

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

CONFIDENTIAL

The Minutes of the Finance Committee Meeting of 30 April 2003

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

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

IN ATTENDANCE: Deputy Treasurer

APOLOGIES: Dr. E. Drew, Professor M. Marsh

The Minutes of the Meeting of 25 March 2003 were approved and signed.

The Provost, on behalf of the Finance Committee, welcomed Dr. L. Doyle as the new Board representative on the Committee replacing Professor J. Fitzpatrick.

2003/75 **Estimates of Recurrent Income and Expenditure for 2003 – HEA Budget Meeting**

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The annual Budget Meeting with the HEA was held on 29.04.2003. The College was represented by the Provost, the Bursar, the Treasurer, Deputy Treasurer and Financial Resources Manager. The Treasurer briefed the Committee on the issues addressed and considered with the HEA representative. These included:

▪ Outturn for 30 September 2002.

The HEA acknowledged the unqualified audit opinion and the submission of correspondence in relation to the framework for borrowing and loan guarantees arising from Section 38 of the Universities Act, 1997.

The HEA reviewed with the College in some detail matters including interest income, research grant contributions to indirect costs, pay and non pay ratio and expenditure from recurrent grants for capital purposes. The HEA sought detailed clarification in relation to the capital deficit arising at 30 September 2002 and sought assurances regarding the College's processes for continually reviewing capital expenditures.

The HEA sought clarification from the College regarding the extension of Note 1 on page 11 of the Financial Statements which had been in addition to the format agreed.

▪ Unit Cost issues

Arising from unit cost issues raised by the College the HEA indicated that a group set up by the HEA Authority to consider funding was at the early stages of its deliberations. College expressed concern regarding unit cost adjustments which had taken place in the university sector in December 2002 and the basis upon which those adjustments had been made. The HEA expressed some concern regarding the robustness of more recent unit cost data.

▪ Estimates for 2003

Following clarification of a number of small issues in relation to pay and student fee reconciliations the HEA discussed with the College the reductions in funding in 2003 and the manner in which the College had planned to deal with this for 2003 and future years. The HEA confirmed:

1. the College had taken the correct approach in planning for the reduced funding in 2003 and future years.
2. that it would require all universities to present balanced budgets and balance their books at the end of each financial period.
3. that they were adamant that any College in deficit will not be bailed out and any deficit will be a first call on the subsequent year's grant allocations.

In relation to the generation of additional miscellaneous income where possible the College sought and received assurances that the generation of additional private or miscellaneous income would be protected and that there would be no cut in State funding if this income increased. The College requested the HEA to give consideration to the incentivisation of the generation of additional amounts of miscellaneous income.

The College highlighted the impact which current pay saving plans were having on quality, service, staff morale and the pay/non pay ratio and the long term implications for education in the national and international context.

▪ Outlook for 2004 and future years

The HEA indicated that they foresee further deterioration in funding for 2004 which is likely to manifest itself in a further real cut in State funding levels. In relation to 2005 the HEA's expectation is that State funding is likely to approximately keep pace with real cost increases but will not restore any of the lost funding in prior years.

While noting that tuition and other fee increases in respect of 2003/2004 remain outstanding the HEA was unable to provide any clarification in relation to proposed future arrangements for tuition and student charge fee profiles.

▪ Capital Funding

The College expressed its serious concern regarding the discontinuance in 2003 of the backlog maintenance programme and capital equipment funding. Furthermore the College indicated that there would be no recurrent equipment funding during 2003 and that the implications of this for supporting the teaching and research mission were significant. The HEA indicated that it was working with the Department of Education in relation to a small number of TCD specific projects.

▪ Other Issues

The College briefed the HEA on:

1. The integration processes and issues associated with Nursing and future funding increases.
2. The introduction of the broad curriculum and the long term implications for curriculum development and agreed arrangements associated with the private funding of this initiative.

3. Request regarding clarification of PRTL I – Cycle 3 funding arrangements.

The Provost briefed the meeting regarding a proposed OECD Review of Higher Education likely to take place in Summer 2003. Furthermore the Provost outlined the role of CHIU in the current preparation of policy documents on the role of universities, funding models and related areas. The importance of these initiatives was emphasised in the context of the current funding environment.

2003/76

Non-EU Medical Fee

(Minute 2001/84 of 6.06.2001 refers)

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The Committee received and considered in some detail a memorandum dated 8.04.2003 from the Treasurer and the Dean of Health Sciences in relation to non-EU medical fees. The memorandum outlined in detail the background and history of non-EU medical fees, current allocation arrangements in relation to the fees, issues arising from previous plans, the current status of the capital programme and account and the current status of the recurrent account. The memorandum further considered the faculty position and the future challenges facing the faculty and brought recommendations regarding future distribution and use of non-EU medical fees in excess of the unit cost.

The Finance Committee noted the combined academic and financial policy nature of the memorandum as presented and requested that it be circulated to Board with the Minutes. The Finance Committee has considered and endorsed the financial structure of the proposals while noting:

- That there were significant risks associated with not progressing the proposals as presented.
- Consideration would have to be given by the faculty to support mechanisms which might be required in the future by non-EU students.
- Future expenditure commitments and in particular staff contract conditions would have to take into consideration the risks that income from this source cannot be guaranteed on an ongoing basis.
- Funding released from this source must be used to leverage additional funding from other sources in order to maximise the impact of the proposals.

The Finance Committee noted that Executive Officers are recommending to the Board the following arrangements:

1. The Faculty of Health Sciences' capital contribution (25% of fee) be allocated to the faculty for recurrent purposes in line with recommendations 5,6 and 7 below
2. The College's capital contribution (25% of the fee) be used
 - a) In 2003/04 to meet the additional costs arising on Phase 2 (B) of St James's Hospital on agreement of the final account (once-off)
 - b) To contribute €250,000 per annum to the College
 - c) To make available the balance to the Faculty of Health Sciences as in 1. above for the five years 2003/04 to 2007/08.in line with recommendations 5,6 and 7.
3. That there should be a moratorium on capital spending for new buildings projects (except where there is special permission of the College) from non-EU medical fee income for the duration of this arrangement. Capital funding if required will have to be funded through fundraising or State support. Commitments have to be made to increasing staffing in the School of Physic in the long-term to enable curriculum reform and integration of research activity in line with the strategic plan along with meeting the increased high quality education expectations of EU and non-EU students of the medical education being provided by TCD.

4. The faculty continue its original undertakings to equip IT teaching laboratories in Tallaght and St James's from its own resources and equipment allocations (Finance Committee Minute 14.05.99 refers).
5. The faculty undertakes to maintain recurrent expenditure within limits (including Chair support, etc.) of income to the faculty.
6. A review of the medical curriculum be carried out as a matter of urgency with a view to ensuring delivery of high quality medical education. A report should be brought to Council as soon as possible in line with 3 above.
7. The faculty should bring forward a plan to the Research Committee in relation to its research activity which is integrated with the strategic objectives of the College in line with 3 above.
8. Provision of an annual report on the (I) Academic and (II) Financial issues to (i) Council and (ii) Finance Committee respectively identifying progress on the challenges to the faculty.
9. That the faculty investigate and maximise the leverage of matching funds from other sources (including state matching funds).

2003/77 VAT Ancillary Activities of Universities

The Committee received a memorandum dated 23.04.2003 from the Deputy Treasurer outlining changes in VAT requirements in relation to activities which are not incidental to education (e.g. consultancy services (non-research), data-processing, market research, computer services, testing and analysis of materials), and should be treated as liable to VAT. The memorandum outlined the risks and exposures of non-compliance, how the change will affect the College, the role to be played by College departments and how it is planned to meet our obligations by the implementation date of 1.10.2003. The Finance Committee endorsed the plans as presented.

2003/78 Student Fees – Non-EU and Postgraduate Fees – 2003/2004

The Committee noted and approved a memorandum from Ms J. Byrne, Financial Resources Manager, dated 23.04.2003 which had recommended:

- a 9% increase in the non-EU degree fees for 2003/2004
- a 9% increase in the non-EU postgraduate fees for 2003/2004
- a 9% increase in EU postgraduate degree and diploma fees for 2003/2004
- a fee of €21,300 in respect of non-EU Medical, Dental, Clinical Speech and Language Studies, Physiotherapy and Occupational Therapy students. This fee has been proposed by the Irish University Medical Consortium and approved by the Finance Committee (Minute 2002/118 of 26.06.2002 refers).
- a fee of €20,500 for both the EU and non-EU registered students on the MBA programme.
- The fee for the Diploma in Gynaecology and Obstetrics be increased by 5% rather than 9% for 2003/2004 in order to secure student numbers as agreed in a previous plan.

These recommendations are being made following consultation with the Dean of Graduate Studies and Director of International Student Affairs. The Committee noted the observations of the Director of International Student Affairs regarding the difficult market conditions which obtained particularly in non-EU areas and in this context invited the Director to prepare a plan to address concerns not just in relation to the management of tuition fee increases but also to consider the service needs of non-EU students and the process for communication of fee increases to continuing Non-EU students.

The Committee noted that a further submission would be made to the Finance Committee in respect of EU fees for undergraduate degree and diploma courses

and miscellaneous fees following consultation with the HEA and Department of Education and Science.

2003/79 House Purchase Loans

The Committee approved the house purchase loan applications as presented.

The Treasurer indicated to the Committee that in more recent times the total income supporting house purchase loan applications would not appear to have the same qualities of security as heretofore.

2003/80 Nursing

The Committee approved a memorandum from the Deputy Director of Buildings dated 23rd April 2003 in relation to budget allocations associated with the proposed accommodation for the Nursing degree programme. The Committee noted that the funding available for this programme is subject to the proposed student intake being achieved.

2003/81 Audit 2000/2001-Comptroller & Auditor General

The Committee had been circulated with the unqualified Audit Report of the Comptroller & Auditor General in respect of the financial year to 30th September 2001. A copy of this report is attached to the minutes as a matter of record. As is normal practice this certificate along with a copy of the Financial Statements has been circulated to the Department of Education and Science and the HEA.

2003/82 Audit 2002/03 to 2004/05

The Committee noted a memorandum from the Treasurer dated 22.04.2003 indicating that the Board had approved the Audit Committee's recommendations for the appointment of Auditors for 2002/2003 to 2004/2005 and noted the fee arrangements associated therewith.

2003/83 Student Fees – 2003/2004 (Project Management Diploma)

The Committee noted and approved a memorandum from the Dean of ESS regarding the increase and disbursement of fees associated with the Project Management Diploma.

2003/84 B.Ed. Colleges of Education
(Minute 2001/101 of 27.06.2001 refers)

The Committee noted and approved fee arrangements for the B.Ed. in respect of 2002/2003 and future years.

2003/85 HEA Correspondence

The Committee noted HEA correspondence dated 26th March 2003 indicating that the Authority had approved the provisional grant notified on 18th February 2003.

The next meeting of the Finance Committee has been arranged for 28th May 2003 at 2.30 p.m., in the Board Room.

PROVOST.....

DATE.....

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