



HSE Board Briefing Template

Subject: Preliminary Business Case for the proposed New Emergency Department and Women's & Children's Development Block at University Hospital Galway (UHG).

Submitted for meeting on: 12 July (EMT), 20 July (ARC), 27 July 2022 (Board)

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Why is this information being brought to the Boards attention?

The total estimated project capital cost is in the region of ██████ inclusive of VAT. The proposed project also involves additional estimated operational expenditure of approximately ██████ per annum. The Public Spending Code requires that Capital Projects with a value in excess of €100m obtain Government approval at Preliminary Business Case stage (i.e. Gate 1).

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

This proposal was previously approved at EMT and ARC. It is recommended that HSE Board members consider the investment proposal as set out in this paper and in the attached Preliminary Business Case (PBC) report and endorse the case that is being made for the delivery of the proposed new Emergency Department and Women's & Children's development on the UHG Campus, prior to submission of the PBC document to the department of health for formal evaluation in line with the public spending code.

Please indicate which of the Board objectives this relates to;

- The development and implementing of an effective Corporate Governance Framework, incorporating clinical governance and a performance management and accountability system; ✓
- Developing a plan for building public trust and confidence in the HSE and the wider health service; ✓
- 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. ✓

Brief summary of link to Board objectives.

This project is proposed to support the implementation of Government health policy in the West of Ireland. The objective is to provide appropriate infrastructure and enable the required level of service provision at UHG in respect of Emergency Department, Maternity and Paediatric services. The HSE as Sponsoring Agency will have primary responsibility for evaluating, planning and managing this public investment project within the parameters of the Public Spending Code.

The latest Public Spending Code sets out the current process for the delivery of such major public investment projects. It sets out the roles and responsibilities for both Sponsoring Agencies and Approving Authorities in

respect of public investment projects and provides detail on the requirements at each stage of the project lifecycle. There are now **six stages**, and **four Decision Gates** in the project lifecycle, three ex ante and three ex post, as follows:

1. Strategic Assessment Report (SAR)
 - Decision Gate 0 – HSE Board Approval 29th June 2022
2. **Preliminary Business Case (PBC) – Current Stage**
 - **Decision Gate 1 – Approval in Principle**
3. Final Business Case (FBC), including design, procurement strategy and tendering
 - Decision Gate 2 – Pre-tender Approval
 - Decision Gate 3 – Approval to Proceed (Contract Award)
4. Implementation
5. Review
6. Ex Post Evaluation

HSE Board at their meeting of 29th June 2022 gave approval for the Strategic Assessment Report (SAR) – Decision Gate 0 (Item 1 above), for this project, to be submitted to the Department of Health for their consideration and approval. The SAR was submitted to the Department of Health on 30th June 2022.

This paper relates to the Preliminary Business Case (PBC) - Decision Gate 1 (Item 2 above).

As the project progresses through the project lifecycle it will be referred to the Board again at two further stages in addition to this paper, for endorsement of Final Business Case, comprising two approval gates, i.e. (Gate 2) i.e. Pre-tender Approval and Final Business Case (Gate 3) i.e. Contract Award.

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

As outlined above the HSE Board at their meeting of 29 June 2022 approved the Strategic Assessment Report for onward submission to the Department of Health as per the Public Spending Code.

As outlined above, this paper relates to project delivery process - Preliminary Business Case (PBC) – Decision Gate 1 (Item 2 above). The Preliminary Business Case (PBC) attached at Annexe 1 has been completed by EY in accordance with the current Public Spending Code requirements for such reports. It is submitted with this paper and presents the case for the proposed New Emergency Department and Women’s & Children’s Development Block at University Hospital Galway (UHG). It develops further the strategic case for the project, considers in more detail the range of options available leading to a clear articulation of the preferred option, assesses risk, and sets out the proposed implementation strategy for the investment proposal. A project indicative programme is included setting out a potential timeline for project delivery over several years with construction of the block commencing in 2026 and being handed over in early 2029. The PBC concludes that the significant investments embodied in the proposed project are necessary and if delivered will enable better healthcare service delivery in line with Government policy. It recommends that the HSE grant formal approval to submit the Preliminary Business Case for Government review and approval and progress to the next stage of the project lifecycle process.

The paper submitted to the June Board meeting in relation to the Strategic Assessment Report contained great detail in relation to the strategic alignment of this project, and can be used as a reference point for further background information.

Endorsement is now sought from EMT, ARC and the HSE Board in advance of onward submission to the Department of Health, DPER and the Government.

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

- **Current status**
Awaiting Approval by DoH and DPER for the Strategic Assessment Report (SAR)

Awaiting HSE Board Approval for the Preliminary Business Case Report (PBC)

- **Budget**

The total estimated project capital cost is in the region of [REDACTED] [REDACTED]. This project cost would include construction cost, design fees, equipping, contingency and other costs associated with the project including VAT. The project cost is subject to project delivery timelines, inflation and market conditions at time of tender. The proposed project also involves additional estimated operational expenditure of approximately [REDACTED].

- **Source of Funding**

Capital funding will be required over several years from the HSE Capital Plan with the bulk of the expenditure arising in 2026, 2027 and 2028. Additional revenue funding will also be required.

- **Programme**

A project indicative programme is included in the PBC setting out a potential timeline for project delivery over several years with construction of the block commencing in 2026 and the new building being handed over in early 2029.

- **Resources**

Additional WTE staffing will be required to open the new facilities.

- **Impact to delivery of services**

The PBC concludes that the investments embodied in the proposed project are necessary and if delivered will enable better healthcare service delivery in line with government policy

- **Corporate Plan**

Aligned with HSE Corporate Plan & Service Plan

- **Sláintecare**

Aligned with Sláintecare on delivery of services.

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

The provision of the new facilities all designed to modern standards along with the increased capacity will significantly improve the quality of care for many patients.

- **Technological factors**

Not applicable.

- **Legal factors**

The standard Public Works Contract for Building Works designed by the Employer (PW-CF1) is intended to be used should the project be approved to progress. Any relevant Legal factors will be considered in more detail throughout the project lifecycle should the project be approved to progress.

Sustainability

The new Emergency Department and Women's & Children's Development Block will be designed to the required standards and this matter will be considered in more detail at the relevant stages throughout the project lifecycle should the project be approved to progress.

Value for Money

The proposed works will be competitively tendered and this matter will be considered in more detail at the relevant stages throughout the project lifecycle should the project be approved to progress.

Conclusion

N/A

Recommendation

In the above context, the HSE Board are asked to approve the attached Preliminary Business Case Report for submission to the Department of Health for formal review by the DOH, DPER and the Government seeking approval to progress to the next stage of the project lifecycle.