



Feidhmeannacht na Seirbhíse Sláinte  
Health Service Executive

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12<sup>th</sup> April 2019

Mr. Pat Fannin,  
Committee Secretariat,  
Public Accounts Committee,  
Leinster House,  
Dublin 2.

***Re: Report into Independent Review of Escalation of Costs***

Dear Pat,

I refer to recent email correspondence from Éilis and the request for a briefing note on the Report into Independent Review of Escalation of Costs of the new National Paediatric Hospital.

Please find below for the attention of the Public Accounts Committee members a briefing note on the matter as requested.

If any further information is required please do not hesitate to contact me.

Yours sincerely,

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**Ray Mitchell**  
**Assistant National Director**  
**Parliamentary Affairs Division**

***Encl.***

## Briefing Note for the Public Accounts Committee

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***Re: why PwC as the body involved in the decision making process to go forward at Stage B of the National Paediatric Hospital Development were also commissioned to undertake the Independent Review of Escalation of Costs.***

***In relation to Stage B, who were the other advisors involved.***

### **Response:**

In November 2018, in order to support the decision-making process for the next stage of the new children's hospital capital development, the HSE, at the request of the Department of Health, considered the three options for completing the project identified by the National Paediatric Hospital Development Board in the Guaranteed Maximum Price (GMP) report. The HSE sought specialist high-level input from a range of health construction and procurement specialists including individuals from HSE Estates, PwC and the Northern Ireland Health and Social Care system. None of the parties providing specialist input to the HSE had any role in the subsequent decision making process; the decision to proceed with Phase B was made by Government in December 2018.

Following the Government's decision, in January 2019 PwC was commissioned by the HSE on behalf of Government to conduct a comprehensive review of the escalation in cost of the new children's hospital, the contributory factors and associated responsibilities so that any potential weaknesses were identified and comprehensively and speedily resolved in the interests of the successful completion of the project and the effective management of public funds. The review was to establish the sequence of events in relation to the cost increases experienced by the project; establish what was known, when and by whom, and the reporting of relevant information from the project team to the relevant oversight and governance bodies including NPHDB Board and also its Committees, the HSE and the Department of Health. The review was also to deal with the accountability of the relevant key parties, functions and roles to inform next steps by decision makers, including Government.

The HSE has in place a framework for the provision of professional services to assist in the Programme for Health Service Improvement. This provides resourcing for expertise to be drawn down as required. Under the terms of this framework, it was agreed that PwC would carry out the review of the escalation in cost of the new children's hospital.

In the context outlined above, the HSE is satisfied there is no conflict of interest.

***Office of the DDG – Strategy  
Health Service Executive  
April 2019***