



Feidhmeannacht na Seirbhíse Sláinte  
Health Service Executive

## HSE Board Briefing Template

**Subject:** Proposed Lease for additional accommodation space at Castlebar Primary Care Centre, Moneenbradagh, Castlebar, Co. Mayo. PRG ref: W/L/0222/2645

**Submitted for meeting on:** 8 February (EMT), 10 February (ARC), and 25 February (Board) 2022

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**Why is this information being brought to the Boards attention?**

Approval of the HSE Board members is required as the property transaction is valued above €2m

**Is there an action by the Board required, if so please provide detail?**

This transaction was approved by EMT and ARC, it is recommended that the HSE Board approve the proposal for the lease of additional space for an Enhanced Community Care specialist team and other healthcare services at Castlebar Primary Care Centre at Moneenbradagh, Castlebar, Ballina, Co. Mayo from the current landlord PCC Investments (IE) Limited, 5<sup>th</sup> Floor, Beaux Lane House, Mercer Street Lower, Dublin 2 who has recently acquired the property.

The total cost of the new additional lease is [REDACTED]

It is intended that the term of the existing lease would be extended so that the terms of both leases are aligned.

Please indicate which of the Board's objectives this relates to;

- The development and implementing of an effective Corporate Governance Framework, incorporating clinical governance and a performance management and accountability system; **X**
- Developing a plan for building public trust and confidence in the HSE and the wider health service; **X**
- Ensuring the HSE's full support for and implementation of the Government's programme of health reform as set out in the Sláintecare Implementation Strategy; **X**
- Exercising effective budgetary management, including improving the value achieved with existing resources and securing target saving, with the objective of delivering the National Service Plan within Budget. **X**

**Brief summary of link to Board objectives.**

As part of effective governance and control in line with the HSE Property Protocol this paper is presented to the EMT and thereafter ARC and the Board, for their consideration and approval as it remains a reserved function of the Board to approve property transactions proposed above €2m and those at nominal value.

**Background - provide context in order to ensure that the Board fully understand the issue.**

There is an existing Primary Care Centre in Castlebar Ballina, Co Mayo in place under the operational lease model for a period of 25 years and which became operable in late 2016. The current accommodation size is approximately 32,000 sq ft and the existing building accommodates approximately 78 staff including public health nursing, physiotherapy, occupational therapy, dental services, a community mental health team, orthotics, X-Ray facilities and administrative staff. Other primary care staff for the local area currently work out of

community healthcare accommodation directly adjacent to acute hospital facilities at University Hospital Mayo in Castlebar.

The Enhanced Community Care (ECC) Strategy was introduced in 2020 as part of the HSE National Service Plan 2020 to redesign acute hospital care pathways to support older people and those with chronic diseases. The Strategy aims to increase community capacity, reorganise care to focus on older people and chronic diseases and to enhance community networks to move care provision away from acute settings. Recruitment of staff for this Enhanced Community Care Service has already commenced.

The Standard National Brief and Schedule of Accommodation recommend that the new ECC specialist teams be accommodated in, or adjacent to, Primary care Centres.

Castlebar Primary Care Centre is part of the 292 previously approved cohort of primary care centres which are operational, in progress and prioritised for action, as identified in the *Primary Care Centres Location and Approval Assessment* which was brought to EMT, ARC and the Board in 2021.

A proposal has been developed through engagement with the landlord of the primary care centre to provide a significant two storey extension to the existing building. The proposal as developed is to complement the existing lease arrangement for the current accommodation which commenced in 2016 with a separate new legal agreement for a 30-year lease term for the full space within a new extension to be delivered within the next two years. It would then be intended to extend the term of the existing lease so that the terms of both leases are aligned.

The intended overall size of the proposed extension is approximately 45,000 sq ft. Following negotiations with the landlord the proposed initial rental rate for this space is [REDACTED] plus VAT per sq ft. This figure is based on both consideration of the rent for the existing facility and acknowledgement of the current period of high inflation in the construction sector. The initial rate for the existing facility was [REDACTED] commencing in August 2016. A CPI index adjustment to August 2021 results in a new current rate of [REDACTED] per sq ft for the existing space. Adjusting this for comparative purposes in line with the CPI index to Dec 2021 would give a rate of [REDACTED]. The proposed rate of [REDACTED] at rent commencement date is in line with a further [REDACTED] increase on this figure. It is in line with rates generally being achieved for similar facilities.

The additional space in the new extension will primarily accommodate the ECC specialist team (21,270 sq ft) which will include both the chronic disease management team (ICPCDM), the older persons team (ICPOP) and new community health network (CHN) staff. In addition an enhanced community diagnostics hub (3,552 sq ft) is envisaged along with the relocation of existing primary care staff (16,705 sq ft) and mental health staff (3,466 sq ft). In total it is envisaged that the new space will accommodate up to 116 staff which would include the relocation of approximately 55 staff and new staff. Along with the 78 staff currently operating out of the facility this will increase the total staff to 194.

The co-location of Primary Care and Enhanced Community Care services will allow for a more efficient delivery of services within the community. The local service needs of integrated healthcare, multi-disciplinary working and the development of community healthcare network services, with the resultant expansion of service delivery capacity will also benefit from the re-location of the other existing staff. The staff to be re-located include speech and language therapy, audiology, schools nurses, vaccination and school health and ophthalmology staff along with the mental health (Intellectual Disability) team.

The accommodation space to be vacated is primarily a building known as the County Clinic and vacating this building will facilitate the development plans for Mayo University Hospital.

**Highlight any implications that the Board should be made aware of in its consideration such as;**

- **Current status**  
Awaiting Board Approval
- **Budget**  
The rent for this new primary care centre accommodation space of 45,000 sq.ft. is [REDACTED] per sq ft with the service charge at [REDACTED] per sq ft for a term of [REDACTED]. The total cost of rent for full term is [REDACTED]

(excl. VAT). The rent and service charge will be subject to future adjustment in line with CPI.

The current estimated future cost of equipping this Primary Care / ECC Centre is €2.4m. In addition to the standard equipping rate allowance this estimate includes an allowance of €300k in respect of audiology booth equipment. It also includes an allowance of €1.5m for the installation of specialist diagnostic equipment (potentially including MRI, DEXA & Ultrasound) for the proposed community diagnostics services.

▪ **Source of Funding**

The capital funding required for equipment will be provided in the HSE Capital Plan in 2023.

Revenue funding for the rent, service charge and other operational costs for the extension to the PCC will be provided in future National Service Plans when the PCC becomes operational. This is currently anticipated to be Q1 2024.

▪ **Programme**

Subject to HSE Board approval for the transaction the developer intends to commence construction in Q2 2022 with the construction completed in Q4 2023.

▪ **Resources**

Existing and new staff will transfer to the new PCC space when completed.

▪ **Impact to delivery of services**

The facility, in design and in execution, will reinforce care values including individual dignity, privacy and safety. The overall environment will support the attainment of optimal therapeutic outcomes for those in receipt of primary care as well as specialist care and investigations for outpatient and day patient services.

▪ **Corporate Plan**

Aligned with HSE Corporate Plan & Service Plan.

▪ **Sláintecare**

In line with Sláintecare Report 2017 & Sláintecare Implementation Strategy 2018.

▪ **Social factors** (e.g., impact on specific area such as the elderly, disabilities)

The facility will provide a warm, welcoming and child centred environment. It will support flexibility in service delivery and contribute to attainment and maintenance of best practice in all aspects of the care provided.

▪ **Technological factors**

Not applicable

▪ **Legal factors**

The HSE will enter into an Agreement for Lease (AFL), Lease and a Service Level Agreement (SLA).

**Sustainability**

The proposed Primary Care Centre Extension in Castlebar will be delivered in line with the latest HSE Primary Care Centre Mechanical & Electrical Performance Specification document. This outlines that *“The Landlord / Developer shall provide a building that meets the performance specifications of the Nearly Zero – Energy Buildings (NZEB) standard in accordance with the revised Building Regulations Part L”*

**Value for Money**

The procurement of the proposed Castlebar Primary Care Centre Extension, based on the lease terms agreed, provides the HSE value for money.

**Conclusion**

Not applicable

**Recommendation**

It is recommended that the HSE Board approve the transaction as outlined above.