



HSE Board Briefing Template

Subject: Proposed Lease of Primary Care Centre at Park Mountain, Youghal, Co. Cork.

PRG ref: S/PCC/1023/2962

Submitted for meeting on: 21 November (EMT), 8 December (ARC), 15 December 2023 (Board)

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Why is this information being brought to the Board's attention?

Approval of the HSE Board members is required as the property transaction is valued above €10m.

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

It is recommended that EMT and thereafter ARC and the HSE Board approve the proposal for the lease of a Primary Care Centre at Park Mountain, Youghal, Cork from Axis Healthcare Ltd., 12 Eastgate Way, Little Island, Cork.

The total cost of the lease is [REDACTED] (excl. VAT & service charge) over the 25-year term.

Please indicate which of the Board's objectives this relates to;

- 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.

The cost of the lease over the 25-year period is [REDACTED] (excl. VAT & service charge) for Youghal Primary Care Centre, Youghal Park Mountain, Cork. Approval of HSE Board members is required as the property transaction is valued above €10m.

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

Currently Primary Care and Mental Health services for the local population of CHN 6 Middleton/Youghal of approximately 50,000 are provided at numerous locations around Middleton and Youghal, including on the grounds of the Community hospital, by both HSE staff and General Practitioners. Integrated Health Care and multi-disciplinary working is inhibited by the multiple locations from which primary care and Mental Health Services are provided. These issues have now reached a critical point and are being addressed, as evidenced by the Boards' programme of Primary Care investment to date. It is now proposed that the Youghal primary care team operate from their own separate PCC building.

Youghal 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 brought to EMT, ARC and the Board in 2022. No prior Board approval is in place for this size or rate for a facility in Youghal. The location has become a priority in recent times and so the process for progressing a centre in Youghal has been advanced to the point where Board approval is now required.

Further to a 2022 feasibility study to look at redeveloping the existing HSE accommodation in Youghal (St Raphael's, former Workhouse building) as a Primary Care Centre, it was found that the redevelopment of the protected structure with significant extension would not represent value for money, and carried significant planning risk. As a result, the delivery of the Primary Care Centre for Youghal is now proposed to be via property bid proposals.

In keeping with the programme for the delivery of Primary Care Centres, the HSE published a request for submissions for PCC proposals for the Youghal area. All submissions received were evaluated initially on a pass/fail basis with a number of these submissions subsequently qualifying for the priced offer stage (Stage 3).

In total two valid priced offer submissions were received for evaluation. The submissions were evaluated against the advised award criteria. The award criteria included various sub criteria namely cost, level of GP involvement, project delivery risks (site acquisition, planning/zoning, funding), building design proposal and suitability of site location. Marks were awarded for each sub criteria with the top ranked bidder being deemed to have submitted the most economically advantageous bid. The outcome of the process is set out in the table below.

Name of Firm	Ranking
[REDACTED]	1
[REDACTED]	2

The successful bidder who submitted the top ranked proposal was [REDACTED]. Their rental rate (excluding VAT) is [REDACTED] and the service charge cost is [REDACTED]. The preferred bidder was obliged to offer a buy-out option in their submission. The buyout cost is indicated [REDACTED] (subject to CPI increases in the interim period).

This new primary care centre is proposed to be a three -storey building which will have the ability to facilitate 67 WTEs that will deliver the following primary care services:

- I. Community Nursing
- II. Occupational Therapy
- III. Physiotherapy
- IV. Bookable consulting rooms
- V. Dental
- VI. Community Mental Health Team
- VII. National Disability Team

The Primary Care Centre facility will represent a new focal point for the provision of all primary, community and continuing care services in Youghal and East & North East Cork relieving existing substandard and dispersed accommodation. It will enable greater integration amongst teams and enhance service delivery for the future. There will be a minimum 3 G.P Practices accommodated in the Primary Care Centre.

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

- **Current status**
Awaiting Board Approval.
- **Budget**
To note that i. Approval is required prior to the Primary Care Centre achieving planning (in order to enter into an agreement to lease with the developer). ii. Approval is required for the proposed area for

this Primary Care Centre which is 28,524ft² and **iii.** Approval is also sought for a design development allowance of [REDACTED] over the proposed area of the Primary Care Centre i.e. 31,376ft² to mitigate against planning risks and detail design requirements.

The rent for this primary care centre is [REDACTED] with the service charge at [REDACTED] for a term of 25 years. The total cost of rent for full term (incl. [REDACTED] design development allowance) is [REDACTED] (excl. VAT). The preferred bidder was obliged to offer a buy-out option in their submission. The buyout cost is indicated as [REDACTED] (subject to CPI increases in the interim period) The estimated future cost of equipping the primary care centre is [REDACTED]

- **Programme**

Subject to HSE board approval and receipt of planning permission the developer expects to be in apposition to commence construction in 2026 with the building completed in 2028.

- **Resources**

An extensive recruitment campaign has been undertaken to staff the primary care centre 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. 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. The location is at a prime transport node, town centre adjacent and is very accessible. It will re direct the delivery of care away from the acute settings and more towards the community in so far as possible.

- **Corporate Plan**

Aligned with HSE Corporate Plan & Service Plan.

- **Sláintecare**

In line with Sláintecare Report 2017 & Sláintecare Implementation Strategy 2018. The PCC will give significant benefits & synergies to the delivery of services in Youghal and the surrounding areas.

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

The facility will provide a warm, welcoming and community centred environment. It will support flexibility in service delivery and contribute to attainment and maintenance of best practice in all aspects of the care provided.

- **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 Youghal 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 Youghal Primary Care Centre has been competitively sourced and, based on the lease terms agreed, provides the HSE value for money.

This is further reinforced by the number of competitive tenders received and the detailed feasibility study carried out initially on the existing St Raphael’s Site as an option for the provision of this PCC.

Conclusion

Approval is sought to proceed with the taking of the lease as outlined above. Earliest possible approval is requested in light of the needs of service development in this area, and also to reflect the period of time that has lapsed since submissions for this accommodation were originally requested.

Recommendation

It is recommended that EMT and thereafter ARC and HSE Board approve the transaction outlined above.