



Feidhmeannacht na Seirbhíse Sláinte  
Health Service Executive

## HSE Board Briefing Template

**Subject:**

Lease of additional floor and re-negotiation of existing Leases to enter into a new ■ Year Lease at Primary Care Reimbursement Service (PCRS), J5 Plaza, North Park Business Park, Finglas, Dublin 11,  
PRG Ref: E/L/0921/980

**Submitted for meeting on:** 21 December 2021 (EMT), 20 January (ARC), 28 January (Board) 2022

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

**Why is this information being brought to the Board's attention?**

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

**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 consolidate the existing HSE leases over three floors at Primary Care Reimbursement Service (PCRS) J5 Plaza, North park Business Park, Finglas, Dublin 11 and to also include a fourth floor in a new ■-year lease from Fine Grain Property.

Based on a new ■-year lease and associated car park licence the total cost is ■ (excl. VAT) subject to CPI.

**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.**

Covid-19 has negatively impacted on space and capacity across all units within PCRS. Throughout the pandemic, PCRS has been deemed an essential service. PCRS has continued to process large volumes of eligibility applications and reimbursement claims whilst adhering to the strict guidelines put in place by the Government, following the advice of the National Public Health Emergency Team (NPHE).

PCRS currently have 426 staff in post, together with an additional 55 contractors and an additional 80 vacant posts. Of the 426 staff in post, 206 staff (together with the 55 contractors) are accommodated in the current floor area of this building. Almost 60% of PCRS staff are Grade III officers who require intensive training, support and supervision to perform the substantial volumes of processing which PCRS manages. Whilst Working from Home has been embraced during the Covid-19 pandemic it is unlikely that a high quality service

can be sustained in the long term without close supervision of what are in the main entry level graded staff. The recruitment of the 80 vacant posts is ongoing to address service demand (including 15 staff approved to support the Agreement with the Irish Medical Organisation in 2019 and an expected 8 further staff as part of NSP 2022). The staff numbers have increased by 60 staff since the lease of the second floor of this building in 2019. PCRS is already currently split over 2 office buildings in Finglas and with staff numbers due to increase, this will be the last opportunity to extend their accommodation within either of their current buildings, rather than have to secure separate accommodation (i.e. a third building). In effect, this is the **last** opportunity to enable onsite provision for any future services centralised to PCRS under the HSE Review of the Centre and the setting up of a National Schemes and Reimbursements Division.

J5 Plaza is a modern four storey office building; PCRS currently occupy three of the four floors - ground, first and second with a limit amount of storage in the basement currently occupying 52,263 sq.ft. PCRS has been in occupation of this building since 2011 at a current annual rent of [REDACTED] (Ground floor 17,302sqft - 2011; 1<sup>st</sup> floor 17,302sqft - 2013; 2<sup>nd</sup> floor 17,302sqft - 2019 and Basement 357sqft in 2021), [REDACTED]

Rent reviews on the existing three floors (ground, first and second) are due in 2021, 2023 and 2029. Market rates and rental values in this area of Dublin are estimated to increase to between [REDACTED] / sq.ft. A Rent Review Notice has been received on the ground floor lease with a proposed revised rent of [REDACTED] per sq.ft. and [REDACTED] per car space per annum.

The need to accommodate this service will remain for at least 15 years and the furthest lease expiry date is on the Ground floor which is 15 years away. Based on this time frame, the options available to the HSE are outlined below:

**Option 1:** To remain for a 15-year period under the current lease arrangements the HSE will continue to Lease 52,263sq ft at a cost in the order of [REDACTED] subject to Market rental rates including associated car parking licence costs (as outlined above Market rates and rental values are expected to increase).

**Option 2:** The proposal Lease consolidates all current leases into one Lease, increases the floors area to include the whole building at 62,578sq.ft. [REDACTED] The cost of the propose Lease is approx. [REDACTED] subject to CPI including associated car parking licence costs.

By taking a lease on the third floor of the building, this will facilitate the resultant additional space requirement by increasing the PCRS total floor area from 52,263 sq.ft. to 62,578sq.ft. (including 357sq.ft. of storage area in Basement) in the building. The benefits to the HSE include an additional 10,315sq.ft., a single 15-year term over all floors.

[REDACTED]

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

- **Current status**  
Awaiting Board approval
- **Budget**  
Existing implications to budget resulting from rent reviews due in 2021, 2023 and 2029. Re-gear takes into consideration 2021 rent review increase across all leases up to first rent review in 2027.
- **Source of Funding**  
Revenue funding for the rent, service charge and other operational costs are included in the National Service Plan.
- **Resources**  
PCRS currently have 80 vacant posts, the additional space provided by leasing an additional floor, will provide for a safe working environment for staff in line with social distancing requirements.
- **Impact to delivery of services**  
Re-gearing of existing lease and addition of a fourth floor will allow for return to work for staff as remote working as been maximised with many processes moved to electronic and paperless.

- **Corporate Plan**

Aligned with HSE Corporate Plan & Service Plan including the Review of the Centre in that it will ensure capacity to centralise additional services within the National Schemes and Reimbursements Division.

- **Sláintecare**

Aligned with Sláintecare on delivery of services

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

Positive Impact on Primary Care Reimbursement Service provision which underpins primary care services (eligibility to major schemes and reimbursement of primary care contractors).

- **Technological factors**

Current technologies will be incorporated in the leased building

- **Legal factors**

[REDACTED]

**Conclusion**

Not applicable

**Recommendation**

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