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**Committee of Public Accounts**

12 JUL 2021

**Received**

Date: 8<sup>th</sup> July 2021

**Reference Number: SO442 PAC33**

Dear Ms. Fallon

Thank you for your letter of 30th June 2021 and we note the correspondence from Deputy Chris Andrews dated 19th May 2021 in relation to the Dundalk Ice Rink.

We will counter a number of inaccuracies in the correspondence from Deputy Andrews as we address the substantive issue raised in respect of the referenced sporting association.

By way of background, Dundalk Institute of Technology (DkIT) purchased the then JJB Sports site of which the Ice Dome accounts for approximately 20% of the space purchased. The purchase met a core aspect of the Campus Development Plan 2011-2021. As outlined in the DkIT Campus Development Plan 2011-2021, there was a need for the provision of a new Student Centre of c. 4,000 sq. metres minimum to accommodate sports and recreation facilities and areas for Student Clubs and Societies to use. It was estimated that this would require a budget of c. €10 million. In 2012, the Institute received permission from the HEA to purchase the JJB facility and subsequently acquired the former JJB Fitness Centre, Soccer Dome and Ice Dome adjacent the inner relief road Dundalk for €3 million. The purchase strategically met the requirement under the approved Campus Development Plan 2011-2021 and presented a value for money approach to addressing sports facility requirements. The refurbishment of the main facility known as DkITSport was carried out and consists of a swimming pool, changing rooms, sauna, gym area, aerobic studios, 12 indoor 5 a side soccer pitches with changing and party rooms. This did not include the refurbishment of the Ice Dome at that time due to both the specialised nature of the facility and available funding.

Contrary to the statement within the correspondence referenced above, the Institute funded this through its own resources and did not access any state grants for this purpose.

In respect of the comment relating to DkIT's management of its own facilities, the Institute's priority is to address the learning, teaching and research and innovation needs of its student and staff community and funding is prioritised in these areas. It is important to highlight the well-documented chronic under-funding of Higher Education in the last decade (Cassells, 2016). Any available funding is focussed on enhancing the learning and teaching, research and innovation and the student experience on campus. Currently the Institute is engaged in three strategically important capital developments reflecting such priorities:

- Refurbishment of the North and South Buildings with €18.4 million funding secured.
- Securing funding of €3.7m for the expansion of the Regional Development Centre in the area of connected health and wellbeing.
- Securing funding of €1.9 million for the expansion of Apprenticeship Provision.

In respect of the Ice Dome, it had already ceased operations at the time it was purchased by DkIT and was idle for some time. This was not a functioning operational facility at the time of purchase.

In 2012, the Institute had engaged with a Design Team to conduct a due diligence process in terms of the costing and condition of the JJB/Ice Dome facility. This set out an estimated cost for the refurbishment of the Ice Dome Facility in 2012 of circa €315K. The tender price index indicates a tender cost increase of 55% between 2012 and 2020, which would suggest that the estimated costs for refurbishment of the Ice Dome facility would be circa €500K. However, crucially there are a number of items not included in the original report that are of concern and should be considered namely:

- a. Further dilapidations due to the age of the facility (cost unknown)
- b. The ice rink refrigeration plant was not included in the diligence report in 2012. This plant, which could have cost in the region of €500K, has not been operational since its closure. Since the Institute acquired the property, parts of the plant such as the glycol tank and ammonia tank were de-commissioned for health and safety reasons. It is unknown if it is still viable.
- c. A turning circle to the rear of the facility, which would enable fire brigade, was never constructed. This would need to be completed for statutory reasons at an estimated cost of €40K.

This serves to provide an initial assessment of the potential costs (circa €500K minimum to - €1m) of refurbishing the facility to bring to the standard required.

It is the intention of the Institute to lease the Ice Dome. The Institute is considering a lease over a purchase as the lease option provides for the flexibility to preserve the option of possible expansion for DkITSports, if that is required, or an option for possible development in DkIT educational activities as the Institute expands to serve this rapidly growing region. This is particularly relevant in the context of its ambition to attain Technological University designation.

Given the cost estimates above, it is important that DKIT lease the property to a tenant of financial strength, with responsibility for all items of refurbishment, rent and outgoings. The Institute agreed a framework for the awarding of any lease. The tenant would be responsible for all costs associated with repairing the facility in advance of any opening, exact details of how the proposed works are to be funded would be provided to DKIT. The tenant would be responsible for all costs associated with on-going upkeep and repairs and an annual rent would be set with a rent review every 5 years.

As you will appreciate this is a confidential and sensitive negotiation process with the Institute engaged in discussions with third parties. The on-going discussions has been conducted with the oversight of the Governing Body through both the Finance, Audit and Risk and Land and Buildings Committees of the Institute. Additionally professional advisors in the form of commercial agents, legal, VAT and insurance advisors are consulted in respect of these matters.

Given the confidential nature of negotiations, it would not be appropriate to outline the nature and content of discussions with the aforementioned sporting association. Suffice to say that the Institute followed a rigorous and thorough process. Contrary to the statement in Deputy Andrew's correspondence, the Institute dealt with the association in a very professional and open manner. In fact, the association was afforded every opportunity to present a proposal that met the requirements of the Institute. The Institute requested a final proposal from the association in February 2021. At a subsequent joint meeting of the Finance, Audit and Risk Committee and Land and Buildings Committee and in reviewing the final submission, it was agreed that, after several years of discussion with the association, a viable proposal has not been provided and presented too high of a commercial and operational risk for the Institute.

In conclusion, the 1992 Act provides that the Governing Body shall "control and administer" the land and property of the IoT and that this is a reserved function. It is a matter for the Institute to determine the appropriate tenant for the Ice Dome. The Department has been advised that the intention of DkIT is to secure a lease for the Ice Dome. The Institute has written to the Higher Education Authority advising of the current position on this property matter. In the event that a lease for the Ice Dome is agreed in principle, the Institute will advise and seek final approval from the HEA and the Department.

I trust this addresses your correspondence.

If we can be of further assistance, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michael Mulvey". The signature is fluid and cursive, written over a white background.

Michael Mulvey PhD  
President