



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

HSE Board Briefing Template

Subject:

Acquisition by way of lease of office accommodation at Hawthorn House, Millennium Park, Naas, Co. Kildare to provide fit for purpose Business Support/Administrative space in CHO7 serving Dublin South, Kildare and West Wicklow.

PRG Reference: E/L/0221/2519

Submitted for meeting on: 11 January (EMT), 20 January (ARC), 28 January 2022 (Board)

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Why is this information being brought to the Boards attention?

As the value of this transaction is above €2m, the transaction requires HSE Board approval.

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 approves the proposal to lease office accommodation at Hawthorn House, Millennium Park, Naas, Co. Kildare from Kerry Group, Princes street, Tralee, Co. Kerry.

The total rental cost of the lease is [REDACTED] over a [REDACTED] year period incl. parking taking a [REDACTED] into account (excl. Estate Service Charge & VAT)

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.

The CHO7 Senior Management Team is seeking additional accommodation to support the Enhanced Community Care Programme to be delivered as part of this Plan. The proposal is to relocate non-clinical office based staff from various clinical locations to one central location. It is proposed that Hawthorn will house a total of 177 staff in Hawthorn.

Office staff currently based in St. Marys Hospital, Naas will transfer to Hawthorn, thus freeing up clinical space for services such as the Community Health Network, Integrated Care for Older Persons (ICPOP) Team and

Chronic Disease Management (CDM) Teams.

There are 56 non-clinical staff in St. Marys Hospital that will relocate to more appropriate accommodation in Hawthorn, this will free up 16 clinical rooms and office accommodation for 22 clinical staff.

Disabilities are centralising their workforce (61) to provide a higher quality service to our patients, which in turn is freeing up space across the CHO for ECC staff, across primary care services.

The primary driver for this project is to act as an enabler to facilitate the freeing up of current administration space which is in existing clinical areas. This will allow this space to be utilised for CDM and ICPOP teams.

The transaction can be summarised as follows:

- **Term** – 10 years [REDACTED]
- **Area** – 30,075sq ft Gross Internal Area (GIA) over three floors
- **Rent** - [REDACTED]
- **Current condition** – open plan office accommodation
- **Capital cost** – some adjustments to layout and equipping. Estimated cost € [REDACTED]

Provided a Deed of Renunciation is not signed, at the end of the term the HSE will have the option of renewing the lease as a Deed of Renunciation has not been signed.

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 building is [REDACTED] per annum. The capital cost to adjust existing fit-out and equipment is [REDACTED]
- **Source of Funding**
The capital funding required is provided in the HSE Capital Plan in 2022. Revenue funding for the rent, service charge and other operational costs associated with this building will be provided in future National Service Plans when the building becomes operational. This is currently anticipated to be Q1 2023.
Programme
Subject to HSE Board approval for the transaction it is anticipated that the lease agreement will be concluded in Q1 2022 and the building will be ready for occupancy in Q1 2023.
- **Resources**
Consolidation of existing management and administrative resources into this location will free up space for clinical activities in the space vacated for ECC services. ECC staff are currently being recruited.
- **Impact to delivery of services**
Key Objectives (1) To provide the accommodation required to support the additional staff that are already approved under the ECC programme both in the short term and the longer term. (2) To provide alternative accommodation that would enable the staff in St. Marys to relocate, so that St. Marys could be converted for clinical use. (3) The CHN will utilise all available clinical space to maximum capacity. (4) This will address the overcrowding issues in Oak House, Millennium Park and Beech House, Naas.
- **Corporate Plan**
Aligned with HSE Corporate Plan & Service Plan
- **Sláintecare**
In line with Sláintecare Report 2017 & Sláintecare Implementation Strategy and this will give significant benefits and synergies to the delivery of services in Dublin South, Kildare & West Wicklow Community Health care.
- **Social factors (e.g., impact on specific area such as the elderly, disabilities)**
By freeing up these clinical areas it will provide the correct patient centred environment. It will support flexibility in service delivery and contribute to attainment and maintenance of best practice in all aspect of the care provided.
- **Technological factors**
Not applicable
- **Legal factors**
The HSE will enter into an agreement for lease (AFL) in order for the works to begin and then enter into

the lease on completion of the works ready for occupation.

Sustainability

This is an existing building and that the Landlord Kerry Group has invested in the buildings Mechanical & Electrical plant and fittings to improve the BER and efficiency rating of the building. The building also benefits from openable windows and good natural lighting.

Value for Money

HSE Capital & Estates have negotiated this transaction to the best and final form as reported in this paper, with reference to the comparable evidence available. In view of the rate per sq. ft. negotiated and the current condition of the unit we confirm that the transaction represents value for money.

Conclusion

Approval is sought to proceed with the taking of the lease as outlined above. Earliest possible approval is requested in light of the urgency of implementing the HSE's own Corporate and Service Plan and the roll out of the ECC Programme within CHO 7.

Recommendation

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