

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

CONFIDENTIAL

The Minutes of the Finance Committee Meeting of 4 December 2002.

PRESENT: The Provost (in the Chair), the Bursar, The Registrar, the Dean of Health Sciences, Mr. P. McCabe, Prof. J. Fitzpatrick, Dr. A. Ni Chasaide, the Treasurer (Secretary of the Finance Committee)

OBSERVERS: The Vice-Provost, Prof. E. McCabe, Dr M. O'Moore, Mr W. Priestley, Mr D. Scammell, Secretary.

IN ATTENDANCE: Deputy Treasurer

APOLOGIES: The Senior Lecturer, the Dean of ESS, Dr E. Drew

The Minutes of the Meeting of 6th November 2002 were approved and signed.

2003/27 Estimates of Recurrent Income and Expenditure 2003

HEA correspondence dated 2.12.2002 regarding date recurrent funding for universities in 2003 was tabled. The Government estimates, on which the HEA is seeking clarification regarding the makeup of the estimate shows a 1% decrease on the amounts provided in 2002. The Committee heard that after allowing for once-off adjustments to the 2002 allocation it was likely that there would be a real cut, after allowing for pay awards in 2003, of circa 5%, which does not make provision for technician pay awards (with arrears to 2000) which is likely to cost another 2% (or €2m in 2003) along with significantly increased insurance premiums payable by Trinity College over and above the sectoral average potentially yielding a total shortfall of circa 8%.

The Committee also received tabled HEA correspondence dated 27.11.2002 indicating that there would be no funding for backlog maintenance or capital equipment in 2003 and that only projects which were the subject of contracts at the close of business on 14.11.2002 could be regarded as contractual commitments which would be funded. The Committee was briefed that cashflows in relation to various PRTL cycles were unlikely to be forthcoming in 2003 and that this would have knock-on consequences for the College's interest-earning capacity and consequently the amounts available for recurrent expenditure.

The Committee noted the provisions of Section 37 of the Universities Act, 1997 and expressed its deep concern regarding notifications of such significant reductions in state funding at a time of high levels of state-approved pay awards two months into the financial year 2002/2003 when staffing commitments had already been made. The Committee noted that pay savings in 2002/2003 could only be achieved through opportunistic turnover of staff and that the level of such turnover was likely to be lower in the current economic climate. The Committee noted that the Financial Review Advisory Group would be bringing forward proposals to enable the College to plan for the reduced level of funding expected in 2002/03. It was agreed that certain factors might be considered at sectoral level. The likely implications of the recent estimates for quality and service levels into the future were noted.

In contrast the funding available to support research through SFI has increased for 2003 and the recurrent element of PRTLII would be fully met in 2003.

2003/28 Quarterly Accounts to 30th September 2002

Capital Projects funded by HEA Capital Grants: The Committee noted that HEA reimbursements due in respect of capital projects at 30.09.2002 amounting to €2.735m which allied to continuing and now notified future delays in PRTLII funding will have an impact on the interest-earning capacity of the College.

Capital Projects not funded by HEA Capital Grants: The Committee noted the excess of capital expenditure over income received of €14.8m mainly accounted for by the North-East Corner, Botany Bay and DMMC projects. The Committee also noted the position in relation to the Enterprise Centre, IAMS and the long-term property acquisition programme. The Committee requested that the College consider as part of its ongoing planning the possibilities of enabling certain properties to be income-generators at the earliest possible time.

Faculty and Departmental Budgets: The Committee noted overall departmental under-spent balances of €10.19m of which only 26% is represented by unspent balances derived from annual faculty core funding allocations and the balance being derived from self-financing courses and other income generating activities within departments. It was also noted that unspent balances on recurrent equipment amounted to €1.428m. The Committee noted the careful and cautious management of accounts in order to obtain best value for money in a planned way were the core principles under-pinning the balances now appearing in these accounts.

Administrative and other areas Non-Pay Budgets: The Committee heard a report in relation to overspent balances and plans which had been put in place to reduce them and noted issues associated with targeted funding.

Service Departments

Library: The Committee noted the overspent balance at the year end and the significantly increased pay costs arising from arrears of PWC pay awards and the move to the New Library.

IS Services

Bioresources Unit

Audio Visual and Media Services

Centre for Microscopy and Analysis

Buildings Office

Student Health Service

Counselling

Subsidiary Activities

Residential Rooms – College

Residential Rooms – Trinity Hall

Study Programmes and Conference Account – College: The Committee noted the better than expected outturn despite the difficult market conditions during the summer months of 2002.

Residential Development Account – College: The Committee noted that the bridging costs associated with residential re-development loans are met from this account.

Residential Development Account – Trinity Hall

Catering

Library Shop

Copying Service

Diagnostic Services

College Day Nursery

Innovation Services

Enterprise Centre, Pearse Street

Department of Sport

High Performance Computing

Dublin Experience

College Gallery

Capitation Committee
Campus Company Proceeds and Research Royalties
Broad Curriculum

New Research Accounts: The Committee noted that 142 new research accounts had been opened up during the quarter to 30.09.2002 with research expenditure for the year at a level of €39.226m (2000/2001: €24.88m) representing an increase of 58% over the previous year.

Research Account Balances: The Committee requested that the Treasurer liaise with the Dean of Science and the Dean of Health Sciences in relation to certain groups of overdrawn balances.

Research Accounts – Overdrawn Balances: The Committee reviewed a group of overdrawn balances and noted that this matter had been under consideration for some time and requested that the Treasurer liaise with the Dean of Research and the Dean of the Faculty.

2003/29 Venture Capital Seed Funds – 4th Level Ventures

(Minute 2002/74 of 24.04.2002 refers)

The Committee had been circulated with a paper from the Director of Innovation Services outlining the background to proposals to enter into an arrangement with 4th Level Ventures to facilitate access by TCD campus companies to seed funds. The management fee and carry arrangements associated with the provision of such funds was considered. As part of the arrangements the promoters had hoped that the College would participate through the provision of funds from four potential sources including the College, Pension Fund, staff and alumni. The Committee had also been circulated with professional advice from PricewaterhouseCoopers dated 26.11.2002.

Following detailed discussion and clarification of a number of issues involved the Committee agreed that:

- The provision of seed capital was an important element of the University's obligations in relation to technology transfer particularly in light of the vastly increased research activity of the College while also noting the extremely limited availability of seed funds for early stage start ups as opposed to venture capital funds later in the start up cycle.
- It would endorse the proposed initiative with 4th Level Ventures on the basis of a no rights and no obligation on/by either party on a non exclusive basis and accepted the proposed fee and carry arrangements associated therewith.
- It would not be possible to provide funds from the College or the Pension Fund for the very specific reasons outlined and that the College could not facilitate investment by staff in such funds through College structures.
- The Director of Innovation Services should seek out other providers of seed funds in order that options are available to College campus companies.
- The Business & Industry Committee should be requested to review and bring forward an updated policy on Intellectual Property and campus companies by Trinity Term 2003.

2003/30 Annual Reports of sub-committees of the Finance Committee for the year to 30.09.2002

The Committee approved the annual reports, which had been circulated of each of the following:

- (a) Investment Committee
- (b) Catering Management Committee
- (c) Financial Assistance Committee
- (d) Conferences Committee
- (e) Capitation Committee (including Trinity Week events)

The Committee noted that the Business and Industry Committee annual report would be circulated for the next meeting.

The President of the Students Union, Mr W. Priestley, brought to the attention of the Committee observations in relation to the financial position of the Buttery Bar as outlined in the Catering Management Committee's annual report. He indicated the view of the Students Union regarding performance in this area and outlined a number of other student related issues. The Committee acknowledged the complexity of this issue and invited the President of the Students Union to raise these matters directly at the Catering Management Committee.

2003/31 Financial Information Systems – Report for 2002

The Committee noted a memorandum from the Financial Information Systems Manager dated 25.11.2002 setting out a review of developments for 2002 and the currently planned developments for financial information systems for 2003.

2003/32 Procurement Annual Report

The Committee noted and accepted a memorandum from the Procurement Officer dated 21.11.2002 setting out tendering projects carried out in the period 2001/2002, internal procurement initiatives, current and projected tender-based activities and systems-related issues to be considered in 2003.

2003/33 Hire of Halls

The Committee noted and approved a memorandum from the Accommodation Officer dated 23.11.2002 setting out proposals regarding the fixing of charges in respect of housekeeping and attendant services associated with hire of halls where it was necessary to specifically roster staff to service the event booked.

2003/34 House Purchase Loans

The Committee noted and approved the House Purchase Loan applications as presented.

2004/35 Science Foundation Ireland

The Committee noted SFI correspondence dated 5.11.2002 and 12.11.2002 amending terms and conditions of the first round Principal Investigator grants made in 2001 to allow the application of an indirect (overhead) contribution of 30% of modified total direct costs (total expenses less equipment and refurbishment) rather than the originally agreed terms of 15% of modified salary costs. These new arrangements were noted in the context of Finance Committee minute 2002/104 of 26.06.2002.

2003/36 Quality Assurance Programme 2002

The Committee noted HEA correspondence dated 22.11.2002 making a provisional allocation of €283,000 arising from recently submitted the TCD Quality Assurance Proposal. The Committee noted the HEA's indication that all institutions should be moving to funding Quality Offices from core budgets with targeted development being met from the Quality Assurance Programme funding. It was also noted that major capital programmes cannot be funded under this scheme given the limited funding available.

PROVOST.....

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