



HSE Board Briefing Template

Subject: Proposed Lease of Primary Care Centre at [REDACTED] Co. Cavan.

PRG ref: NE/PCC/0723/2879

Submitted for meeting on: 19 September (EMT), 15 September (ARC), 29 September (Board) 2023

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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?

This transaction was approved at EMT and ARC, It is recommended that the HSE Board approve the proposal for the lease of a Primary Care Centre [REDACTED], Co. Cavan.

The cost of the Lease [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;
- 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 [REDACTED] lease period is [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.

The proposed Primary Care Centre will serve both [REDACTED] with a population of approximately 8,800 people. Currently primary care services for the area are delivered from accommodation in the ownership of the HSE, which is insufficient in terms of capacity. There is limited GP co-location or dental clinic and paediatric clinic capacity within the current facility located on [REDACTED]

The current facility is restricted in terms of accommodation and the accommodation cannot be extended without purchasing the adjoining land. Capital & Estates have sought to purchase the adjoining lands to extend the existing Centre but after a number of years of discussions the parties are unable to proceed with a sale.

This proposal is to engage with the preferred provider, to put in place a modern, purpose designed and built

Primary Care Centre for the local population that will be easily accessible, and to co-locate all Primary Care and General Practice services within one facility. At present Primary Care services are co-located with Elderly Care Services for the locality. This proposal will also provide the opportunity for the current Primary Care accommodation to be repurposed to enhance Elderly Care Services following transfer of services to the proposed new primary care centre. This will increase and centralise elderly care services at the existing building.

This proposed primary care centre facility will cater for the town of [REDACTED] which has previous HSE Board approval for a Primary Care Centre under [REDACTED]. This approval was for a 12,000 sq. ft. building at a rate of €18.05 per sq. ft. The agreement for this Centre fell through in 2014 as the developer could not furnish the HSE with the minimum number of general practitioners required to proceed.

In keeping with the programme for the delivery of Primary Care Centres, the HSE published a request for PCC proposals in the [REDACTED] 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). Included in the Stage 3 letter to the qualifying bidders was a request to provide a buy-out option.

In total two valid priced offer submissions were received for evaluation for Virginia. These 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 top ranked proposal was submitted by [REDACTED]. Their submission has the support of three local GPs. The rental rate is [REDACTED]. This rent is subject to VAT. The service charge cost is [REDACTED].

The new Primary Care Centre is intended to accommodate two primary care teams. The Primary Care Centre is intended to accommodate in the region of 55 WTEs in respect of a range of services including:

- I. Two Primary Care Teams (including Psychology; Physiotherapy & Speech & Language Therapy)
- II. Child and Adolescence Mental Health Team (CAMHS)
- III. Dental
- IV. GP Accommodation

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 21,958 sq. ft. As approval is required prior to the Primary Care Centre achieving planning (in order to enter into an agreement for lease with the developer) approval is sought for a design development allowance of 10% over the proposed area of the Primary Care Centre i.e. 24,154 sq. ft. 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 [REDACTED]. The total cost of rent for full term (incl. 10% design development allowance) is [REDACTED]. Included in the Stage 3 letter to the qualifying bidders was an optional request to provide a buy-out option. The preferred bidder did offer a buy-out option in their submission which is a [REDACTED]. [REDACTED]. The estimated future cost of equipping the primary care centre is [REDACTED].
- **Resources**

The [REDACTED] will accommodate 35 Primary Care Staff, 15 Mental Health Staff, and 5 Dental staff.

▪ **Impact to delivery of services**

The [REDACTED] will ensure co-location of all of the Primary Care services and general practice locally and minimise risk to continuity of services. Improved standard of accommodation for the delivery of modern primary care services with no service disruption.

▪ **Corporate Plan**

Aligned with HSE Corporate Plan & Service Plan

▪ **Sláintecare**

In line with Sláintecare Report 2017 & Sláintecare Implementation Strategy

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

This proposal will have a positive social impact on existing services for the town of [REDACTED]

▪ **Technological factors**

None

▪ **Legal factors**

Once this proposal is approved by the HSE Board, the HSE will enter into an agreement for Lease (AFL) to begin construction of the [REDACTED] a Lease and thereafter a Service Level Agreement (SLA.)

Sustainability

The proposed Primary Care Centre in [REDACTED] 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 [REDACTED] has been competitively sourced and, based on the lease terms agreed, provides the HSE with value for money.

Conclusion

Not applicable

Recommendation

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