



Oifig an Ard-Rúnaí
An Roinn Oideachais agus Scileanna

Office of the Secretary General
Department of Education and Skills

Ms. Éilís Fallon
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 1
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PLEASE QUOTE REFERENCE NUMBER ON ALL CORRESPONDENCE

Ref No: DES-SG-00477-2019

Your Ref: PAC32-I-1549

30th September 2019

Dear Ms. Fallon

I refer to your letter of 27th September 2019 regarding a copy of a communication issued to Higher Education Institutions in relation to property acquisitions.

I enclose the communication, which issued to all HEIs on 13 September 2019, as requested.

Yours sincerely,

Seán Ó Foghlú
Secretary General
Department of Education & Skills

[By Email only]

13 September 2019

503180506 - Property Acquisitions in Higher Education

Dear President,

In its Periodic Report No. 4 May – July 2018, the Public Accounts Committee (PAC) recommended that the Department of Public Expenditure and Reform consider measures to prevent unnecessary expenditure resulting from public bodies competing against each other in the purchasing of properties above a certain value. The PAC also wrote to the Secretary General of the Department of Public Expenditure and Reform on this issue in June 2019, requesting that arrangements would be made for a liaison or monitoring capability in respect of capital acquisitions above a certain value by education sector bodies.

The Department of Education and Skills has requested the HEA to bring to the attention of all Higher Education Institutions (HEIs) the concerns raised by the Committee and to underline that every effort should be made to avoid entering into competitive bidding processes with other bodies in the sector.

The HEA notes that the legislative requirements with regard to the HEA or Ministerial approval for property acquisitions by individual HEIs will depend on the statutory basis of the HEI. It is also noted that the level of engagement by the HEA in relation to individual property acquisitions by HEIs may vary depending on whether Exchequer funding is sought to support a transaction. However, in all cases, proposed property transactions should be within the context of a HEI's Strategic Plan and should, as a minimum, be signalled in the context of the HEI's Programme & Budget and Strategic Dialogue meetings with the HEA.

The HEA requests HEIs and education sector bodies to work closely together at a local level to avoid potential conflicts with regard to property transactions and, in particular, to avoid entering into competitive bidding processes that could unnecessarily drive up the price of an acquisition. This approach is ultimately in the interest of all HEIs and avoids wasteful expenditure.

In a situation where the interest of more than one HEI (and/or education sector body) in a particular acquisition over €10 million cannot be resolved at local level, the case should be brought to the attention of the HEA. The HEA should also be informed in any case where a HEI has reason to believe that another HEI (or education sector body) has an interest in a property valued over €10 million and there may be concerns in engaging directly with the other body for reasons of commercial sensitivity. The HEA will consult with the Department of Education and Skills, as appropriate.

The role of the HEA in such circumstances will be to liaise with individual HEIs and the Department of Education and Skills to support an outcome that delivers value for the sector as a whole and that avoids unnecessary competitive bidding. Commercially sensitive information provided in confidence will be treated as such. This liaison role does not impinge on existing legislative requirements with regard to acquisitions. Neither does it constitute an approval process. Where HEA or Ministerial approval is required for a transaction, this must be addressed through submission of a Business Case in the usual way.

We are grateful for your cooperation on this issue.

Yours sincerely,

Senior Manager – Capital Programmes