



## HSE Board Briefing Template

**Subject:** Proposed Lease for additional accommodation at Primary Care Centre, Tralee, Co. Kerry PRG Ref.: S/L/0322/2662

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

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

**Why is this information being brought to the Boards attention?**

Approval of HSE Board members 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 in the existing Primary Care Centre, Tralee, Co. Kerry from Valley Healthcare Fund (Irish Infrastructure Fund) Pembroke St. Upper, Dublin 2 in order to decant a number of services currently being delivered in University Hospital Kerry.

The total cost of the lease for 27-year term will be €7.85m (excl. VAT & excl. service charge).

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; ☐
- 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 lease over the 27-year period is €7.85m (excl. Vat).

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

The HSE Primary Care Centre (PCC) in Tralee became operational in Q2 2020. The current lease extends to 39,815 sq ft at a rate of €16.50 per sq ft. Approval is now requested to lease additional accommodation of 17,633sq ft to enable the decanting of a number of services which are currently delivered in University Hospital Kerry (UHK) these include:

- I. Women's Health Services
- II. Local Injury Service
- III. Orthopaedic Outpatient Services

#### IV. Diagnostic Support

The types of services which will be delivered in the new accommodation are outlined below:

##### i. Women's Health Services

The relocation to the primary care centre will enable the acute obstetrics and maternity services to deliver care requirements, maintain current day-to-day activities, and meet the predicted increase in patient volumes. The predicted growth in these services include:

- Colposcopy clinic activity is predicted to increase by 40% due to new HPV testing service becoming operational later in 2022.
- Urodynamic and sexual health services were deferred during the pandemic with an expected increase in activity forecast.

##### ii. Local Injury Services

It is proposed to develop a Local Injury Unit (LIU) in the primary care centre. The development of this service would direct away from the ED appropriate presentations and minor injuries. Additionally, this unit would provide local GPs an alternate pathway to refer patients to.

##### iii. Orthopaedic Outpatient Services

In line with Sláintecare, UHK wish to decant a number of outpatient services to the primary care centre. The transfer of orthopaedic (fracture clinic) services off the hospital campus will remove significant pressure from the current Outpatient Department (OPD) facility in UHK and allow for further development of new and existing OPD clinics.

##### iv. Diagnostic Support

It is further proposed that both the LIU and the orthopaedic out-patient departments would be supported by a general x-ray room in the primary care centre. This unit will be staffed by UHK radiology department and will hugely increase the efficiency of both services. Importantly, this will also free up additional clinical slots in the existing emergency and radiology departments.

Decanting the above services from the main hospital campus, will free up clinical space for in-patient services. In total 47 staff will be accommodated in this new building.

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

##### ▪ Current status

Awaiting Board Approval

##### ▪ Budget

The proposed additional accommodation at Tralee PCC will be 17,633sqft. The rent for this additional accommodation at the PCC is €16.50sqft with the service charge at €5sqft for an initial term of 27 years with the option to extend for a further 5 years which is aligned to the term of the existing primary care centre. The total cost of the rent (excluding service charge) for the full 27-year term will be €7.85m (excl. VAT). The rental rate and service charges are the same as the rates included in the existing Tralee PCC lease. There is no buy-out option with either the existing PCC or the proposed additional accommodation.

The estimated future cost of equipping the additional accommodation is approx. €500k - with the majority of the costs associated with the fit out of the general x-ray room.

##### ▪ Resources

Because the development of the LIU will be a new service there will be additional human resource costs associated with this. Subject to final confirmation from the service

##### ▪ Impact to delivery of services

Refer to section on Background.

##### ▪ Corporate Plan

This proposal aligns with the HSE Corporate Plan and Service Plan

##### ▪ Sláintecare

This proposal is aligned with Sláintecare for the delivery of services.

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

This proposal is expected to enhance the patient experience for all service users.

- **Technological factors**

None

- **Legal factors**

The proposed Standard PCC Lease Terms with Valley Healthcare will ensure that protections are in place for the HSE in relation to landlord and tenant legislation. Relevant insurances will provide the necessary indemnification for the HSE.

**Sustainability**

The proposed additional accommodation in the PCC, Tralee, Co. Kerry 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 (NZEB) standard in accordance with the revised Building Regulations Part L”*

**Value for Money**

The selection of the proposed additional accommodation is at the same rate as the existing Tralee PCC, which has been competitively sourced and, based on the lease terms agreed. This offers value for money for the HSE.

**Conclusion**

Not applicable.

**Recommendation**

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