



Feidhmeannacht na Seirbhíse Sláinte  
Health Service Executive

## HSE Board Briefing Template

**Subject:** Proposed Lease of Primary Care Centre ('Galway City West') at Seamus Quirke Road, Galway PRG ref: W/L/0219/2158

**Submitted for meeting on:** 7 December 2021 (EMT), 13 December 2021 & 20 January 2022 (ARC), 28 January 2022 (Board).

**Name & title of author:** Dean Sullivan, Chief Strategy Officer

**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 previously approved at EMT and ARC, it is recommended that the HSE Board approve the proposal for the lease of a Primary Care Centre at Seamus Quirke Road, Galway, from [REDACTED]

The total cost of the lease is [REDACTED] (excl. VAT) over [REDACTED] years.

**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.**

The cost of the lease over the [REDACTED] year period is [REDACTED] (excl. VAT). Approval of the HSE Board members is required as the property transaction is valued above €2m.

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

Primary Care staff currently operate out of a number of locations around Galway City West with Primary Care Service delivery dispersed accordingly as a result. Integrated Health Care and multi-disciplinary working is greatly inhibited by the current design and configuration of the multiple locations from which primary care is provided. There are specific challenges relating to where these services are provided which have been ongoing for a number of years. These issues are now reaching a critical point and need to be urgently addressed.

With the existing situation of a deficit in Primary Care Team (PCT) accommodation in Galway City & its environs, there is currently no option to expand an existing Primary Care Centre in a timely manner for co-location. Community services currently mainly operate out of inadequate accommodation directly adjacent to University Hospital Galway. These lands include the existing Shantalla health centre which was built in the 1960s and also the 25 Newcastle Road HSE facility which is mainly an administrative centre with public access for some services such as ophthalmology etc.

Both these facilities are directly adjacent to University Hospital Galway and earmarked to be vacated by Community Healthcare West staff and services to make way for potential expansion of the hospital campus. In addition mental health community services which were previously inappropriately based in the Acute Unit at University Hospital Galway are now currently operating on an interim basis out of rented accommodation at Sherwood House which is not suitable as a long term option. The intention is that staff and services would also relocate from Sherwood House and that it would be vacated by the mental health services.

Galway City West 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 recently brought to EMT, ARC and the Board.

The location has been a priority for many years with unsuccessful attempts made to secure a new Primary Care Centre. The original HSE Board approval for this Primary Care Centre was on 8 July 2010 for a 28,000 sq ft facility for a rate of [REDACTED] per sq ft excluding service charge. The facility requirement has subsequently increased significantly in size up to 99,458 sq ft. This is because it is intended to include accommodation for additional network services in addition to the core primary care teams including significant accommodation space for Adult Community Mental Health Teams and Community Diagnostics Services. The scheme also enables the decanting of Community Services from the 25 Newcastle Road site and the Shantalla health centre site which are directly adjacent to the University Hospital Galway campus and deemed strategic lands to support ongoing acute services development there.

In keeping with the programme for the delivery of Primary Care Centres, the HSE published a request for submissions for PCC proposals for the Galway City West area. All submissions received were evaluated initially on a pass/fail basis with a number of these submissions subsequently qualifying for the priced offer stage (Stage 3). The award criteria included various sub criteria namely cost, level of GP involvement, project delivery risks (site acquisition, planning/zoning, funding), building design proposal and suitability of site location. Marks were awarded for each sub criteria with the top ranked bidder being deemed to have submitted the most economically advantageous bid. The outcome of the process is set out in the table below.

Name of Firm	Ranking
[REDACTED]	1
[REDACTED]	2
[REDACTED]	3
[REDACTED]	4
[REDACTED]	5
[REDACTED]	6

The successful bidder who submitted the top ranked proposal was [REDACTED]. Their initial rental rate (excluding VAT) is [REDACTED] per sq ft per annum and the service charge cost is [REDACTED] per sq ft per annum. The rent will be subject to review at agreed five year intervals and will be adjusted in the future in line with the Consumer Price Index.

From an overall property strategy perspective, the overall schedule of accommodation includes for two local primary care teams (City Centre & Shantalla teams) to operate from this building and provide services to the local area.

The Galway City West Primary Care Centre accommodation (99,000 square feet) is separate from the additional accommodation requirements (of c30,000 square feet) associated with the ECC Hub required for Galway City. The co-location of the ECC Hub with the Galway City West PCC is one of the options currently under consideration for the ECC Hub, but would require the purchase of additional land adjacent to that secured for the PCC. We will revert to EMT/ARC/Board on this matter in due course.

This proposed new Galway City West Primary Care Centre is anticipated to be a 5/6-storey building which is intended to accommodate in excess of 300 WTEs and would deliver the following services:

- I. Community/Public Health Nursing
- II. Area Medical Officer
- III. Dental Services
- IV. Occupational Therapy
- V. Physiotherapy (Adult and Paediatric)
- VI. Occupational Therapy
- VII. Paediatric Therapy Network Office
- VIII. Podiatry
- IX. Psychology Service
- X. Speech and Language Therapy
- XI. Dietetics
- XII. Ophthalmology Team
- XIII. Mental Health Regional Management
- XIV. 3 x Community Mental Teams incl. Adult Homeless team
- XV. Mental Health Day Hospital
- XVI. Ambulance service
- XVII. Community Diagnostic Services (Film, U/S, Dexa, Retina, CT& MRI)
- XVIII. CHO Management & Administrative support

The proposed Galway City West Primary Care Centre will represent the focal point for the provision of all primary, community and continuing care related health and social services in the area. It will enable greater integration amongst teams and enhance service delivery for the future.

It will also be co-located with a new facility for TUSLA, the Child and Family agency whose services and staff would also relocate from the 25 Newcastle Road site under a separate lease agreement with the developer and give back the space they currently occupy to the HSE.

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

- **Current status**

Awaiting Board Approval

- **Budget**

The initial rent for this primary care centre is [REDACTED] per annum excluding VAT or [REDACTED] per sq ft with the service charge at [REDACTED] per sq ft for a term of [REDACTED] years with the option to extend for a further [REDACTED] years.

The total cost of rent for full term will be [REDACTED]

[REDACTED] The estimated future cost of equipping this primary care centre is [REDACTED]

[REDACTED] In addition to the standard equipping rate allowance this estimate includes costs of [REDACTED] in respect of dental specialist equipment. It also includes an allowance of [REDACTED] for specialist diagnostic equipment (MRI, CT, X-Ray, Ultrasound, DEXA Scanner) for the proposed Community Diagnostics super hub within the centre.

- **Source of Funding**

The capital funding required for equipment will be provided in the HSE Capital Plan in 2024.

Revenue funding for the rent, service charge and other operational costs for the PCC will be provided in future National Service Plans when the PCC becomes operational. This is currently anticipated to be 2025.

- **Programme**

Subject to HSE Board Approval and the issue of letter of intent the developer has indicated that he will conclude the purchase of the site in the next month and lodge planning application for the development in Q1 2022. It is anticipated that planning permission will be achieved during 2022 and that construction will commence in early 2023. It will take 18 months to construct the building and 3 months to equip and commission the facility.

- **Resources**

Existing Primary Care, Mental Health and Management/Admin staff will transfer to the new PCC space when completed. Additional Diagnostic personnel would be required in future year for the Community Diagnostics Hub element.

- **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, mental health, child health and safety and in diagnostic 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 and patient 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 in Galway City West will be delivered to NZEB standards in line with the current building regulations and latest HSE Primary Care Centre Mechanical & Electrical Performance Specification document and. 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 Galway City West Primary Care Centre has been competitively sourced and, based on the proposed lease terms to be agreed, provides the HSE value for money. Rent reviews will be based on the Consumer Price Index (CPI)

**Conclusion**

Approval is sought to proceed with the property transaction as outlined above. Earliest possible approval is requested in light of the poor quality of existing accommodation and the needs of service development in Galway, and also to reflect the period of time that has lapsed since submissions for this accommodation were originally requested. The developer has indicated that he is in a position to secure the site for the project in the coming weeks and would immediately proceed with a view to submitting a planning permission application in early 2022 subject to the transaction being approved by the HSE Board and the issue of a letter of intent by the HSE.

**Recommendation**

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