

**THE UNIVERSITY OF DUBLIN  
TRINITY COLLEGE**

The Minutes of the Finance Committee Meeting of 18 February 2008

PRESENT: The Bursar (in the Chair), the Senior Lecturer, Professor M. Marsh, Professor J. Parnell, Ms. P. Murphy, the Secretary, Mr. A. Byrne, the Treasurer (Acting) - Secretary of the Finance Committee

IN  
ATTENDANCE: Research Accounting Manager

APOLOGIES The Provost, the Registrar

(PRESENT  
FOR)

The Minutes of the Meeting of 6 February 2008 were approved and signed.

**Section A**

None

**Section B**

**FN/07 – 08/45 Student Fees 2008/09 – Non-EU and Postgraduate**  
(Minute FN/07-08/39 of 6.02.2008 refers)

It was agreed that the Treasurer (Acting) would request the Faculty Deans along with the Dean of Graduate Studies to commence the process of agreeing a more simplified fee structure in time for the 2008/09 year.

Action:

45.1 The Treasurer (Acting) to write to the Faculty Deans.

**FN/07 – 08/46 Recurrent Income and Expenditure Estimates – 2008**

A memorandum from the Treasurer (Acting) dated 12.02.2008 had been circulated to the Committee with the following attachments:

- The HEA Recurrent Grant Allocation Letter dated 24 January 2008 along with accompanying tables
- The Basis of Preparation of 2008 Estimates of Income and Expenditure
- 2008 Estimates of Income and Expenditure with explanatory notes
- 2009 High Level Estimates of Income and Expenditure including and excluding Research
- Draft letter from the Provost, on behalf of the College, to the HEA under the Framework for Borrowing and Loan Guarantees
- Terms of Reference of the Finance Committee

The memorandum set out the policy issues which had been considered and re-confirmed by the Executive Officers along with detailed information in relation to the 2008 core recurrent grant allocation. The Committee noted in particular the following:

- The current developments in relation to the Recurrent Grant Allocation Model (RGAM) which is now in its third and final year of implementation
- The core recurrent grant for the Universities for 2008 represented an increase of 3.2% over the outturn for 2007 with the 2008 grant allocation for the College being determined via the RGAM with a moderating mechanism (in the context of the tight recurrent grant) of +/- 1% compared to +/- 2% in prior years
- The outturn of the allocation process is a recurrent core grant to College of €94.63m
- The grant allocation determined by the RGAM without the moderator mechanism would result in a reduction of c.€2.5m (2.7%) over 2007 and that the HEA has requested the College to set out its plans to deal with the implied reduction going forward
- With regard to Skills Funding the HEA have requested that the amount per student as notified be allocated to appropriate schools at a minimum. As this represents a departure from existing HEA guidance where the internal allocation of funds between teaching and research is a matter for each institution, the Committee requested the ARAM Task Force to consider the implications of this new requirement on College's internal resource allocation as determined by the ARAM model
- The Senior Lecturer drew the Committee's attention to Table 2 of the detailed workings of the RGAM regarding the element of the 2008 Grant allocation driven by research related activity. It was agreed that the sectoral data now available with regard to research income per academic staff member and research student numbers be brought to the attention of the Strategy Planning Task Force at the earliest opportunity

The Treasurer (Acting) tabled the minute of a Special Meeting of Executive Officers of 8 February 2008 at which an Estimates memorandum dated 6.02.2008 and accompanying schedules were considered in detail. The Officers were advised that the projected deficit position of the College arose mainly from the necessity to make provision for the Protection of Employees (Fixed Term Work) Act, 2003 (FTWA) and it was agreed that, pending resolution of the negotiations with the HEA in regard to this, the College must continue to make provision for this liability. The Committee noted that the Executive Officers had considered and approved the majority of the funding requests received (subject to some minor caveats) on a once-off basis and also agreed that the Estimates as modified for the approved allocations should be forwarded for consideration to the Finance Committee and thence to Board.

The Committee considered the 2008 Income & Expenditure Estimates as circulated setting out a deficit of €3.4m after making a provision for the FTWA and a Contingency Fund to meet possible unforeseen/unplanned expenditure requirements before the year-end. The Committee was fully aware of the potential for a significant positive variance to the estimated outturn at 30 September 2008 if the Contingency Fund is not utilised. The Treasurer (Acting) drew the Committee's attention to the High Level Estimated Outturn for the Calendar Year 2009 (based on certain assumptions made in terms of projected income and both pay and non-pay expenditure) that identified a recurrent deficit of c. €7.4m after provision for FTWA liabilities.

The Committee noted that in accordance with Section 37 of the Universities Act, 1997 the Provost, as the College's Accounting Officer, is required to inform the HEA if the Board approve expenditure that is likely to result in a material departure from budget leading to a recurrent deficit position.

To assist the Committee in its consideration of the overall Estimates, the Treasurer (Acting) tabled a memorandum dated 15 February 2008 titled 'Funding 2008'. It outlined briefly the current position in respect of the current FTWA provision(s), incremental

funding now available from an additional HEA supplementary grant received in December 2007, the release of certain provisions held at 30 September 2007 and the contingency fund provision in the 2008 Estimates. The Committee noted that the Provost and the Executive Officers are currently considering the allocation of the once-off funding now available (in terms of strategic initiatives, the future impact of the HEA's RGAM, high level risks, reduction in accumulated deficit, etc.) and after discussion and consultation will bring forward proposals to Board for approval. The Committee requested the Executive Officers to be mindful of the high level recurrent deficit position projected in 2009 and the objective of returning to a balanced recurrent budget by 2010/11 when making decisions associated with the funding now available.

In the context of its Terms of Reference, the Finance Committee:

- noted the reduction in grant of 2.7% over 2007 as determined by the RGAM without the application of the moderating mechanism and recommended that the decision by Board in June 2007 with regard to accelerating key elements of the College's Strategic Plan (doubling PhD numbers, increasing international students, philanthropic fundraising etc.) should form the basis of the response to the HEA in terms of how the College proposes to deal with the implied reduction in Grant going forward
- approved the 2008 Estimates for forwarding to Board
- noted the provisional estimated recurrent deficit of €7.4m for 2009
- noted the draft letter to the HEA under the Framework for Borrowing and Loan Guarantees

Action:

- 46.1 The ARAM Task Force to consider the implications of the new HEA requirement to allocate a minimum level of Skills Funding to appropriate schools on the current resource allocation as determined by the ARAM model
- 46.2 Sectoral data now available with regard to research income per academic staff member and research student numbers be brought to the attention of the Strategic Planning Task Force at the earliest opportunity
- 46.3 The Treasurer to forward 2008 Estimates to Board

**Section C**

None

**N.B.**

The next meeting of the Finance Committee has been arranged for **5 March 2008** at **2.00 pm**, in the Board Room.

PROVOST.....

DATE.....

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