



HSE Board Briefing Template

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

PRG ref: NE/LT/0823/2903

Submitted for meeting on: 19 September (EMT), 15 September (ARC), and 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 [REDACTED] Co. Meath.

The cost of the Lease is [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] period is [REDACTED] Approval of the 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 service [REDACTED] town and its environs with a population of approximately 35,800 people. The population is increasing steadily with an increase of 20% between the years 2006 and 2016.

Currently primary care services for the area are delivered from a variety of locations. The PHN Service are operating out of [REDACTED] The Service also get access to a room in the Child & family Business in [REDACTED] Physiotherapy operate out of [REDACTED] which is an Elderly Residential Unit. Disabilities are located in rented industrial units across three locations in [REDACTED] Primary Care Dental Services are currently located in pre-fabs on [REDACTED] These units are obsolete and inappropriate as clinical space. There is currently no GP co-location within either of these facilities, nor is there any capacity to do so.

Another HSE Service, [REDACTED] team are currently accommodated in [REDACTED] which is unsuitable rented accommodation on [REDACTED]. The building has significant issues with ongoing leaks from the roof and has been deemed by the [REDACTED] and Mental Health Commission as not fit for purpose. Presently there are 220 young people attending the [REDACTED]. The CAMHS Hub provides a day hospital model of intervention. The CAMHS Service needs accommodation for approximately 25 clinical staff and 5 admin.

[REDACTED] was identified in the National Primary Care Needs Assessment in 2008 and was priority number 128. There were two separate proposals for [REDACTED]. In March 2009 approval was given for a three-team building [REDACTED] and subsequently in July 2010 approval was granted for another separate one-team building [REDACTED]. The requirement for a Primary Care Centre in [REDACTED] was reaffirmed and a combined single building, which would include accommodation for all teams to meet the needs of the area, was proposed and re-advertised in 2014. Unfortunately, this location did not progress as quickly as envisaged at the time. An approval was granted for revised proposal in [REDACTED].

In keeping with the programme for the delivery of Primary Care Centres, the HSE published a request for submissions for PCC proposals for the [REDACTED] Area in August 2019. The winning proposal for this centre fell through in July 2022 as planning permission was refused for the suggested site which was due to be located in [REDACTED].

In September 2022, the HSE restarted the process again by seeking Expression of Interest. 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 [REDACTED]. 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 successful bidder who submitted the top ranked proposal was [REDACTED]. This proposal is for a new location for the Primary Care Centre on the [REDACTED] a five-minute walk to the [REDACTED]. The current submission has the support of four local GPs and has full planning permission for medical use. The rental rate is [REDACTED]. The service charge cost is [REDACTED].

The new primary care centre is intended to accommodate three primary care teams. The Primary Care Centre is intended to accommodate in the region of 179 WTEs in respect of a range of services including:

I. Primary Care Centre for the following Services:

- Primary Care Team x 3
- Dental
- Orthodontics
- Primary Care Eye Team (Ophthalmology)
- Community Diagnostics
- Audiology

II. Child and Adolescence Mental Health Team (CAMHS) & CAMHS Day Hospital

III. Network Disability Team (full) SAT /EIT

IV. Enhanced Community Care Hub (ECC)

This proposal to proceed with [REDACTED] will 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.

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 63,000 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. 69,300 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] which in current day terms is [REDACTED]. The estimated future cost of equipping the primary care centre is [REDACTED].

▪ **Resources**

The [REDACTED] will accommodate 69 Primary Care Staff, 30 Mental Health Staff, 30 Network Disability Team and 50 Enhance Community Care Hub.

▪ **Impact to delivery of services**

This proposal is to proceed with [REDACTED] will 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.

▪ **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] and its environs.

▪ **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 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

1. Yes, this proposal centralises services for primary care for the town of [REDACTED]. As part of this proposal we will be surrendering current leases in different buildings in [REDACTED] town;

[REDACTED]

The total amount of rents to be surrendered per annum is €223k

2. Other costs such as power / travel / water usage will be re-centralised at one location creating savings. The proposed building will also be a high A3 BER creating energy savings over the lifetime of the lease.
3. The procurement of the proposed [REDACTED] has been competitively sourced and, based on the lease terms agreed, provides the HSE value for money.

Conclusion

Not applicable

Recommendation

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