



HSE Board Briefing Template

Subject: Proposed acquisition of 0.22 acres centrally located development site at 162 - 165 James's Street, Dublin 8

PRG ref: **E/A/0822/2711**

Submitted for meeting on: 11 October (EMT), 13 October (ARC), 26 October 2022 (Board).

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Why is this information being brought to the Boards attention?

As the value of this transaction is above €2m HSE Board approval is required.

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 acquisition of 0.22 acres centrally located development site at 162 - 165 James's Street, Dublin 8 from the receiver EY who is acting on behalf of Cerberus the global investment fund, who previously purchased the loan on the property. This acquisition is recommended as an important strategic acquisition that would enable development of hospital facilities due to its close proximity to St. James Hospital.

An independent 'Red Book' valuation obtained on the site prepared by Cushman & Wakefield, places a value of €2.2m on the site. The site holds a 'special purchaser' value for St James Hospital Campus, due to its strategic location and future potential development possibility. Additional advices indicate that the site could potentially reach up to €3m on the open market. An initial assessment of the site carried out by Savills, places a price range of €2.5m to €3m, on the property taking into account soundings from the receiver. St James's Hospital Board currently has freehold title to the adjoining site to the rear of this property. The 'Special Purchaser' value of this site will therefore also have an additional element of value due to the 'marriage value' of the combined sites.

The Board is asked to approve the offer of €2.425m inclusive of VAT in order acquire this strategically important site for the development of services at St James's Hospital.

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.

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

The property is located on James's Street, across from St. James's Hospital and within 75m of the James's Street Red Line Luas Stop. The site is bounded to the north by a commercial premises owned by St. James's Hospital, to the east by existing retail premises, to the west by Cassidy's Pharmacy and to the south by James Street.



162-165 St James St

The site extends to approx. 0.22 acres and comprises of an infill development site. There are currently vacant, disused properties on the site, which have been boarded up and structural supports put in place. The properties comprise a mix of terraced and end of terrace units, which appear to have been previously in commercial use.

St James's Hospital owns and operates their property at 16-23 Bow Lane, Dublin 8 as a medical records warehouse and service location. Access to this adjoining site is by James's Street and Bow Lane.

The derelict development site at 162-165 James's Street is directly opposite the main gate of the Hospital, and backs directly onto the much larger SJH Bow Lane property. Combining the two sites would enable development of the entire combined site to provide up to 8,000sq.m of floor space, accessed by the James's St. site. This would effectively enhance the potential of the Bow lane site and bring to it to within 20 metres of the hospital gate. See Appendix 1

The potential acquisition and development of the site at 162-165 James Street provides an opportunity for SJH to: decant existing services pre-construction; de-compress the existing site; address clinical service delivery constraints; and decant existing services currently located in old prefabricated buildings considered no longer fit for purpose.

The purchase of this property would represent a significant strategic acquisition to enhance healthcare infrastructure in the area

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

- **Current status**
Awaiting Board Approval
- **Budget**
The property at 162-165 James's Street Dublin 8 consists of 0.22 acres of development site. As outlined above the purchase cost is €2.425m
- **Resources**
Funding for the acquisition will be required under the 2022 Capital Plan.
- **Impact to delivery of services**

It is a key enabler to enhance future development potential for acute services in the area

- **Corporate Plan**

Aligned with HSE Corporate Plan & Service Plan.

- **Sláintecare**

Aligned with Sláintecare

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

The proposal will enhance delivery of acute services in the area overtime.

- **Technological factors**

None

- **Legal factors**

None

Sustainability

Not applicable

Value for Money

The proposed purchase price is assessed as providing value for money.

Conclusion

Not applicable

Recommendation

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