the foreseeable future. The focus on health and safety will remain, with the contractor continuing to maintain excellent standards on the site. In addition, there is a shortage of shipping containers and Brexit-related import delays and constraints. This is a global challenge and one that is not unique to the construction sector, but one that will have potential impacts on the project with cost and lead time uncertainty. The contractor continues to work through these challenges and will manage the risk as much as possible.

Community Benefit

Despite the limitations presented by Covid-19 we had a very active 2020 in terms of Community Benefit. In January, we welcomed the launch of BAM's Community Benefit Fund for the project. This is a €500,000 fund, which will be dispersed to recipient organisations within the local community over a 3-year period. For 2020 the sum of €50,000 was allocated to the Community Grants Scheme following the submission of 76 applications. The Community Benefit Programme delivered a significant employment impact with new entrant employment delivered due to the Community Benefit 'social clauses' contained in the construction contract. 86 Community Benefit positions were filled and 60% of these workers live in Dublin 8 & 12. These are construction related roles including new apprenticeships, graduate trainees, and work experience positions. We also welcomed our annual successful "Building the new children's hospital" Careers' Day which was held on March 6th, 2020, coinciding with Engineers Week. BAM, Mercury, Jones, Arup, Ethos Engineering, O'Connor Sutton Cronin, BDP & O'Connell Mahon, Turner Townsend, Roughan O'Donovan, along with hospital clinical engineers and Technological University Dublin all showcased information stands and made huge efforts to make the event a very educational and engaging day for the 120 local young people who attended.

Public Sector Equality and Human Rights Duty

Work commenced in 2020 on progressing our obligations under the Public Sector Equality and Human Rights Duty. The first actions agreed were that in 2021 an action plan will be drawn up and a series of departmental audits undertaken along with all NPHDB team members receiving Equality and Diversity Training.

In conclusion

I would like to thank our now former Chair Mr. Fred Barry and acknowledge his invaluable guidance, direction, and support to me and the wider Executive team in 2020. I also would like to thank our Board members, the NPHDB Executive members and the NPHDB project team including the design teams for their commitment, to this great national project. In particular, I would like to acknowledge the role played by Board member Tim Boucher Hayes who stepped up to act as Interim Chair of the Board for a period of seven months. I am grateful for the support of the Minister for Health, Mr. Stephen Donnelly TD and his Department officials, and for the guidance provided by several departments of the Health Services Executive (HSE), the Director General's Office and HSE Estates. I wish to extend my thanks to the management and staff at Connolly Hospital, Tallaght University Hospital and St. James's Hospital and Children's Health Ireland, to the children and young people, parents, public servants, community representatives, local residents and the many other individuals and organisations who have engaged and supported the project throughout 2020. This project is a once in a lifetime project, the NCH, co-located on a shared Campus at St James's in Dublin 8, will be a world-class, child-focused facility, supported by two new Outpatients and Emergency/Urgent Care Centres at Tallaght University Hospital and Connolly Hospital Blanchardstown, delivering optimum healthcare to Ireland's children, equal to the highest international standards.



Chief Officer

National Paediatric Hospital Development Board
25 November 2021

The National Paediatric Hospital Development Board

The 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 HSE.

A planning application was lodged in 2015 and An Bord Pleanála granted planning permission in 2016 for the NCH, and the two OP & UCCs at Connolly Hospital in Blanchardstown and a second at Tallaght University Hospital. CHI is the client for the NCH project.

About the new children's hospital project

The NCH project comprises the main hospital on a campus shared with St James's Hospital and two OP & UCCs known as CHI at Connolly at Blanchardstown, and CHI at Tallaght.

The NCH project will have a significant impact on 25% of the population and is a Government priority, it is the single most significant capital investment project in the healthcare system undertaken in Ireland today. It will bring together the services currently provided at the three Dublin based children's hospitals into a modern, custom-designed, digital, hospital on the campus shared with St James' s Hospital, to deliver the best care and treatments for Ireland's sickest children and young people.

As well as playing a central role in the provision of acute paediatric healthcare services, the NCH will be the primary centre for paediatric education, training, and research in Ireland. It will be a child-centred, world-class facility that will support innovation and excellence in paediatric healthcare, and create an environment that is supportive of children, young people, their families, and the hospital's staff.

Board Membership

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 xx. In January 2021, the Chair of the NPHDB Fred Barry informed the Minister for Health of his intention to resign effective from the end of February 2021. Mr Barry's intention to resign was also verbally indicated to the Department of Health in late 2020. In August 2021, Ms. Fiona Ross was appointed as Chair of the Board by the Minister for Health. Currently there are nine ordinary board members, there are a further three board membership vacancies which are also being recruited via the Public Appointment service. Information on the Board membership can be found on our website <https://www.newchildrenshospital.ie/the-project/national-paediatric-hospital-development-board/> A schedule of attendance at the Board and Committee meetings for 2020 is outlined on page 23 within this report.

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NPHDB Executive

The work and responsibilities of the NPHDB continue to be discharged by the NPHDB Executive. This is the strengthened executive team, some members of whom were appointed in 2019 following the recommendations contained within the PWC report.

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 NCH in accordance with a brief approved by 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 CHI. Responsibility for the 'other' functions passed to the Children's Hospital Group, now known as 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.

On the 1st January 2019 the CHG was replaced under legislation by CHI. CHI is the entity that governs and delivers acute paediatric services currently at CHI at Crumlin, CHI at Temple Street and CHI at Tallaght as well as at the recently completed and opened OP & UCC at CHI at Connolly.

Highlight Story

Paediatric outpatients and urgent care centres at Connolly Hospital Blanchardstown and Tallaght University Hospital

The new children's hospital (NCH) project comprises the main hospital on a campus shared with St. James's Hospital and two paediatric Outpatient and Urgent Care Centres: CHI at Connolly, Blanchardstown and CHI at Tallaght. The NCH Project will have a significant impact on 25% of the population and is a Government priority. It is the most significant single capital investment project in the healthcare system underway in Ireland today. It will bring together the services currently provided at the three Dublin based children's hospitals into a modern, custom-designed, digital hospital on the campus shared with St James' s Hospital, to deliver the best care and treatments for Ireland's sickest children and young people.

The Paediatric Outpatient & Urgent Care Centre in Blanchardstown, CHI at Connolly was completed in May 2019 and the Centre was successfully handed over to and opened by Children's Health Ireland in July 2019.

The Paediatric Outpatient & Emergency Care Centre, CHI at Tallaght facility was completed in September 2021 and was officially opened by Children's Health Ireland in November. The centre provides secondary and tertiary care to children and young people from Dublin South West, South City and the surrounding areas of Kildare and Wicklow. This new facility will provide up to 17,000 additional outpatient opportunities and will provide care to more than 30,000 Emergency care presentations annually.

Work on expanding children's services in CHI at Tallaght has also included a significant investment in Tallaght University Hospital (TUH) including the delivery of a new changing and administration block, a new crèche and the upgrade of roads and pavements, car park and electrical infrastructure. In addition, TUH will now have the benefit of additional clinical space in the Radiology and Emergency departments.

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The Paediatric Outpatient & Urgent Care Centre in Blanchardstown, CHI at Connolly was completed in May 2019 and the Centre was successfully handed over to and opened by Children's Health Ireland in July 2019.



The Paediatric Outpatient & Emergency Care Centre, CHI at Tallaght facility was completed in September 2021 and was officially opened by Children's Health Ireland in November 2021. Pictured, Eilish Hardiman, CEO, Children's Health Ireland & David Gunning, Chief Officer, National Paediatric Hospital Development Board.

Highlight Story

Infection control central to the design process

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The development of the design of the new children's hospital (NCH) followed international, evidence-based standards with the aim to provide safe air, safe water and safe surfaces. From the beginning, infection prevention and control were central to the design planning process. There was always an awareness of the risk of future unknown epidemics and pandemics and this permeated design planning from the start.

As a result, all the rooms in the medical and surgical wards, the Emergency Department (ED) and the Paediatric Intensive Care Unit (PICU) are single rooms. All patient rooms in the two Paediatric Outpatient Urgent Care Centres (UCCs) are single rooms. Other infection control measures include isolation rooms in the ED, UCCs, PICU and medical and surgical wards and double entry streams into the ED which will allow for continued, non-infection related, health service delivery during any future epidemic or pandemic.

Consideration was also given to the risk of aerosol and airborne contamination. As a result, the principles of isolation and provision of single rooms with specialised ventilation to ensure clean air has been considered in the design. There will also be ready access to courtyards and gardens for patients and staff.

The fact that the NCH design process coincided with the Ebola epidemic reinforced the importance of careful forward planning in the NCH design. There will also be lessons learnt from the COVID-19 (SARS-CoV-2) pandemic which will inform work practices and behaviour into the future. Countries which had experienced the SARS-CoV (2003) outbreak were better prepared in their response to the current pandemic. The response to infection prevention and control involves practice and behaviours as well as building design.

It is notable that because of its design which prioritises single rooms and spacious waiting areas, the CHI have had the capacity to expand and accommodate children and families throughout the COVID-19 pandemic at CHI at Connolly.

The CHI have had the opportunity to test and prove the new model of care of paediatric healthcare services and have seen a 65% reduction in the waiting list for general paediatrics since the opening of CHI at Connolly and expect to see this waiting list reduce further by the end of 2022.

Undoubtedly, there will be new emerging infectious diseases, however, in following the above principles, CHI will be in position to respond to these infections and provide a safe environment for patients, their families and staff.



*Concept image of a single inpatient room with an ensuite Bathroom at the NCH
All the rooms in the medical and surgical wards, the Emergency Department (ED) and the Paediatric Intensive Care Unit (PICU) are single rooms.*

Children's Health Ireland

In 2020, Children Health Ireland (CHI) operated as a single organisation across the existing hospital locations at Crumlin, Temple Street and Tallaght and an OP & UCC at Connolly Hospital, Blanchardstown.

The Paediatric Outpatient & Urgent Care Centre in Blanchardstown, CHI at Connolly was completed in May 2019 and the Centre was successfully handed over to and opened by Children's Health Ireland in July 2019. The Paediatric Outpatient & Emergency Care Centre, CHI at Tallaght facility was completed in September 2021 and was successfully handed over to and opened by Children's Health Ireland in November 2021.

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NCH Project Overview

The NCH, co-located with St James's Hospital (SJH) in Dublin 8, will be a world-class, child-focused facility, supported by two new OP & UCCs at Tallaght University Hospital and Connolly Hospital Blanchardstown, 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 CHI at 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 OP & UCCs at the NCH and at Tallaght University Hospital and Connolly Hospital Blanchardstown 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 University Hospital and Connolly Hospital Blanchardstown; and
- Be the primary centre for paediatric research, education, and training in Ireland.

Project Vision

‘To deliver one of the finest children’s hospitals in the world’

And specifically, to deliver:

- A hospital that provides a truly supportive and therapeutic environment for children, young people 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.

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Hospital Design

The NCH project represents a ‘once-in-a-lifetime opportunity’ for all those involved in its design and implementation. Encompassing two new OP & UCCs as well as the NCH on a campus shared with SJH, it is the most significant capital investment projects 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, evolved out of extensive dialogue with many stakeholders, 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.

The NCH is part of a coordinated masterplan for the campus shared with St James's Hospital, aimed at integrating the nch with the existing adult and future maternity hospitals. 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. 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. As set out in the National Maternity Strategy it 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 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);
- A Helipad;
- 4 acres of outdoor areas & gardens; and
- 14 gardens and internal courtyards – including the Rainbow Garden which is the length of Croke Park.

Also included in the project are the following

- 2 new OP & UCCs at Tallaght University Hospital and Connolly Hospital Blanchardstown;
- A new Children's Research and Innovation Centre; and
- A 53-Unit family accommodation unit.

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The Design Teams

In a strong blend of Irish and international expertise, the Design Teams hold significant experience in healthcare, child-friendly design and sustainable solutions. Team experience includes the Convention Centre Dublin, Bord Gáis Energy Theatre and work across most of Ireland's leading hospitals, including SJH, Cork University Hospital, St Vincent's Hospital and Midland Regional Hospital Tullamore, as well as work on children's hospitals in Alder Hey in Liverpool, Great Ormond Street in London and the Royal Alexandra Children's Hospital in Brighton.

- BDP in association with O'Connell Mahon are the Lead Architects on the NCH. BDP are a major international practice of architects, designers, engineers and urbanists who create outstanding places for people, they have a proven track record in hospital design. They have a strong track record in healthcare and also a unique understanding of child-centred design, with Alder Hey Children's Hospital Liverpool, Great Ormond Street in London and the Royal Alexandra Children's Hospital in Brighton as just three recent examples of their leadership in children's hospital architecture. <http://www.bdp.com/>;
- O'Connell Mahon Architects has evolved from one of Ireland's long- established architectural practices;
- HLM in association with Coady Partnership Architects on the delivery of the two OP & UCC's at Tallaght University Hospital and Connolly Hospital Blanchardstown and have combined to create a strong and locally based Architectural Team. HLM is a leading international design practice, delivering a rare combination of design skills including architecture, landscape and urban design, interior design, environmental design and master planning from eight offices across the UK, South Africa and the United Arab Emirates;
- Arup are an international engineering group are providing expertise on Mechanical and Electrical services & Traffic;
- Turner Townsend – Project Supervisor Design Process (PSDP) services for the NCH and Quantity Surveyors for the OP & UCCs;
- Linesight are the Quantity Surveyors for the NCH and provide PSDP services for the OP & UCCs;
- O'Connor Sutton Cronin are the Civil and Structural Engineers for the NCH;

- Roughan O'Donovan are the Civil and Structural Engineers for the OP & UCC's;
- Avison Young (formerly GVA Planning & Regeneration Ltd.) are market leaders in Property Consultancy Services in Ireland and the UK and provide Planning services for the NCH and the two OP & UCCs;
- MSA and FCC provide Fire Consultancy services for the NCH and the two OP & UCCs; MSA are the largest Fire Safety Engineering Services company in Ireland, they have significant experience in the Healthcare sector including St. Vincent's Hospital, Dublin, the Mater Hospital Dublin and Temple St. Children's Hospital, Dublin; FCC Fire Cert Ltd. are a well-established Irish firm with specific experience in the Healthcare sector including working with Our Lady's Children's Hospital Crumlin and the Coombe Women & Infants University Hospital.
- Ethos Engineering provides mechanical and electrical consultancy services at the two OP & UCCs.

Highlight Story

Construction update

The nch Project, a government priority, will have a significant impact on 25% of the population and is the most significant capital investment project in the healthcare system undertaken in Ireland. It will bring together the services currently provided at three children's hospitals into a modern, custom-designed, digital hospital, to deliver the best care and treatments for Ireland's sickest children and young people.

As well as playing a central role in the provision of acute paediatric healthcare services, the new children's hospital will be the primary centre for paediatric education, training, and research in Ireland. It will be a child-centred, world-class facility that will support innovation and excellence in paediatric healthcare, and create an environment that is supportive of children, young people, their families, and the hospital's staff.

Milestones & Progress on the NCH Site:

- The OPD & Urgent care centre, CHI at Connolly opened in July 2019.
- The OPD & Emergency Care centre, CHI at Tallaght opened in November 2021.
- At the NCH site, over 95% of all concrete has been placed and the concrete frame is now complete since March 2021. This concludes the pouring of approximately 150,000 m3 of concrete in 3 years.
- The building was topped out to its final level on the 7th storey.
- Approximately 2,300 tonnes of steel structure have been fabricated and erected.
- Over 800 windows have been installed.
- Approximately 6,200m2 of toggle glazing, 5,800 m2 of stone cladding and 10,800 m2 of utilized glazing have been installed.
- More than 86,000 m2 of partitions have been installed.
- Installation of the steel roof has commenced.
- The new children's hospital site was awarded a BREEAM Excellent Rating in Design. We are one of only a small number of hospitals in the world to have achieved this rating for sustainability.



Construction progress currently underway at the 12-acre NCH site on a shared campus at St. James's, Rialto, Dublin 8.

Sustainability

Sustainability is embedded in the design of the NCH. The hospital very recently received a BREEAM Excellent Rating in Design and is one of only a small number of hospitals in the world to have achieved such a rating. BREEAM is the world's leading sustainability assessment method for master planning projects, infrastructure and buildings.

The NCH is also designed to meet the Building Energy Rating A3' standard 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's commitment to improve energy efficiency by 33% by 2020.

Engagement with Children, Young People and their Families

The views of children, young people and their families continue to be of paramount importance in planning the development and operation of the NCH. 2020 was an extremely challenging year for patients, families and staff across CHI and within the NPHDB. The Covid-19 pandemic and requirement to socially distance resulted in many planned family engagements being deferred. Despite these challenges, CHI continued to share the developments of the NCH with our service users via the success of our digital platforms. We continued to provide meaningful engagement, albeit digitally, with the Youth Advisory Council (YAC) and the CHI Family Forum.

The YAC are current and former users of hospital services who offer meaningful input through workshops, presentations, committee membership and feedback exercises with a variety of stakeholders involved in planning and design of the new hospital. They positively influence and progress service planning and design for the new children's hospital. YAC's objective is to ensure their individual and collective hospital experiences are used to inform better, safer healthcare for children and young people into the future.

CHI's Family Forum 2020 informed significant developments and welcomed feedback on the impact of their valuable contributions. The Family Forum feedback encouraged CHI to plan for a series of forums into the future. The Steering group expanded to include important issues from our community of service users.

Engagement of 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 the earliest stages of this project, the NPHDB initiated, and has continued, an extensive programme of engagement with all hospital staff which is guided by senior management and clinicians across all CHI sites.

The CHI Executive Team and the NPHDB Design Team met regularly to ensure the vision of the hospital was realised by ensuring the optimum delivery of an environment suited to leading current and developing clinical practice and to the provision of 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, access to outdoor gardens and high-quality recreation and break out spaces. Extensive and wide-ranging consultation continues to be an integral element to the development and success of the future project.

Information and Communications Technology (ICT)

The implementation of ICT in the NCH and the two OP & UCCs in CHI at Tallaght and Connolly are within the remit of CHI and it proposed, amongst other systems, to implement an Electronic Health Record (EHR) and an Enterprise Resource Planning (ERP) system. Both aim to be supported by a modern highly resilient infrastructure in the near future. ICT, Digital Research & Innovation, and Data Analytics are all critical enablers to achieve the vision of a digital hospital and will be embedded in all aspects of care delivery, service delivery and business management going forward. The NCH and OP & UCCs have been designed with supporting building infrastructure so that digital systems and automation can be deployed to all areas for use by staff, patients, parents and non-clinical services.

In 2020, the NPHDB and the CHI Commissioning Teams considered how to best leverage and integrate the building ICT systems being procured and installed as part of the build contract. This planning also included the clinical ICT systems being procured and installed by CHI post substantial completion of the hospital in order to deliver the optimum digital hospital vision. The focus in 2020 was on developing the detailed specifications for both the core network and the EHR, and in obtaining the required approvals to continue the engagement with the market in these areas. 2021 saw a conclusion of both of these tenders and preferred vendors selected. The commencement and initiation of other related procurements continued in 2021 which included an Integrated Workplace Management System, the IT server infrastructure and end-user computing, and the recruitment of the full EHR build team. The progression of a solution road map from the existing hospital solutions to those required for the NCH and OP & UCCs will also be developed.

Digital Hospital

Being the first smart digital public hospital in Ireland requires a capital investment in ICT data infrastructure that is best in 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 and operational best practice. The supporting infrastructure is designed to optimise the integration of clinical equipment with an EHR system supported by a clinical command centre. CHI went out to the market for an Acute EHR in December 2019.

The procurement process continued to progress throughout the pandemic with CHI team commitment. Critical integration with the medical technology equipment to support this process was managed between the CHI and the NPHDB.

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Equipping

Planning and consulting with CHI colleagues on defining their equipping needs for the NCH progressed in 2020 by hosting virtual meetings via electronic communication devices. Equipping procurement decisions were made in 2019 for the two OP & UCCs to ensure harmonisation of equipment across the sites. Orders for long lead in time items like digital X-Ray were made in 2020 to ensure delivery by April 2021 for the Contractor's installation programme. Some existing paediatric equipment transferred to CHI at Tallaght services without any disruption to service continuity. CHI at Tallaght equipping was completed successfully after substantial completion occurred in September 2021.

Working closely with the CHI we continue to optimise the equipment for the NCH being cognisant of emerging technology and medical advancements and taking the opportunity to transfer appropriate contemporary equipment from CHI at Crumlin and CHI at Temple Street. Any equipment that is replaced in the existing paediatric hospitals in the coming years should have the potential to transfer to the NCH. CHI established a group in 2021 to manage equipment replacements across the three paediatric sites to ensure any exchequer or philanthropic investment in equipping is coherent with the future operating model and technical specifications for the NCH to realise the residual value of the investment and optimise its transferability.

The equipping team continue to support CHI in progressing through Children's Hospital Project & Programme Board (CHP&P) a proposal for a modern contemporary laboratory through a managed laboratory service procurement approach and to support the EHR tender process in the critical integration of medical device technology.

In 2020, the specifications for Group 2 equipment to be procured by the NPHDB and installed by BAM or by a specialist vendor with BAM attendance, was completed. The procurement of this equipment commenced in 2021 with Central Decontamination Unit followed by Magnetic Resonance Imaging Systems (MRI's). Specifications for Group 3 and 4 equipment that is to be procured and placed in the hospital after substantial completion, commenced in 2020 and continued into 2021.

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

Progress with the shared services initiative on the SJH campus continues and is managed by the CSIAS Steering Group chaired by CEO of SJH. In 2020, the CSIAS Steering Group collaborated on managing COVID-19 within the hospitals where the focus was on progressing Facilities Management and Logistics/Finance activities including the management of CSIAS risks.

Community Benefit

The Community Benefit Programme continued to make significant progress during 2020. By the end of 2020, the amount of new entrant employment delivered due to the Community Benefit clause contained in the construction contracts, stood at 4,515 weeks (35% of the agreed target for the duration of the project). New entrants are workers who have been previously long term unemployed, early school leavers, or others who face particularly barriers in taking up mainstream employment. It also includes school-leavers, graduates, or individuals new to construction. Community Benefit opportunities are specifically recruited via the Department of Employment Affairs and Social Protection's Intreo offices, the Local Employment Service, education and community partners. Since the beginning of construction this equates to:

- 86 Community Benefit positions filled
of which
- 28 are construction relation jobs;
- 27 are new apprentice roles;
- 22 are graduate/trainee/intern roles
- 9 are work experience positions
- 60% of the above workers live in the Dublin 8 and 12 area

Most new entrants have been employed for significant periods of time with the average length of time being 57 weeks for general workers, 55 weeks to date for apprentices and 88 weeks for graduate/interns. In addition, to date over 100 skilled workers who live in close proximity to the site have also been employed averaging 60 weeks of employment.

The third "Building the new children's hospital" careers day on March 6th was organised by the Community Benefit Programme, coinciding with Engineering Week. BAM, Mercury, Jones, Arup, Ethos Engineering, O'Connell Sutton Cronin, BDP & O'Connor Mahon, Turner Townsend, Roughan O'Donovan, along with hospital clinical engineers and Technological University Dublin all had stands and made huge efforts to make the event a very educational and engaging event for the 120 local young people who attended. At the start of Covid-19 restrictions, the issue of the digital divide was highlighted when nearby St James's CBS made contact desperately looking for IT equipment for Leaving Certificate students and we were delighted after an appeal on their behalf that our design team member Linesight made a very generous donation to provide 8 new laptops to the school.

January 2020 saw the launch of BAM's Community Benefit Fund for the NCH. The €500,000 fund, which will be dispersed over a 3-year period, is an entirely voluntary corporate social responsibility contribution made in BAM's tender bid and is completely additional to the requirements of the Community Benefit Clause. The strategic direction of the Fund has been developed in a partnership between BAM and the Community Benefit Oversight Group and has been designed to complement the overall Community Benefit Programme. Key thematic actions include the establishment of a Community Grants Scheme, Educational Bursaries for aspiring students of construction and healthcare living in the area, the development of an Apprenticeship Support initiative and a Cultural, Arts and Sports Programme and will also support some actions related to the Community Benefit Programme.

A specific committee was established to oversee the Fund and comprises of senior executives of BAM, NPHDB and CHI. For 2020 the sum of €50,000 was allocated to the Community Grants Scheme and 76 applications were submitted. Following a rigorous evaluation process, 22 groups and organisations based in Dublin 8 and 12 were selected to receive funds including environmental enhancement and gardening projects, sports equipment, school garden projects, an autism sensory school corridor, arts and culture projects and support for social enterprise projects for tools, materials and facility upgrading.

Six students were awarded full bursaries under the BAM's educational bursaries scheme based on their application and a follow-up interview, three will receive support for the duration of their undergraduate programmes in nursing and biomedical science of €2,000 per annum whilst three people were awarded a one-year bursary of €2,000 for Fetac Level 5 courses in pre-nursing, pre-paramedical and architectural technology studies. Due to a small underspend a further four students received a one-off support of €1,500 for studies ranging from graduate medicine, nursing, radiology and dietetics. To complement the bursaries and support these students transition into further education a pilot Mentorship scheme was developed and rolled-out in the

autumn of 2020 with ten mentors drawn from staff of CHI and BAM. Whilst the pilot mentorship programme is ongoing nevertheless feedback to date has been extremely positive.

Finally, the Community Benefit Programme continued to engage with our community partners including taking a stand in February at the well-attended “Love Dublin 8” Community Fair in February 2020 organised by St Patrick’s Cathedral. The Community Benefit Programme Manager was invited to speak at the launch of CAN’s report on Social Clauses in Ireland and at the Department of Justice Working to Change workshop on social enterprise. She also has invited to become a member of the Grow Dublin 8 consortium lead by Dublin City Council established to support the growth of the Social Enterprise sector in the locality.

Highlight Story

Arts in Health Programme

In 2017, CHI selected seven ambitious public artwork proposals by leading artists for the public spaces at the two new paediatric outpatient and urgent care centres, CHI at Tallaght and CHI at Connolly, and in the public spaces of the New Children’s Hospital (NCH) through an open competition process. The proposals were by seven leading Irish artists - Róisín de Buitléar, Remco DeFouw, Vera Klute, Rhona Byrne, Ian Wilson, Gareth Kennedy and Martin Healy – as well as UK-based Jason Bruges Studio.

Throughout 2020, the artists worked closely with the NPHDB Design Team and CHI on the integration of these artworks and the services and enabling works required to realise them into the NCH plans, ensuring that once installed each artwork will reflect the aspiration to provide a child friendly and magical experience for the children and young people who come through the doors of the new hospital. Jason Bruges Studio and Arup collaborated on the design of the lighting of the Frieze artwork. The seven artworks will be funded by philanthropic sources. The Children’s Health Foundation confirmed funding for the extraordinary Sound Ship, an 8-meter-high structure by Gareth Kennedy which will reside in the concourse and will house a soothing and interactive sound scape by composer Ian Wilson for children and young people. Fabrication began on this in early 2021 with the felling of an oak tree in Ballinacor Estate, Co. Wicklow.

There are spaces throughout the new hospital for a range of art works and art experiences. CHI worked with the NPHDB and its design teams to ensure that the necessary infrastructure and equipment was in place to support future art programmes including a gallery space, a digital hub and performance space, all in the concourse of the new hospital. CHI commissioned the social enterprise ‘We Make Good’ to produce a series of bespoke frames for the presentation of artworks by children and young people for Tallaght OP&ECC, similar to those that are installed in Connolly OP&UCC. These unique frames allow for the easy changeover of artworks and mitigate against a cluttered environment.

CHI is also engaging its staff in deciding what artworks from the existing children’s hospitals in Dublin will get brought over to the new hospital through a project called Treasure Chest. In 2020 a series of artworks called ‘Our Stories’ by artist John Conroy were produced and installed in the existing hospitals. These reflected his conversations with CHI staff about the importance of art and the built environment in their working lives.



BAM Community Benefit Fund - Denis McCarthy, Director of BAM Ireland & Ingrid McElroy, Community Benefit Programme Manager pictures with the Educational Bursary Recipients 2020

Community, Internal & External Engagement

The NCH project is the most complex construction project underway in Ireland. Communicating with all stakeholders throughout the lifetime of this project is essential. This happens through media relations and social media as well as with events, newsletters, meetings, drop-in days amongst many other things are central to this project. On an ongoing basis there is engagement with local and national representatives, Department of Health and HSE staff, local residents, local community organisations and businesses, and CHI staff, amongst others.

Other activities carried out by the NPHDB include careers days for children in local primary and secondary schools; the production of project updates for dissemination to staff of the 3 children's hospitals and SJH; the writing and production of a newsletter for 4,000 residents in the areas close to the construction site; co-ordination, organising and hosting monthly Resident Project Monitoring Committee with local councillors and residents, traditional and digital media management including content creation and platform management as well as ad hoc activities such as a Dublin 8 Youth Summer Arts Project.

The NCH 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 11 occasions during 2020 to share progress and work on any issues. All minutes of meetings are published on the www.newchildrenshospital.ie website.

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Public Sector Equality & Human Rights Duty

The NPHDB was one of the first public bodies to include Social Clause requirements in the NCH construction contract as well as utilising Reserved Contracts in its public procurement (in alignment with EU Regulations 2016 and OGP guidelines) both of which actions have had notable results in increasing opportunities for people who are face discrimination and equality barriers. In 2020 the NPHDB commenced the process of specifically determining initiatives to meet its Public Sector Duty obligations. The first action that was agreed is that as a priority in 2021, all NPHDB project personnel will receive Equality and Diversity training and that a procurement strategy will be developed that incorporates the Public Sector Duty into contracts along with a series of departmental equality and human rights audits.

Legal Issues/Actions

In July 2017 a few residents at O'Reilly Avenue lodged High Court proceedings against the NPHDB and the main contractor alleging structural damage to their houses. In November 2021 that the High Court Motion *O'Brien & Others v. NPHDB & Others* has been struck out by mutual consent, and the agreement remains confidential.

Currently all dispute mechanisms including legal actions and High Court motions have been paused for a period of time as the NPHDB and the Contractor have agreed to engage in a combined effort to achieve delivery of the Programme within the shortest timeframe possible. This moratorium has been agreed which enables the parties to focus all their efforts on ensuring that the new target completion date can be realised. This does not mean that there will not continue to be Claims and adjustments will continue to be determined by the Employer's Representative as set out in the Contract. The moratorium was agreed in May 2021 and is ongoing.

The contingent liabilities relating to these claims is set out in note 11 on page 45.

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 the NCH and two OP & UCCs in accordance with the high-level framework brief which was commissioned by the Health Service Executive (HSE). The CHI is the client for the project and provides ongoing advice and support in relation to the design and equipping requirements of the NCH and OP & UCCs.

Functions of the NPHDB

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

- To plan, design, build, furnish and equip a national paediatric hospital (NCH) in accordance with a brief approved by 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 prior consent of the Minister; and
- do any other thing as is necessary for the performance of its functions.

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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;
- financial reports;
- 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 for 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 10 March 2021. 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 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 31 December 2020.

The Children's Health Act 2018 (Part 9) 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 Dail Eireann on 7th November 2018. All sections of the Act (Part 9) have been commenced, except for Section 61(b)(i)(I) and section 67.

Board Structure

The Board consists of a Chairperson and up to twelve ordinary members, all of whom are appointed by the Minister for Health and meet on a monthly basis. The table below details the appointment period for the members in 2020:

Board Member	Role	Date Appointed	Date Resigned
Mr Fred Barry	Chairperson	06 February 2019	28 February 2021
Mr Tim Bouchier-Hayes	Deputy Chairperson	02 August 2013	
Mr John Cole	Ordinary Member	02 August 2013	
Mr Karl Kent	Ordinary Member	02 August 2013	
Ms Anne Butler	Ordinary Member	02 August 2013	
Mr Liam Woods	Ordinary Member	04 March 2015	
Mr Lorcan Birthistle	Ordinary Member	02 February 2016	30 June 2020
Mr Michael Shelly	Ordinary Member	20 February 2020	
Mr John McGowan	Ordinary Member	20 February 2020	

All Board members appointments are for a period to 16th July 2023 with Michael Shelly & John McGowan appointments ending on the 20th of February 2025.

The Board completed a Self-Assessment and Evaluation review for 2020 which was undertaken during December 2020 in accordance with the requirements of the Corporate Governance Code. The Board Self-evaluation was reviewed at the February 2021 Board meeting. The Board also commenced an external Board Evaluation review in December 2020, with the findings of this review presented to the Board at the May 2021 Board meeting. The updated Code of Governance manual was also reviewed by the Board at the September 2020 Board Meeting.

In 2020 the Board was supported by four Sub-Committees as follows:

1. The Finance, Audit and Risk Sub-Committee (FARSC) comprises three NPHDB Board members. 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, 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 NPHDB Board members of the FARSC are Liam Woods (Chair), Fred Barry and Tim Bouchier-Hayes. There were 5 meetings of the FARSC in 2020.

2. The Design Sub-Committee (DSC) comprises two NPHDB Board members and five independent members. 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 NPHDB Board members of the DSC are John Cole (Chair) and Karl Kent. Eilish Hardiman (CEO, CHI), Deirdre Hegarty (Chief Commissioning Officer (CCO), CHI), Paul de Freine (Chief Architectural Advisor, HSE Estates), Charlie Dolan (Architectural Advisor, HSE Estates) and Damien Clarke (Estate Manager, HBS Estates) are the independent members. There were 4 meetings of the DSC in 2020.

3. The Disputes Resolution Sub-Committee (DRSC) comprises three NPHDB Board members and the NPHDB Executive. The role of the committee is to review, monitor and consider actions required in relation to the Main Contractor claims; and liaise with the Board in relation to progressing any such claims and any proposals or recommendations to address or resolve these claims.

The NPHDB Board members of the DRSC are Tim Bouchier-Hayes (Chair), Fred Barry and Karl Kent. There were 10 meetings of the DRSC in 2020.

4. The Commissioning, Qualification and Validation Sub-Committee (CQVSC) comprises four NPHDB Board members and one independent member. The role of the committee is to review, monitor and consider the Technical Commissioning Strategy and Plan for the NCH and Tallaght OP & UCC and liaise with, and report to, the Board.

The NPHDB Board members of the CQVSC are John Cole (Chair), Fred Barry, John McGowan and Michael Shelly. Damien Clarke is the independent member. There were 4 meetings of the CQVSC in 2020.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2020 is set out on the following page including the fees and expenses received by each member:

There were two Board members, Liam Woods and Lorcan Birthistle who did not receive a Board fee under the One Person One Salary (OPOS) principle.

Key Personnel Changes

- Mr Michael Shelly was appointed to the Board on 20 February 2020.
- Mr John McGowan was appointed to the Board on 20 February 2020.
- Mr Lorcan Birthistle tendered his resignation and left the Board on 30 June 2020.
- Mr Fred Barry tendered his resignation and left the Board on 28 February 2021.

						Fees	Expenses
						2020	2020
	Board	FARSC	DSC	DRSC	CQVSC	€'000	€'000
No of meetings	16	5	4	10	4		
Mr Fred Barry	16	5		10	4	21	
Mr Tim Bouchier-Hayes	16	5		10		12	
Mr John Cole	15		3	10	4	12	1
Mr Karl Kent	16		4			12	
Ms Anne Butler	16					12	
Mr Liam Woods	11	5					
Mr Lorcan Birthistle (resigned 30.06.20)	5						
Mr Michael Shelly (joined 20.02.20)	14				3	10	
Mr Paul de Freine			4				
Mr John McGowan (joined 20.02.20)	14				3	10	
Mr Charlie Dolan			4				
Mr Damien Clarke			3		2		
Ms Eilish Hardiman			4				
Ms Deirdre Hegarty			4				

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	2020	2019
€60,000	€69,999	0	1
€70,000	€79,999	1	4
€80,000	€89,999	6	4
€90,000	€99,999	1	1
€110,000	€119,999	0	1
€120,000	€129,999	1	0
€160,000	€169,999	0	1
€180,000	€189,999	1	0
€200,000	€209,999	1	0

The newly appointed Chief Officer (appointed September 2019) and the Project Director (appointed October 2019) salaries are reflected in the above report.

Consultancy Costs

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

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Legal Costs and Settlements

In 2020 the legal fees relating to the O'Reilly Avenue injunction proceedings amounted to €37k. The legal fees and related costs are being claimed under the insurance cover that is in place.

The total legal fee expenditure in 2020 amounted to €120k and the Litigation & Claims Defence expenditure in 2020 amounted to €2,850k as per note 2 (vi) on page 37.

Travel and Subsistence Expenditure

		2020	2019
		€'000	€'000
Domestic			
Board		0	2
Employees		1	3
International			
Board		1	3
Employees		0	3
Total		3	11

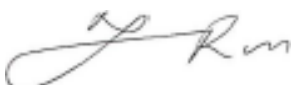
Hospitality Expenditure

There was no Hospitality Expenditure incurred in 2020.

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 2020.

On behalf of the Board of the NPHDB:



Fiona Ross
Chairperson

National Paediatric Hospital Development Board
25 November 2021



Michael Barry
Board Member & Finance, Audit and Risk Sub-Committee Chairperson

National Paediatric Hospital Development Board
25 November 2021

Report for presentation to the Houses of the Oireachtas The National Paediatric Hospital Development Board

Qualified opinion on the financial statements

I have audited the financial statements of the National Paediatric Hospital Development Board for the year ended 31 December 2020 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 2020 and of its income and expenditure for 2020 in accordance with Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

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Basis for qualified opinion on the 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 Board's financial statements for 2020 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
30 November 2021

Appendix to the report

Responsibilities of the 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.

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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 identify 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 identify 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 2020

We certify that the financial statements of the National Paediatric Hospital Development Board for the year ended 31st December 2020 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 32 to 46 and the statement of accounting policies on pages 35 to 36, give a true and fair view of the state of affairs of the Board at 31st December 2020 and of its income and expenditure for the year then ended.



David Gunning
Chief Officer

National Paediatric Hospital Development Board
Date: 25 November 2021



Fiona Ross
Chairperson

National Paediatric Hospital Development Board
25 November 2021

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Statement of 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 31 December 2020 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The NPHDB has a Finance, Audit & Risk Sub-Committee (FARSC) comprising three Board members and five executive members, with financial and audit expertise, one of whom is the Chair. The FARSC met five times in 2020.

The NPHDB has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the FARSC. The internal audit function is externally sourced and covered the annual internal controls review in 2020.

The FARSC has developed a risk management framework and 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 management 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 NCH project and these have been identified, evaluated and rated according to their probability and likely impact. The register was reviewed and updated by the FARSC twice in 2020 and also reviewed at five Board meetings in 2020. 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 management level with corresponding accountability;
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management;
- 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.

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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 management 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 senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

A duplicate cash claim of €3.6M was claimed from HSE, because the initial claim was made up of three different amounts, while the other claim was for the total amount for the exceptional payment.

The duplicate claim was detected when the aged creditors were reviewed and this duplicated claim was then netted off the next HSE Claim, with no loss to either party.

The procedures have been updated to track exceptional claims.

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 2020 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 controls is informed by the work of the internal and external auditors, the FARSC which oversees their work, and the senior management 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 on 10th March 2021.

Internal Controls

During 2020 significant progress was made in developing and implementing controls, performance management and mitigation of residual risk for the NCH (New Children's Hospital) construction contract including other project workstreams.

Having implemented the recommendations of the HSE commissioned PwC report issued in April 2019, the Executive has progressed a number of initiatives to provide greater visibility and control of key project processes including the administration of contractor claims on the NCH contract and the management/control of change.

To provide the Executive and the Board with accurate up to date information on the status of each project workstreams, an integrated reporting system has been put in place with defined key performance indicators (KPIs) for the workstreams. The system is actively used by the NPHDB as part of day-to-day project controls arrangements.

The NPHDB provides detailed cost and programme monthly updates to the Children's Hospital Programme & Project Steering Group and quarterly updates to the Children's Hospital Programme & Project Board. The Executive provides monthly updates to the NPHDB Board on a detailed cost, programme timelines and the project performance. We have taken the following steps to minimise the impact of Covid-19 on the project:

- We have developed a Covid-19 protocol for office working arrangements in line with the Covid-19 advice;
- The risk register was updated to include a section on Covid-19 in April 2020 and in October 2020 the Covid-19 risks were migrated into the main project risks as there was no material Covid-19 risks required to be tracked separately. The risks registers were reviewed at FARSC and the Board as noted in the various minutes.
- The internal process was updated to cover the adjustments which were necessary to support the changes to the process because of Covid-19. These processes were approved by FARSC and covered in the SIC review; and
- While BAM continue to make claims on the project including costs associated with Covid-19, none of these have been accepted by NPHDB. The contract with BAM as written does not provide for BAM to receive compensation for the Covid-19 event.

On the 28th January 2021 the NPHDB provided a comprehensive update to the Minister and Project stakeholders setting out the status of the construction works, the challenges which the Project continues to face and provided an update in relation to both the Project budget, Project schedule and overall performance. On behalf of the Board of the NPHDB:



Fiona Ross

Chairperson

National Paediatric Hospital Development Board
25 November 2021



Michael Barry

Board Member & Finance, Audit and Risk Sub-Committee Chairperson

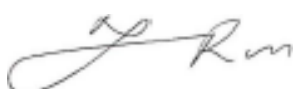
National Paediatric Hospital Development Board
25 November 2021

Statement of Income and Expenditure and Retained Revenue Reserves for the year ended 31st December 2020

		2020	2019
	Note	€'000	€'000
Income			
Oireachtas grants	9	161,215	199,623
Total Income		161,215	199,623
Expenditure			
Administration & Operations	2	161,215	199,623
Total Expenditure		161,215	199,623
Surplus / (Deficit) for the Year before Appropriations		-	-
Transfer from/(to) the Capital Account	7	(161,215)	(199,623)
Transfer to construction work in progress	2	161,215	199,623
Surplus/ (Deficit) for the Year after Appropriations		-	-
Balance Brought Forward at 01 January		-	-
Surplus/ (Deficit) for the Year at 31 December		-	-

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 13 form part of these financial statements.

On behalf of the Board of the NPHDB:



Fiona Ross

Chairperson

National Paediatric Hospital Development Board
25 November 2021



Michael Barry

Board Member & Finance, Audit and Risk Sub-Committee Chairperson

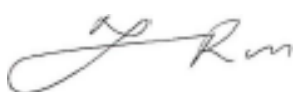
National Paediatric Hospital Development Board
25 November 2021

Statement of Financial Position for the year ended 31st December 2020

			2020	2019
	Note		€'000	€'000
Fixed Assets				
Construction work in progress	2		620,653	459,438
Less: Transfer to HSE	2		(34,946)	(34,946)
Transfer to CHI	2		(2,024)	(2,024)
Total Fixed Assets			583,683	422,468
Current Assets				
Receivables	3		12,125	18,775
Cash and cash equivalents	4		22,416	3,745
			34,541	22,520
Current Liabilities (amounts falling due within one year)				
Payables	6		(34,541)	(22,520)
Net Current Assets			0	0
Total Net Assets			583,683	422,468
Represented by:				
Capital account	7		583,683	422,468
			583,683	422,468

The Statement of Cash Flows and notes 1 to 13 form part of these financial statements.

On behalf of the Board of the NPHDB:



Fiona Ross

Chairperson

National Paediatric Hospital Development Board
25 November 2021



Michael Barry

Board Member & Finance, Audit and Risk Sub-Committee Chairperson

National Paediatric Hospital Development Board
25 November 2021

Statement of Cash Flows for the year ended 31st December 2020

		2020	2019
		€'000	€'000
Net Cash Flow from Operating Activities			
Excess Income over Expenditure		-	-
(Increase)/ Decrease in Receivables		6,650	1,507
Increase / (Decrease) in Payables		12,021	(1,455)
Bank interest received		-	-
Net Cash Inflow from Operating Activities		18,671	52
Cash Flows from Financing Activities			
Bank Interest received		-	-
Net Cash Flows from Financing Activities		-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents			
Cash and cash equivalents at 01 January		3,745	3,693
Cash and cash equivalents at 31 December		22,416	3,745

Notes to the Financial Statements

I. 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.

a) Statement of Compliance

The financial statements of the NPHDB for the year ended 31 December 2020 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) in the UK.

b) 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 (c to m) 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.

c) 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.

d) 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.

In 2020 the NPHDB realigned some administration costs general ledger account codes under different headings in the 2020 Financial Statements to give a more accurate alignment of the costs. We also realigned the comparative figures in the 2019 costs. There was no change to the overall administration costs in 2019 and 2020 with the realignment.

e) 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.

f) 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.

g) 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.

h) Capital Account

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

i) Retirement Benefits

The Public Service (Single Scheme and Other Provisions) Act 2012 became law on 28 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 and one former employee of the NPHDB that are members of the Single Scheme.

In accordance with direction from the Minister for 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 seven staff seconded to the Board during 2020, 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.

j) Receivables

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

k) 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.

l) Critical Accounting Judgement and Estimates

The preparation of the financial statements requires management 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 2020.

m) 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 2020, the NPHDB paid salary costs on behalf of the CBOG. The CBOG was also funded by the BAM Building 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:

(1) NPHDB's financial statements recognise funding provided to the group as an administrative cost.

(2) The CBOG's bank balance is recognised in the NPHDB's financial statements. The related debtor 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.

2. Administration & Operations / Construction work in progress

Total costs incurred to date amount to €620,653k with costs of €161,215k incurred in 2020. 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.

	2020			Cumulative to 31 December 2020		
	Exel.	Irrecoverable	Total	Exel.	Irrecoverable	Total
	VAT	VAT	Cost	VAT	VAT	Cost
	€'000	€'000	€'000	€'000	€'000	€'000
(i) BST / CMS *	3,956	878	4,834	13,605	3,109	16,714
(ii) Design Team	7,385	1,601	8,986	66,336	15,172	81,508
(iii) Site development and clearance	54	9	62	27,118	3,993	31,111
(iv) Construction	121,185	16,356	137,541	386,461	51,990	438,451
(v) Equipment	192	43	235	1,838	421	2,259
(vi) Admin Costs S/Total	8,292	1,264	9,556	46,214	4,395	50,610
S/Total	141,064	20,151	161,215	541,572	79,081	620,653
Less Connolly Transfers:						
(a) Building costs to the HSE	-	-	-	(30,692)	(4,254)	(34,946)
(b) Equipment costs to the CHI	-	-	-	(1,645)	(379)	(2,024)
Total Transfers	-	-	-	(32,337)	(4,633)	(36,970)
Net Cost	141,064	20,151	161,215	509,235	74,448	583,683

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

	2019			Cumulative to 31 December 2019		
	Excl.	Irrecoverable	Total	Excl.	Irrecoverable	Total
	VAT	VAT	Cost	VAT	VAT	Cost
	€'000	€'000	€'000	€'000	€'000	€'000
(i) BST / CMS *	2,794	641	3,435	9,649	2,231	11,880
(ii) Design Team	11,522	2,644	14,166	58,951	13,571	72,522
(iii) Site development and clearance	21	5	26	27,064	3,985	31,049
(iv) Construction	150,880	20,373	171,253	265,276	35,634	300,910
(v) Equipment	1,642	378	2,020	1,646	378	2,024
(vi) Admin Costs	7,815	908	8,723	37,922	3,131	41,053
	174,674	24,949	199,623	400,508	58,930	459,438
Less Connolly Transfers:						
(a) Building costs to the HSE	(30,692)	(4,254)	(34,946)	(30,692)	(4,254)	(34,946)
(b) Equipment costs to the CHI	(1,645)	(379)	(2,024)	(1,645)	(379)	(2,024)
Total Transfers	(32,337)	(4,633)	(36,970)	(32,337)	(4,633)	(36,970)
Net Cost	142,337	20,316	162,653	368,171	54,297	422,468

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

The building cost was transferred to the HSE, including all rights and interests, for the CHI OP & UCC at Connolly Hospital Blanchardstown to the value of €34,946k (this includes an allocation of the estimated overheads incurred) on practical completion in May 2019. The final account for the building cost transferred has yet to be finalised.

A number of Main Contractor claims under the Contract, relating to the overall cost of the Project, have been referred to conciliation by the Main Contractor and a Recommendation has been issued by the Standing Conciliator in relation to those claims. The NPHDB has issued a Notice of Dissatisfaction in respect of the Conciliator's Recommendation and, as such, the final cost insofar as Connolly is concerned remains in dispute. The Health Technology Equipment cost of €2,024k was transferred to the CHI by transfer agreement, where the NPHDB transferred the Health Technology Equipment cost, including all its rights, title and interest to the CHI.

2 (vi) Administration Costs:

		2020				2019			
		Excl.	Irrecoverable	Total	Excl.	Irrecoverable	Total		
		Vat	Vat	Cost	Vat	Vat	Cost		
		€'000	€'000	€'000	€'000	€'000	€'000		
Note									
Office Expenses									
Remuneration and other pay costs	2 (a)	1,802	24	1,826	1,709	19	1,728		
ICT		253	62	315	148	41	189		
Office expenses		115	18	133	124	22	146		
Rent & Service Fee		105	31	136	89	12	101		
Office fit out		28	3	31	0	0	0		
Office Insurance		42	0	42	77	0	77		
Travel & Subsistence		9	1	10	11	0	11		
Bank Charges		11	0	11	1	0	1		
Training Costs		14	0	14	15	1	16		
		2,379	139	2,518	2,174	95	2,269		
Professional Fees									
Legal expenses		98	23	121	129	29	158		
Litigation & Claims Defence		2,336	514	2,850	437	98	535		
Site Monitoring & Progress Reporting		1,819	400	2,219	798	179	977		
Community, Internal & External Stakeholder Engagement & Media Relations Communications Services		276	53	329	280	58	338		
C&AG audit fees		37	0	37	27	0	27		
Internal audit fees	2 (vi) (a)	40	9	49	0	0	0		
Other Professional Fees		215	55	270	161	34	195		
Recruitment Expenses		70	15	85	22	2	24		
Expert 3rd Party Reviews		68	15	83	99	23	122		
Independent Adjudicator & Standing Conciliator		216	35	251	107	25	132		
Equipment Consultant		5	1	6	20	5	25		
		5,180	1,120	6,300	2,080	453	2,533		
Project Costs									
Business case development		32	5	37	33	8	41		
Owner Controlled Insurance		19	0	19	880	0	880		
		51	5	56	913	8	921		
Contributions									
Planning application costs		703	0	703	58	1	59		
Capital Contribution (ESB Connection)		(21)	0	(21)	2,590	351	2,941		
		682	0	682	2,648	352	3,000		
		8,292	1,264	9,556	7,815	908	8,723		

Note 2 (vi) (a)

The 2019 Internal Audit costs were covered by an over accrual of Internal Audit costs in 2018 released in 2019 with a balance of €9k

Remuneration

2 (a) Remuneration and Other Pay Costs

	2020	2019
	€'000	€'000
Staff salaries	980	833
Seconded salaries	631	685
Employer's contribution to social welfare	93	85
Board members' emoluments	89	47
Retirement benefit costs	9	9
	1,802	1,709

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

2 (b) Aggregate Employee Benefits

	2020	2019
	€'000	€'000
Basic Pay	1,611	1,568
Employer's contribution to social welfare	93	85
	1,704	1,653

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

	2020	2019
Executive & Staff	10.4	10.1
Seconded Staff	4.9	5.8
Total	15.3	15.9

The total number of staff employed (FTE) at year ended was 15.1 (2019: 14.9)

2 (c) Key Management Personnel

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

	2020	2019
	€'000	€'000
Salary	691	597
Retirement Benefit Costs	9	9
	700	606

The Chief Officer and the Project Director's pension entitlements 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.

2 (d) Chief Officer Salary and Benefits

The Chief Officer role was approved in June 2019 and appointed September 2019.

The Chief Officers remuneration package for the financial period was as a follows:

	2020	2019
	€'000	€'000
Interim Chief Officer	-	56
Chief Officer	181	53
Basic Pay	181	109

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3. Receivables

		2020	2019
	Note	€'000	€'000
HSE grants due	9	11,590	18,487
Other debtors and prepayments		535	288
		12,125	18,775

4. Cash & Cash Equivalents

		2020	2019
	Note	€'000	€'000
NPHDB bank balance	5	22,340	3,692
Community Benefit Oversight Group bank balance		76	53
		22,416	3,745

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

As outlined in Accounting Policy 1, 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 2020 are set out below.

CBOG Bank Account:

	2020	2019
	€'000	€'000
Balance on deposit account on 01 January	53	44
Receipts:		
Health Service Executive	-	20
BAM Building	32	-
	32	20
Payments:		
Salaries	(2)	(5)
Consultant fees	-	(5)
Administration expenses	(7)	(1)
	(9)	(11)
Balance on deposit account on 31 December	76	53

6. Payables

Amounts falling due within one year:

	2020	2019
	€'000	€'000
Trade creditors	8,056	3,635
Other creditors	81	96
Accruals	25,997	18,323
Taxation creditors:		
- PAYE /PRSI	47	40
- PSWT	360	459
	34,541	22,553

7. Capital Account

	2020	2019
	€'000	€'000
Opening balance	459,438	259,815
Capital expenditure	161,215	199,623
Balance	620,653	459,438
Transfer to: HSE	(34,946)	(34,946)
Transfer to: CHI	(2,024)	(2,024)
Closing Balance	583,683	422,468

8. Capital Commitments

8.1: Capital Commitments (excluding Lease Commitments):

As at 31st December 2020, the Board had the following capital commitments:

	2020	2019
	€'000	€'000
Contracted for but not provided in the financial statements		
Within 1 year	277,278	281,384
Between 1 and 2 years	467,992	590,580
Between 3 and 5 years	18,689	1,702
Total (including VAT)	763,959	873,666

The year-on-year net changes of €110m reflects the Capital Commitments met in 2020, additional commitments made in 2020, and an estimate for future inflation allowable under the contract. Inflation costs for 2020 amounted to €1.5m (2019: €1.7m).

8.2: Lease Commitments:

The NPHDB is located at Block A, Herberton, St. James's Walk, Rialto, Dublin 8 D08 HP97. The annual rental cost is €254k, with the office lease expiring 24 June 2024. The CHI sub-let offices at Herberton from the NPHDB at a charge of 50% of the annual rental cost.

	2020	2019
	€'000	€'000
Contracted for but not provided in the financial statements		
Within 1 year	254	235
Between 1 and 2 years	509	470
Between 3 and 5 years	127	353
Total (including VAT)	890	1,058

8.3: Total Capital Commitments:

	2020	2019
	€'000	€'000
Contracted for but not provided in the financial statements		
Within 1 year	277,532	281,619
Between 1 and 2 years	468,501	591,050
Between 3 and 5 years	18,816	2,055
Total (including VAT)	764,849	874,724

9. 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 2020 were:

		2020	2019
	Note	€'000	€'000
Total capital grants notified by the HSE for the year		315,000	250,000
Opening balance due from HSE at 1 Jan		18,487	19,908
Capital expenditure incurred in the year		161,215	199,623
Less: Remittances from the HSE in the year		(168,112)	(201,044)
Balance due from the HSE at 31 Dec	3	11,590	18,487

10. Related Party Disclosures

Please refer to Note 2 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 of all conflicts of interest disclosures

As per the Conflict of Interest Log, there were two conflicts of interest recorded in 2020. The first conflict related to a proposal being put to the Board in respect of Jacobs Engineering Group. The second conflict related to the Health & Safety Audit tender competition being considered by the Board in respect of Chris Mee Group. In relation to the first conflict, the conflicted Board Member absented himself from the room for the discussions relating to their conflict. For the second conflict, the conflicted Board Member notified the Board after the fact as the Board member was unaware of the conflict at the time.

11. Contingent Liabilities

The NPHDB is currently, and may be, from time to time, involved in a number of claims by the Contractor for adjustments (compensation and delay) pursuant to the provisions of the Contract for the construction and completion of the New Children's Hospital (the "Contract"). The Contract provides that such claims shall be considered and determined initially by the Employer's Representative. In the event of the Employer's Representative's Determination being disputed by a party, the dispute may be referred in accordance with the Dispute Resolution procedures set out in the Contract to the Project Board and, if required, thereafter to Conciliation. Claims not settled at Conciliation may potentially proceed to court proceedings as provided for in the Contract.

The Board has been notified, by the Contractor, of a large number of contractual claims for adjustment. The NPHDB has, in the vast majority of cases, accepted the Employer's Representative's Determinations and has made payments to the Contractor as required in accordance with the terms of the Contract. A number of the Employer's Representative's Determinations have been referred to Conciliation and to date a number of Recommendations have been made by the Standing Conciliator providing for adjustments pursuant to the Contract. The NPHDB has complied with all of its payment obligations as determined pursuant to the provisions of the Contract.

In addition, there are a small number of court actions in relation to claims both by the Employer and the Contractor. These proceedings have not concluded at this date.

The NPHDB disputes the validity of a large number of the Contractor's claims, and specifically, where the adjustment sought is greater than the amount, and/or extension of time, as determined by the Employer's Representative. In such circumstances it would not be appropriate to make an estimate of any potential liability arising from a decision ultimately to be made by a Court.

In August 2019 Revenue initiated a review of the NPHDB overall tax structure in place regarding buildings works and detailed tax returns. As part of this review, it was noted that NPHDB was not initially registered for RCT payments until August 2018. There was no overall underpayment to Revenue in respect to this matter. The NPHDB is in correspondence with Revenue and is engaging with them to finalise this matter.

12. Events after the reporting date

The Chairperson Mr. Fred Barry resigned on 28 February 2021.

Mr. Michael Barry joined the Board on 26 February 2021 and Chairperson of the FARSC on 09 June 2021.

Mr. Brian Keogh joined the Board on 26 February 2021.

Ms. Fiona Ross joined the Board as Chairperson on 16 September 2021.

Ms. Denise Cronin joined the FARSC as an external member on 08 September 2021.

13. Approval of the financial statements

The financial statements were approved by the Board of the NPHDB on 10 November 2021.



2020

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.