



Minutes of the Finance Committee Meeting of 8 May 2015

PRESENT: Provost (in the Chair), Vice Provost-Chief Academic Officer, Bursar, Chief Operating Officer, Registrar, President of the Students Union, Mr. J. Gorringe, Ms. C. Curtis (by teleconference from FN/14 - 15/104), Chief Financial Officer (CFO) – Secretary of the Committee

IN

ATTENDANCE: Deputy Chief Financial Officer, President of the Graduate Students Union

APOLOGIES: Dean of Arts, Humanities & Social Sciences, Professor P. Coxon

The Committee noted and approved the minutes of the meeting of 12 March 2015 and the circulated Status Report on the Finance Committee Action List dated May 2015. Further to the Committee's review, matters arising from the minutes and updated action points are minuted separately below (minute FN/14-15/100 to FN/14-15/102 refers).

Section A

No Items

Section B

FN/14 - 15/100 Commercialisation Strategy
(Minute FN/14-15/82.1 of 12.03.2015 refers)

The Committee noted that the Commercial Director was currently developing a proposal on space allocation for commercial activities over the summer months, which will be considered in due course by the Executive Officers Group and subsequently circulated for noting by Finance Committee.

Action

100.1 The Commercial Director to develop a proposal on space allocation for commercial activities over the summer months, which will be considered in due course by the Executive Officers Group and subsequently circulated for noting by Finance Committee.

FN/14 - 15/101 2015/16 Fee Derogations – Trinity Business School
(Minute FN/14-15/84.1 of 12.03.2015 refers)

The CFO briefed the Committee on the response from the Dean of the Business School indicating that fee increases for 2015/16 are not possible at this time as many course places have been filled / deposits have been paid on course fees that have been advertised since Autumn 2014. The Dean requested that the College adopts a policy to review fees 18 months in advance of course commencement so that fee charges can be built into the course marketing campaign.

The Committee agreed with the Dean's response in relation to fee increases for the Trinity Business School and requested that fee levels in 2016/17 should recoup 2015/16 fee increases foregone.

Action

101.1 The Dean of the Business School to recoup 2015/16 fee increases foregone as part of fee level adjustments in 2016/17.

FN/14 - 15/102 Student Charges
(Minute FN/14-15/85.1 of 12.03.2015 refers)

The Committee noted that, as the student charges issue is under appeal to the Visitor, no further action in relation to the Student Charges Revised Proposals will be taken until the appeal process is concluded.

Action

102.1 Student Charges Revised Proposals to be considered post the appeal process.

FN/14 - 15/103 Industry Strategy
(Minute FN/13 - 14/92 of 15.05.2014 refers)

The Dean of Research and the Director of Trinity Research and Innovation attended for this item.

The Committee welcomed the Director of Research and the Director of Trinity Research and Innovation and considered the paper dated May 2015 as circulated, which set out the update on the Industry Research Strategy under the following headings:

- Executive Summary
- Year 2 Financial Summary
- Balanced Scorecard
- Sustainability
- Activity
- Risk

The Committee noted that the Industry Strategy is on target with €2m of new industry cash contracts secured, exchequer co-funding of industry activities significantly up and a very strong return on investment achieved, with the half year target of €704k being only 5% short of the projected annual target. Also highlighted was the fact that distribution of research activity has been broadened and new and expanded industry relationships have been established.

In noting the two amber metrics on the Balanced Scorecard in relation to total industry cash income and meetings offsite with industry, the Committee was advised that work is underway with the Human Resources Division in relation to promoting change capability and encouraging further offsite industry liaison.

The Committee, in welcoming the progress to date, thanked the Dean of Research and the Director of Trinity Research and Innovation for their report and invited them to provide an update in Michaelmas Term 2015.

Action

103.1 The Dean of Research and the Director of Trinity Research and Innovation to provide an update in Michaelmas Term 2015.

FN/14 - 15/104 Research Funding Diversification Strategy
(Minute FN/13 - 14/93 of 15.05.2014 refers)

The Dean of Research and the Director of Trinity Research and Innovation attended for this item.

The Dean of Research and the Director of Trinity Research and Innovation introduced the paper dated May 2015 which detailed the Diversification Plan under the following strands:

- Horizon 2020
- US Funding

On considering the update including Risks, Grant Awards and the Balanced Scorecard, the Committee noted that Horizon 2020 funding is ahead of target with more applications submitted and more Principal Investigator engagement than expected. However given the heavy over-subscription for H2020 awards, the success rate for Trinity College is only just ahead of the EU average. The Dean of Research highlighted the importance of keeping Principal Investigators engaged and commented on evidence that re-submissions can be very successful if channelled to the appropriate funding agencies.

The Committee was advised that the US Funding return is below target and would require further detailed review to investigate if the US Funding strategy can deliver. Further to a query, the Dean of Research assured the Committee that specific initiatives are in place to increase Wellcome Trust funding.

The Committee thanked the Dean of Research and the Director of Trinity Research and Innovation for their report and invited them to provide an update in Michaelmas Term 2015.

Action

104.1 The Dean of Research and the Director of Trinity Research and Innovation to provide an update in Michaelmas Term 2015.

FN/14 - 15/105 Early Stage Investment Fund

The Director of Trinity Research and Innovation and the Dean of Research attended for this item.

The Director of Trinity Research and Innovation presented his paper dated 08.05.2015 as circulated, which set out the Early Stage Investment Fund under the following headings:

- Background Context
- Proposed Funding Source
- Vision
- Key Characteristics of Fund
- Fund Strategy
- Best International Practice Structure
- Investment Required
- Fund Investment Profile Summary
- Expectation of Fund Performance
- Target Major Milestones
- Conclusions

The Committee was advised that College had been collaborating for the last 12-18 months with another Institution on the development of the Early Stage Investment Fund proposal and now require approval in principle for a cornerstone investment from each institution, noting that Irish and European agencies had been approached and may also co-invest in this fund. It was noted that the other Institution had already secured approval for its cornerstone investment and the Committee was requested to conditionally approve an investment, to be sourced from the Endowment Fund, subject to approval by Investment Committee.

The Committee advised that the Director of Research and Innovation should examine a variety of fee models in relation to the fee arrangements for the Fund Manager and further to a query, the Director of Trinity Research and Innovation advised that the Fund was targeting a commercial return with a minimum return of capital.

The Committee thanked the Director of Trinity Research and Innovation for attending and approved the investment funding required, subject to approval by the Investment Committee.

Action

105.1 Investment Committee to consider the funding required for the Early Stage Investment Fund.

FN/14 - 15/106 Science Gallery

(Minute FN/54.1 of 19.12.2014 refers)

The Interim Director/Head of Area, Science Gallery and the Associate Director of Trinity Foundation attended for this item.

The Committee welcomed the Interim Director/Head of Area, Science Gallery and the Associate Director of Trinity Foundation and considered the second of the bi-annual reports, dated 24.04.2015 as circulated, which set out an update on the financial status of the Science Gallery.

The Committee was advised that the Science Gallery has secured funding for two new projects to carry out workshops and events with project partners in Europe and details of additional funding secured in Q1 and Q2 were outlined.

The financial position for Q1 and Q2 was noted along with a reforecast for Q3 and Q4 and the Committee was advised that, due to investment in technology, the Science Gallery was budgeting a transfer of 50% of the agreed level of repayment to set against its start-up deficit.

The Committee noted that philanthropic/sponsorship income is at 51% against target and income from activities is running at 33% against target however the Science Gallery remains on target to achieve the planned commercial revenue in this financial year. The Committee was further informed that strategic capital development projects are underway to further support and capitalise on commercial opportunities and details of key projects during the first two quarters were outlined.

Noting that the Gallery was at a mature stage of the fundraising cycle in a very competitive marketplace, the Committee was advised that the Science Gallery Board was reviewing the suitability of its long term funding model. When completed, an updated funding strategy will be circulated to the Finance Committee in Michaelmas Term 2015 subject to prior consideration by Executive Officers.

While noting the ongoing need to invest in new technology and infrastructure renewal, the Committee agreed that the Gallery should maintain the repayment of the start-up funding at the agreed rate and agreed timeframe.

Finally, the Committee was advised that the Gallery had met with a retail consultant to assist with maximising commercial income opportunities.

The Committee thanked the Interim Director/Head of Area, Science Gallery and the Associate Director of Trinity Foundation for their report and invited them to provide an update in Michaelmas Term 2015.

Action

- 106.1** The Science Gallery to provide an updated funding strategy to Finance Committee in Michaelmas Term 2015 subject to prior approval by Executive Officers.
- 106.2** The Science Gallery to maintain the repayment of the start-up funding at the agreed rate and agreed timeframe.
- 106.3** The Interim Director/Head of Area, Science Gallery to provide an update in Michaelmas Term 2015.

FN/14 - 15/107 The Lir (National Academy of Dramatic Art at Trinity College)

(Minute FN/13 – 14/66 of 19.02.2014 refers)

The Chair of the Lir Board and the Director of the Lir attended for this item.

The Committee welcomed the Chair of the Lir Board and the Director of the Lir who referred to the circulated memorandum dated 08.05.2015, which provided an update in relation to the Lir under the following headings:

- Introduction
- Current Position
- Current Risks
- Achievements to date
- Outlook
- Strategic Review
- Facilities Expansion

Details of the company structure, financial arrangements and aspects of the governance, which were provided in the previous report (Minute FN/13-14/66 of 19.02.2014 refers) were noted by the Committee. The key achievements of the Lir over a short period of time were acknowledged and the Committee noted that the Lir expects to achieve a trading surplus in advance at the end of its original 5-year agreement with the College.

The Committee thanked the Chair of the Lir Board and the Director of the Lir for their report and invited them to provide an update in 2016.

Action

107.1 The Chair of the Lir Board and the Director of the Lir to provide an update in 2016.

FN/14 - 15/108 Procurement Strategy 2015 - 2019

The Procurement Officer attended for this item.

The Committee welcomed the Procurement Officer who tabled a supplementary slide presentation of the key points in the draft Procurement Strategy, which was included with the circulated memorandum dated 01.05.2015. The Committee noted that the Strategy seeks to address the College's management of its Non-Pay expenditure for the period 2015-2019 and to re-position Procurement as a strategic partner within College.

The Committee considered the draft Procurement Strategy under the following headings:

- Objectives
- Strategy Drivers
- Procurement achievements to date
- Procurement Capability Assessment
- Sourcing
 - Office of Government Procurement (OGP)
 - Education Procurement Service (EPS)
 - Impact of OGP and EPS
- Purchasing – FIS
- Supplier Category Management

The Procurement Officer advised the Committee that a Procurement Capability Assessment was carried out, which sets out the structured process by which Procurement in FSD would be repositioned to become a strategic partner for budget holders in sourcing, purchasing and supplier management.

The Committee was supportive of the proposed strategy and noted that continued investment in four posts was necessary to maintain procurement savings achieved to date and to deliver the benefits of the new financial information system to the College.

The Committee recommended that the draft strategy be updated to include measurable targets in relation to:

- Supplier rationalisation
- Savings
- Procurement's influence on savings achieved

The updated strategy should then be circulated to Executive Officers and come back to the Finance Committee for noting. The Committee also agreed that the Procurement Strategy should be reviewed by the Finance Committee twice annually once approved by Executive Officers.

Action

- 108.1** The draft Procurement Strategy to be updated to include measurable targets on supplier rationalisation, savings and procurement's influence on the savings achieved.
- 108.2** Updated Procurement Strategy to be circulated to Executive Officers and returned to the Finance Committee for noting.
- 108.3** Procurement Strategy to be reviewed twice annually by the Finance Committee.

**FN/14 - 15/109
XX EIB Loan – Request for Approval**

The Committee considered the circulated memorandum from the Financial Planning Manager dated 01.05.2015, which provided details of approval required for an additional loan from the European Investment Bank.

The CFO outlined the purpose, terms and covenants of the loan, along with other conditions and the Committee noted the four capital projects to be funded from the loan and advised that the EIB loan will not exceed 50% of the total project costs.

The Committee was advised that, following negotiations with the HEA, confirmation was received that two of the specific projects fall outside the Borrowing Framework, as they have been deemed self-financing by the HEA. The CFO informed the Committee that he is engaging with the Dean of the Business School in relation to its growth plan, which will be remodelled to incorporate the benefits of the fixed interest rate on the EIB loan.

The Committee approved the recommendation to accept the EIB loan at a fixed interest rate for 30 years (subject to change until actual drawdown), noting that a break fee would be incurred if the College sought an early exit to this fixed rate arrangement, and recommended that the proposal be forwarded to Board for approval.

Action

- 109.1** The proposed EIB loan to be forwarded to Board for approval.

**FN/14 - 15/110
XX 2014/15 Estimates of Income & Expenditure**

The Director of Financial Planning & Risk Management and the Senior ABC/FECP Accountant attended for this item.

The Committee welcomed the Director of Financial Planning & Risk Management and the Senior ABC/FECP Accountant and considered the circulated memorandum dated 01.05.2015 which provided details of the Consolidated Financial Estimates 2014/15.

The Director of Financial Planning & Risk Management briefed the Committee on the operating position highlighting that, contrary to the Board mandate to operate within a balanced budget, the projected deficit for 2014/15 is due to insufficient budget allocation and College spending more than it is generating in overall terms.

The Committee expressed concern at the inability of College to achieve a balanced operating budget, acknowledging that the Planning Group had considered the projected deficit on two occasions in the last month and are currently working to bridge the gap by managing resources in a very challenging environment and are reviewing various options including deferring recruitment of posts, redeployment and a voluntary severance scheme.

Following agreement that further intervention is now required to address the forecasted deficit, the Committee requested that the Strategic Staffing Sub-Group meet regularly in order to review all post applications. The Committee also requested that the Sub- Group ensure that posts are advertised and filled internally where possible and that clear criteria are developed to assist in the selection of posts to be approved. The Committee requested that a clear communications plan in relation to the role of the Strategic Staffing Sub-Group be prepared by the Interim Director of HR.

Finally, the Committee also noted that, given the recent investment in IT, there should be capacity to reduce costs in the areas of Administrative, Technical and Support across College over time.

Action

- 110.1** The Strategic Staffing Sub-Group to meet regularly to review all post applications.
- 110.2** The Strategic Staffing Sub-Group to ensure that posts are advertised and filled internally where possible and clear criteria to be developed by the Interim Director of HR to assist in the selection of posts to be approved.
- 110.3** The Interim Director of HR to prepare a communications plan in relation to the post approval process.

FN/14 - 15/111 Trinity Translational Medical Institute (TTMI)

The Interim Director Designate for TTMI attended for this item.

The Committee welcomed the Interim Director Designate for TTMI and considered the circulated memorandum dated 01.05.2015 which provided details of the proposed Trinity Translational Medicine Institute under the following headings:

- Financial budget and proposal for TTMI
- TTMI Executive Summary

Having been advised that the proposal was already considered by Executive Officers at their meeting of 07.04.2015 and approved by the Research Committee at its meeting of 28.04.2015, the Committee acknowledged the clear academic basis for establishing the Institute. The Committee noted however that the financial basis for establishing TTMI required a further review, given the financial challenges facing the School of Medicine, to be provided at a future meeting. The potential of the TTMI for future revenue generation with philanthropy and research funding opportunities was noted.

The Committee requested the CFO to engage with the Dean of the Faculty of Health Sciences and the Head of the School of Medicine to review the financial case for establishing the TTMI, also noting that the Provost intended to meet with the Faculty Dean and the Head of School.

Action

- 111.1** The Interim Director Designate for TTMI to provide an updated report with detailed financial review to Finance Committee at a future meeting.
- 111.2** The CFO and Provost to engage with the Dean of the Faculty of Health Sciences and the Head of the School of Medicine to review the financial case for establishing the TTMI.

Section C

FN/14 - 15/112 Policy, Practice and Regulations on Intellectual Property (Minute 51.2 of 19.12.2014 refers)

The Committee considered the circulated memorandum from the Dean of Research dated 01.05.2015, which set out a summary of the application of the University's Intellectual Property (IP) Policy as it relates to IP created by Trinity students and outlined the application of that policy to participants in the LaunchBox programme. The Committee also noted that the policy does not propose any changes to the University's Intellectual Property Policy.

FN/14 - 15/113 C&AG Recommendations 11/12 and 12/13 Audits

The Committee considered the memorandum from the CFO dated 01.05.2015 as circulated along with the attached Comptroller & Auditor General's letter outlining the recommendations in relation to its FY12 and FY13 audits. The Committee noted the management responses that had been compiled including input and contributions from the relevant areas in College where the issues arose, and acknowledged that this paper was approved by Executive Officers on 28 April 2015 and will be forwarded to Audit Committee for noting.

Action

113.1 The C&AG Recommendations 11/12 and 12/13 Audits to be forwarded to Audit Committee 2015 for noting at their next meeting scheduled for 18.06.2015.

FN/14 - 15/114 Memorandum of Annual Accountability and Budget Meeting with the HEA

The Committee noted the circulated memorandum from the Senior ABC/FECP Accountant dated 01.05.2015, setting out a summary of the Annual Accountability and Budget Meeting with the HEA on 16.04.2015. The Committee considered the details of the meeting, which included a presentation by the CFO on the College outturn for 2013/14 and its projected outturn for 2014/15 and other topics such as governance, ECF update and capital projects.

FN/14 - 15/115 Consolidated Financial Statements 2011/12 & 2012/13 – FRS12 (Minute FN/35.2 of 20.11.2014 refers)

The Committee noted the memorandum from the CFO dated 01.05.2015 as circulated, along with the attached correspondence confirming that the HEA is not in a position to provide any guarantee in relation to the Model Scheme and Pension Supplementation. The Committee was also advised that the CFO plans to seek legal advice to resolve this issue, which was also noted previously by Board.

Action

115.1 As noted by Board, the CFO to seek legal advice in relation to the Model Scheme and Pension Supplementation guarantee.

FN/14 - 15/116 Sports Levy

The Committee considered the circulated memorandum from the Head of Sport & Recreation dated 30.04.2015, noting the increase in the Student Sports levy from 2015/16, as passed by an 88% majority in the Student Referendum held recently.

FN/14 - 15/117 Minutes of the Commercial Revenue Unit Board

The Committee noted the draft minutes of the meeting of the Commercial Revenue Board dated 03.03.2015 as circulated.

FN/14 - 15/118 Minutes of the FIS User Group

The Committee noted the draft minutes of the FIS User Group meeting dated 05.03.2015 as circulated.

**FN/14 - 15/119 Minutes of the Estates Policy Committee
XX**

The Committee noted the draft minutes of the Estates Policy Committee meeting dated 01.05.2015 as circulated along with a tabled document from the Bursar outlining an updated budget for the Trinity Business School Capital Project.

The Committee was advised that the project remains within budget, given key assumptions, however a sizable portion of the contingency fund had been consumed to date due to planning issues. The Committee noted the risks and the potential impact on the remaining contingency provision in relation to inflation costs and possible contractor claims which were designated high risk.

The Committee were also advised that, while a provision had been made in the project budget for electrical supply to the new building, it only made up partial funding of the overall power supply project that has yet to be approved and fully funded.

The Committee requested an update on the status of the Business School project at the next meeting.

Action

119.1 The Bursar to provide an update in relation to the status of the Business School project at the next meeting on 08.06.2015.

The Committee noted the next Finance Committee meeting is scheduled for Monday, 8 June 2015 at 2.30pm in the Provost's Boardroom.

An unscheduled meeting may be required before the meeting in June and the CFO will advise accordingly if required.

PROVOST.....

DATE.....