



**Minutes of the Finance Committee Meeting of 12 March 2015**

**PRESENT:** Vice Provost-Chief Academic Officer (in the Chair), Bursar, Chief Operating Officer, Registrar, Professor P. Coxon (FN/14 - 15/81 to FN/14 - 15/85), President of the Students Union, Mr. J. Gorrige, Chief Financial Officer (CFO) – Secretary of the Committee.

**IN ATTENDANCE:** Deputy Chief Financial Officer

**APOLOGIES** Provost, Dean of Arts, Humanities & Social Sciences, Ms. C. Curtis, President of the Graduate Students Union

The Committee noted and approved the minutes of the meeting of 4 February 2015.

**Section A**

**No Items**

**Section B**

**FN/14 - 15/81 Innovation and Entrepreneurship Hub**  
The Dean of Research attended for this item.

The Committee welcomed the Dean of Research and considered the memorandum dated 05.03.2015, as circulated, which set out the Business Plan for the Innovation and Entrepreneurship (I&E) Hub (as approved by the Executive Officers at its meeting of 27.01.2015) under the following headings:

- National and International context for the I&E Hub
- Financial Projections (no fee model)
- Financial Projections (no fee stressed model)
- Analysis of Major Income Pipelines
- High Level Risks

The Dean of Research presented the Business Plan, which is based on conservative revenue assumptions, and outlined that the I&E Hub would be self-sustaining after a short ramp-up period during which College support will be required with any future surplus generated being used as seed funding for other innovation activities that may come forward in the future.

In response to a query, the Committee was advised that marketing costs were built into overall programme costs and the cost of a Business Development Manager was incorporated within the proposed staffing costs.

The proposed fee structure was discussed in detail and the Committee noted that, whilst some level of upfront student commitment would be required, an option to provide a fee rebate on successful course completion would be considered. The Dean of Research advised that he would consult with students via survey and would provide feedback to the Committee at the next meeting.

The Committee thanked the Dean of Research for his report and approved the Business Plan enabling the operational launch of the I&E Hub as approved by the Executive Officers.

In line with College policy, the Dean of Research will report to the Finance Committee bi-annually and was invited to provide an update in Michaelmas Term 2015, to include further clarification on the impact on overall College finances (as the business case was prepared on a marginal basis) of upward or downward movement in future revenues.

**Action**

**81.1** The Dean of Research to consult with students regarding the fee structure and provide feedback to Finance Committee at its next meeting.

**81.2** In line with College policy, the Dean of Research will report to Finance Committee bi-annually and will provide an update in Michaelmas Term 2015, including further clarification on the impact on overall College finances (as the business case was prepared on a marginal basis) of upward or downward movement in future revenues.

**FN/14 - 15/82**

**Commercialisation Strategy**

(Minute FN/14 - 15/34 of 20.11.2014 refers)

The Commercial Director attended for this item.

The Committee welcomed the Commercial Director and considered the first of the 2014/15 bi-annual reports dated March 2015 along with a summary document tabled, which detailed the following:

- Commercial Revenue Unit (CRU) Sales Q1 FY 14/15
- CRU Q1 Contribution FY 14/15
- CRU Q2 Revenue YTD 22/2/15
- Q2 CRU Initiatives
- Accommodation Review
- Revenue Metrics and Opportunity
- Trinity Library Shop Retail Review
- CRU Marketing Activity Update (including Key Marketing Initiatives)

In noting the key challenge in relation to access to space to hold summer programmes, the Commercial Director was requested to engage with the Faculty Deans (who are supporters of the CRU initiatives and who directly manage space), to seek access to particular areas of College for the summer months. The Committee also recognised that investment may be required in specific facilities and suggested that a portion of CRU revenue could be used in this regard as appropriate.

The Commercial Director advised the Committee that a key component of CRU's strategy is to support student accommodation initiatives and maximise summer lettings. It was noted that the CRU Board is considering the establishment of a Student Forum to formalise student engagement with CRU activities.

The Committee thanked the Commercial Director for his report and, in line with College policy, invited him to provide an update in Michaelmas Term 2015.

**Action**

**82.1** The Commercial Director to engage with the Faculty Deans to seek access to particular areas of College for the summer months.

**82.2** In line with College policy, the Commercial Director to provide an update in Michaelmas Term 2015.

**Annual Report of Sub Committee of Finance Committee 2013/14**

The incoming Chair of the Investment Committee, Ms Grainne Dooley, attended for this item.

The Committee welcomed the incoming Chair of the Investment Committee and considered the memorandum from the CFO dated 05.03.2015, as circulated, which set out the Investment Committee Report for the 15 month period to September 2014. The incoming Chair presented the main issues considered by the Investment Committee during this period including the key objectives and related achievements under the following headings:

- Review of quarterly investment performance
- Revised asset allocation / portfolio restructuring
- Review investment strategy and monitor income targets
- Consideration of Hedge decisions
- Key activities planned for 2014/15

In relation to a query from the last Finance Committee meeting (FN/14 - 15/73 of 04.02.2015 refers), the incoming Chair advised that the Investment Committee is considering whether the Endowment Fund could make a direct investment in College property in the future on a commercial return basis.

The incoming Chair also outlined the Investment Committee's strategy for managing foreign currency exposure in the past and into the future. In response to a further query, the CFO was requested to circulate details of the Endowment Fund's current equity holdings to the Committee.

The Committee noted the key planned activities for 2014/15 and, in the context of fundraising, also noted that the Endowment Fund could be a key aspect of future philanthropic fundraising campaigns. Finally, the incoming Chair highlighted the challenges facing the Endowment Fund regarding income generation in the current low yield environment.

The Committee thanked the incoming Chair of the Investment Committee for attending and, in line with College policy, invited her to provide an update in Trinity Term 2016.

**Action**

- 83.1** The CFO to circulate details of the Endowment Fund's current equity holdings to the Committee.
- 83.2** The incoming Chair of the Investment Committee to provide an update in Trinity Term 2016.

**2015/16 Fee Derogations – Trinity Business School**

(Minute FN/14 – 15/76 of 04.02.2015 refers)

The Committee considered the circulated memorandum from the CFO dated 05.03.2015, which set out the response from the Trinity Business School to the Dean of Arts, Humanities and Social Sciences in relation to the 2015/16 Fee Derogation for the Trinity Business School.

The Committee noted the response and the further correspondence received from the Head of the Business School as outlined by the CFO. On the basis that no compelling evidence-based rationale was provided, along with the fact that student numbers are ahead of target and a significantly weakened Euro would automatically increase the competitiveness of the fees, the Committee agreed that it was not in a position to approve the Business School's request for a fee derogation for 2015/16.

The CFO was requested to advise the Business School of the Committee's decision not to approve the fee derogation as requested.

**Action**

- 84.1** The CFO to advise the Business School of the Committee's decision not to approve the fee derogation as requested.

**FN/14 - 15/85  
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### **Student Charges**

(Minute FN/13 – 14/100 of 12.06.2014 refers)

The Academic Services Division Manager attended for this item.

The Academic Services Division Manager referred to the circulated memorandum from the VP/CAO dated 09.03.2015, which outlined the Student Charges Revised Proposals as considered by Finance Committee in June 2014 (FN/13 - 14/100 of 12.06.2014 refers), and presented the details under the following headings:

- Background
- Process
- Compromise Proposals

The Academic Services Division Manager drew the Committee's attention to the fact that, as noted by Board in June 2014 (BD/13-14/310(i) refers), extensive consultation had taken place with incoming student representatives since the beginning of Michaelmas Term on the outstanding proposals on charges for introduction in 2014/15, and a compromise had subsequently been reached.

The President of the Students' Union expressed opposition to the strategic agenda represented by the new and increased charges. He also noted the outcome of a recent Union referendum, where 80% of students voted in opposition to the measures in accordance with the current Student Charter which entitles students to vote on matters that affect the entire student body, such as levies. He acknowledged that the most significant charge in the initial proposal of six charges - to charge for supplemental exams - had been withdrawn. A minor change was suggested to two of the measures and it was agreed that these minor changes would be considered once they were received.

The President of the Students' Union expressed hope that university and student representatives could collaborate more positively in future to work toward the strategic objectives of the Trinity community as a whole.

The Committee also noted that protecting students in financial difficulty was a priority for the student representatives and agreed that the provision of waivers in respect of student charges continues to apply as appropriate.

The Committee approved the proposal as set out, agreeing that the additional minor changes to two charges, as requested by the President of the Student's Union, would be considered when received (on the basis that it would be cost neutral to the overall proposal), and recommended that it be forwarded to Board for approval.

### **Action**

#### **85.1**

The Committee approved the proposal as set out, agreeing that the additional minor changes to two charges, as requested by the President of the Student's Union, would be considered when received and recommended that the proposal be forwarded to Board for approval.

**FN/14 - 15/86**      **START Program Update**  
(Minute FN/14-15/9.1 of 22.09.2014 refers)

The Committee considered the circulated memorandum from the Deputy CFO dated 05.03.2015, which provided the first of the 2014/15 bi-annual reports on cost savings and benefits under the START Program.

The Committee noted that the START Program had now been completed and that FSD will be monitoring the costs and savings under START going forward. The Committee further noted the Cost/Benefit Summary provided and in particular that the Program is starting to deliver the benefits identified to Board. The level of investment in the Program to date and the permanent savings arising for College as a result, which will begin to manifest in 2015/16, were also noted. Thanking the Deputy CFO for her report, the Committee noted that the next report would be provided in Michaelmas Term 2015.

**Action**

**86.1**              The Deputy CFO to provide report in Michaelmas Term 2015.

**Section C**

**FN/14 - 15/87**      **Quarterly Accounts to 31.12.2014**

The Committee noted and approved the memorandum from the Financial Resources Manager, Projects Accounting Manager and Financial Planning Manager dated 05.03.2015, which set out a summary of the financial position in addition to further enhanced information across the following categories:

- Financial Analysis of College Faculties, Divisions & Other Areas (excl. Research)
- Research
- Analysis of Capital Projects

**FN/14 - 15/88**      **Borrowing Framework**  
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In considering the memorandum and accompanying documents from the Financial Planning Manager dated 05.03.2015, which set out the Borrowing Framework template for the academic year 2013/14, the Committee noted the College's compliance with the current framework and that the FSD is currently engaging with the HEA regarding the new EIB loan in terms of any possible impact on the Borrowing Framework. The Committee requested that it be forwarded to Board for noting.

**Action**

**88.1**              The Borrowing Framework template to be forwarded to Board for noting.

**FN/14 - 15/89**      **Treasury Management Quarterly Update**

In accordance with the Treasury Management Policy, the Committee noted the circulated memorandum and accompanying appendices from the Financial Planning Manager dated 05.03.2015, setting out an update for the period from 1 October 2014 to 28 February 2015.

**FN/14 - 15/90 Purchasing Card (PCard) Response**

The Committee noted the memorandum from the Finance Operations Manager dated 05.03.2015 as circulated, along with the attached documents including the Internal Audit Review of Purchasing Cards (PCards) dated November 2014 and the minute setting out the Executive Officers approval (EO/14-15/197 of 17.02.2015 refers) of the recommendation for the re-introduction of a significantly scaled back PCard Program, which will be implemented by the FSD by the end of June 2015.

**FN/14 - 15/91 Planning Group Report #12**

The Committee noted the circulated memorandum from the VP/CAO dated 04.03.2015 and the accompanying Report #12 of the Planning Group for the period mid June 2014 to mid-February 2015, which had been considered and approved by Board on 25.02.2015. The Committee further noted that the report highlighted various initiatives underway to achieve the Strategic Plan's financial targets including incentivising Schools in the Global Relations Strategy.

**FN/14 - 15/92 FIS/GeneSIS/EA & HR Project Updates**

The Committee noted the memorandum from the ISS Projects Office dated 03.03.2015 and the accompanying financial updates in respect of each of the four College Projects.

**FN/14 - 15/93 Residential Rent Review – Charges 2015/16**

The Committee considered the circulated memorandum from the Accommodation Officer dated 03.03.2015, in relation to proposed residential rental charges for the 2015/16 academic year, which were informed by the need to recover cost increases occurring since the last increase in residential charges in 2014/15 with construction related costs showing evidence of increasing ahead of the consumer price index, along with the need to meet the increasing repayments on the Trinity Hall Development.

The Committee approved the increase in residential charges for 2015/16 as set out, noting the dissent of the President of the Students Union.

**FN/14 - 15/94 Finance Committee Self Evaluation 2014-15 Draft Questionnaire**

The Committee considered the circulated memorandum from the CFO dated 05.03.2015, which included a draft Finance Committee Self-Evaluation Form for 2014/15. Following receipt of suggested amendments to this document (if any); the agreed self-evaluation forms will be circulated to Committee members for completion within the agreed timeframe in order that the outcome of the process may be considered at the final Committee meeting on 08.06.2015.

**Action**

- 94.1** Members to review the self-evaluation forms and revert with their amendments within the agreed timeframe.
- 94.2** The outcome of the Self-Evaluation process to be considered at the final Committee meeting on 08.06.2015.

**FN/14 - 15/95 Finance Committee – Conducting Business Electronically**

In response to the Finance Committee Self Evaluation for 13/14, the Committee noted the memorandum from the CFO dated 05.03.2015 in relation to moving to an electronic system of organising and circulating documents for Finance Committee. The Committee approved the roll-out of BoardPad from September 2015, with a review of member’s requirements in relation to document circulation and accessibility to be conducted in advance.

**Action**

**95.1** A review of Committee member’s requirements in relation to electronic document circulation and accessibility to be conducted in advance of the rollout of BoardPad in September 2015.

**FN/14 - 15/96 Minutes of Sub-Committees**

The Committee noted the draft minutes of the Investment Committee meeting of 11.02.2015, as circulated.

**FN/14 - 15/97 Minutes of Audit Committee**

The Committee noted the draft minutes of the Audit Committee meeting of 12.02.2015, as circulated.

**FN/14 - 15/98 Minutes of Estates Policy Committee**

The Committee noted the draft minutes of the Estates Policy Committee meeting of 06.02.2015 as circulated, subject to a minor change as advised by the CFO.

**FN/14 - 15/99  
XX Related Entity Financial Reporting**

The Committee noted the Director’s Report and audited Financial Statements of Ghala Limited for the year ended 30 September 2014, the Letter of Representation to KPMG dated 27 February 2015, along with the unqualified audit report from KPMG and recommended that they be forwarded to Board for noting.

**Action**

**99.1** The Director’s Report and audited Financial Statements of Ghala Limited for the year ended 30 September 2014, the Letter of Representation to KPMG dated 27 February 2015 and unqualified audit report from KPMG to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for Friday, 8 May 2015 at 2.30pm in the CRANN Boardroom.

An unscheduled meeting may be required in April 2015 and the CFO will advise accordingly if required.

PROVOST.....

DATE.....