

7 Purchase of sites for school provision

- 7.1 The Department of Education and Skills (the Department) Statement of Strategy 2019 – 2021 states that due to the growing numbers of students in the education system, a significant programme of capital expenditure will be required over the period of the strategy. In the majority of cases, this will also require the identification and acquisition of land which is suitable for school building purposes. In acquiring sites, the Department evaluates a range of parameters as set out in Figure 7.1.

Figure 7.1 Department of Education and Skills site acquisition parameters

Guidelines for site size	For a new primary school — between 1.75 acres (0.71 hectares) and 5.47 acres (2.2 hectares). Post-primary schools — between 7.74 acres (3.13 hectares) and 11.3 acres (4.57 hectares). (Annex 7A sets out the Guidelines used by the Department).
Technical assessment of site	Evaluation of <i>inter alia</i> site zoning and potential planning issues, vehicular and pedestrian access, and the location and adequacy of the utilities and services.
Deliverability of site (and of school)	Considers the probability of a site being acquired within a two-year target along with the delivery of the school itself in accordance with the timelines required within the school building programme.
Cost	Assesses whether the site acquisition cost is in line with current market values, is consistent with mitigating potential future costs, and whether the State's interest is protected.

Source: Department of Education and Skills

- 7.2 The Department's Planning and Building Unit (PBU) is responsible for, amongst other things, identifying the need for school accommodation and prioritising the allocation of resources. The following sections within the PBU manage this process.
- The Forward Planning Section is responsible for projecting gross demand for new school provision.
 - Once gross demand has been projected, an analysis of existing schools is conducted by the Schools Capital Appraisal Section to ascertain whether demand can be met within the current capacity of, or by extension of, existing schools.
 - Where new schools are required, the Site Acquisition and Property Management Section is tasked with identifying and acquiring sites suitable for the necessary school accommodation.

- 7.3** The Department identifies suitable sites for school accommodation in a number of ways, including a review of sites already in the Department's or the State's ownership, through local authorities, or by utilising a private sector professional site acquisition and management service (engaged since late 2016).
- 7.4** The Department acquires sites by direct negotiations with the vendor, negotiation through the professional site acquisition and management service, or through local authorities with whom it agreed a memorandum of understanding in 2012.¹
- 7.5** The acquisition of suitable land in Dublin faces a number of challenges, which include
- the fast-growth areas of Dublin where land is already at a premium, and
 - the increase in demand in greater Dublin commuter suburbs which are projected to have long-term population growth requiring new schools.
- 7.6** This report examines three substantial site purchases in Dublin between 2016 and 2018 to establish whether a well-defined business case was in place and how the Department ensured value for money was achieved in relation to the purchase price paid. The sites are
- Roslyn Park in Sandymount — bought in October 2016 for €20.5 million
 - the site of the former greyhound stadium at Harold's Cross — bought in May 2018 for €23 million, and
 - Cathal Brugha Street and Marlborough Street buildings — bought in December 2018 for €24.06 million.

Site acquisitions 2014 to 2018

- 7.7** The Department acquired 65 sites for the provision of school accommodation during the period 2014 to 2018. Figure 7.2 provides a breakdown of these sites and the related costs.
- 7.8** At March 2019, construction has started or is completed in relation to 35 sites (54%). In addition, a further 14 sites (22%) are at the design stage with five sites (8%) devolved to an Education and Training Board or to the National Development Finance Agency for development.²

Figure 7.2 Site acquisitions 2014 to 2018

Method	Number	Acres	Cost €m
Donations/transfers ^a	7	32	—
Purchases — nominal fee	5	11	—
Market purchases	53	294	134.7
Total	65	337	134.7

Source: Department of Education and Skills

Note: a Primarily through the Residential Institutions Redress Scheme.

¹ The key elements of the memorandum agreed with local authorities is set out at Annex 7B.

² The bodies concerned deliver the projects for the Department under service level agreements.

- 7.9** Of the 65 sites acquired during the period, 24 sites were acquired in the Dublin area. The total cost of these acquisitions was just over €120 million (89% of the total cost of all acquisitions).

Business case for site acquisitions in south Dublin city

- 7.10** In order to plan for school places, the State is broken down into 314 school planning areas. In each area, the demand for school places is projected at both primary and post-primary level.
- 7.11** The following is noted in relation to emerging demand
- The Dublin 2/4 school planning area was identified by the Department as an area where significant population growth was materialising and consequently there was an emerging primary school demand. Some of the projected demand could be catered for by expansion of existing denominational schools. A new primary school was deemed to be required to meet the remaining demand. Following a patronage selection process,¹ Shellybanks Educate Together National School (ETNS) opened in September 2014 in temporary accommodation on Simonscourt Road Dublin 4.
 - In mid-2017, the Department's Forward Planning Section projected that there would be a requirement for an additional 5,000 places by 2028 at post-primary level across the Dublin 6 and adjoining (Dublin 2/4, Dublin 6W, Dublin 8 and Dublin 12) school planning areas.
- 7.12** The Department noted that the accommodation for new schools in south Dublin city school planning areas would require multiple sites in an area where land availability was known to be limited.
- 7.13** Efforts by the Department to identify suitable sites for primary and post-primary schools in the south Dublin city area began in 2012. The Intra-State Property Register² was not in place at this time. The Department consulted with Dublin City Council in line with the arrangements in place on school site acquisitions, to ascertain if there were any suitable properties which would meet the Department's requirements.
- 7.14** In late 2015, following a review of the demand for places for the area, the Minister announced a new post-primary school to serve Dublin 2/4/6/8 and a new primary school to serve Dublin 2/4/6, both to open in September 2018. These were in addition to the pre-existing site requirement for Shellybanks ETNS. There were therefore three schools for which sites were being sought in the south Dublin city area.
- 7.15** A number of sites were identified from 2012 as potential options. In addition to consultation with Dublin City Council, the Department engaged with the National Asset Management Agency (NAMA). In total, 16 sites were identified over the period 2012 to 2016. This assessment included the sites subsequently purchased at Roslyn Park and the site of the greyhound stadium at Harold's Cross.
- 7.16** Some of the sites identified were deemed not technically feasible for development. Others were either not available or the vendor/landowner was unwilling to engage with the Department or its agents.

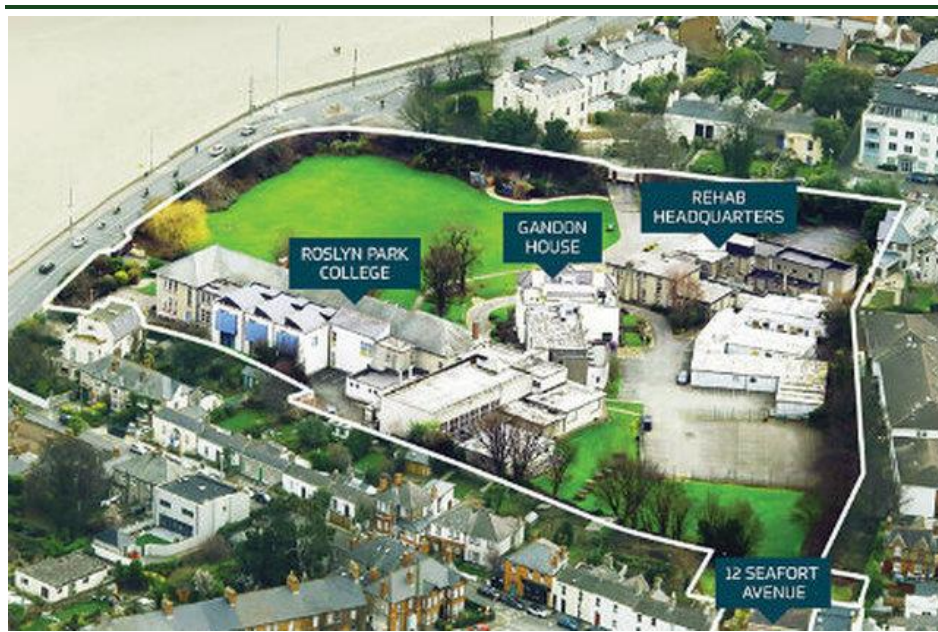
¹ A patron body defines the ethos of the school and appoints the board of management to run the school on a day-to-day basis.

² The Intra-State Property Register was put in place as a mechanism for sharing property-related information across the public service to facilitate compliance with [Circular 11/15](#) [Protocols on the Transfer and Sharing of State Property Assets](#).

Acquisition of Roslyn Park site, Sandymount

- 7.17** The Department completed the purchase of this five-acre site and buildings from the Rehab Group in October 2016 for €20.5 million (€4.1 million per acre), with the final payment being made in January 2017.
- 7.18** The site is located in Dublin 4, approximately 400 metres from Sandymount village and four kilometres south east of Dublin city centre. The property is situated within an area zoned Z15 — ‘to protect and provide for institutional and community uses’. The site (see Figure 7.3) consists of
- Rehab Group headquarters (office accommodation)
 - Roslyn Park College — the National Learning Network Centre (NLNC)
 - Gandon House and lawn — building and lawn are protected areas (approximately 30% of the site)
 - a residential property,¹ and
 - car parking and parkland areas.

Figure 7.3 Roslyn Park site, Sandymount (2016)



¹ This property is situated in an area zoned Z1 — sustainable residential neighbourhoods.

Source: Roslyn Park sales brochure

Acquisition process

- 7.19** In early 2013, the Department submitted proposals to the Rehab Group with a view to acquiring/leasing part of their site in Sandymount. Agreement could not be reached with the Rehab Group.
- 7.20** In April 2016, the Rehab Group advertised the property for sale subject to leaseback arrangements. Figure 7.4 provides a summary of the options that potential bidders were requested to offer on.

Figure 7.4 Purchase options offered for Roslyn Park, 2016

Option 1	Option 2
<p>Rehab Group to remain in occupation of the existing office accommodation and the protected structure (Gandon House) as well as the existing Roslyn Park College buildings under the terms of a two-year licence agreement at an annual rent of €1.</p> <p>Vacant possession of the entire site to be provided within two years.</p>	<p>As Option 1, but the Rehab Group will seek planning permission, fire safety and disability access certificates to separate the Roslyn Park College buildings from the other structures.</p> <p>If successful, at the end of the two-year licence period, Rehab Group to remain in occupation of the college buildings under a ten-year lease at a rent of €330,000 per annum, providing vacant possession of the remainder of the site.</p> <p>If unsuccessful, the Rehab Group will provide vacant possession of the entire site at the expiration of the two-year licence as per Option 1.</p>

Source: Roslyn Park sales brochure

- 7.21** In May 2016, an independent consultant engaged by the Department valued the freehold interest in the property at €16.5 million. The valuation report refers to the potential continued occupation of the site by the Rehab Group for a minimum two-year period as a weakness and reflected the impact of this condition in the valuation. It also referenced the protected structure of Gandon House and noted it extends to its ancillary and subsidiary curtilage.
- 7.22** The Department made an initial offer of €12 million on 24 May 2016 in respect of the site on the basis of Option 1 and proposed a sale and two-year leaseback arrangement for Roslyn Park College only.
- 7.23** Following negotiations with the Rehab Group, a five-year occupancy of Roslyn Park College was proposed on the following basis.
- Rehab Group to occupy 95% of the site for two years. The remaining 5% refers to the residential property and includes side gate access to the main site.
 - Rehab Group to have the option to extend the occupation of Roslyn Park College and the car park (about 40% of the site) for an additional three years under a licence agreement (see Figure 7.5). The licence fee payable for the first, second and third additional years is €150,000, €240,000 and €330,000 respectively.
- 7.24** The Department submitted a second offer on 30 May 2016 for €20.5 million on the basis proposed. This offer was 24% above the valuation the Department had received. While the valuation report noted the potential for the Rehab Group to continue to occupy the site for two years, the final agreement provided for the Rehab Group to continue to occupy approximately 40% of the site for a further three years.

[illegible]

Source: Department of Education and Skills

Subsequent development

7.25 The Rehab Group has exercised its option to remain on site. As a result, it occupied the full site until September 2018 and is continuing to occupy Roslyn Park College under a licence agreement. Though not included in the purchase agreement, the Rehab Group requested continued occupation of Gandon House under the licence agreement. This was granted to allow continued provision of catering services at Roslyn Park College. The Department has stated that this concession was agreed in the interest of maintaining goodwill and has no cost impact on the Department. Under the licensing agreement in place, the Department will achieve vacant possession of the full site in October 2021.

7.26 As at July 2019, the Department is finalising planning applications for a permanent sixteen classroom primary school to accommodate Shellybanks ETNS (approximately 500 pupils) and a post-primary school building to accommodate Sandymount Park Educate Together (1,000 pupil capacity). In the interim

- Sandymount Park Educate Together post-primary school has been accommodated on the site since September 2018 in existing on-site prefabricated accommodation owned by the Rehab Group. The cost of works undertaken on the existing prefabricated accommodation prior to occupation was €203,000.
- Shellybanks ETNS has moved to a new temporary 12 classroom primary school on the Roslyn Park site in September 2019 from its temporary accommodation on Simmonscourt Road, Dublin 4. The contracted cost of the two-storey temporary school (see Figure 7.6) is €4.2 million (€2.7 million has been paid as of August 2019). The Department has stated that the design of this temporary school allows it to be relocated to another site, which potentially maximises its use.
- From September 2019, Sandymount Park Education Together has re-located to the site vacated by Shellybanks ETNS on Simmonscourt Road until permanent accommodation has been provided on the Roslyn Park site.

Figure 7.6 Temporary school building situated in Roslyn Park (July 2019)



Source: Office of the Comptroller and Auditor General

7.27 The Department has stated that the use of the Roslyn Park site to accommodate a primary school and a post-primary school demonstrates the Department's response to the challenges in providing school places in urban areas.

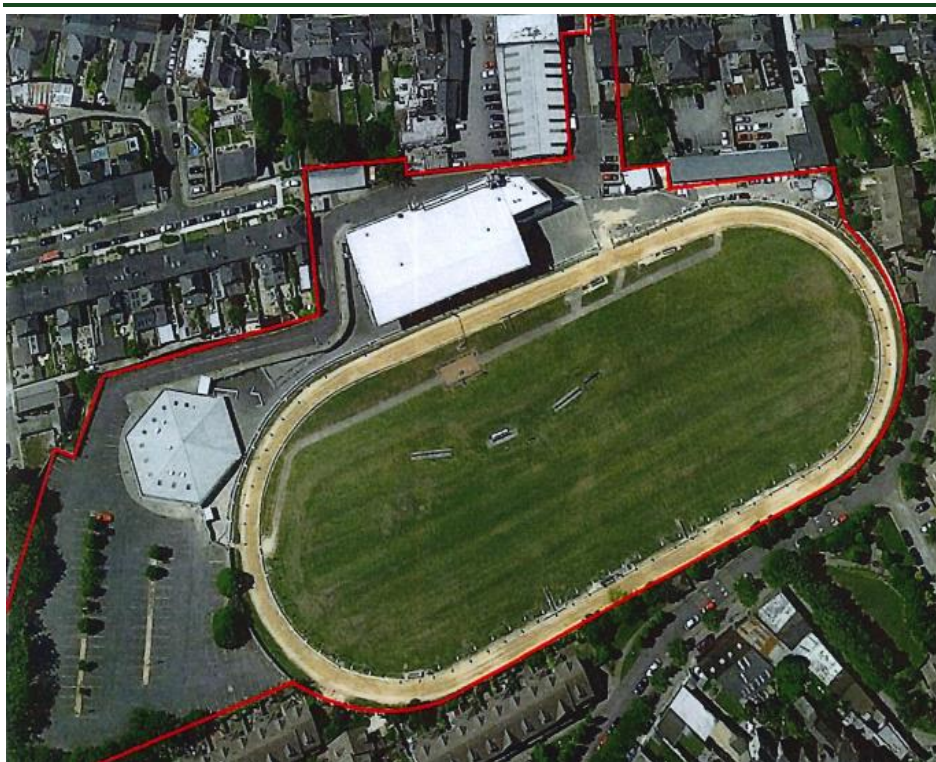
- It is intended that the Rehab Group headquarters will be demolished to create the space for the primary school.
- In order to maximise the space available, the Department intends to build a three storey post-primary school on the site of Roslyn Park College.
- Gandon House is a protected structure and cannot be demolished.
- The green area in front of Gandon House is a protected space that will be used for recreational purposes by the schools.
- There will be limited parking facilities on the site.

Acquisition of Harold's Cross site

7.28 The Department completed the purchase of the former greyhound racing track from the Irish Greyhound Board (IGB) in May 2018 for €23 million (€3.8 million per acre). Figure 7.7 shows an aerial view of the site. The site consists of a greyhound stadium, ancillary buildings, and surface car parking.

7.29 The six-acre site is located off Harold's Cross Road, Dublin 6, approximately three kilometres south of Dublin city centre. Prior to the closing of the sale, the site was rezoned by Dublin City Council to allow for construction of educational premises.

Figure 7.7 Aerial view of the Harold's Cross site



Source: Valuation Office

Acquisition process

- 7.30** In late 2015, in line with the agreement between the local authorities and the Department, Dublin City Council identified to the Department that Harold's Cross stadium could be a potential school site option, subject to availability. The IGB facilitated a site visit in June 2016 so that the Department could assess the suitability of the site for school development. The IGB has stated that they were not actively looking to sell the site at this point.
- 7.31** For its own business reasons, the IGB subsequently engaged consultants to provide strategic advice in relation to the sale of the Harold's Cross site. The consultant's report — dated March 2017 — placed a value on the site of between €5 million and €12 million, depending on whether the site was sold 'as is' (i.e. with the current zoning), or the IGB adopted a 'hold and rezone prior to disposal' strategy. The report also stated that there were few directly comparable sales of large sites. The report stated that *'views on price and value are not intended as formal valuations and should not be relied upon as such. They are given in the course of an advisory role and do not come within the scope of the valuation and appraisal manual issued by the Society of Chartered Surveyors'*.
- 7.32** In advance of placing the property on the open market, the IGB agreed to consider an approach from the Department of Education and Skills.

Valuation Office valuation report

- 7.33** The transfer of property assets from one State entity to another is subject to Department of Public Expenditure and Reform Circular 11/15.¹ Key requirements of the circular are that the Valuation Office provide a valuation of any asset proposed for transfer, and that the valuation provided is binding on both parties.
- 7.34** The Valuation Office valued the Harold's Cross site at €23 million in April 2017.
- 7.35** For market comparative purposes, the valuation report makes reference to *'well located development land in the south city area with suitable zoning (achieving) in excess of €5 million per acre in the past two years'*. It then goes on to refer to the asking price for a site of 3.43 acres about a kilometre from the Harold's Cross site. This site already had planning permission for residential units and the asking price was €4.4 million per acre. The valuation report states that considering the existing restrictive zoning of the Harold's Cross site, the necessity to obtain a change in zoning and to clear the site of existing buildings, a value of €3.8 million per acre was appropriate.
- 7.36** In response to this report, the Valuation Office has stated that although the valuation report referred to only one particular property in the vicinity of the subject property, it had in fact relied on several transactions in estimating the market value of the subject property. In correspondence with the Public Accounts Committee in January 2019, the Valuation Office stated that four transactions had informed the valuation. The additional three transactions included the sale of the Roslyn Park site and the following two transactions
- the Marianella site in Rathgar (8.11 acres) that was sold in June 2015 for a reported price in excess of €40 million — just over €4.9 million per acre
 - land at RTÉ Montrose (8.64 acres) that was on sale at the time with a guide price of €8.7 million per acre.

¹ [Circular 11/15: Protocols for the Transfer and Sharing of State Property Assets](#), Department of Public Expenditure and Reform, September 2015.

- 7.37** The Valuation Office have noted that every property is unique and is endowed with individual and particular characteristics that affect its market value. It has stated that in analysing such transactions, the comparison is seldom linear but, rather, requires the valuer to apply professional acumen, market knowledge, valuation skills and experience to the relevant evidence.
- 7.38** The Valuation Office has stated that it assembles data in relation to commercial transactions on an ongoing basis and is also in receipt of periodic transactional data from the Revenue Commissioners. The Valuation Office also noted that as part of its general overview of the market, it was also aware of a number of other transactions in south Dublin in 2015 and 2016 which ranged from €2 million to €7 million per acre.

Department offer

- 7.39** In May 2017, the Department issued a formal letter of offer for the property in line with the €23 million valuation, as required under the Circular 11/15. The Department noted that while the site's then zoning did not permit the development of a school on the site, it could be facilitated by means of a variation to the City Development Plan and that this had been discussed with Dublin City Council officials.
- 7.40** In September 2017, a variation to the Dublin City Development Plan 2016 – 2022 was agreed by the members of Dublin City Council and the site was rezoned to category Z15 which is intended 'to protect and provide for institutional and community uses'.
- 7.41** The transfer of the site was completed in May 2018.

Subsequent development

- 7.42** The Department has stated that the site will accommodate
- a primary school (Harold's Cross ETNS), and
 - a post-primary school for the Dublin 6/Dublin 6W area, in respect of which patronage has yet to be awarded.

The Department is currently finalising planning applications for permanent accommodation for both of these schools.

- 7.43** In the interim, temporary accommodation has been installed on site (see Figure 7.8) to accommodate
- Harold's Cross ETNS for September 2019, and
 - Harcourt Terrace ETNS for September 2019 pending the construction of a permanent school building at Harcourt Terrace (on the site of a former Garda station).
- 7.44** The cost of temporary accommodation placed on the site up to August 2019 is €533,000.

Figure 7.8 Harold's Cross temporary accommodation (July 2019)

Source: Office of the Comptroller and Auditor General

Business case for site acquisitions in north Dublin city

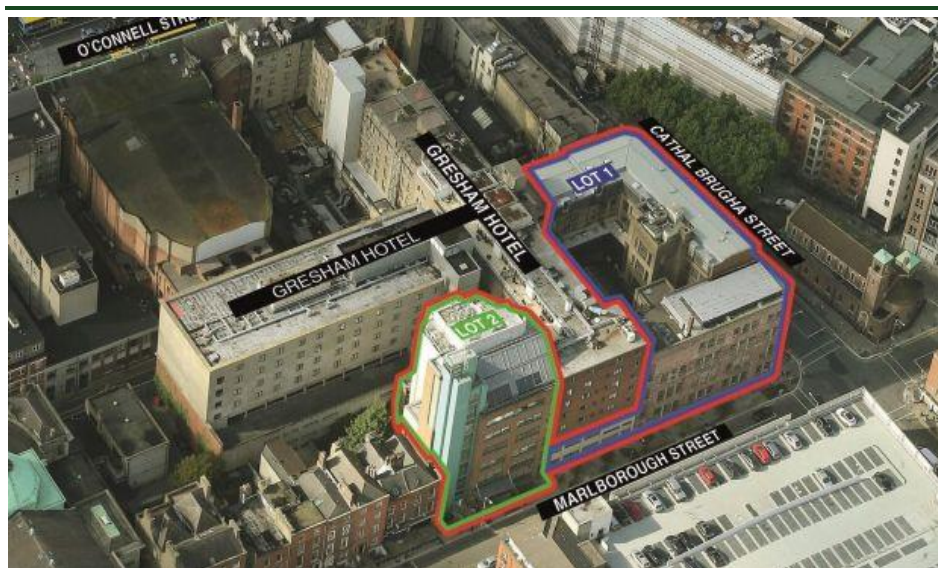
- 7.45** In 2018, the Department identified the need for a 1,000 pupil post-primary school in the Drumcondra/Marino/Dublin 1 school planning area.
- 7.46** The Department considered a number of sites to accommodate this new school. This included properties owned by the Minister, sites on the Dublin City Council vacant sites listing, and properties suggested by an external agency engaged by the Department to locate sites in north Dublin city. All the suggested sites were discounted as the size of the sites were considered unsuitable, or they were not available.

Acquisition of Cathal Brugha Street and Marlborough Street buildings

- 7.47** The Department completed the purchase of this property in December 2018 for €24.06 million from the Dublin Institute of Technology (DIT).¹ DIT no longer required this property as they are developing an extensive new campus at Grangegorman.²
- 7.48** The property is located in Dublin 1, approximately 100 metres east of O'Connell Street in an area zoned 'Z5' — 'to consolidate and facilitate the development of the central area, and to identify, reinforce, and strengthen and protect its civic design, character and dignity' (see Figure 7.9). The property is made up of two connected premises as follows
- Cathal Brugha Street; a four-storey over-basement structure with multiple facilities including lecture halls, classrooms and catering labs (gross internal floor area of 7,867 square metres).
 - Marlborough Street; a part eight-storey over-basement extension to the Cathal Brugha campus with multiple facilities including lecture halls and classrooms (gross internal floor area of 3,887 square metres).

1 In accordance with the Technological Universities Act 2018, Technological University Dublin (TU Dublin) was established on 1 January 2019 and the three founding institutions — DIT and the Institutes of Technology in Tallaght and Blanchardstown — stand dissolved as at that date.

2 Since its establishment, DIT had provided education in a number of buildings which were spread across Dublin city centre. In 2002, the Government took the decision that a new consolidated DIT campus would be developed at Grangegorman.

Figure 7.9 Cathal Brugha Street and Marlborough Street buildings

Source: Cathal Brugha Street and Marlborough Street buildings sales brochure

- 7.49** The Cathal Brugha Street building (see Figure 7.10) is a protected structure which restricts the future development of the building. The buildings are located in an Architectural Conservation Area so any alterations to the exterior of the property will require the approval of Dublin City Council planning department.

Acquisition process

- 7.50** In March 2016, DIT placed the property for sale on the open market with a guide price of between €15 million and €20 million. No offers were received by the bid deadline.
- 7.51** In May 2018, following the signing of a public private partnership (PPP) agreement with the aim of consolidating its student population on the new Grangegorman campus, DIT relisted the properties for sale on the open market.
- 7.52** There was a requirement for DIT to obtain sanction from the Department prior to the disposal of land and buildings.¹ In addition, under the *Code of Governance for Institutes of Technology*, the Chairperson of the Governing Body has to seek the approval of the Minister for Education and Skills and the Minister for Public Expenditure and Reform in advance of any material acquisition or disposal of land, buildings or other material assets proposed by the Institute.
- 7.53** DIT notified the Department in May 2018 that it was putting the properties on the open market.
- 7.54** The properties were also listed on the Intra-State Property Register on 11 May 2018. Under Circular 11/15, there is a requirement that any disposal of a property to a non-State party should only occur in the event that there have not been any expressions of interest identified to the property owner within a one-month timeframe of the relevant property being listed on the register as surplus.
- 7.55** In the May/June 2018 period that the property was on the open market, the Department was advancing consideration of a suitable site to accommodate the school required for the Drumcondra/Marino/Dublin 1 area.

¹ Dublin Institute of Technology Act 1992 as amended by the Institute of Technology Act 2006.

Figure 7.10 Cathal Brugha Street building (August 2019)



Source: Office of the Comptroller and Auditor General

- 7.56** The closing date for the receipt of bids was 20 June 2018. There were eleven bids for the properties. The Department did not submit a bid. At this point, the highest bid at €24.06 million was accepted by DIT.
- 7.57** The Department subsequently wrote to DIT at the end of July 2018 to confirm that the Department wished to retain the properties for educational purposes and requested DIT to withdraw from the sales process.
- 7.58** In early August 2018, in line with Circular 11/15, the Valuation Office were requested to carry out a valuation of the property. The Valuation Office noted that the objective of its valuation was to determine the open market value of the property. The request for the valuation came after the property had been on the market and the bidding process was concluded. As a result, its valuation on 19 September 2018 coincided with the outcome of the open market exercise — €24.06 million or €2,047 per square metre.

7.59 In addition to the bidder's offer, the valuation report references a number of comparable properties in support of the valuation, including

- The sale of the Gresham Hotel in September 2015 for in the region of €92 million. The Hotel sits on a site of 1.32 acres and extends to a total area of 20,775 square metres (€4,428 per square metre).
- The sale of Marlborough House on Marlborough Street in July 2016 for in the region of €17 million for 7,504 square metres (€2,265 per square metre).
- A portfolio of properties in the O'Connell Street area sold in March 2016 for in the region of €8.6 million for an area of 3,643 square metres (€2,361 per square metre).
- 2 – 4 O'Connell Street sold in September 2017 for €13 million for an area of 1,130 square metres (€11,504 per square metre).
- A development site in Abbey Street that was sold in November 2017 for €22 million for an area of 0.87 acres.

7.60 The transfer of the properties to the Department was finalised in December 2018 for the sum of €24.06 million.

Subsequent development

7.61 The Department has entered into a lease with DIT in December 2018. This will allow TU Dublin to continue to use the property until October 2020. The Department has not finalised its plans for the future use of the property.

7.62 In a school building programme announcement in April 2018, the Department stated that a post-primary school is required to be delivered in the north Dublin city area by 2022. The Department is considering its options for the delivery of the school. These include

- the conversion of the premises to a post-primary school, and
- the use of the premises for other education provision which would in turn free up sites in nearby locations which would then be used to expand current schools or establish new schools.

Observations of the Department

- 7.63** The Department has stated that the major challenge when identifying/assessing sites in south Dublin city was the very limited availability of sites suitable for schools. In addition, when sites do become available close to the centre of Dublin, the Department often finds itself in competition with property developers for sites which offer residential and/or commercial potential.
- 7.64** In relation to the acquisition of the Roslyn Park site, the Department stated that the arrangements agreed were on the basis of facilitating continued education provision to current clients of the Rehab Group while at the same time guaranteeing the acquisition of the asset by the Department.
- 7.65** The Department has stated that the arrangements agreed with the Rehab Group did not have an impact on the Department's plans for the site given the timeline required for design, planning and procurement. It also noted that the continuing occupation of the property by the Rehab Group reduces security costs which would otherwise be incurred for a property like this.
- 7.66** The Department has noted that subsequent to the initial offer of €12 million (which was rejected) and in advance of meeting with the Rehab Group in relation to an improved offer, the Department met with senior representatives of the professional valuers which it had engaged to discuss their valuation and to prepare for negotiations with the Rehab Group.
- 7.67** The Department has reported the following reasons for agreeing to the increase in its offer from €12 million to €20.5 million
- It had been informed by the Rehab Group that several bidders were looking to acquire the property and the top bid was in the order of €20 million. Therefore, an offer was required to be at the €20.5 million level in order to secure the property.
 - The Department had completed extensive searches to ascertain the availability of site options and no suitable alternatives could be acquired.
 - There was pressing requirement for the delivery of school accommodation in the area.
- 7.68** In relation to the acquisition of the Harold's Cross site, the Department noted that the site is well located to serve south Dublin city needs and it provides certainty in respect of suitability and availability. The Department notes that it had established that land banks of sufficient size are scarce and where such sites have the potential for residential or commercial development, they would be valued accordingly. It noted that the costs of acquiring the Harold's Cross site were appraised in this context.
- 7.69** The Department has stated that the decision to open new schools in the Drumcondra/Marino/Dublin 1 area was taken by the Minister in April 2018 on foot of submissions made, following an analysis of demographics and school capacity in the area. The decision to purchase the Cathal Brugha Street and Marlborough Street buildings was based on an established difficulty in securing appropriately zoned sites of sufficient size in order to provide a post-primary school. When an opportunity to acquire this property presented itself, the Department availed of it.

- 7.70** The Department has stated that it is only when a site has been acquired that a detailed appraisal of the development potential of the project (e.g. number of schools to be accommodated, detailed cost of proposed design) can be conducted.
- 7.71** In line with the challenges in providing school places in urban areas, the Department is proposing to locate, subject to planning permission, both a primary and post-primary school on each of the Roslyn Park and Harold's Cross stadium sites which are approximately five acres and six acres respectively. The Department has many other examples where school sites in urban settings are maximised to facilitate demographic growth.
- 7.72** The need for more intensive use of school sites in urban settings can typically involve
- development of school campus sites
 - increased height of school buildings — particularly at post-primary level
 - larger schools to minimise the number of sites required e.g. 1,000 pupil post-primary schools as standard
 - ancillary use of nearby off-site facilities to minimise the need for traffic management, parking, playing pitches etc. on the school site
 - use of shared facilities between neighbouring schools, shared local authority amenities etc.
- 7.73** More intensive use of school sites in urban settings is consistent with the objectives of Project Ireland 2040 which envisage consolidation and intensification in established urban settlements with the overall objective of accommodating up to 50% of the projected population increase in the State within the greater Dublin area and 50% of the remaining population increase in existing regional cities and established large towns. Increasingly, school developments will need to be located within existing urban areas. The unavailability of greenfield sites in already built up areas will provide challenges in site identification and re-development of existing school sites, or brownfield development. Inevitably, a more compact settlement pattern will create greater market competition for available properties. This will require increased emphasis to be put on maximising the use of existing school sites.

Conclusions and recommendations

- 7.74** The Department has guidelines in relation to the size of sites depending on the size of the proposed school. The guidelines range from 1.75 acres to 5.47 acres for primary schools and from 7.74 acres to 11.3 acres for post-primary schools.
- 7.75** The sites at Roslyn Park and Harold's Cross — at 5 and 6 acres respectively — will each accommodate both a primary school and a post-primary school when fully developed. This indicates that the Department is seeking to maximise the potential of the sites to cater for demand for school places in these school planning areas. This represents a significantly more intensive use of the sites compared to the internal Department guidelines.
- 7.76** Other jurisdictions have recognised that the provision of schools infrastructure presents a significant challenge in areas where land prices are already at a premium, and in city areas with only small sites available for schools. In those locations, schools planning has recognised that there is a need to develop different models for the way schools are planned, designed, built, managed and funded. These include increasing the maximum number of students in new and redeveloped schools, a stronger emphasis on redeveloping existing school infrastructure, smaller more intensely developed sites and increased joint use of facilities, in particular sport facilities.

Recommendation 7.1

The Department should review its parameters for the size of sites required for primary and post-primary schools, in particular, in the Dublin area, including any initiatives required to allow more intensive development of sites.

Accounting Officer's response

Agreed.

The Department is aware of the challenges posed for the development of schools in an urban setting such as in Dublin city and has already adapted its school designs to urban settings to ensure the optimum use of available space while at the same time meeting the needs of school users including teachers and pupils.

The Department's existing technical guidance documents on the assessment of sites for schools implicitly allow for the identification and evaluation of smaller intensively planned urban school sites where some of the essential elements can be provided outside of the school site e.g. traffic management, parking, playing pitches etc. This will be made more explicit in the next update of these technical guidance documents which are due to be finalised later in 2019.

- 7.77** Three site acquisitions in the Dublin area accounted for just over half of the Department's expenditure on sites between 2014 and 2018.
- 7.78** While Dublin south city is a high-cost area for land, it is noted that the Department paid €4 million (24%) above the independent valuation it received of the Roslyn Park site, and also agreed to additional conditions of sale providing valuable medium-term accommodation for the vendor. The Department opted not to use external negotiation expertise when acquiring this site.

- 7.79** The valuation report prepared by the Valuation Office in relation to the Harold's Cross site referred to general market values but referenced the asking price of only a single nearby property. However, the Valuation Office has since stated that they relied on several transactions in estimating the market value of the Harold's Cross site. Key valuation judgments were not recorded in the valuation report.

Recommendation 7.2

It is recommended that the Valuation Office comprehensively document the basis for its valuations in its valuation reports, including all available relevant market information and key judgments made.

Commissioner's response

Agreed.

This process has already been put in place.

Annex 7A

Figure 7A.1 Guideline site areas for schools

	Size of primary school			
	4 to 8 classrooms	8 to 16 classrooms	16 to 24 classrooms	24 to 32 classrooms
Guideline site area for single storey school buildings	1.9 acres (0.77 ha ^a)	2.8 acres (1.14 ha)	4 acres (1.6 ha)	5.47 acres (2.2 ha)
Guideline site area for two storey school buildings	1.75 acres (0.71 ha)	2.56 acres (1.04 ha)	3.7 acres (1.5 ha)	5 acres (2.025 ha)
	Size of post-primary school			
	500 pupils	750 pupils	1000 pupils	
Guideline site area for two storey school buildings	7.74 acres (3.13 ha)	9.44 acres (3.82 ha)	11.3 acres (4.57 ha)	

Source: Department of Education and Skills

Note: a ha = hectares.

Annex 7B Key elements of Memorandum of Understanding between the Department of Education and Skills and local authorities

On 30 May 2012, the Department agreed a Memorandum of Understanding (MoU) with the County and City Managers Association on acquisition of sites for school planning purposes. The key elements of the MoU are as follows

- Where local authorities are considering site designations for schools in a development plan or local area plan, they should consult with the Department and obtain sign-off at an early stage regarding site suitability and adequacy.
- Where the Department is acquiring a site under the terms of the MoU, the following are the key actions
 - The Department initiate the acquisition in writing to the local authority.
 - Where a site has not been designated or reserved, the local authority is to revert to the Department with a list of preferred sites. Following discussions, both parties then agree a preferred listing of site(s).
 - The local authority will appoint a suitably qualified valuer to carry out a valuation on behalf of the local authority and the Department.
 - If the site is in third-party ownership, the local authority enters into negotiations with the landowner. If the site is in the ownership of the local authority, it will be acquired by the Minister from the local authority for an agreed price.
 - In the event that the landowner refuses to sell the site or fails to agree an acceptable price, the local authority will consult with the Department to determine if it is necessary for the local authority to acquire a suitable site by compulsory order.