



HSE Board Briefing Template

Subject: Proposed Lease of Surgical Hub in North Dublin

Submitted for meeting on: 18 July (EMT), 14 July (ARC), and 28 July 2023 (HSE 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 €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 an upper cost limit for the proposed leased Surgical Hub solution in North Dublin in order to respond to the HSE's and Department of Health's prioritised request to accelerate the delivery of Surgical Hubs.

The approval is being sought for the annual rental cost of the proposed lease of up to an upper limit [REDACTED]

The approval is also being sought for a once off Capital Contribution for the Clinical fit-out up to an upper limit of [REDACTED]. The clinical fit-out will be carried out by the Landlord to the HSE's performance specification for a set capital amount as part of the ongoing tender competition.

The total upper cost limit being sought for the proposed Lease including Capital Contribution for Clinical fit-out and the Rent for the full [REDACTED]

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; **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.

Brief summary of link to Board objectives.

The approval being sought for the total cost of the proposed lease including a one off Capital Contribution for Clinical fit-out and the rent for the [REDACTED]
[REDACTED] 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.

This approval is being sought in advance of the completion of the ongoing Tender competition in order to respond to the HSE's and Department of Health's prioritised request to accelerate the delivery of Surgical Hubs to address the waiting lists as outlined below. We are seeking permission to enter into contract without any further approvals once the winning tender is within approval cost limits set out in this paper.

The Sláintecare Report published in May 2017 set out a vision for improved access to care and committed to achieving the following access targets: 10 weeks for a first outpatient appointment, 12 weeks for an inpatient or day case procedure and 10 days for a diagnosis.

While positive progress was achieved in reducing the number of patients waiting for an inpatient or day case procedure between 2017 and 2019 (c.12% reduction), the COVID-19 pandemic significantly disrupted elective (planned) hospital treatment, affecting the number of surgical procedures and other therapeutic interventions undertaken. Since 2019, the national inpatient / day case waiting list has increased by c.17% and pressures on hospital emergency departments continue to be extremely high, with many hospitals struggling to discharge patients promptly into social care. This pressure can result in unscheduled care further impeding delivery of elective activity.

To reduce inpatient and day case waiting list backlogs in the short term (by end of 2026) and support progress towards the Sláintecare targets, the surgical hub model has been proposed in Ireland as part of the wider reform of scheduled care. This model is aligned to the Sláintecare vision and focuses on increasing separation between emergency and elective care and protecting elective capacity to reduce waiting lists and waiting times.

The Reeves Unit opened in December 2020 as the first surgical hub in Ireland and has demonstrated significant reductions in waiting lists and waiting times at Tallaght University Hospital. Further, Health Authorities in England, Wales, Scotland and Northern Ireland have all published elective recovery plans that include the development and deployment of surgical hubs or elective care centres, as part of their solution to tackling waiting list challenges.

This project is distinct and separate from the Elective Hospitals but close alignment will be ensured throughout planning and operationalisation.

There were a number of options considered in North Dublin for a Surgical Hub with two options considered on existing Acute Hospital Sites, namely Cappagh and Connolly Hospitals as well as consideration been given to a number of other HSE & 3rd party sites. The proposed lease option including a Landlord delivered clinical fit out to the HSE's performance specification was deemed most advantageous given that it has the potential to have the shortest delivery timeframe.

In order to maintain the project on the very tight delivery timeframe being sought, a pre-approval of total cost of the proposed Lease including Capital Contribution for Clinical fit-out is being sought so that once the tender competition, which is currently in process, is complete there will be no delays in entering into the Agreement for Lease. This will in turn enable the Landlord to finalise the design of the proposed clinical fit-out; submit applications for any required statutory approvals and commence fit-out works without delay.

Capital & Estates are currently running an accelerated restricted tender process seeking landlords / developers to put forward sites or buildings that can be delivered as a fully fitted out Surgical Hub to meet the HSE's

performance specification within a short timeframe. [REDACTED]

The approval being sought for the Clinical fit-out cost reflect the high specification fit-out required for a surgical hub and have been advised by our Design Team assisting with the Tender process.

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

▪ **Current status**

Awaiting Board Approval

▪ **Budget**

[REDACTED]

- Rent Reviews are included in the proposed Lease every 5 years in line with Consumer Price index.
- The estimated future cost of equipping the Surgical Hub [REDACTED] which will be provided for within the HSE Capital Plan.

▪ **Resources**

A resourcing plan is currently being drafted. The operational governance has been agreed to be under the Mater Hospital.

▪ **Impact to delivery of services**

See background

▪ **Corporate Plan**

In line with Corporate Plan

▪ **Sláintecare**

In line with Sláintecare.

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

Positive impact – see background

▪ **Technological factors**

Not applicable

▪ **Legal factors**

The HSE will enter into an Agreement for Lease (AFL) and Lease.

Sustainability

The proposed Surgical Hub in North Dublin will be delivered in line with the HSE 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”
- will comply with the Governments Climate Action Plan, 2023 and The Climate Action and Low Carbon Development (Amendment) Bill, 2021. For the avoidance of doubt this means the building including the

mechanical and electrical systems will be designed to ensure that a credible pathway to achieve carbon zero status by 2050 without the use of fossil fuels.

Value for Money

The procurement of the proposed North Dublin Surgical Hub has been competitively sourced in accordance with EU Public Procurement requirements and, based on the upper approval limits being sought, will provides the HSE value for money.

Conclusion

Approval is sought to proceed with the taking of the lease as outlined above up to the upper costs. Earliest possible approval is requested in light the needs of this service development in North Dublin.

Recommendation

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