



HSE Board Briefing Template

Subject: Proposed lease for additional accommodation at Primary Care Centre, Station Road, Ennis, Co. Clare.
PRG ref: MW/L/0522/1989

Submitted for meeting on: 14 June (EMT), 16 June (ARC), 29 June 2022 (Board)

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Why is this information being brought to the Boards attention?

Approval of the HSE Board 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 approved at EMT and ARC, it is recommended that the HSE Board approve the proposal for the lease of additional accommodation space and extra car parking spaces to the existing Primary Care Centre, Station Road, Ennis, Co. Clare from Glencar Healthcare, Unit D1, The Liffey Trust Centre, Upper Sherriff Street, Dublin 1. for an Integrated Care of Older Persons (ICPOP) team.

The total cost of the new additional lease cost along with the extra car spaces is €2.15m in total (excl. VAT) over a 25-year period.

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.

The total cost of the accommodation over the 25-year period is €2.15m (excl. Vat).

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

The HSE Board previously approved the lease of accommodation of up to 54,499 sq ft for Ennis PCC under the operational lease model (Board Approval Decision No 240921/37). Construction of the original scheme has recently reached completion and the equipping process is underway.

The current primary care centre accommodation over several floors supports a GP space, two Primary Care teams, and an Integrated Care Programme for the Prevention and Management of Chronic Disease (ICPCDM) team. The Child and Family Agency (Tusla) separately lease the third floor space of the building.

The proposed additional space (3,365 sqft) in the new extension will accommodate the Integrated Older Persons Team (ICPOP) which is an integral part of the Enhanced Community Care Programme, and the schools vaccination team.

The services provided by the ICPPOP team include the following:

- Comprehensive assessment of older persons by the multidisciplinary team;
- Multiple management of co-morbidities, below functional baseline;
- Multidisciplinary team interventional input;
- Provision of exercise facilities to enable functional assessment and rehabilitation;
- Assessment of capability to manage activities of daily living;
- A focus on three specific care pathways - falls and bone health; memory and frailty.

The co-location of Primary Care and Enhanced Community Care services, encompassing the ICPPOP team, will allow for a more efficient delivery of services within the community.

The initial rental rate (excl. VAT) is €16.50 per sq ft per annum and the service charge is €5.00 per sq ft per annum. This proposal is to lease additional space of 3,365 sq ft over the current approved level of space at the same commercial rate. This will increase the overall HSE accommodation space to 57,814 sq ft. With the inclusion of the ICPPOP team, a total of approximately 140 staff will operate out of this PCC.

Subject to Board approval, the developer intends to proceed with the works immediately using the builder who has just completed the current building. The developer has indicated that costs are agreed with the builder but that these may be subject to increase in the near future due to global pressures, therefore a contractual commitment expedited efficiently, would avoid the requirement to seek an increase in the proposed rates.

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

- **Current status**
Awaiting Board approval.
- **Budget**
The proposal is for an increase of HSE accommodation space of up to 3,365 sq ft from the current approved accommodation of 54,499 sq ft up to a potential overall revised size of 57,864 sq ft. The rent for this primary care centre is €16.50 per sq ft with the service charge at €5 per sq ft for a term of 25 years with the option to extend for a further 5 years.
The total cost of rent at the initial rate for the previously approved space, across the full term was €22.48m (excl. VAT). This cost would increase by €2.15m with the inclusion of the additional space and an additional 50 car park spaces. A buyout option is not included in the current legal agreement and is not available for the additional space as a result. The rent is subject to review in line with the Consumer Price Index as per the current approved space. An allowance of €100k additional capital funding will also being sought from the Capital Programme. This would be utilised to cover any increase in equipping costs and any potential minor car park works.
- **Resources**
Staff relating to the ICPPOP programme are currently either in place or being recruited.
- **Impact to delivery of services**

The facility, in design and in execution, will reinforce care values including individual dignity, privacy and safety. The programme focuses on a number of chronic diseases such as diabetes, cardiology and respiratory, which impact a large number of health service users and enables them to be treated in a safe, timely, efficient manner, as close to home as possible.

- **Corporate Plan**

This proposal is aligned with HSE Corporate Plan & Service Plan.

- **Sláintecare**

In line with the Sláintecare Report 2017 and Sláintecare Implementation Strategy 2018.

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

The facility will provide a newly constructed welcoming environment to enable a better patient experience. It will support flexibility in service delivery and contribute to attainment and maintenance of best practice in all aspects of care provided.

- **Technological factors**

Not applicable

- **Legal factors**

The HSE will enter into an Agreement for Lease (AFL) for the space and subsequently into a deed of variation of the main primary care lease. The HSE would also enter into a sublease with the developer for the car parking spaces.

Sustainability

The proposed ICPOP accommodation will be delivered in line with the latest HSE Primary Care Centre Mechanical & Electrical Performance Specification document. This outlines that *“The Landlord / Developer shall provide a building that meets the performance specifications of the Nearly Zero – Energy Buildings (NZE) standard in accordance with the revised Building Regulations Part L”*

Value for Money

The procurement of the proposed ICPOP accommodation would form part of the overall primary care development which has been competitively sourced. Based on the lease terms agreed, this offers value for money to the HSE.

Conclusion

Not applicable

Recommendation

It is recommended that the the HSE Board approve this proposal as outlined above.