

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

CONFIDENTIAL

The Minutes of the Finance Committee Meeting of 19 May 2004

PRESENT: The Bursar, the Dean of Arts (Letters), the Dean of Health Sciences, Professor C. Williams, Dr. L. Doyle, the Treasurer (Secretary of the Finance Committee)

OBSERVERS: The Vice-Provost (in the Chair), Professor M. Marsh, Prof. E. McCabe, Professor M. O'Moore, Ms A. Gatling, the Secretary

IN ATTENDANCE: Deputy Treasurer

APOLOGIES: The Provost, the Registrar, Mr. P. McCabe

The Minutes of the Meeting of 24 March 2004 were approved and signed.

2004/82 Crann Centre Financial Proposals
Professor M Coey attended for this item

XX The Committee had been circulated with a memorandum dated 7.05.2004 which brought forward proposals for the establishment of the CRANN Centre (approved by the Research Committee at its meeting of 16.04.2004) along with an estimated annual income and expenditure account for the CRANN Centre in the context of the SFI Centres policy approved by Board on 19.02.2003.

The memorandum set out for the Committee issues around the financial interaction of the Centre with College, the financial management and relationship issues, and the financial consequences of the creation of the Centre for the College and current host departments of SFI CRANN related activity.

During a detailed discussion the following points were made:

- It was expected that in due course ten principal investigators in total (including five current PIs) will participate in the Centre. In the context that next stage research funding may no longer continue to pay the salaries of PIs, the working assumption of the CRANN Centre is that the College will pay the salaries of the participating PIs. It was noted that for four of the existing five PIs commitments were in place from associated departments and faculties in relation to positions at the conclusion of their current SFI contracts. Since no such commitment exists beyond those already in place it was noted that any funding to be provided by the College would have to be allocated in the context of prioritised strategic initiatives and the level of resources available at the relevant time. It was pointed out that this would involve a major financial commitment by the College for many years to come following the expiry of the SFI monies.
- The CRANN Centre would require all the normal services from the College as with all other research activity.
- Further detailed work on the 30% overhead provided by SFI to support the CRANN Centre is required to determine the most appropriate distribution of overheads in the context of all the circumstances including size of the completed building, the evolving policy in relation to the distribution of indirect costs and related departmental indirect costs.
- The CRANN Centre would be bringing forward proposals in relation to a Science Gallery which might form a fundamental part of the College's outreach obligations with suggestions regarding funding arrangements.

- The authority, responsibility and accountability in relation to income and expenditure matters of the Centre are equivalent to those that exist for all other cost centre account holders.
- The movement of all CRANN related research activity to the new Centre will for reporting purposes, mean that the research activity, which heretofore rested with host departments, will now transfer to the Centre.
- Indirect cost contributions arising from CRANN related research currently occupying the Chemistry extension will transfer with the activity to the new building and accordingly any new activity housed in the Chemistry extension must generate an equivalent level of indirect cost contribution in order to ensure that the College's financial position is not adversely affected.

The Finance Committee requested that the following matters be specifically brought to the attention of the Board:

- The Board approved policy on SFI Centres requested that proposals should include 'a detailed discussion on the proposed relationship between existing departments and faculties including how the Centre's mission is consistent with the strategic direction of the relevant departments and faculties. This statement should also be clear on how facilities are to be shared between the Centre and Departments, including e.g. how the Centre's use of any departmental equipment, resources and personnel is to be accounted for and visa versa.' In this context the Finance Committee has specifically requested that Council consider the Centre and PIs' relationships and interaction with related departments and in particular the profile and level of teaching commitment both during the current funding cycle and beyond when SFI may cease to pay PI salaries.
- The requirement that the College underwrite or commit to providing permanent posts after the contract time in some cases/programmes now raises the significant issue of the commitment to a longterm investment by the College in the absence of clarity regarding resources or future changes in strategic priorities.
- When matters associated with the CRANN building have been finalised, including the size of the building, the Finance Committee will consider further estimates of income and expenditure for the CRANN Centre, at which time the issue of indirect costs (overheads) will be considered, prioritised and agreed in detail in the context of best practice and indirect cost issues. This will be done when further information is available regarding research funding for the Centre and following consideration of proposals from the CRANN Group in relation to the setting up of the 'Science Gallery'.
- The Finance Committee confirmed the responsibility and accountability of the Director, Deputy Director, Executive Director and PIs in relation to the respective financial elements of the Centre activities and in relation to issues such as overspends.
- The Finance Committee noted and supported the Executive Officers in their current consideration of issues associated with the special SFI, PI, Centre and College's ongoing relationship.
- The adequacy of the overhead provided to meet all associated costs requires assessment.

2004/83 Financial Review by HEA
(Minute 2004/72 of 24.03.2004 refers)

XX The Committee had been circulated with:

- HEA correspondence dated 6.04.2004 setting out very precise parameters within which a presentation was made to the HEA Financial Review Group on 20 April 2004.
- Submission to the HEA of TCD five year strategic/financial plan
- Copy of the presentation to the HEA on 20.04.2004
- A tabled email from the HEA dated 13.05.2004 requesting consolidated income and expenditure accounts for the financial year 2002/2003 by 30.05.2004.

The Treasurer outlined the issues addressed in a clarification meeting with the HEA on 8 April

in relation to the correspondence of 6 April and the approach which had been adopted by the College in preparation for the presentation to the Financial Review Group on 20 April in the absence of clearly agreed sectoral definitions of technical matters. The presentation to the Financial Review Group and the related discussion was interactive, objective and mainly positive. The Committee was briefed on the implications of GAAP and their Consolidated Accounts and the level of work and approach required in order to try to deliver the required data to the HEA before the end of May/early June. The Committee noted the issues likely to arise from the new reporting arrangements which were likely to highlight tensions between public and private funding. The Committee noted that the GAAP Consolidated Financial Reporting was a new development in the non-commercial State Sector. The Committee requested to be kept briefed on matters as they progressed.

2004/84 Recurrent Funding Mechanism Review

The Committee noted HEA correspondence dated 23.02.2004 in relation to a HEA Review of the recurrent funding mechanism and a proposed consultation process. Some preliminary issues/observations were discussed by Executive Officers based on a memorandum from the Treasurer dated 10.03.2004 which had also been circulated to the Committee. The Treasurer reported that the HEA review of the recurrent funding mechanism consultation document had been considered in some detail by the CHIU Plenary Group on 5th April 2004 and it had been agreed that CHIU, comprising two Presidents, two Senior Lecturers/Registrars and two Finance representatives with the CHIU Director should meet with the HEA to progress the consultation and make proposals in relation to the needs of the sector and what might be delivered in this regard.

2004/85 Pension Fund Annual Report

XX The Committee had been circulated with the Trustees Annual Report of the University of Dublin Trinity College Pension Scheme for the year ended 30 September 2003. The Treasurer highlighted the following matters:

- The last actuarial valuation was carried out on 1.10.2001 and the next review to be carried out on 1.10.2004 covers a period of significant liability growth and significant deterioration in investment return.
- The longstanding arrangement associated with increases to pensioners being a call on the College's income and expenditure account and arrangements currently in place in relation to early retirements.
- The increase in pensionable pay of 25% (for the three years ended 30 September 2003) versus a negative investment return of 19% during the same period indicates the level of difficulty currently facing the pension fund.
- An unqualified audit opinion has been issued in respect of the financial statements of the Scheme to 30.09.2003.

The Committee accepted the Trustees Report as presented and noted in particular that the issues now arising in respect of the University of Dublin Trinity College Pension Scheme are equivalent to those arising in pension schemes elsewhere and furthermore provision of and investment for pensions requires the Trustees of the Scheme, the College and the Pension Scheme members to take a long term view.

2004/86 Quarterly Accounts to 31 March 2004

Capital Projects funded by HEA Capital Grants: The Committee noted the level of reimbursement outstanding on both tax and on the HEA Capital Projects amount to €19.138m and the consequent implications for the recurrent cash flow and associated recurrent account interest earning associated therewith.

Capital Projects not funded by HEA

Faculty and Departments: The Committee was briefed that certain Faculty allocations in respect of non pay, quarterly salaries and recurrent equipment were outstanding while the Emergency Fund allocations by the Resource Management Working Group, non EU and

self-financing courses were included in these financial reports while only Experts Skills allocations remain to be completed. The Committee reviewed and made observations in relation to the level of unspent balances. The Committee noted that the Dean of Arts (Letters) and Deputy Treasurer would be discussing the situation in relation to the Department of German on the basis of correspondence now received.

Administrative and Other Areas Non Pay Budgets: The Committee was briefed on the levels of self-financing activity balances and the issues associated therewith.

Service Departments

Library
IS Services
Bio Resources Unit
Audio Visual and Media Services
Centre for Microscopy Analysis
Buildings Office
Student Health Service
Counselling

Subsidiary Activities

Residential Rooms – College
Residential Rooms – Trinity Hall
Catering
Library Shop
Copying Service
Diagnostic Services
College Day Nursery
Innovation Services
Enterprise Centre
Department of Sport
High Performance Computing

New Research Accounts: The Committee noted that there were 43 new research accounts during the quarter of which 3 were in Arts (Humanities), 7 in BESS, 5 in ESS, 7 in Health Sciences, 19 in Science and 2 non departmental.

Research Account Balances: The Committee noted that the net cash balances in the research accounts again this quarter were a significant contribution to cash balances being carried by the College at the end of the period. In reviewing the analysis of balances the Committee noted that SFI accounted for approximately €5.7m in this regard.

Research Accounts - Overdrawn Balances: The Committee noted an improved position at this time and agreed to continue to review this group of accounts on a half yearly basis.

Control Exception Report (Minute 2004/35 of 3.12.2003 refers): The Committee noted the context in which the report had been prepared and accepted its findings as presented. The Committee requested that the possibility of circulating an equivalent report to Heads of Departments be considered in the context of feedback from the Deans Committee. The interim audit points arising from the 2003 audit were now included in this report and requested that the Secretary and Treasurer ensure that significant progress was being made in advance of the interim audit expected to start in early August 2004.

2004/87 Catering Price Increases – 2004/2005

The Committee noted and approved a memorandum and enclosures from the Secretary of the Catering Management Committee dated 6 May 2004 which recommended that:

- The projected surplus for 2003/2004 be carried forward to 2004/2005
- An increase of 10% be applied on all commercial functions
- An increase of 10% be applied on the special and vegetarian dishes in the Staff Dining Room
- An average increase of 2% be applied in all Staff and Student outlets, including Banqueting but not on the Students Special where last year's price increase was for a period of two years. It was noted that some items would increase by more than 2% while others would attract no increase.

The Finance Committee agreed the proposal but recommended that, as in previous years, the spread of the application of the 2% price increase be the subject of some discussion between Catering management and the Students Union.

2004/88 Residential Charges – 2004/2005

The Committee had been circulated with and approved a memorandum from the Accommodation Officer dated 7.05.2004 setting out detailed minutes of two meetings of the Residences and Accommodation Committee and the Trinity Hall Management Committee in relation to residential charges for 2004/2005. The Committee noted that proposals which had majority support involved the application of a package of administrative efficiencies that would deliver economies along with residential charges increases to a level of 5% for all rooms other than twin rooms. The Committee considered the recommendations in the context of long term legal obligations regarding the payments in respect of the Trinity Hall Development and the ongoing need to make progress and the upgrading of rooms on the main campus. The Committee was advised that a group, which had been convened to consider occupancy issues in Trinity Hall, will be reporting to the next meeting.

2004/89 Chapel Committee Funding

The Committee considered in some detail a memorandum dated 19.04.2004 from Professor Whiston, Chair of the Chapel Committee, requesting significant adjustments to fees for Choral Scholars, the Conductor, the Organ Scholar and Director of Chapel Music. The Committee noted that the current expenditure in relation to these positions amounted to circa €11,000 and that the new proposals would cost €33,000. The Committee, while conscious of the current financial circumstances of the College were sympathetic to a number of the proposals made, requested that the Treasurer discuss a more modest adjustment to funding with Professor Whiston and where possible consider other income generating possibilities.

The Committee considered the current scale of wedding fees and agreed that they be increased from the current level of €400 to €500 with the additional €100 being charged in respect of Hire of Halls specifically to enable some support for the Choir as requested.

2004/90 Pay Scales

The Committee noted and approved a memorandum from the Staff Secretary dated 30.03.2004 and accompanying updated monthly and weekly pay scales incorporating Benchmarking Phase II where applicable, 3% Sustaining Progress and Parallel Benchmarking Phase I to Craftworkers and Chargehands.

2004/91 Self Financing Courses

(i) Postgraduate Diploma in Clinical Speech & Language Studies : Dysphagia & M.Sc. in Clinical Speech and Language Studies : Dysphagia

The Committee noted and approved a memorandum from Ms A Moore dated 10.05.2004 in relation to the Postgraduate Diploma in Clinical Speech & Language Studies : Dysphagia and the M.Sc. in Clinical Speech and Language Studies : Dysphagia with each course being offered on a one-year part time basis with the Diploma commencing in October 2004 and the M.Sc. commencing the year thereafter. It is anticipated that each course will attract 25 students in their respective first years. The fee for the course has been set at €3,780 and €10,000 for EU and Non EU students respectively.

(ii) Postgraduate Diploma in Psychology

The Committee noted and approved a memorandum from Ms A Moore dated 10.05.2004 in relation to the Postgraduate Diploma in Psychology being offered on a full time basis over two years commencing in October 2005. The course has been costed on the basis of an initial intake of 20 students in Year 1 with an expected intake of 40 students for the second and

subsequent years with the fee for the course set at €7,900 for EU students.

(iii) M.Phil in Film Theory and History

The Committee noted and approved a memorandum from Ms A Moore dated 10.05.2004 in relation to the M.Phil in Film Theory and History being offered on a full time basis over one year commencing in October 2006. The course has been costed on the basis of an intake of 7 EU and 3 Non EU students with the fee for the course set at €4,755 and €12,305 for EU and Non EU students respectively.

(iv) Professional Doctorate in Education (D.Ed.)

The Committee noted and approved a memorandum from Ms A Moore dated 10.05.2004 in relation to the Professional Doctorate in Education (D.Ed.) being offered on a five year part-time basis commencing in October 2005 with a second intake of students in October 2008 and a subsequent intake of students every year thereafter. The fees levels for the course have been set at €4,700 and €9,200 for EU and Non EU respectively for years 1 to 3 and at €4,200 and €8,400 for EU and Non EU respectively for years 4 and 5.

2004/92 House Loans

The Committee approved the house purchase loan applications as circulated and tabled.

2004/93 Protection of Employees (Part Time Work) Act 2001

The memorandum from the Personnel Officer dated 15.04.2004 and accompanying revised fee remission regulations incorporating changes in respect of the new Protection of Employees (Part Time Work) Act 2001 and Benefit in Kind regulations were withdrawn in order to accommodate further extension of the regulations to incorporate the existing policy on the duration of fee remission for postgraduate studies for children and spouses of eligible staff. The revised fee remission regulations will be considered at a future meeting.

2004/94 Targeted Funding/Increases in Student Numbers

The Committee approved a memorandum from the Senior Lecturer dated 19.04.2004 setting out the request from the Resource Management Working Group that HEA Targeted Funding associated with increased student numbers be transferred to the appropriate departmental accounts on the basis of an estimated payment from the HEA with appropriate adjustment later in the year once actual funding was confirmed in order to assist departments in managing their affairs.

2004/95 Miscellaneous Charges – 2004/2005

The Committee noted and approved a memorandum dated 07.05.2004 from the Accommodation Officer setting out the miscellaneous charges for the academic year 2004/05 in relation to the Dublin Experience, College Guest Rooms, Residential Group Tariffs, Hire of Halls and the Launderette.

The next meeting of the Finance Committee has been arranged for 23 June 2004 at 2.30 p.m., in the Board Room.

PROVOST.....

DATE.....

/fcm19052004board