

**THE UNIVERSITY OF DUBLIN  
TRINITY COLLEGE**

The Minutes of the Finance Committee Meeting of 20 February 2007

PRESENT: The Provost (in the Chair), the Bursar, the Registrar, Mr H. Kearns, the Senior Lecturer, Mr D. Quinn\*, the Secretary, the Treasurer (Secretary of the Finance Committee)

IN  
ATTENDANCE: Deputy Treasurer

APOLOGIES Professor J. Parnell and Professor T. Brown

(PRESENT  
FOR) \* Minutes 52 to 55

The Minutes of the Meeting of 7 February 2007 were approved and signed.

**Section A**

**FN/06 - 07/52** **Catering**  
(Minute FN/06-07/41 of 7.02.2007 refers)

The Committee heard that there had been a communication to the last Site and Facilities Committee that the proposed refurbishment of the Buttery will be likely to cost considerably in excess of the originally notified budget to Finance Committee of €1.5m. This matter was raised in the context that this might have an impact on the decision of the Finance Committee arising from the Catering restructuring proposals considered at the meeting of 7 February 2007.

The Committee was advised by Mr H. Kearns, a member of the Catering Management Committee, that a strict budget of €1.5m had been indicated to the Catering Management Committee and that the Committee had been informed that there would not be significant deviation from this budget. The Treasurer also advised an equivalent confirmation from the Director of Accommodation and Catering who indicated that a strictly defined budget had been notified to the Director of Buildings Office. The Committee re-confirmed its decisions of 7 February 2007 on this basis.

**FN/06- 07/53** **Research – TCIN**  
(Minute FN/06-07/51 Research – TCIN)

The Treasurer briefed the Committee that the Pro Dean of Research and the Treasurer have commenced their review as requested but indicated that it was unlikely that the matter would be ready for consideration by 7 March 2007. The Treasurer suggested that she would seek a special meeting of the Finance Committee to consider this matter towards the end of March and the Committee agreed.

**FN/06- 07/54 Faculties and Budgeting**

The Committee had been circulated with a draft consultation document from the Strategic Change Management Group (SCMG) in relation to the principles associated with budgeting arrangements for new faculties. The Committee noted that the document would be considered by a number of groups en route to the Restructuring Advisory Group, Council and Board. The Committee noted certain proposals in relation to strategic funds within faculties may not be equally applicable to all faculties given their individual sets of circumstances but that this matter would remain to be considered at a later date. In relation to the level of the strategic funds which might exist within a faculty the Committee underlined the need for a strategic investment of all resources and the need for a Faculty Dean to have funds available for investment. The Bursar and Senior Lecturer clarified a number of matters arising from queries raised in relation to the role of Officers, the Senior College Management Team and ARAM. The Committee noted that Deans would have the full authority, responsibility and accountability in relation to the total budget of the Faculty and the associated strategic and efficient investment of all resources. The Committee further noted that the broad principles outlined would provide the basis for moving forward towards the development of detailed policies/frameworks which would be necessary to provide the infrastructure for devolution in due course. As College budget control and management is a matter within the remit of the Finance Committee they requested that the final version of the document be referred to them for review.

**Action:**

54.1 The Bursar and Senior Lecturer to send the Finance Committee the final document on faculty budgeting.

**Section B****FN/06 – 07/55 Recurrent Income and Expenditure Estimates – 2007**

A memorandum and detailed attachments from the Deputy Treasurer and Financial Resources Manager dated 14.02.2007 had been circulated to the Committee. The memorandum set out the policy issues which had been considered and re-confirmed by the Executive Officers, notes in relation to the core recurrent grant allocation, specific strategy issues in relation to the calendar year estimates 2007, income and expenditure issues/risks. The estimated outturn for the calendar year 2008, draft correspondence to the HEA in accordance with Section 37 (5) of the Universities Act 1997 and draft correspondence to the HEA under the Framework for Borrowing and Loan Guarantees. Attached to the memorandum was HEA correspondence dated 24 January 2007 and 31 January 2007 along with details of the basis of the preparation of the estimates for the calendar year 2007 along with comparable data for the financial years 2005 and 2006 with detailed explanatory notes.

The Finance Committee in the first instance considered detailed elements of the estimates which show a deficit for 2007 of €6.965m which must be seen in the context of already accumulated deficits of €6.675m. The Committee, following some small issues of clarification, accepted the estimates as presented and requested that the following matters be brought to the attention of the Board:

- The deficit of €7m arises as a result of FTWA costs of €5m which remain unfunded along with a further €2m in HEA grant withheld pending the outcome of various student number audits currently being undertaken which will inform the final grant allocation for 2007 and which will not be known for some time.
- The Finance Committees expressed its concern in relation to uncertainties and instabilities arising in relation to the allocation of funding on a year by year basis rather than creating a strategic approach to funding 3<sup>rd</sup>/4<sup>th</sup> level activities through the introduction of multi-annual budgeting.
- The Committee noted that the Provost had set up a small group to review the principles of the HEA Funding Model with a view to meeting the HEA at an early date to outline the impact of the principles of the model for TCD and the sector. Major concerns include the fixed nature of the grant in the context of uncontrolled student numbers and the introduction of significant new initiatives including the 4<sup>th</sup> level which remain unprovided for in the teaching grant context which will have consequences for students at all levels in the University sector.
- The risk that the College may get no further grant in the current year and that the increase in baseline grant will have been restricted to 3% while the grant increase available for the sector will have been 5% should be seen in the context of cost increases of between 6% and 7%.
- The Committee reiterated its concern at the lack of investment in equipment, backlog maintenance, Health and Safety Capital related issues and new Management Information Systems needs. The Committee noted the potential impact of these issues for the delivery, quality and composition of the College's academic programme at all levels, the state of the fabric of the College and potential Health and Safety issues.
- The Committee requested that Heads of School be reminded that the level of unspent balances/reserves requires careful management in the coming year.
- The Contingency Fund included in the Estimates should be used for strategic investment in once-off initiatives particularly in the context of our at present uncertain future funding environment.
- Requests had been received for additional resources in various areas had been submitted to Executive Officers as part of the Estimates but Executive Officers have deferred consideration of the submissions. The Committee noted that it would not have a role in resource allocation.
- A recommendation from the Committee that any buoyancy arising from a review of the estimates later in the year in the context of the deficit outlined might make some once-off contribution towards the long-standing capital deficit.
- Supplementary grant should be used to assist restructuring and re-profiling of the existing cost base.

The Committee noted the tabled minutes of the special Executive Officers meeting of 9 February 2007 recommending approval of the Estimates.

The Finance Committee recommends that the documentation as presented to the Finance Committee should be circulated in full to the Board with the request that detailed queries should be notified to the Treasurer by noon on 27<sup>th</sup> February 2007 in advance of the Board meeting on 28<sup>th</sup> February 2007 so that the Board may have a full opportunity to address the strategic issues and matters of concern arising from the Estimates.

Action:

55.1 The Treasurer to forward Estimates to the Board for 28<sup>th</sup> February 2007.

The Committee had been circulated with a note of the meeting between the IUA and SFI on Friday 9<sup>th</sup> February 2007 in relation to overheads and grant claim cycles. The meeting addressed the underlying principles, the timing of the payment of overheads, the linking of overheads to individual grants albeit that the overheads remain institutional overheads, the requirement for a significant reconciliation process on overheads back to day 1 of each contract, new reporting claim/payment requirements and other issues in relation to the application of overheads. The Treasurer expressed her concern, which was endorsed by the Committee, in relation to a further significant change in the handling of overheads which is the third since the advent of SFI in 2001. Concern was also expressed in relation to the introduction of a new claims process retrospective to the claim period to 31 December 2006 where SFI had already confirmed the application of already existing claims procedures. The Treasurer indicated the extent of the exercise now required and the resources associated therewith and the necessity to have the matter brought to a conclusion at an early date if the College was not to find itself penalised in terms of cashflows.

Action:

- 56.1 The Treasurer to report to the Finance Committee on completion of the SFI claims process and the associated major reconciliation exercise in due course.

**Section C**

**No items**

**N.B.**

The next meeting of the Finance Committee has been arranged for **28 March 2007 at 2.30 pm**, in the Board Room. There will be no meeting on 7 March 2007.

PROVOST.....

DATE.....

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