



Circular 0015 /2013

## **To: The Chief Executive Officer of each Vocational Education Committee**

### **Requirement for Department approval before providing non-core services.**

#### **1. Introduction**

The rules and regulations governing Department funding of expenditure in VECs are set out in the annual letter of determination. VECs are expected to operate in accordance with these rules and regulations.

#### **2. Existing Requirement for Department approval**

The Vocational Education Acts 1930-2001 set out certain actions which cannot be undertaken without the approval of the Minister for Education and Skills (e.g. the acquisition of land, borrowing)<sup>1</sup>.

There is also a specific requirement that if a VEC is considering expenditure on certain IT projects then it must undertake a number of steps and obtain the approval of the Department in advance ([Circular 39/2011](#) refers).

#### **3. New requirement for Department approval**

Henceforth a VEC is required to obtain, in advance, the written approval of the Department before providing a new programme or activity:

- (a) Which is not one of its core services (i.e. the provision of primary, post-primary, PLC and further education), or
- (b) Which it considers to be within its core services, or associated core services, but which is not already established and funded by the Department.

---

<sup>1</sup> The provisions in the Vocational Education Acts will be replaced by those in the Education and Training Boards Act, once commenced.

#### **4. Evaluation of proposals**

##### *(a) Evaluations*

Before seeking approval from the Department, all proposals must be rigorously evaluated by the VEC in detail in order to determine:

- that the proposal is of clear benefit to the VEC;
- that all expenditure on the proposal will represent value for money;
- that revenues arising from the activity will meet all costs (including management, administration/ insurance and maintenance) to be incurred in providing the activity. Costs should comprise the initial, ongoing and long-term costs (pay and non-pay), including any costs due to contractual staffing commitments arising from the proposal.

Please note that the costs of the new activity/programme must include interest foregone on exchequer funding that would otherwise be on deposit.

In addition, if the proposal involves a contract with a third party, the VEC must ensure that:

- the third party has the capacity to provide the goods and/or services contracted for;
- thorough and robust due diligence is undertaken in relation to the third party's financial resources to complete the contract.

##### *(b) Proposals arising as a result of a donation*

Before accepting a donation of property or goods to facilitate the provision of a service, VECs must also undertake a full evaluation of the proposed service as outlined above.

Due consideration must be given to any condition attaching to the proposed donation.

##### *(c) Existing non-core services*

Existing non-core services should be evaluated in a similar fashion to new proposals and communicated to the Committee and the Department through the Annual Service Plan.

#### **5. Submission of proposals to the Department**

If the evaluation conducted by the VEC concludes that the proposal is of clear benefit to a VEC, that all expenditure on the proposal will represent value for money and that all costs will be met from associated revenues it may seek the Department's approval.

This should be done by submitting to the Department a written proposal, to include a summary of the evaluation and its conclusion, and cost projections over the short, medium and long terms. The proposal should be signed by those who undertook the evaluation and approved and signed by the CEO.

Requests for approval should be addressed to the section of the Department responsible for the relevant programme area. For example, if the proposed programme/activity concerns the general and post primary programme to VEC Financial Section or if it concerns the further education programme, to Further Education Section.

## **6. Scope**

In addition to programmes/activities to be funded by the Department, this Circular applies to programmes/activities that are to be funded by a body other than the Department, to be self-funded or where they arise from donations.

## **7. Queries**

Queries regarding this circular should be addressed to VEC Financial Section (Tel: 090 6483769, e-mail: [Financialvec@education.gov.ie](mailto:Financialvec@education.gov.ie) )

This circular can be accessed on the Department of Education and Skills web page: [www.education.ie](http://www.education.ie).

---

**Matthew Ryan**  
**Principal Officer**  
**Schools Financial**  
**February 2013**