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General Information

National Paediatric Hospital Development Board

Project Office	Block A, Herberton, St. James's Walk, Rialto, Dublin 8. D08 HP97
Bank	Bank of Ireland 2 College Green Dublin 2 D02 VR66
Auditor	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1
Solicitors	McCann FitzGerald Riverside One Sir John Rogerson's Quay Dublin 2



Statement by Fiona Ross, Chair of the National Paediatric Hospital Development Board on the publication of the NPHDB's Annual Report for 2021

The Comptroller & Auditor General (C&AG) commenced its annual audit of the NPHDB 2021 Financial Statements in August 2022 and finalised the audit with the C&AG report dated 23rd September 2023, which can be found on page 24.

The 2021 Annual Report gives a snapshot in time on the construction of the new children's hospital.

An update on the project dated 22nd April 2024 is as follows:

The New Children's Hospital is now over 90% complete, with the fit-out of rooms and the installation of medical equipment underway. The two urgent care/emergency care facilities in Tallaght University Hospital and Connolly Hospital, Blanchardstown are open and delivering the new model of care for children and their families.

The new hospital will be a state-of-the-art hospital. It will be Ireland's first fully digital public hospital, providing 300 individual, inpatient, ensuite rooms - each with its own place for a parent/guardian to sleep. In addition, it will double the current number of critical care beds to 60, and have 93-day beds and 20 dedicated, ensuite mental health (CAMHS) beds. Theatre capacity will be expanded to 22 theatres and procedure rooms. The building will accommodate 5 MRIs and 110 outpatient rooms.

Programme Timeline

In September 2023, the Main Contractors latest programme for the substantial completion of the construction and fit-out of the hospital is Quarter 4 2024. The NPHDB has also commenced specific engagement with the contractor, BAM, with the objective of doing all in our power to help ensure that BAM reaches substantial completion on the New Children's Hospital within the Quarter 4 2024 timeframe. The hospital will then be handed over to Children's Health Ireland (CHI) for operational commissioning. The NPHDB is fully engaged with CHI on the Operational Commissioning Phase of the hospital to ensure there is a seamless handover at substantial completion. The key workstreams are equipping, technical commissioning and ICT systems.

Capital Budget

In February 2024, the Government approved enhanced capital and current budget sanctions for the New Children's Hospital (NCH) project, bringing the total approved budget to €2.24 billion. Included in this are the design, build and equipping costs (including the Satellite Centres at Tallaght and Connolly) of €1.88 billion, and a separate €360 million to Children's Health Ireland for the integration and transition of services to the NCH, including commissioning, ICT and the Electronic Health Record. To date, the total amount spent by the NPHDB (as of end of February 2024) is €1,433,931,407 including VAT.



Fiona Ross

Chair

National Paediatric Hospital Development Board

Annual Report 2021 Chairperson's Statement

The role of the Board of the National Paediatric Hospital is to oversee the design, the equipping, and the building of the new children's hospital. To do this, our Board works with the Chief Officer and the Executive team to ensure appropriate governance, oversight, and procedures are in place and are complied with to ensure the successful delivery of the project.

To achieve this we must continually review our own internal structures and processes. In this regard the last year has seen the establishment of new formal procedures for monitoring control processes. The new processes that have been put in place mean that if any control deficiencies arise across the project, these are communicated to those responsible to take corrective action in a timely way.

In addition, a new integrated reporting system has been put in place with defined key performance indicators to provide the Executive and Board with up-to-date information on the status of key project workstreams.

These measures are all part of our own continual assessment of how we are working and operating to improve day-to-day performance, identify risks as they emerge, and mitigate any potential impact on timeline towards completion.

I also welcome a series of measures that have been taken to improve governance and achieve more streamlined management and oversight arrangements arising from an independent report undertaken by external consultants PWC. These new structures are designed to improve overall co-ordination between the NPHDB, the Department of Health, Children's Health Ireland, and the Health Services Executive and their statutory roles and responsibilities in the delivering and operating of the new children's hospital project.

In particular, the establishment of the National Oversight Group provides further vital oversight, monitoring and support for the programme in terms of timeline, scope, and funding issues.

The efforts that have made to improve governance, oversight, and controls, reflect the genuine and sincere commitment of all those involved in the new children's hospital project and to delivering the best possible facilities and standards of care for Irish children and their families. During my period as Chair of the NPHDB I have been fortunate to witness this commitment and effort first-hand, while simultaneously watching the new hospital building take shape.

I want to thank my fellow members on the NPHDB and welcome our newest colleagues Alan Seaborne, Derek Moran, and Alex White as they take up their roles. They will bring their own experience and perspectives to our work and are joining us during our most exciting period as we build towards completion.

Together, we are delivering a world class hospital that will set new standards for public healthcare in Ireland. We should be proud of that achievement.



Fiona Ross

Chair

National Paediatric Hospital Development Board

23rd August 2023

2021 Chief Officer 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 the Paediatric Outpatient and Urgent Care Centre at Connolly Hospital in Blanchardstown and the Paediatric Outpatient and Emergency Care Unit at Tallaght University Hospital, now referred to as CHI at Connolly and CHI at Tallaght. This is the most significant, single capital investment project in the healthcare system ever undertaken in Ireland. The NPHDB is working with, and on behalf of, Children's Health Ireland to deliver this much needed project.



The New Children's Hospital, Rialto, Dublin 8.

Realising the Vision

CHI at Connolly and CHI at Tallaght are open to patients since July 2019 and November 2021 respectively and are already significantly helping to reduce waiting times for children, young people and their families. Progress on the new children's hospital is well underway and now established on the city's skyline. Despite the ongoing challenges facing the construction sector at home and around the world, progress has continued, and the vision set out in the design of the hospital is clearly being realised floor by floor and room by room.

Construction Progress

The building is really taking shape. As you walk the corridors of the hospital, the most advanced areas have intact floors, walls and ceilings, and joinery such as nurse stations are already fitted. In the 380 single, ensuite inpatient rooms, the bathroom fittings are being installed. The 22 operating theatres are coming together as well as in the unmistakable cone structure that will be home to the 3rd level seminar and library spaces, the 350-seat lecture theatre and performance, an all-faith centre and performance steps. Other areas such as the Emergency Department, Imaging, and the Critical Care and Therapy areas are also progressing at pace. The medical and clinical equipping of the hospital also falls within the remit of the NPHDB. Medical equipment such as theatre and ICU pendants, autoclaves, storage and catering equipment are being installed.



Some of the Women working on the site of the new children's hospital celebrate International Women's day.

Construction Sector Challenges

The global construction sector is continuing to face challenges related to supply of market essentials due to widespread turbulence in the industry caused by Brexit, Covid and the War in Ukraine. All these issues have led to production disruption, Covid related factory shutdowns, import delays and constraints, and inventory depletion, resulting in increased global demand and shortages in the market. According to the SCSl/PWC 2022 Construction Market Monitor, the top three factors indicated by surveyors as impacting on their firm's activity levels were shortage of labour, shortage of materials and project viability. This is a global challenge, and one that is not unique to the construction sector but one that is having – and will have – potential impacts on this project while also bringing additional uncertainty. The contractor continues to work through these challenges.

Construction Costs

In December 2018, the Government approved an investment of €1.433bn for the design, build and equipping of the new children's hospital project. This investment excludes items where no price certainty is possible due to factors such as construction inflation, statutory changes, and other changes in project scope that may arise over the course of construction. In addition to these factors, programme delay, Covid, and Brexit will all add additional cost to the project. The NPHDB 2021 accounts have been audited and approved by the Comptroller and Auditor General. The expenditure for the year ending December 31, 2021, was €302,820,000'.

Community Benefit

The new children's hospital Community Benefit Programme is a multi-layered programme designed to ensure that the community near the hospital benefits as much as possible from its development in their area. The Community Benefit Programme continued to make a significant impact in the local community in 2021. The construction clause within the BAM contract contains an ambitious targeted recruitment approach aimed at employing people who are unemployed, early school leavers, recent graduates, those new to construction or otherwise distant from the job market. By end 2021, a total of 109 "new entrant jobs" were created because of the Community Benefit Clause, including 27 new apprenticeships. 60% of those recruited live in Dublin 8 & 12.

While engagement in our school programmes continued to be curtailed due to Covid-19, nevertheless over 1,000 children and young people have engaged with the different activities and events organised by the Community Benefit Programme.



Jake McLoughlin, recipient of a BAM Community Benefit Educational Bursary Award.



Crumlin Community Clean Up, recipient of a BAM Community Grant.

Conclusion

In conclusion I would like to thank our Chair and Board members, the NPHDB Executive members and the NPHDB project and design teams for their commitment. I would like to acknowledge the Minister for Health, Mr. Stephen Donnelly TD and his Department officials, and the Health Service Executive (HSE) for their ongoing support.

I also wish to extend my thanks to our colleagues in Children's Health Ireland and to the management and staff at Connolly Hospital, Tallaght University Hospital and St. James's Hospital, to the children and young people, parents, public servants, community representatives, residents and the many other individuals and organisations who engaged with and supported the project throughout 2021.

Together, we are working to deliver a world-class new children's hospital – supported by the Paediatric Outpatient and Urgent Care Centre at Connolly Hospital in Blanchardstown and the Paediatric Outpatient and Emergency Care Unit at Tallaght University Hospital– which will support clinical staff in delivering optimum healthcare to Ireland's sickest children and young people. In the past year, we have made significant progress towards achieving our goal.



David Gunning

Chief Officer

National Paediatric Hospital Development Board

23rd August 2023

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 and is responsible for planning, designing, building, equipping a new children's hospital in accordance with the high-level framework brief which was commissioned by the Health Service Executive.

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, the Paediatric Outpatient and Urgent Care Centre at Connolly Hospital in Blanchardstown and the Paediatric Outpatient and Emergency Care Unit at Tallaght University Hospital, known as CHI at Connolly at Blanchardstown, and CHI at Tallaght.

The NCH project will have a significant impact on children and young people - 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 to date. It will bring together the services currently provided at the three Dublin 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 17. A schedule of attendance at the Board and Committee meetings for 2021 is outlined on Page 20.

NPHDB Board Membership as of end of September 2023.

<https://www.newchildrenshospital.ie/about-nphdb/the-national-paediatric-hospital-development-board/>

NPHDB Executive

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

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 13 September 2013, as set out in an operational agreement between the NPHDB, the CHI and the HSE and approved by the Department of Health.

Governance

In January 2021, the Department of Health confirmed that in line with Government approval there would be an introduction of revised Children's Hospital Project & Programme Governance arrangements. The revised governance arrangements are intended to complement and strengthen the capacity of CHI and NPHDB to discharge their respective statutory roles and

responsibilities; these roles and responsibilities remain unchanged. The revised arrangements will support more integrated working and shared focus on project delivery for the remainder of the programme.

Key elements of the revised Governance Arrangements are as follows:

1. Establishment of Integrated CHI/NPHDB Programme Delivery Team

Building on existing joint-working arrangements, a formal Integrated Programme Delivery Team structure was established and is operated jointly by CHI/NPHDB. The Integrated Programme Delivery Team meets formally and takes joint responsibility for co-ordination and integration of the interdependent workstreams through to the conclusion of the programme.

2. Nomination of HSE Lead Director

Under the new governance arrangements and in relation to the role of the HSE, the HSE CEO will formally give specific delegated authority to the Lead Director who will be responsible for developing and implementing a 'Programme Assurance Plan' to be signed off by all principal programme and project stakeholders.

3. The National Oversight Group

This National Oversight Group will oversee and monitor the progress of the New Children's Hospital Programme to ensure that the programme is delivered against the agreed parameters for the programme in relation to timeline, scope, quality, functionality and funding. This group is chaired by the Secretary General, Department of Health, with membership to include the HSE CEO and relevant senior Department officials.



Engineering Students from CBS James's Street visit the new children's hospital.

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:

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; CHI at 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 CHI at Connolly and CHI at Tallaght 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 by 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.

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
- 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;

- The Paediatric Outpatient and Urgent Care Centre at Connolly Hospital in Blanchardstown and the Paediatric Outpatient and Emergency Care Unit at Tallaght University Hospital; and
- A 52-Unit family accommodation unit.



External image of the New Children's Hospital with helipad, Rialto, Dublin 8.

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;



Nov 2021 - Taoiseach Micheál Martin and Minister Stephen Donnelly visit the new children's hospital construction site / plants the 1st of 400 trees destined for the 4 acres of gardens and open spaces planned within the 12-acre grounds of the new children's hospital.

- 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;
- 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.

Hospital Design

The NCH project represents a 'once-in-a-lifetime opportunity' for all those involved in its design and implementation. Encompassing CHI at Connolly and CHI at Tallaght as well as the new children's hospital on the campus shared with ST James's Hospital, it is the single most significant capital investment projects ever undertaken in healthcare in Ireland and is a core part of the 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 deliberately gives the new hospital a strong identity that is unlike any other hospital, 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 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.

Sustainability

Sustainability - including setting high energy efficiency targets - was a key objective in the design and planning of the new children's hospital and, as a result, the hospital has secured a BREEAM Excellent design stage certification, a sustainability rating which assesses the environmental performance of the building's design. It is recognised that this additional 3% capital investment will deliver reductions in operational costs over the long term. A whole-life costing approach has been adopted in the design of the building façade, engineering services, maintainable building assets and clinical equipment selection.

The new children's hospital was also designed to meet the national Building Energy Rating A3 standard, requiring a 50% improvement in primary energy consumption above benchmark. Our consulting engineers also specified high-efficiency heating, cooling and ventilation equipment, incorporating heat recovery where possible. Natural lighting and ventilation are used, where appropriate in non-critical areas, maximising the health benefits of breathing fresh air and access to daylight, whilst also reducing energy consumption.

Designing a building of this magnitude required careful consideration and a focus on resource efficiency. Our Design Team worked closely with contractors to minimise the materials required, with offsite prefabrication helping to reduce waste while enhancing quality control. At the design and planning stage it was expected that the efficient energy systems specified would deliver a reduction of 50% in energy running costs on a like for like basis when compared to the existing children's hospitals.

Equipping

Planning and consulting with Children's Health Ireland (CHI) colleagues on defining their equipping needs for the NCH progressed in 2021 by hosting virtual meetings via electronic communication devices. Equipping procurement decisions for CHI at Tallaght ensured harmonisation of equipment across CHI sites and the delivery of equipment was completed on time and under budget after substantial completion occurred in September 2021.

Working closely with the CHI we continue to optimise equipment requirements for the NCH being cognisant of emerging technology and innovations and taking the opportunity to refine user requirement specifications to meet functional and technical requirements. Planned replacement of obsolete equipment in the existing paediatric hospitals has potential for future transfer to the NCH. The Healthcare Technology Team plan to provide tender award decisions that will support procurement drawdowns for equipment replacement across the paediatric sites. This will ensure any exchequer or philanthropic investment in equipping is coherent with the future operating model and technical specification requirements for NCH to realise the residual value of the investment and optimise equipment transferability.

The equipping team continue to support CHI in progressing a proposal for a modern contemporary laboratory through a managed laboratory service procurement approach which it is exploring through an external advisory agency and to support the Electronic Healthcare Record tender process in the critical integration of medical device technology.

The procurement for Group 2 equipment by the NPHDB to be installed by BAM or by a specialist vendor with BAM attendance, commenced in 2021 with Central Decontamination Unit followed by Magnetic Resonance Imaging Systems (MRI's) and the remainder of the Group 2 equipment decisions by end of Quarter 3 2022. The functional and technical specifications for Group 3 and 4 equipment to be procured and placed in the hospital after substantial completion, continues to be defined through equipment decision groups for procurements to meet substantial completion and operational commissioning programmes.

Arts in Health

The NPHDB, CHI and the Design Team continue to ensure that the necessary infrastructure and equipment will be 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, as well as protecting spaces throughout the building for the display of artworks in the future. A series of bespoke frames by the social enterprise 'We Make Good' were installed into CHI at Tallaght for the display of artwork by children and young people. This are designed to facilitate the easy changeover of artwork.

Throughout 2021, the seven artists / artist teams commissioned to produce artworks for the public realm spaces 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.

Artist Róisín de Buitléar installed her second Balloon Tree sculpture into the new Emergency Care Unit at CHI at Tallaght. This is a sister sculpture to the Balloon Tree that was installed at CHI at Connolly in 2019 and offers an engaging visual focal point for the centre. Her intensely colourful glass balloons are dotted throughout the building in unlikely places offering opportunities for discovery for children and young people.

Public Sector Equality & Human Rights Duty

During 2021, the NPHDB commenced the process of specifically determining actions to meet its Public Sector Duty on Human Rights and Equality, the legal whereby all public bodies have responsibility to promote equality, eliminate discrimination and protect the human rights of their employees, service users and everyone affected by their policies and plans. A Public Sector Duty Steering Committee was established to report regularly to the Executive and a 3-year action plan drawn up and approved. As a first action point of this plan, all NPHDB project personnel received Equality and Diversity and Unconscious Bias training including information on the Public Sector Duty. Another key action undertaken in 2021 was to commence exploring how the Public Sector Duty may impact the NPHDB's procurement processes, insofar as there is an obligation to pass the Public Sector Duty on through procurement, and how best this might be done.

Community, Internal & External Engagement

The new children's hospital project is the most complex construction project underway in Ireland and represents the State's biggest single investment in healthcare. Communicating with all stakeholders throughout the planning and now the construction phase is essential. This communication not only takes place through media relations and social media but also through site visits, events, newsletters, and engagement sessions, for example. On an ongoing basis there is engagement and communication with key stakeholders such as local and national representatives, Department of Health and HSE officials, local residents, local community organisations and businesses, and Children's Health Ireland staff, amongst others. In addition, specific communication activities include a range of activities including but not limited to the writing and production of a digital newsletter that's distributed to more than 4,000 stakeholders on a regular basis; hosting a monthly Resident Project Monitoring Committee with local councillors and residents; a press office service (inclusive of out of hours); creation of content for digital channels and media such as photography and videography; management of social media; site visits for key stakeholders; responding to Parliamentary Questions; and ongoing internal communication to the wider NPHDB team and Board members. A competitive tendering process was run by the NPHDB for communication consultancy services in 2021, which was advertised on eTenders.gov.ie and Q4PR was the successful tenderer.

Governance Statement and Board Members' Report

Governance

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

The NPHDB is responsible for planning, designing, building, equipping and furnishing a 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, with prior consent of the Minister; and
- do any other thing as is necessary for the performance of its functions.

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 09 December 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 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 2021.

The Children's Health Act 2018 (part 9) has included the following sections relating to the Board. Section - 62 and Section 63.

- Section 64: Liability for loss occurring before dissolution day;
- Section 65: Provisions consequent upon transfer of functions, property, rights and liabilities to Executive;
- Section 66: Final accounts and final annual report to the Board; and
- Section 67: Cessation of membership of the Board.

The Children's Health Act 2018 was passed by Dáil Éireann on 07 November 2018. All sections of Part 9 of the Act have been commenced, except for Section 61(b)(i)(l)) 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 2021:

Board Member	Role	Date Appointed	Date of Reappointment	Appointment confirmed to:
Ms Fiona Ross	Chairperson	16 September 2021		30 July 2023
Mr Fred Barry	Chairperson	06 February 2019		28 February 2021
Mr Tim Bouchier-Hayes	Deputy Chairperson	02 August 2013	16 July 2018	31 July 2023
Mr John Cole	Ordinary Member	02 August 2013	16 July 2018	31 July 2023
Mr Karl Kent	Ordinary Member	02 August 2013	16 July 2018	31 July 2023
Ms Anne Butler	Ordinary Member	02 August 2013	16 July 2018	31 July 2023
Mr Liam Woods	Ordinary Member	04 March 2015	16 July 2018	31 July 2023
Mr Michael Shelly	Ordinary Member	20 February 2020		20 February 2025
Mr John McGowan	Ordinary Member	20 February 2020		20 February 2025
Mr Michael Barry	Ordinary Member	23 February 2021		23 February 2026
Mr Brian Keogh	Ordinary Member	23 February 2021		23 February 2026

The Board completed a Self-Assessment and Evaluation review for 2021 which was undertaken during December 2021 in accordance with the requirements of the Corporate Governance Code. The Board Self-Evaluation was reviewed at the February 2022 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 March 2022 Board Meeting.

The Board has adopted the Code of Practice for the Governance of State Bodies 2009, which was replaced on 1 September 2016 by the Code of Governance for State Bodies 2016 (the State Code) and supplemented in September 2020 with additional requirements in respect of diversity and inclusion, and continues to review and implement the provisions of the State Code. The

Board is committed to maintaining the highest standards of corporate governance, and to monitoring compliance on an on-going basis. The gender balance of the Board is 80% male and 20% female.

In 2021 the Board was supported by four Sub-Committees as follows:

1. The Finance, Audit and Risk Sub-Committee (FARSC)

Comprises three NPHDB Board members and one independent member. 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 as at 31st December 2021 were Michael Barry (Chair), Fiona Ross and Liam Woods. Denise Cronin joined the committee in Nov 2021 as an independent committee member. There were 8 meetings of the FARSC in 2021.

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 5 meetings of the DSC in 2021.

3. The Disputes Resolution Sub-Committee (DRSC)

Comprises four 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 Michael Shelly (Chair), Tim Bouchier-Hayes, Brian Keogh and Karl Kent. There were 8 meetings of the DRSC in 2021.

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), John McGowan, Michael Shelly and Brian Keogh. Damien Clarke is the independent member. There were 4 meetings of the CQVSC in 2021.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2021 is set out on the following page including the fees and expenses received by each member:

There was one Board member, Liam Woods who did not receive a Board fee under the One Person One Salary (OPOS) principle.

Key Personnel Changes

- Mr Michael Barry was appointed to the Board on 23 February 2021.
- Mr Brian Keogh was appointed to the Board on 23 February 2021.
- Mr Fred Barry tendered his resignation and left the Board on 28 February 2021.
- Ms Fiona Ross was appointed to the Board on 16 September 2021.

						Fees	Expenses
						2021	2021
	Board	FARS C	DSC	DRSC	CQVSC	€'000	€'000
No of meetings	13	8	5	8	4		
Ms Fiona Ross (joined 16.09.21)	4 (4)	2 (2)				7	
Mr Fred Barry (resigned 28.02.21)	3 (3)	1 (1)		1 (1)	1 (1)	3	
Mr Tim Bouchier-Hayes	13 (13)	6 (6)		8 (8)		17	
Mr John Cole	13 (13)		5 (5)		4 (4)	12	1
Mr Karl Kent	13 (13)		5 (5)	8 (8)		12	
Ms Anne Butler	13 (13)					12	
Mr Liam Woods	11 (13)	6 (8)					
Mr Michael Shelly	13 (13)			7 (8)	4 (4)	12	
Mr John McGowan	10 (13)				4 (4)	12	
Mr Michael Barry (joined 23.02.21)	9 (9)	7 (7)				10	
Mr Brian Keogh (joined 23.02.21)	9 (9)			7 (8)	2 (2)	10	
Mr Paul de Freine			4 (5)				
Mr Charlie Dolan			2 (5)				
Mr Damien Clarke			1 (5)		3 (4)		
Ms Eilish Hardiman			5 (5)				
Ms Deirdre Hegarty			1 (1)		0 (1)		
Mr Alan Seabourne			5 (5)				
Ms Denise Cronin		1 (2)					
						107	1

The first number indicates the number of meetings a Board / Committee member attended in the year.

The bracket number indicates the maximum number of meetings that a Board / Committee member could attend in the year.

Claims Management

A contract was entered into by the National Paediatric Hospital Development Board (“NPHDB”) and BAM Ireland Limited (“Contractor”) for the construction and part design of the New Children’s Hospital (the “Contract”).

The Contract sets out a requirement that, where the Contractor considers that there is an entitlement to an adjustment to the Adjusted Contract Sum and/or the date for Substantial Completion (as defined in the Contract), it shall serve notice of its claim and information supporting the claim on the Employer’s Representative (“ER”), who has been appointed pursuant to the Contract, within specified notice periods pursuant to the requirements of Clause 10.3 of the Contract.

The Contract provides that for adjustments, claims shall be considered and determined initially by the ER. In the event of the ER’s Determination being disputed by a party to the Contract, 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 resolved at Conciliation may potentially proceed to court proceedings, as provided for in the Contract.

As of the date of 30 April 2023, the ER had been notified, by the Contractor, of 2,506 claims for adjustment*. Subsequently, the Contractor withdrew 458 of the previously notified claims. This results in a net quantity of 2,048 Contractor claims. Of the total notices of claims, submitted by the Contractor, supporting information has been provided by the Contractor to the ER in respect of 1,653 claims (including 3 inflation claims). The amount claimed by the Contractor in respect of these claims is €673,488,540. The difference of 395 claims are claims that have been the subject of initial notifications submitted by the Contractor, but supporting information had not been provided as of the date of this report. 11 of these 1,653 claims, which were referred to dispute, under the Dispute Management Procedure, in accordance with the Contract, have been resolved between the parties. There remain 1,249 claims and adjustment referred to dispute in accordance with the Contract by the Parties.

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 ER. In such circumstances, it would not be appropriate to make an estimate of any liability arising from a decision, ultimately to be made by the High Court.

The NPHDB is committed to seeking a fair and equitable resolution of all disputed claims, in order to minimise Project risk and to achieve Project completion on a timely basis. Notwithstanding this, the Board recognises that there are, in some instances, very substantial differences of:

- a) Positions, as between the ER’s assessments and determinations of the Contractor’s claims and the adjustments sought by the Contractor;
- b) Positions as between the NPHDB’s own assessments and determinations of the Contractor’s claims, and the adjustments sought by the Contractor.

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.

*The date of 30th April 2023 is used as this is the date to which the C&AG completed their audit on the claims management information”.

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		2021	2020
€60,000 -	€69,999		0	0
€70,000 -	€79,999		0	1
€80,000 -	€89,999		5	6
€90,000 -	€99,999		0	1
€100,000 -	€109,999		0	0
€110,000 -	€119,999		0	0
€120,000 -	€129,999		0	1
€130,000 -	€139,999		0	0
€140,000 -	€149,999		0	0
€150,000 -	€159,999		0	0
€160,000 -	€169,999		0	0
€170,000 -	€179,999		0	0
€180,000 -	€189,999		1	1
€190,000 -	€199,999		0	0
€200,000 -	€209,999		1	1
Above €210,000			0	0

Consultancy Costs

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

Legal Costs and Settlements

In 2021 the legal fees relating to the O'Reilly Avenue injunction proceedings amounted to €248k. The legal fees and related costs are being claimed under the insurance cover that is in place.

The total legal fee expenditure in 2021 amounted to €262k and the Litigation & Claims Defence expenditure in 2021 amounted to €1,791k as per note 2 (vi) on page 38.

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2021	2020	
	€'000	€'000	
Domestic			
Board	0	0	
Employees	2	2	
International			
Board	1	1	
Employees	0	0	
Total	3	3	

Hospitality Expenditure

There was no Hospitality Expenditure incurred in 2021.

Board Diversity

At 31 December 2021, the diversity breakdown of the 10 Board member is 8 male and 2 female.

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 2021.

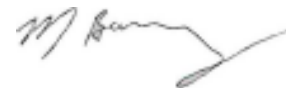
On behalf of the Board of the NPHDB:



Fiona Ross
Chairperson

National Paediatric Hospital
Development Board

Date: 23rd August 2023



Michael Barry
*Board Member & Finance, Audit and
Risk Sub-Committee Chairperson*
National Paediatric Hospital
Development Board

Ard Reachtaire Cuntas agus Ciste (Comptroller and Auditor General)

Report for presentation to the Houses of the Oireachtas

The National Paediatric Hospital Development Board

Opinion on the financial statements

I have audited the financial statements of the National Paediatric Hospital Development Board for the year ended 31 December 2021 as required under the provisions of Section 5 of the Comptroller and Auditor General Amendment Act 1993. The financial statements 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, 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 2021 and of its income and expenditure for 2021 in accordance with Financial Reporting Standard (FRS) 102 — The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Basis of opinion

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.

Payment to Revenue Commissioners

The statement on internal control discloses the circumstances that resulted in the National Paediatric Development Board making a settlement of just under €987,000 with the Revenue Commissioners in March 2022.



Seamus McCarthy
Comptroller and Auditor General
22nd September 2023

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

Responsibilities of the Comptroller and Auditor General

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

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may 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 identify during my audit.

I 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.

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.

Certification of Chief Officer and Chairperson

For the year ended 31st December 2021

We certify that the financial statements of the National Paediatric Hospital Development Board for the year ended 31st December 2021 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 28 to 46 and the statement of accounting policies on pages 34 & 35, give a true and fair view of the state of affairs of the Board at 31st December 2021 and of its income and expenditure for the year then ended.



David Gunning

Chief Officer

National Paediatric Hospital Development Board
23 August 2023



Fiona Ross

Chairperson

National Paediatric Hospital Development Board
23 August 2023

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 2021 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, one external FARSC member and four Executive members. The FARSC has the necessary financial and audit expertise, one of whom is the FARSC Chair. The FARSC met eight times in 2021.

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 2021.

The FARSC has a Risk Management Statement including a risk management framework and policy which sets out the NPHDB's risk appetite, the risk management processes and details the roles and responsibilities of NPHDB personnel in relation to risk. The policy and procedure has been made available to all NPHDB personnel who are required to work within these. NPHDB personnel are also responsible for alerting management on any emerging risks and control weaknesses they become aware of and have 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 along with the management actions being taken to address and, to the extent possible, to mitigate those risks. A key objective of the risk management process is to plan and allocate resources to ensure risks are managed and mitigated to an acceptable level.

A risk register is in place which identifies the key risks the NCH project faces across various workstreams, and these risks have been evaluated and rated according to their probability and likely impact. The project risk register was reviewed by the FARSC twice and also reviewed by the Board at their respective meetings in 2021.

The risk register details the controls and actions needed to mitigate and/or minimise the impact of risk and responsibility for operation of controls is assigned to specific NPHDB project personnel. The NPHDB confirm that a control environment containing the following elements is in place:

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

Ongoing Monitoring and Review

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

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

Procurement

We confirm that the NPHDB has a policy and procedures in place to ensure compliance with current procurement rules and guidelines and that during 2021 the NPHDB complied with those procedures.

Revenue Penalty Charge

Up until August 2018 the NPHDB had not considered itself to be the Principal Contractor and therefore not subject to Relevant Contract Tax (RCT) in its transactions with the Main Construction Contractor (BAM).

The Revenue Commissioners initiated a meeting with the NPHDB regarding this matter in September 2019 and the NPHDB made an unprompted voluntary disclosure to the Revenue Commissioners for the BAM payments from 2016 to August 2018 and included a disclosure in relation to the non-reporting of PSWT of non-Irish suppliers.

Negotiations concluded in relation to the RCT and the PSWT penalty liabilities on 21 March 2022. The NPHDB was notified of the RCT penalty liability of €938,665 and the PSWT liability of €48,237, as summarised below;

	Value (inc VAT)	RCT/VAT Cost	Mitigated Penalty @ 1%	Description
Unreported BAM Payment	93,866,544	11,164,743	938,665	RCT
Other	910,118,088	104,056,043	48,237	PSWT
Total as at March 2022	1,003,984,632	115,220,786	986,902	
			0.86%	

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 Executive within the NPHDB responsible for the development and maintenance of the internal control framework.

We confirm that the Board conducted an annual review of the effectiveness of the internal controls on 13 July 2022. This review was scheduled for the first quarter of 2022 but was delayed due to extenuating circumstances faced by the NPHDB.

Internal Controls

During 2021, significant progress was made in developing and implementing controls, performance management and mitigation of risk for the NCH (New Children's Hospital) construction contract, including other project workstreams.

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.

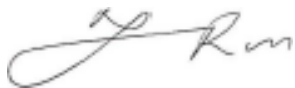
The NPHDB (along with CHI) provides detailed risk, cost and programme monthly updates to the Children's Hospital Programme & Project Steering Group and quarterly updates to the Children's Hospital Programme & Project Board. The Executive provides monthly updates to the NPHDB Board on risk, detailed project costs, programme timelines and the overall project performance.

The NPHDB have taken the following steps to minimise the impact of Covid-19 on the project:

- The NPHDB have developed a Covid-19 protocol for office working arrangements in line with the Covid-19 public health advice and Government guidelines; and
- 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 risk register. The risks registers were reviewed by the Executive and at the FARSC and the Board meetings as noted in the various minutes.

While BAM continue to make claims on the project including costs associated with Covid-19, none of these have been accepted by the Employers Representative under the contract. The contract with BAM as written does not provide for BAM to receive compensation for the Covid-19 event.

On behalf of the Board of the NPHDB:



Fiona Ross
Chairperson

National Paediatric Hospital
Board
Date: 23rd August 2023



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

National Paediatric Hospital Development Development
Board

Statement of Income and Expenditure and Retained Revenue Reserves for the year ended 31st December 2021


			2021	2020
		Note	€'000	€'000
Income				
Oireachtas grants		9	302,820	161,215
Total Income			302,820	161,215
Expenditure				
Administration & Operations		2	302,820	161,215
Total Expenditure			302,820	161,215

Surplus / (Deficit) for the Year before Appropriations			-	-
Transfer from/(to) the Capital Account		7	(302,820)	(161,215)
Transfer to construction work in progress		2	302,820	161,215
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 14 form part of these financial statements.

On behalf of the Board of the NPHDB:



Fiona Ross
Chairperson

National Paediatric Hospital
Development Board
Date: 23rd August 2023



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

National Paediatric Hospital
Development Board

Statement of Financial Position for the year ended 31st December 2021

			2021	2020
	Note		€'000	€'000
Fixed Assets				
Construction work in progress	2		837,221	583,683
Total Fixed Assets			837,221	583,683
Current Assets				
Receivables	3		50,818	12,125
Cash and cash equivalents	4		11,522	22,416
			62,340	34,541
Current Liabilities (amounts falling due within one year)				
Payables	6		(62,340)	(34,541)
Net Current Assets			0	0
Total Net Assets			837,221	583,683
Represented by:				
Capital account	7		837,221	583,683
			837,221	583,683

The Statement of Cash Flows and notes 1 to 14 form part of these financial statements.

On behalf of the Board of the NPHDB:



Fiona Ross
Chairperson

National Paediatric Hospital
Development Board
Date: 23rd August 2023



Michael Barry
Board Member & Finance, Audit and Risk
Sub-Committee Chairperson
National Paediatric Hospital
Development Board

Statement of Cash Flows for the year ended 31st December 2021

	2021	2020
	€'000	€'000
Net Cash Flow from Operating Activities		
Excess Income over Expenditure	-	-
(Increase)/ Decrease in Receivables	(38,693)	6,650
Increase / (Decrease) in Payables	27,800	12,021
Bank interest received	-	-
Net Cash Inflow from Operating Activities	(10,893)	18,671
Cash Flows from Financing Activities		
Bank Interest received	-	-
Net Cash Flows from Financing Activities	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents	(10,893)	18,671
Cash and cash equivalents at 01 January	22,416	3,745
Cash and cash equivalents at 31 December	11,523	22,416

Notes to the Financial Statements

1. 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 2021 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.

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 01 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 eight staff seconded to the Board during 2021, 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 2021.

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 2021, 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 on page 41.

2. Administration & Operations / Construction work in progress

Total costs incurred to date amount to €923,472k with costs of €302,820k incurred in 2021. 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.

	2021			Cumulative to 31 December 2021		
	Excl.	Irrecoverable	Total	Excl.	Irrecoverable	Total
	VAT	VAT	Cost	VAT	VAT	Cost
	€'000	€'000	€'000	€'000	€'000	€'000
(i) BST / CMS *	4,567	1,005	5,572	18,172	4,114	22,286
(ii) Design Team	9,303	2,076	11,379	75,639	17,249	92,888
(iii) Site development and clearance	27	4	31	27,145	3,997	31,142
(iv) Construction	227,319	31,506	258,825	610,929	83,111	694,040
(v) Equipment	1,200	264	1,464	3,038	685	3,723
(vi) Admin Costs	6,531	1,077	7,608	52,745	5,472	58,216
(vii) Inflation	15,807	2,134	17,941	18,658	2,519	21,177
S/Total	264,754	38,066	302,820	806,326	117,147	923,472
Less Connolly & Tallaght Transfers:						
(a) Building costs to the HSE	-	-	-	(30,692)	(4,252)	(34,944)
(b) Building & Equipment costs to the CHI	(43,220)	(6,062)	(49,282)	(44,866)	(6,441)	(51,307)
Total Transfers	(43,220)	(6,062)	(49,282)	(75,558)	(10,693)	(86,251)
Net Cost	221,534	32,004	253,538	730,768	106,453	837,221

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

	2020			Cumulative to 31 December 2020		
	Excl.	Irrecoverable	Total	Excl.	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	63	27,118	3,993	31,111
(iv) Construction	119,892	16,181	136,074	383,610	51,605	435,215
(v) Equipment	192	43	235	1,838	421	2,259
(vi) Admin Costs	8,292	1,264	9,556	46,214	4,395	50,610
(vii) Inflation	1,293	175	1,468	2,851	385	3,236
S/Total	141,064	20,151	161,215	541,572	79,079	620,651
Less Connolly & Tallaght Transfers:						
(a) Building costs to the HSE	-	-	-	(30,692)	(4,252)	(34,944)
(b) Building & Equipment costs to the CHI	-	-	-	(1,645)	(379)	(2,024)
Total Transfers	-	-	-	(32,337)	(4,631)	(36,968)
Net Cost	141,064	20,151	161,215	509,235	74,448	583,683

* 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 due to one of the Satellite Centres Design Teams having made a claim under the Contract. The Design Team has made a claim for a final Net account value of €158k for work completed on the Satellite Centres. Once this account has been settled the final building cost will be transferred to the HSE. This claim also includes cost relating to the Satellite Centre at Tallaght.

The building cost was transferred to CHI, including all rights and interests, for CHI OP & UCC Tallaght Hospital to the value of €49,282k (this includes an allocation of the estimated overheads incurred) on practical completion in September 2021. The final account for the building cost transferred has yet to be finalised as one of the Satellite Centres Design Teams has made a claim under the Contract as noted above. Once this account has been settled the final building cost will be transferred to CHI.

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 & Tallaght are concerned remains in dispute.

The Health Technology Equipment cost of €2,024k was transferred to CHI by transfer agreement, where the NPHDB transferred the Health Technology Equipment cost, including all its rights, title and interest to CHI.

2 (vi) Administration Costs:

	Note	2021				2020			
		Excl.	Irrecoverable	Total	Excl.	Irrecoverable	Total		
		Vat	Vat	Cost	Vat	Vat	Cost		
		€'000	€'000	€'000	€'000	€'000	€'000		
Office Expenses									
Remuneration and other pay costs	2 (a)	1,450	0	1,450	1,802	24	1,826		
ICT		390	85	475	253	62	315		
Office expenses		97	20	117	115	18	133		
Rent & Service Fee		109	24	133	105	31	136		
Office fit out		11	1	12	28	3	31		
Office Insurance		44	0	44	43	0	43		
Travel & Subsistence		4	0	4	9	1	10		
Bank Charges		56	0	56	11	0	11		
Training Costs		15	2	17	14	0	14		
		2,176	132	2,308	2,380	139	2,519		
Professional Fees									
Legal expenses		215	47	262	98	23	121		
Litigation & Claims Defence		1,466	325	1,791	2,336	514	2,850		
Site Monitoring & Progress Reporting		2,002	442	2,444	1,819	400	2,219		
Community, Internal & External Stakeholder Engagement & Media Relations Communications Services		275	60	335	276	53	329		
C&AG audit fees		48	0	48	37	0	37		
Internal audit fees		29	6	35	40	9	49		
Other Professional Fees		119	24	143	215	55	270		
Recruitment Expenses		0	0	0	70	15	85		
Expert 3rd Party Reviews		31	7	38	68	15	83		
Independent Adjudicator & Standing Conciliator		156	34	190	216	35	251		
Equipment Consultant		0	0	0	5	1	6		
		4,341	945	5,286	5,180	1,120	6,300		
Project Costs									
Business case development		0	0	0	32	5	37		
Owner Controlled Insurance		10	0	10	19	0	19		
		10	0	10	51	5	56		
Contributions									
Planning application costs		0	0	0	703	0	703		
Capital Contribution (ESB Connection)		4	0	4	-22	0	-22		
		4	0	4	681	0	681		
		6,531	1,077	7,608	8,292	1,264	9,556		

Remuneration

2 (a) Remuneration and Other Pay Costs

	2021	2020
	€'000	€'000
Staff salaries	950	980
Seconded salaries	293	631
Employer's contribution to social welfare	91	93
Board members' emoluments	107	89
Retirement benefit costs	9	9
	1,450	1,802

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

2 (b) Aggregate Employee Benefits

	2021	2020
	€'000	€'000
Basic Pay	1,244	1,611
Employer's contribution to social welfare	91	93
	1,335	1,704

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

	2021	2020
	€'000	€'000
Executive & Staff	10	10
Seconded Staff	4	5
Total	14	15

The total number of staff employed (FTE) at year ended was 11.9 (2020: 15.1)

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:

	2021	2020
	€'000	€'000
Salary	589	691
Retirement Benefit Costs	9	9
	598	700

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 Officers remuneration package for the financial period was as follows:

	2021	2020
	€'000	€'000
Basic Pay	184	181

3. Receivables

		2021	2020
	Note	€'000	€'000
HSE grants due	9	30,911	11,590
Other debtors and prepayments		19,906	535
		50,818	12,125

4. Cash & Cash Equivalents

		2021	2020
	Note	€'000	€'000
NPHDB bank balance		11,441	22,340
Community Benefit Oversight Group bank balance	5	81	76
		11,522	22,416

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 2021 are set out below.

CBOG Bank Account:

	2021	2020
	€'000	€'000
Balance on deposit account on 01 January	76	53
Receipts:		
Line sight	10	-
BAM Building	50	32
	60	32
Payments:		
Chairperson's Fees	(6)	(2)
Consultant fees	(8)	-
Grant Allocation	(41)	-
Administration expenses	-	(7)
	(55)	(9)
Balance on deposit account on 31 December	81	76

6. Payables

Amounts falling due within one year:

	2021	2020
	€'000	€'000
Trade creditors	10,053	8,056
Other creditors	86	81
Frame Claim Accrual 6.1	19,012	0
Accruals	32,815	25,997
Taxation creditors:		
- PAYE /PRSI	46	47
- PSWT	328	360
	62,340	34,541

6.1 : This amount relates to the payment of the bond in place by BAM in accordance with Clause 13.2.12 (1) which was activated upon the initiation of court proceedings by BAM in relation to Claim 04, hereto referred to as the 'Frame Claim'. The NPHDB were contractually required to make payment on foot of this bond which resulted in the NPHDB submitting a claim to the HSE for the amount of €19m which was duly processed and paid by the HSE. Upon receipt of the funds, the NPHDB made full payment in relation to the bond amount along with the payment of the VAT liability that was then due to the Revenue Commissioners in relation to this payment to the contractor.

The expense relating to this payment has been treated as a Prepayment rather than an Expense item as it is not a certified payment against the contract and so is not considered a legitimate project expense. In light of this, the amount relating to the bond is carried as a balance due to the HSE as in the event that this payment is not certified against the contract this amount will be repayable to the HSE.

7. Capital Account

	2021	2020
	€'000	€'000
Opening balance	583,683	459,438
Capital expenditure	302,820	161,215
Balance	886,503	620,653
Transfer to: HSE	-	(34,946)
Transfer to: CHI	(49,282)	(2,024)
Closing Balance	837,221	583,683

8. Capital Commitments

8.1 : Capital Commitments (excluding Lease Commitments):

At 31 December 2021, the Board had the following capital commitments:

	2021	2020
	€'000	€'000
Contracted for but not provided in the financial statements		
Within 1 year	308,998	277,278
Between 1 and 2 years	194,946	467,992
Between 3 and 5 years	23,842	18,689
Total (including VAT)	527,786	763,959

The year-on-year net changes of €236.2m reflects the Capital Commitments met in 2021, additional commitments made in 2021, and an estimate for future inflation allowable under the contract.

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.

	2021	2020
	€'000	€'000
Contracted for but not provided in the financial statements		
Within 1 year	254	254
Between 1 and 2 years	382	509
Between 3 and 5 years	-	127
Total (including VAT)	636	890

8.3 : Total Capital Commitments:

	2021	2020
	€'000	€'000
Contracted for but not provided in the financial statements		
Within 1 year	309,252	277,532
Between 1 and 2 years	195,328	468,501
Between 3 and 5 years	23,842	18,816
Total (including VAT)	528,422	764,849

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 2021 were:

		2021	2020
	Note	€'000	€'000
Total capital grants notified by the HSE for the year		302,510	315,000
Opening balance due from HSE at 1 Jan		11,590	18,487
Capital expenditure incurred in the year		302,820	161,215
Less: Remittances from the HSE in the year		(302,510)	(168,112)
Balance due from the HSE at 31 Dec	3	11,900	11,590

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 was one conflict of interest recorded in 2021.

11. Spending Not Included in the Approved Budget

The following spending was not included in the budget of €1,433m:

	2021			2020		
	Excl. VAT	Irrecoverable VAT	Total Cost	Excl. VAT	Irrecoverable VAT	Total Cost
	€'000	€'000	€'000	€'000	€'000	€'000
Inflation	17,941	2,422	20,363	1,468	198	1,666
Total	17,941	2,422	20,363	1,468	198	1,666

The cumulative Inflation amount paid of €21.2m net of VAT (2019 - €1.8m) which is included in the spending was not included in the approved budget of €1,433m.

12. 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.

13. Events after the reporting date

As at the reporting date, 31st December 2021, the Board had been notified, by the Contractor, of 1,372 contractual claims for adjustment. As at the date of these Financial Statements being approved, 11 of these claims have been settled. In the period following this reporting date and prior to the signing of these Financial Statements, up to 30th April 2023, an additional 1,134 claims have been notified by the Contractor. As at 30th April 2023, 458 claims had been withdrawn by the Contractor.

As at the reporting date, 31st December 2021, work completed for a value of €10,294,126 had been certified and paid by the Board relating to contractual claims notified by the Contractor. In the period following this reporting date and prior to the signing of these Financial Statements, up to 30th April 2023, an additional €31,240,971 has been certified and paid by the Board.

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 ER. In such circumstances, it would not be appropriate to make an estimate of any liability arising from a decision, ultimately to be made by the High Court.

The following members have been appointed to the Board in the period following this reporting date and prior to the signing of these Financial Statements:

Mr. Alan Seabourne joined the Board on 12 July 2022.
Mr. Alex White joined the Board on 12 July 2022.
Mr. Derek Moran joined the Board on 12 July 2022.

14. Approval of the financial statements

The financial statements were approved by the Board of the NPHDB on 14th December 2022.



2021

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.