



HSE Board Briefing Template

Subject: Proposal for New Emergency Department and Women's & Children's Development Block at University Hospital Galway (UHG).

Submitted for meeting on: 14 June 2022 (EMT), 16 June 2022 (ARC), 29 June 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 €450m inclusive of VAT. The proposed project also involves additional estimated operational expenditure of approximately €40m per annum. This proposal was approved at EMT and ARC, it is recommended that the HSE Board also consider and approve this proposal.

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

As outlined above 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 Strategic Assessment Report (SAR) at Annexe 1 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.

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.

This project is being 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 project if progressed through the project lifecycle will be referred

to the Board again for endorsement of Stage 2 and will in due course specifically require approval of HSE Board members for any works contract award (Stage 3).

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

Introduction & Strategic Alignment

Saolta Hospital Group serves a population of approximately 800,000 people across the West / North West of Ireland and its environs. The group provides Model 4 hospital services at University Hospital Galway (UHG) with other hospitals (Model 3 and Model 2) located throughout the region in Letterkenny, Sligo, Mayo, Roscommon, Ballinasloe and at Merlin Park in Galway City. As the sole Model 4 tertiary referral hospital for the Saolta Group, UHG a critical component of acute healthcare delivery in the West and North-West. It is therefore of major importance that the appropriate physical infrastructure is available at the hospital in terms of both quality and overall capacity to support and enable service delivery.

In 2019 the Saolta Hospital Group engaged KPMG to undertake an Options Appraisal in relation to a future Model 4 Hospital for the region in light of the poor conditions and capacity limitations of the existing UHG facilities. Since then the Covid-19 pandemic has further highlighted the serious infrastructure deficits on the UHG campus, including significant capacity issues. These are reflected in the sustained escalation status of the hospital in relation to Emergency care and growing waiting lists in relation to scheduled care. In 2022 KPMG were engaged to reassess the outcome of the 2019 Options Appraisal which had considered a number of infrastructural options.

The outcome of the reassessment was a recommendation by KPMG to proceed with the redevelopment of the acute model 4 hospital, predominately on the UHG campus. It was recommended by KPMG that the elective element be developed off site (on Merlin Park). Plans for elective hospitals form a separate piece of work underway at national level and are not related to this project proposal. This proposal is to generally deal with inpatient infrastructural deficits and does not preclude any future decisions in terms of what services might be included in elective hospital initiative. This proposed new block includes facilities which need to be on the UHG campus. The proposal is strategically aligned with future plans for regional acute healthcare delivery. It is an initial priority phase of the overall redevelopment of the UHG campus.

Project Objective / Rationale

The objective of the proposed project is to address several core infrastructural deficits at UHG which currently impact the range and quality of services across the Emergency, Maternity and Paediatrics Departments at UHG, the only Model 4 hospital in the Saolta group. The deficits include:

Emergency Department (ED): Inadequate space for current volume of circ. 70,000 attendances including lack of facilities for isolation, Mental Health, gynaecology, limited paediatric ED accommodation with significant resuscitation capacity deficit to meet emergencies & trauma. National targets for ED Patient Experience Time (PET) are that 95% of all patients should be seen or admitted or discharged within 6 hours, and 100% within 9 hours. In 2020 UHG's ED only achieved 13% and 44% respectively for this metric due in part to suboptimal infrastructure, design and consequently poor patient flow and capacity limitations.

Maternity: The existing Women's & Children's services operate from poor quality, mainly single storey buildings (1950's, 1960's) dispersed across the site with no direct access to the ED, isolated from vital healthcare services such as critical care, diagnostics, and theatres. Proper co-location with other clinical services would contribute to optimal clinical outcomes in line with national/ international guidance and best practice.

Example of deficits are as follows:

- Theatre capacity is inadequate (1no shared between obstetrics & gynaecology including the emergency provision). As the tertiary hospital for the region UHG does not have the capacity for the gynaecology demands of the region with the significant waiting lists. Patient flows, infant cubicles, delivery suites, theatres and critical care facilities are all at full capacity.
- The neonatal unit is inadequate to cater for the Saolta Group catchment. There is no tertiary neonatal unit in the Group, to care for premature and critically ill infants. In addition, neonates requiring level 2 care (e.g. infants under 27 weeks gestation) are often transferred to specialist units in Dublin due to lack of capacity at UHG

A number of reports on maternity facilities at UHG confirm that there is an urgent requirement for improved maternity facilities at UHG and to provide access to emergency care, thus improving the patient outcomes for both women and children. There has been engagement with the National Women & Infants Health Programme (NWIHP) on the physical infrastructure for maternity, gynaecology and neonatal services and NWIHP strongly supports the proposed solution.

Paediatrics: Similar to maternity facilities, the current paediatric department is a single storey building (1960s), with poor space, situated in another distant corner of the campus, remote from the ED and Maternity/Neonatal units. This creates treatment delays and care constraints.

Example of deficits are as follows,

- Due to lack of day bed spaces, the main paediatric ward is currently used for day cases, depending on bed availability.
- Adolescents are being accommodated in adult beds on adult wards which does not adhere to Children First Guidelines

A new paediatric department with improved adjacencies will allow for a dedicated paediatric ward, adolescent beds (up to 16th birthday) and ambulatory facilities, located closer to the critical medical infrastructure of the hospital. It will facilitate compliance with best care guidelines for the care and wellbeing of children, while also reducing waiting times for children on an inpatient and outpatient basis.

The expansion of the paediatric in-patient unit in UHG will contribute to the development of UHG as a Regional Paediatric Specialist Centre in line with the National Model of Care for Paediatric Healthcare in Ireland. The current proposed development will pave the way for integrated specialist paediatric medical network requirements to be developed in the areas of cardiology, respiratory, allergy, endocrinology and neurology. The Saolta Group will also work closely with CHI to develop an integrated approach to paediatric surgery incorporating requirements into future plans.

Project Delivery Process

By way of background, this is a mature project whose initiation timeline precedes the current December 2019 Public Spending Code. The Public Spending Code first came into effect in 2013 replacing previous guidance for Public Bodies. A detailed Cost Benefit Analysis (CBA) was completed in respect of this proposal in 2016 as per the Public Spending Code. Subsequently some initial preliminary design work has been completed.

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 in the project lifecycle, three ex ante and three ex post, as follows:

1. Strategic Assessment Report (SAR)
2. Preliminary Business Case (PBC)
3. Final Business Case (FBC), including design, procurement strategy and tendering

4. Implementation
5. Review
6. Ex Post Evaluation

As required by the current Public Spending Code (PSC) the HSE as Sponsoring Agency has prepared a SAR for the project (Stage 1 of the process). Endorsement is sought for the next steps to be taken on the project, namely that the SAR be formally submitted to the DoH formally seeking approval for the project to clear Decision Gate 0 of the PSC and proceed to the next stage of the project lifecycle (Preliminary Business Case).

‘Major projects’ are still subject to a full Cost Benefit Analysis. which is now undertaken as part of the Preliminary Business Case and updated during the course of the Final Business Case, including when the tender prices become available. Project approval from the relevant authorities is required at “decision gates” with respect to:

- ▶ SAR (Decision Gate 0 – Approval to Develop the Proposal)
- ▶ PBC (Decision Gate 1 – Approval in Principle)
- ▶ and FBC (Decision Gates 2 and 3 – Pre-Tender Approval and Approval to Proceed)

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

- **Current status**
Awaiting HSE Board Approval of the Strategic Assessment Report (SAR)
- **Budget**
The total estimated project capital cost is in the region of €450 million inclusive of VAT. 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 €40 million per annum.
- **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 SAR 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 SAR 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 ward 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

The Strategic Assessment Report (SAR) has been completed in accordance with the current Public Spending Code requirements for such reports. It is being 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 sets out the scope of the project and the potential options considered. It also examines the cost and benefits arising. 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 SAR 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 Approving Authority grant formal approval to progress to the next stage of the project lifecycle process.

Recommendation

In the above context, it is recommended that the HSE Board approve the attached Strategic Assessment Report (SAR) for formal submission to the Department of Health for formal review by both DOH and DPER seeking approval to progress to the next stage of the project lifecycle.