

Public Accounts Committee for examination of the 2012 Annual Accounts of the National Paediatric Hospital Development Board on Thursday 23rd October 2014.

Proposed Attendees on behalf of NPHDB:

John Pollock, Project Director, NPHDB (January '14 to date)

Tom Costello, Chairman, NPHDB (August '13 to date)

Jim Farragher, Finance Officer, NPHDB (2008 to date)

NPHDB Opening Statement

We have been invited to attend the Public Accounts Committee meeting to assist the Committee in its examination of the Annual Accounts of National Paediatric Hospital Development Board for the year ended 31st December 2012.

As set out in the accounts, a number of significant developments took place in 2012 which impacted the work of the NPHDB. In particular, these were:

- the refusal by An Bord Pleanála of the planning application for the children's hospital at the Mater site,
- the subsequent decision by Government to locate the children's hospital at the St James's site, and
- the expiry of the term of appointment (5 years approx.) of the members of the NPHDB in December '12 and their replacement in January '13 with a transitional Board.

The total expenditure for the year 2012 was €3.36m, this can be summarised under the following headings:

- | | |
|------------------------------------|---------------|
| • Business Services Team | €1.47m |
| • Project Management Services Team | €0.13m |
| • Integrated Design Team | €0.34m |
| • Administration/other costs | <u>€1.42m</u> |

Total €3.36m

The Board had 1.5 Whole Time Equivalents at the end of 2012. Other than these, the day-to-day work of the Board in 2012 was carried out through the business services, project management and integrated design teams rather than through additional directly hired staff.

The 2012 balance sheet includes assets valued at €39.98m in relation to the planning and development work for the children's hospital planned for the Mater Hospital campus. This value relates to accumulated expenditure in the period 2007 to 2012.

The current Board of the NPHDB was announced in August 2013 and commenced familiarising itself with the overall project details including the 2012 accounts. On page 14 of the 2012 accounts, note 3 identifies that, arising from the refusal of planning on the Mater site and the Government decision to change the location to the St James's site that the Board is of the opinion that the assets of the NPHDB are now impaired and that a detailed asset impairment review process is required.

The Development Board initiated a process in 2014 to review and analyse the asset impairment. This work is nearing completion and as part of the 2013 accounts, a draft has been submitted to the C&AG for comment and approval. On 16th October the Development Board wrote to the Department of Health and the HSE setting out details of the process for their consideration/ sanction and a response is pending.

We hope to have concluded the asset impairment process and be in a position to formally sign off and submit the 2013 accounts to the Minister for Health within the next few weeks.

As requested by the Public Accounts Committee, we set out in our briefing document details of expenditure since 2012 which can be summarised:

- Expenditure Financial year end December 2013 **€1.70m**
- Expenditure for current year to end August 2014 **€1.76m.**

Current Project Status

The status of the project is that as of August 2014 the design team for the new children's hospital at St James Hospital site, led by **BDP Architects**, has been appointed. A separate design team will be appointed for the design of the two satellite centres (emergency/urgent care & OPD services) at Tallaght Hospital on the southside of Dublin and Connolly Hospital on the northside of Dublin.

A planning application for the main children's hospital and both satellites centres is scheduled to be submitted to An Bord Pleanála in June 2015 and subject to a positive decision construction will commence in early 2016.

Thank you

John Pollock 23rd October 2014

Project Director NPHDB