



## HSE Board Briefing Template

**Subject:** Lease of Units 230 & 237, and separate Lease of Unit 303 in Omni Shopping Centre, Santry, Dublin 9 for interim Primary Care Centre PRG Ref: E/L/0422/2673 and E/L/0422/2674

**Submitted for meeting on:** 14 June (EMT), 20 July (ARC), and 27 July 2022 (Board)

**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 previously approved at EMT and ARC. It is recommended that the HSE Board approve the proposal to enter into two new leases at 1<sup>st</sup> and 2<sup>nd</sup> Floor Omni Shopping Centre, Santry, Dublin 9, for a period of 10 years to accommodate an ECC specialist team and other primary healthcare services; the leases are with [REDACTED]

Based on two separate new 10 year leases the total cost is [REDACTED] excluding 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;
- 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 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 Enhanced Community Care (ECC) Strategy was introduced 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 (PCCs).

There is also an urgent accommodation need in the CHO to relocate staff from Larkhill Health Centre. Larkhill Health Centre is wholly unsuitable for the provision of primary care services to meet the current needs of the local area population.

There are benefits to be derived from combining these two accommodation needs, in terms of sharing of spaces such as bookable clinical rooms, larger therapy spaces, reception, waiting areas, toilets and canteen, thereby reducing the overall floor area requirement, as well as synergies arising from co-locating the Santry PCT with ECC hub.

A very small number of options exists in this locality to support current service needs. Those that were identified and assessed include the following:

1. Proposed Santry Primary Care Centre
  - a. timeframe of 5 – 7 years leaves a considerable accommodation deficit in short term
  - b. risk of non-delivery as it is being delivered via the Primary Care Operational Lease, and is currently at early stage of development
2. Extension to the new Edenmore Primary Care Centre
  - a. Timeframe of 4 – 5 years leaves a considerable accommodation requirement in short term
  - b. Risk of non-delivery as it is being delivered via the Primary Care Operational Lease
  - c. Planning risk due to difficulties experienced to date on this site
  - d. Does not address Larkhill Health Centre replacement
  - e. Reduced interconnection to existing PCC, connection from 1<sup>st</sup> & 2<sup>nd</sup> floor only
3. Refurb and extension of Larkhill Health Centre
  - a. Building in such poor condition this would result in a demolition and new build, requiring full interim decant
  - b. Site is not big enough to address accommodation requirement
  - c. Timeframe 4 – 5 years
  - d. Planning risk due to residential nature of area
4. Lease of Units 230; 237 & 303 in Omni Shopping Centre
  - a. Reduced accommodation to fit available space, deemed sufficient for life span of proposed lease
  - b. Fit out works required
  - c. Timeframe of 1 year is best available
  - d. Good location to support service need and catchment population
  - e. Proposed medium term solution

The location of the recommended solution will be critical to the success of both the ECC specialist team and Primary Care. The Omni Shopping Centre is located 4km from Beaumont Hospital and 3km from Larkhill Health Centre. The centre comprises mixed use retail, offices and medical services including Beaumont Hospital and St Michael's House. The proposed demise is located principally on the 1<sup>st</sup> floor, easily accessed directly from the multi-storey car park, internal travellators and passenger lifts. It is on the same floor as, and adjacent to the satellite outpatient service for Beaumont Hospital. The ECC Community Team to be accommodated in this proposal is aligned to Beaumont Hospital.

The proposed arrangement comprises two separate leases to provide HSE with flexibility of extending one or both leases after 10 years subject to the future accommodation needs and appropriate approvals:

- i. The first lease is for Unit 230 and 237 (combined) on the first floor comprising of 12,851sqft at an annual rent of [REDACTED]. This will accommodate the clinical spaces for the interim solution for the ECC specialist team and for the interim replacement of Larkhill health centre. The fit-out will be completed by the Landlord to meet the HSE's requirements and the cost to the HSE will be spread over a five-year period and will cost [REDACTED].
- ii. The second lease is for Unit 303 on the second floor comprising of 3,606sqft at an annual rent of [REDACTED]. This will provide the associated multi-disciplinary office accommodation for the interim solution for the ECC specialist team and Primary Care. The fit-out will be completed by the Landlord to meet the HSE's requirements and the cost to the HSE will be spread over a five-year period and will cost [REDACTED]. The total cost of the 10-year lease on unit 303 and fit-out is [REDACTED].

██████████ excluding VAT.

The total cost of both 10-year leases as outlined above is ██████████. Car parking is available at no additional charge.

It is proposed that the long term solution for the ECC specialist team will be to co-locate in a proposed new Santry PCC to be delivered via Operational Lease. Santry PCC is currently at the initial selection stage and has a timeframe of approximately 5-7 years before it will be delivered if actively pursued. Given the requirement of a timely delivery of accommodation for both ECC & PCC in Santry; given the level investment in the fitout of the interim proposal put forward in this paper and given the suitability of the proposed accommodation the long term solution will be paused for further review if this proposal is approved. This interim solution will have at least a 10 year term and re-engagement on the proposed long term new Santry PCC will only be progressed should the service accommodation needs outgrow this interim solution but the long term Santry PCC is not now planned to be delivered any earlier than the end of this proposed 10 year lease.

The HSE has negotiated an option to extend the lease should the need arise at the end of the proposed Lease period for a further five or ten years subject to rent review every five years in line with Central Statistics Office's (CSO) Consumer Price Index (CPI). This will ensure that, subject to an identified need at that time, the HSE can avail of this fitted out accommodation beyond this lease term. The fit-out works will support such future clinical use of the leased space.

The proposed accommodation will facilitate a total of 103 staff and provides an interim solution pending the delivery of Santry PCC.

Should this proposal be approved and on completion of the fitout works, the vacated Larkhill Health will initially be made available for Covid related Testing and Immunisation programmes in the low cost models being adopted. In the longer term, the value of the well situated Larkhill Health Centre site, which is approximately 0.37 acre, will be realised by utilizing it for other healthcare uses rather than disposing of the site.

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

- **Current status**  
Awaiting Board approval
- **Budget**  
Budget approval to enter into lease agreement. Rentalised fit-out costs will be spread over the first five years only. A buyout option is not available on these units as they are part of a larger complex and the Landlord is not agreeable to a sale or to a buyout option.  
**Programme**  
Subject to HSE Board approval for this transaction the proposed accommodation will be complete in Q3 2023 at which time the Lease will commence.
- **Resources**  
This provides clinical and administrative space for staff for the Beaumont hospital catchment area, serving a population of some 260k. Overall additional staffing is as follows: the Dublin North/Beaumont Chronic Disease Management Team is 54.2 WTE; CHO staff is 6 WTE; Acute posts is 3.5 WTE; the staffing associated with the Dublin North/Beaumont Integrated Care for Older Persons Team is 18.5 WTE; and, the existing staff of Larkhill PCT is 21 WTE.
- **Impact to delivery of services**  
It is a key enabler in facilitating enhanced community care accommodation, aligned with Beaumont Hospital.
- **Corporate Plan**  
The proposal is aligned with the HSE Corporate Plan and Service Plan.
- **Sláintecare**  
The proposal is aligned with Sláintecare for delivery of services.
- **Social factors (e.g., impact on specific area such as the elderly, disabilities)**  
This proposal has a positive social impact.
- **Technological factors**  
Current available technologies will be incorporated in the leased building.
- **Legal factors**  
The landlord will provide rentalised fit-out across the entire demise, dealt with via Agreement for

Lease. The lease term will be 10 years from completion of fit out works, with a rent review at year five in line with Central Statistics Office's (CSO) Consumer Price Index (CPI). The HSE will also have the option to extend the lease by a further five or ten years subject to rent review every five years in line with CPI.

**Sustainability**

The proposed facility will achieve an A3 BER rating following the Fit out works.

**Value for money**

The proposed accommodation at Omni Shopping Centre, based on the lease terms agreed, delivers best value for money for the HSE in reference to leased accommodation options available on the market.

**Conclusion**

Not applicable

**Recommendation**

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