



HSE Board Briefing Template

Subject: Proposed Lease for additional accommodation at Primary Care Centre, Thomastown, Co. Kilkenny. PRG ref: SE/L/1221/1443

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 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 an extension to the existing Primary Care Centre, Ladywell Street, Thomastown, Co. Kilkenny from Westcourt Health Care Limited, Unit 2, Purcellsinch Business Park, Kilkenny for the delivery of a Children's Disability Network Service.

The total cost of the new additional lease is €3.98m (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; ☒
- 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.

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 for the 25-year period is €3.98m (excl. Vat).

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

Progressing Disabilities is a National Programme for children from 0 - 18 years. It aims to reconfigure existing children's disability multi-disciplinary resources and develop Children's Disability Network Teams (CDNT) to be co-located with Primary Care Services.

It is therefore proposed that the CDNT for the Thomastown catchment area would be based in the newly constructed Primary Care Centre (PCC).

Thomastown PCC was originally approved by the HSE Board in 2009 and is 15,583 sq ft. The building has been handed over to HSE and is currently being equipped. The building will become operational in Q3 2022. It is proposed that it will accommodate 52 staff.

The proposed additional accommodation of 9,655 sq ft for the CDNT development is governed by the extension of the existing PCC terms and conditions. The accommodation comprises of the following:

- Clinical Rooms – 1,776 sq ft
- Training Rooms – 753 sq ft
- Staff Office / Meeting Room – 1,959 sq ft
- Observation and Team Assessment Rooms – 753 sq ft
- Shared accommodation / circulation including the storage for distribution of aids and supplies, reception, toilets etc. – 4,413 sq ft

The HSE set a maximum rental rate of €16.80 and service charge of €5.00 linked to the CPI.

The new development will initially provide for 14 staff members from the CDNT to provide the following services:

- I. Assessments;
- II. Therapies;
- III. Interventions;
- IV. Family support;
- V. Storage and distribution of aids and supplies.

Additional CDNT staff members will be recruited in 2023. The CDNT will represent the focal point for the provision of all children's disability services in Thomastown and its surrounds. It will enable greater integration among Primary Care Services and enhance service delivery for the future.

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

- **Current status**
Awaiting Board Approval
- **Budget**
The rent for the existing PCC 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. These terms will also apply to the CDNT development. There is no buyout option available on the existing PCC and the buyout option is not available for the proposed extension. The capital cost for equipping the additional accommodation is €0.5m.
- **Source of Funding**
The capital funding required for equipment will be provided in the HSE Capital Plan 2022. Revenue funding for the rent, service charge and other operational costs for the extension to the PCC will be provided in future National Service Plans when the PCC becomes operational. This is currently anticipated to be Q3 2022 for the PCC and Q3 2023 for the proposed extension.
- **Programme**
Subject to HSE Board approval for the transaction the developer intends to commence construction in approx. 3-6 months following Board Approval, with the construction completed in approx. 18 months
- **Resources**
Staffing the CDNT will be through a combination of existing HSE teams and from agencies currently providing services. An extensive recruitment campaign will be undertaken to fill any remaining posts with opportunities for existing HSE staff to transfer to the new service when completed.
- **Impact to delivery of services**
The facility, in design and in execution, will reinforce care values including individual dignity, privacy and safety.
- **Corporate Plan**
Aligned with HSE Corporate Plan and Service Plan.

- **Sláintecare**
Aligned with Sláintecare on the delivery of services.
- **Social factors** (e.g., impact on specific area such as the elderly, disabilities)
The facility will provide a warm, welcoming and patient centred environment for the service users and their parents / guardians. It will support flexibility in service delivery and contribute to attainment and maintenance of best practice in all aspects of the care provided.
- **Technological factors**
Not applicable
- **Legal factors**
The HSE will enter into an Agreement for Lease (AFL), Lease and a Service Level Agreement (SLA).

Sustainability

The proposed CDNT at Thomastown PCC will be delivered in line with the latest standards applicable to HSE Primary Care Centres, specifically those of the Mechanical and 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 additional accommodation is based on an extension of the terms agreed for the existing Thomastown PCC development, which was competitively sourced and represents a significantly competitive commercial arrangement.

Conclusion

Not applicable.

Recommendation

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