



HSE Board Briefing Template

Subject: Proposed Lease of Primary Care Centre at Citywest Hotel, Garters Lane, Saggart, Co Dublin.
PRG Ref: E/L/0422/2405

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 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 this proposal to enter into a lease for a Primary Care Centre at Citywest Hotel, Garters Lane, Saggart, Co. Dublin, from Feasible, Priory, Stillorgan Road, Blackrock,

The total cost of the lease is €59.5m (excl. VAT & excl. service charge) for a 35-year period. There is a buyout figure of €7m at the end of the Lease.

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 lease for the 35-year period is €59.5m (excl. Vat).

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

Existing Primary Care Services for the local population of some 66,000 are delivered from Rathcoole Health Centre. However, the building is no longer fit for purpose and does not cater for the rapidly expanding population

of the area. There are specific challenges relating to where these services are provided which have been ongoing for a number of years; the current accommodation for staff falls short of current legislation and standards in respect of Access, Health & Safety Standards and Environmental & Occupational Health Standards.

In 2012, a national review of primary care centre locations was carried out by the Primary Care Division of the HSE in conjunction with HSE Estates which identified the totality of primary care locations required. Citywest Primary Care Centre is part of the 292 previously approved cohort of primary care centres which are operational, in progress and prioritised for action, as identified in the Primary Care Centres Location and Approval Assessment which was previously brought to EMT, ARC and the Board. The Citywest location continues to be a service priority, therefore the process for progressing a centre in Citywest has been advanced to the point where Board approval is now required.

Citywest Primary Care Centre was listed in the HSE's 2019 national advertisement seeking expressions of interest from parties developing Buildings/Primary Care Centres. Stage 3 of the selection process has been concluded and only one submission was returned. Despite a lot of initial interest this proposal was the only viable solution submitted for the Primary Care Centre in Citywest. The proposed location is ideally situated due to its proximity to Saggart, the N7 and the Luas Line terminus.

The proposed area for this new build Primary Care Centre is 68,002 sq. ft. at a rent of €1.7m excl. VAT per annum (€25 psf).

The Operational Lease buyout option is included in the agreement. This allows the HSE to buy the property in 35 years for a price of €7m. The area to be leased from the developer will include the General Practitioner area so the HSE will licence space for the General Practitioner requirement. This is similar to the arrangement in the PPP Primary Care Centres, Ballyboden PCC, Rialto PCC and other HSE owned Primary Care Centres.

The new centre will house the following services over four floors. Services to be provided include:

- Primary Care:
 - Two Primary Care Teams
 - Dental services
 - Community Health Network expansion
 - Community Health Organisation administrative hub
- Mental Health:
 - Mental Service Nurse practice development unit
 - Two Community Mental Health Teams & Day Hospital
 - Two Child & Adolescent Mental Health Services Team & Day Hospital
- Disability Services:
 - Children's Disability Network Team
- Older Persons Services:
 - Older Persons Day Care Centre

The Primary Care Centre facility will represent the focal point for the provision of all primary, community disability and continuing care services in Citywest/Rathcoole/Saggart. It will enable greater integration amongst teams and enhance service delivery for the future and facilitate a consolidation of primary care services.

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

- **Current status**
Awaiting Board approval
- **Budget**

The proposed area for this Primary Care Centre is 68,002 sq. ft. The annual rent will be €1.7m (excl.VAT) They buyout sum is €7m after 35 years. The equipping cost is €950k.

▪ **Source of Funding**

The funding for this development will come from the Primary Care Lease Budget.

▪ **Programme**

Subject to HSE Board approval for the transaction the planning application will be made in 2022. Works commencing in 2023 and the PCC will be operational in 2025.

▪ **Resources**

Existing Primary Care staff will transfer to the new PCC space when completed. Additional funded resources will sought by the service via the standard process

▪ **Impact to delivery of services**

The facility, in design and in execution, will reinforce care values including individual dignity, privacy and safety. The overall environment will support the attainment of optimal therapeutic outcomes for those in receipt of primary care as well as specialist care and investigations for outpatient and day patient services.

▪ **Corporate Plan**

Aligned with HSE Corporate Plan & Service Plan.

▪ **Sláintecare**

In line with Sláintecare Report 2017 & Sláintecare Implementation Strategy 2018.

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

The facility will provide a warm, welcoming and child centred environment as well as facilities for older persons. 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**

Current technologies will be incorporated in the design of the Primary Care Centre.

▪ **Legal factors**

The HSE will enter into an Agreement for Lease (AFL), Lease and a Service Level Agreement (SLA).

Sustainability

The proposed Primary Care Centre in Citywest 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 procurement of the proposed Citywest Primary Care Centre has been competitively sourced and based on the lease terms agreed, provides the HSE value for money. The buyout option is included.

Conclusion

Not applicable

Recommendation

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