

NORTHERN AREA HEALTH BOARD

Report No F6/2003

*Report from Finance and Property Committee Meeting
Held on Monday 8th September, 2003.*

1. Minutes from Meeting held on Friday, 11th July 2003.

On the proposal by Cllr Devitt seconded by Cllr O'Donovan the minutes of the proceedings of the meeting of the NAHB Finance and Property Committee, held on Friday 11th July, 2003 were agreed.
There were no matters arising.

2. Annual Financial Statement 2001 – Audit Certificate

The Annual Financial Statement 2001, Audit Certificate (summary attached), was noted.

3. Financial Report for the period to 30th June, 2003

The Financial Report for the period to 30th June, 2003 (summary attached) was presented by the Chief Executive. Following discussion to which Mr Cowley, Cllr Devitt, Cllr Burke, Cllr O'Brien and Cllr O'Donovan contributed, which focused on cost containment measure taken to date and the effect on service delivery, and in particular the effect of the "demand led" schemes on service provision, to which the Chief Executive and Assistant Chief Executive responded, the report was noted.

4. New Bank Accounts

On the proposal by Cllr Devitt, seconded by Cllr Burke, it was agreed to recommend for Board approval the opening of a new bank account (detail herewith).

5. Property Matters

The Finance and Property Committee agreed that the disposal of the following properties be recommended to the Eastern Regional Health Authority.

1. **49 and 60 Grey Square, Portrane** (details herewith)
Proposed by Cllr Devitt,
Seconded by Cllr O'Donovan.

2. **Verville Retreat, Clontarf** (details herewith)
Proposed by Cllr Burke,
Seconded by Cllr Devitt.

3. **Lands at Hartstown, Clonsilla** (details herewith)
Proposed by Cllr Devitt,
Seconded by Cllr O'Donovan

4. **Lands at St Clares, Glasnevin** (details herewith)
Proposed by Cllr Burke,
Seconded by Cllr O'Brien

The meeting concluded at 1.00pm.

M Windle

8th September, 2003.

**NORTHERN AREA HEALTH BOARD
FINANCIAL PERFORMANCE REPORT
SIX MONTHS ENDING 30th June 2003**

Re: Report on the Financial Position of the Northern Area Health Board for the 6 -month period ended 30th June 2003.

TO THE MEMBERS OF THE FINANCE AND PROPERTY COMMITTEE

This Financial Performance report covers the first six months of 2003 i.e. 01/01/2003 to 30/06/2003

Summary details of the financial position and commentary in respect of the NAHB as at 30th June 2003 are set out hereunder.

Financial Outturn

<u>6 Months ending 30th June 2003</u>	
6 Months	<u>to 30/06/03</u> <u>€000's</u>
ERHA Budget Determination	261,650
Less 1 st Charge	<u>3,721</u>
Budget Available for period ended 30 th June 2003	257,929
Actual Expenditure	<u>271,950</u>
Deficit as at 30th June 2003	14,021
Less: Agreed / Anticipated Funding	
Not yet allocated to NAHB	(3,198)

Restated Deficit as at 30th June 2003	<u>10,823</u>
Included in the deficit for 2003 is an unfavourable variance relating to Demand Led Schemes amounting to €3.96m.	

Expenditure Commentary

Positive impacts of various cost containments measures are becoming evident in financial performance.

However, it is clear that the pace of improvement in our financial situation is not yet sufficient to achieve our overall target.

In light of the above we have just completed an in depth review of expenditure by care group and have formulated a detailed forecast for 2003 based on performance to date which will form the basis of the decision making process to identify further cost containment measures necessary to achieve our financial performance targets.

It should be noted that in the context of the measures necessary for our Board to live within the financial targets outlined above, we have advised ERHA consistently that it will not be possible to set aside funding for:

- Demand Led Medical / Drugs Schemes - these have been allowed for at existing funded level of service– any overrun will increase our expected 2003 deficit and based on first six months expenditure this deficit is likely to be in the order of €0.2m.
- Superannuation – this is in the nature of a major pay award even after the removal of demand led status, accordingly no contingency above current budget levels has been possible and any overrun will increase the expected deficit. For our board to further reduce services due to potentially unfunded Superannuation costs would not be appropriate. As per our detailed costing, recently submitted to ERHA, the shortfall for 2003 is estimated at €1.5m.

Forecast 2003

As stated above an in-depth review of expenditure by care group has been completed and based on performance to date the current forecast of our 2003 deficit is as follows:

	<u>€000's</u>
1. Demand Led Schemes	9,229
2. DTSS/Ophthalmic and Chiropody Schemes	1,571
3. Superannuation	1,500
4. Mater Child Guidance/St Pauls Beaumont	900
5. Other operating deficits	7,828

Total projected deficit	€21,028

This revised forecast of €21.028m compares with our previous forecast deficit for 2003 of approximately €27.0m (based on March / April figures) and reflects the positive financial impact of measures in place since early in 2003 as well as a number of additional measures put in place or planned more recently.

- 1 & 2 Submissions in respect of measures to mitigate potential deficits arising from the operation of Demand Led Schemes and DTSS / Ophthalmic / Chiropody schemes have been made to ERHA and we await their feedback / agreement prior to implementation.
3. A funding commitment from ERHA up to €1.5m in respect of the potential Superannuation deficit has been received.
4. In 2002, without prior discussion with our Board or formal handover, the allocation for these services was transferred by ERHA to our Board. The Mater Hospital have indicated their funding requirement for 2003 which is approximately €900,000 above the level of allocation we have received from ERHA. We have formally advised both

ERHA and the Mater that our Board will not fund these services in excess of the current allocation and as such this deficit should not crystallise.

5. Additional potential measures to further reduce the remaining €7.8m deficit are currently being finalised and will be submitted to ERHA for discussion and agreement in the coming days.

The service impact of existing measures already in place is very significant and has been the subject of detailed submissions to ERHA.

The practicalities around implementing further measures must be considered in the context of the ongoing impact of existing measures as well as the impact of any further measures.

M Windle
Chief Executive

NORTHERN AREA HEALTH BOARD

To each member of the Finance & Property Committee

Annual Financial Statements 2001 – Audit Certificate

We have recently received our audit certificate in respect of the 2001 Annual Financial Statements from the Comptroller & Auditor General (C& AG).

In his certificate the C&AG has

- (a) not qualified our accounts
- (b) not included any report under S.6(4) of the C & AG Act 1993

Reports under S.6 (4) are issued by the C&AG where very significant matters requiring corrective action have come to light in the course of the audit.

M Windle
Chief Executive

4th September 2003

NORTHERN AREA HEALTH BOARD

To Each Member of the Finance & Property Committee

NEW BANK ACCOUNTS

DANESWOOD HOUSE HOSTEL

New Bank accounts are now required to be opened for this location:
Current and Deposit Account

The Account will be in :

Bank of Ireland,
112, St Mobhi Road,
Glasnevin,
Dublin 9.

M Windle
Chief Executive

4th September, 2003

NORTHERN AREA HEALTH BOARD

To Each Member of the Finance and Property Committee

Disposal of properties known as 49 and 60 Grey Square, Portrane

The approval of the Finance and Property Committee is requested to recommend to the ERHA to dispose of the Authority's properties known as 49 Grey Square and 60 Grey Square, Portrane, both of which are formerly staff houses at St. Ita's Hospital.

These properties are 2 bedroom terraced houses in need of some refurbishment and are currently vacant.

The Property Manager, Eastern Health Shared Services has valued the properties in the region of €200k each.

Monies from the sale of these properties will be used to fund the kitchen improvements and associated capital works at St. Ita's Hospital.

NORTHERN AREA HEALTH BOARD

To Each Member of the Finance and Property Committee

Disposal of property known as Verville Retreat, Vernon Avenue, Clontarf

The approval of the Finance and Property Committee is requested to recommend to the ERHA to dispose of the Authority's property known as Verville Retreat, Vernon Avenue, Clontarf, Dublin 3.

The site area comprises 1.3 acres. The existing building comprises a total floor area of 1170 sq metres, part of which is incorporated into the attic with restricted head heights.

There are 2 stories above basement with a further top floor at attic level.

Buildings on site may be categorized as follows:

mid 18th Century house with late 18th Century bow fronted extension

late 19th Century/early 20th Century extension

mid 19th Century extension

18th Century outhouses.

There are differences in floor levels and there is no lift. Room sizes, layouts and general facilities in the existing buildings are below acceptable standards. The main entrance is 9 steps above ground level and the basement floor is 3 to 4 steps below ground level.

The buildings are set in grounds, which have trees and lawns.

The building and the grounds are designated a Protected Structure in accordance with the Local Government (Planning and Development) Act 1999.

The building has been deemed unsuitable for the purpose for which it is being used. Existing clients in residence are being relocated in Nursing Homes and staff are being redeployed to other Board areas.

We have been advised that any major refurbishment of the buildings would be prohibitively costly.

The property has been professionally valued in the region of €2.0m.

It is proposed that monies from this sale would be used to fulfil our Board's obligation in respect of the FOLD Development at Hartstown which has been recently approved by the Department of the Environment.

NORTHERN AREA HEALTH BOARD

To Each Member of the Finance and Property Committee

Disposal of property known as Glasnevin Health Centre, 202 Botanic Avenue

The approval of the Finance and Property Committee is requested to recommend to the ERHA to dispose of the Authority's property known as Glasnevin Health Centre, 202 Botanic Avenue, Glasnevin, Dublin 11.

This is a former dispensary and comprises a semi-detached single storey building of approximately 95 square metres. The overall site extends to an area of approximately 245.4 square metres. It is in need of some refurbishment.

It has been professionally valued at €400k. It is expected to attract considerable interest by virtue of its location close to the Bon Secours Hospital.

I will become surplus to our Board's requirements in the area because the agreed development by FOLD at St. Clare's Home, Glasnevin incorporates a purpose built Health Centre for the Community.

Monies from the sale will form part of our Board's contribution to the above development.

NORTHERN AREA HEALTH BOARD

To each member of the Finance and Property Committee

Proposed transfer of lands at Hartstown, Dublin.

The approval of the Finance & Property Committee is requested to recommend to the ERHA to dispose of circa .584 hectares (1.443 acres) of the Authority's site at Hartstown to FOLD Ireland subject to funding approval from the Dept. of Environment and the Dept. of Health on the overall development.

This land is situated off the Harstown Road adjacent to a Euro Spar shopping centre. The total site area is circa .8 hectares (1.9768 acres) of which it is proposed to dispose of .584 hectares (1.443 acres) to facilitate FOLD Ireland develop a state of the art housing complex for older persons and a day care centre.

A valuation of €1.5m for the 1.39 acres has been agreed upon by our Board and Fingal County Council. Our Boards Property Services Manager and McDonald Brothers I.A.V.I. Property Consultants agree that this represents good value for money. Our Board will receive the market value of €1.108m from the Dept. of Environment for the .584 hectares (1.443 acres) to be disposed which will be used to offset our Boards contribution to the overall development.

This land was originally transferred to the EHB for the purpose of provision of a health centre. A submission has been made to the ERHA proposing that a new primary care centre be developed on the remaining portion of land to be retained by the ERHA to provide essential health services in this expanding area of west Dublin. This has been included in the submission to the ERHA seeking approval for this development.

The overall cost of the development is €10.7m. The Dept. of Environment will provide €7.57m towards capital costs and a further €1.108m for land costs. Our Board is responsible for the cost of the Day Centre in line with Government policy on sheltered housing as well as the health centre. The shortfall will be part met by funds released from the sale of Verville Retreat. We are in discussion with and have made proposals to the ERHA that the balance of funding would be met by the Authority.

The timeframe for the completion of this development is 18 months with a start date proposed for November 2003.

This provides an excellent opportunity for our Board to meet the need for Special Housing and enhanced health facilities in the area by the utilisation of available land. The scheme has the full support of Fingal County Council and the Dept. of Environment and Local Government. The Department of Environment and Local Government have approved the funding for this project.

A full presentation was made to our Board in 2002 on this major development and a previous recommendation to transfer this land to Fingal County Council was previously approved by our Board in 2002.

**** There is a total shortfall of €2.9m in respect of the FOLD Hartstown and FOLD Claremount projects.***

NORTHERN AREA HEALTH BOARD

To each Member of the Finance and Property Committee

Proposed transfer of lands at St. Clares, Glasnevin, Dublin.

The approval of the Finance & Property Committee is requested to recommend to the ERHA to dispose of 1.0842 acres of the Authority's site at St. Clares Home to FOLD Ireland subject to funding approval from the Dept. of Environment and the Dept. of Health on the overall development.

This land is located adjacent to NAHB facilities Clarehaven and Sean Cara. The total site area is 1.39 acres of which it is proposed to dispose of 1.0842 acres to facilitate FOLD Ireland develop a state of the art housing complex for older persons and a day care centre.

A valuation of €1.76m for the 1.39 acres has been agreed upon by our Board and Dublin City Council. Our Boards Property Services Manager and Quinn Agnew Property Consultants agree that this represents good value for money. Our Board will receive the market value of €1.389m from the Dept. of Environment for the 1.08425 acres to be disposed which will be used to offset our Boards contribution to the overall development.

A submission has been made to the ERHA proposing a new primary care centre be developed on the remaining portion of land to be retained by the ERHA to replace the old health centre on Botanic Avenue and this has been included in a funding submission to the ERHA seeking approval for this FOLD development.

The overall cost of the development is €9.139m. The Dept. of Environment will provide €6.856m towards capital costs and a further €1.389m for land costs. The shortfall will be part met by funds released from the sale of Botanic Health Centre and Verville Retreat. We are in discussion with and have made proposals to the ERHA that the balance of funding would be met by the Authority.

Our Board is responsible for the cost of the Day Centre in line with Government policy on sheltered housing as well as the health centre.

The timeframe for the completion of this development is 18 months with a start date proposed for March 2004.

This provides an excellent opportunity for our Board to meet the need for Special Housing and enhanced health facilities in the area by the utilisation of available land. The scheme has the support of Dublin City Council and the Dept. of Environment and Local Government.

**** There is a total shortfall of €2.9m in respect of the FOLD Hartstown and FOLD Claremount projects.***