5th December 2019

Statement of Fred Barry, National Paediatric Hospital Development Board (NPHDB) & David Gunning, Chief Officer, NPHDB to the Committee of Public Accounts 5th December 2019

Introduction

Dear Chair and members of the committee, thank you for inviting us here this morning to discuss the National Paediatric Hospital Development Board (NPHDB) Financial Statements 2018. I’m joined here today by David Gunning, Chief Officer of the NPHDB, Mr. Jim Farragher, Finance Officer, NPHDB, Dr Emma Curtis, Medical Director, NPHDB & Phelim Devine, Project Director, NPHDB

Background

The National Paediatric Hospital Development Board was appointed in 2013 to design, build and equip the new children’s hospital. A planning application was lodged in 2015 and An Bord Pleánala granted planning permission in 2016 for the new children’s hospital, and the two paediatric outpatients and urgent care centres - one already complete and operational at Connolly Hospital in Blanchardstown and a second under construction at Tallaght University Hospital.

Budget Approval

Following the approval of a Guaranteed Maximum Price in December 2018, the NPHDB provided the Public Accounts Committee in January 2019 with a breakdown of costs approved by Government for the design, build and equipping of the new children’s hospital. The agreed investment decision is €1.433 billion. The investment decision approved at the time was exclusive of residual risks as was communicated at the time of approval. These exceptions were also set out within the PwC report published in April of this year. As pointed out by PwC, some of these risks are under our control and some are not. We are actively managing those under our control while monitoring those that are not.

Expenditure to 31 December 2018

The 2018 accounts were audited and approved by the C&AG on 24th October 2019. The expenditure as at 31 December 2018 for that year on the design and build of the hospital was €127,603,801. An analysis of expenditure to 31st December 2017 & 2018 is set out below.
ANALYSIS OF EXPENDITURE TO 31 DECEMBER 2017 AND 2018 - GROSS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BST/CMS</td>
<td>1,639,863</td>
<td>2,929,550</td>
</tr>
<tr>
<td>Design Team</td>
<td>11,152,137</td>
<td>19,090,469</td>
</tr>
<tr>
<td>Site Development &amp; Clearance</td>
<td>13,307,858</td>
<td>305,021</td>
</tr>
<tr>
<td>Construction</td>
<td>29,042,176</td>
<td>100,614,891</td>
</tr>
<tr>
<td>Equipment</td>
<td>4,486</td>
<td></td>
</tr>
<tr>
<td>Admin Costs</td>
<td>12,069,169</td>
<td>4,659,384</td>
</tr>
<tr>
<td>Total</td>
<td>€67,211,202</td>
<td>€127,603,801</td>
</tr>
</tbody>
</table>

**Construction Progress**

I would like to take this opportunity to give you an update on the construction progress, those of you who have had the opportunity to visit the site of the new children’s hospital – or indeed any of you that have passed by the site recently - will have seen the progress that has been achieved. Across the 12-acre site the excavation, piling, and the structural frame to the underground basement for campus wide facilities management, energy centre, and the one thousand space underground carpark are nearing completion and the first window has actually been installed in the hospital. Well over one million square feet of slabs have been poured. David Gunning will give you some further detail on the construction shortly. The Outpatient & Urgent Care Centre at Connolly Hospital in Blanchardstown was handed over to our colleagues in Children’s Health Ireland for operational commissioning earlier this year, and since we last met services have commenced there.

**Leadership and Governance**

Since I appeared before you last May, there have been a number of changes in leadership, and in relation to project governance. Following a competitive process overseen by the Public Appointments Service, David Gunning was appointed as Chief Officer in September 2019 and Phelim Devine was appointed Project Director in October 2019. We have additionally added to the capabilities of the project team by engaging expertise in a number of areas. We have reorganised the Board committee structure to focus our attention on what will be our critical challenges over the coming years. As a result of the resignation of a number of Board members this year, there are vacancies on the board. These positions were advertised via the Public Appointments Service, and we understand that a shortlist of potential candidates will be submitted to the Minister in December.

We report to the Children’s Hospital Project and Programme (CHP&P) Steering Group on a monthly basis, providing comprehensive updates on all aspects of the Project, and we also report to the CHP&P Board. We continue to work closely with the relevant officials in the Department of Health and with our colleagues in the HSE, as well as with our colleagues in Children’s Health Ireland.
I would now like to introduce our recently appointed Chief Officer, David Gunning who will introduce himself and provide some more detail on the construction update.

**David Gunning, Chief Officer, NPHDB**

Thank You Fred.

Good Morning Chairman & Deputies

I am delighted to have been appointed as the Chief Officer for this great Project. I think it important to take this opportunity to show you some images of the construction to help you visualise what all of this means so I will refer you to certain images over the course of the next minute or two.

To the southwest of the site, opposite the South Circular Road, the frame to the finger blocks containing the outpatient departments, cardiology wards, therapy and play areas are completed to the Southeast. The structural frame containing outpatients, Clinical Decontamination Unit, Radiology, Critical Care, and Theatres are also nearing completion. The frame supporting the fourth-floor garden to the south of the building is partially complete and sections of the ward block from level 4 to 6 have commenced. The mechanical and electrical fit out of the basement and plant areas is well progressed with the fit out of the outpatient departments to commence shortly. The north side of the site is reaching ground level and the north fingers contain the outpatients, parent’s overnight accommodation, the school and the public restaurant are at level one. The main campus access road has also been diverted into its permanent position to the perimeter of the site. Sustainability is embedded in the design of the new children’s hospital, and we are targeting a Building Research Establishment Environmental Assessment Method (BREEAM) Excellent rating. The new children’s hospital is also designed to meet the Building Energy Rating (BER) A3’ standard including the installation of the most efficient energy systems delivering 60-70% reduction in energy running costs when compared to the existing children’s hospitals, and well in excess of the Government commitment to improve energy efficiency. As mentioned by Fred, the outpatients & urgent care centre, CHI at Connolly Hospital in Blanchardstown, is now delivering services. This is already making a very positive impact on children’s lives – almost two thousand children have attended Urgent Care and one thousand outpatient appointments have taken place since opening.

The images don’t adequately convey the progress on site, nor the size and scale of this hospital. I would encourage you to come for a tour so that you can see if for yourselves.

Thank you for your time, we are happy to answer any questions on the 2018 Financial Statements that you have.