



Minutes of the Finance Committee Meeting of 15 February 2016

PRESENT: Provost (Chair), Bursar, Chief Operating Officer, Vice Provost/Chief Academic Officer, Ms. C. Curtis, Mr. J. Gorrige, Registrar, Chief Financial Officer (CFO) – Secretary of the Committee

IN ATTENDANCE: Deputy CFO, President of the Graduate Students Union

APOLOGIES: Dean of Arts, Humanities & Social Sciences, Professor R. Gilligan, President of the Students Union

The Committee noted and approved the minutes of the meeting of 22 January 2016 and the circulated Status Report on the Finance Committee Action List dated February 2016. Further to the Committee's review, updated action points are minuted separately below (Minutes FN/15-16/89-91 refer).

Section A

No items

Section B

FN/15 - 16/89 Trinity Biomedical Sciences Building (TBSI)
(Minute FN/15-16/27 of 20.10.2015 refers)

The Committee noted that the Schools had been advised of the requirement for repayment of the outstanding capital funds for the TBSI facility and that the FSD will now recover the outstanding amounts over ten years.

Action

89.1 FSD to collect the outstanding capital funds for TBSI from the relevant Schools over ten years.

FN/15 - 16/90 Quarterly Accounts to 30.09.2015
(Minute FN/15-16/64 of 16.12.2015 refers)

Further to an update provided by the CFO, the Committee noted that the paper setting out details of the Schools'/Divisions' committed and ring-fenced reserves would come forward for consideration in Trinity Term 2016.

Action

90.1 A paper setting out the details of Schools'/Divisions' committed and ring-fenced reserves to come forward for consideration in Trinity Term 2016.

FN/15 - 16/91 Innovation and Entrepreneurship Hub
(Minute FN/14-15/81 of 04.02.2015 refers)

The Committee noted the changes to the planned Innovation and Entrepreneurship Hub as outlined by the Provost, including the establishment of an Advisory Board which will be chaired by an external member. The Committee further noted that a revised business plan, setting out the updated governance and funding arrangements, is due to be considered by Executive Officers in Hilary Term 2016 and will be brought forward by the Dean of Research for consideration in due course.

Action

- 91.1** A revised business plan for the Innovation and Entrepreneurship Hub, setting out the updated governance and funding arrangements, to be brought forward by the Dean of Research for consideration in due course.

FN/15 - 16/92**Student Accommodation: Lease Proposal for 2016/17**

The Dean of Students attended for this item.

The Committee considered the circulated paper from the Dean of Students, the Commercial Director and the Director of Estates and Facilities dated 08.02.2016, in relation to the requirement for additional student accommodation in the short to medium term to support the University's strategic initiatives, in particular in the context of the recruitment of non-EU students.

The proposal in relation to the lease of accommodation for 2016/17 (with an option to extend) was presented and the Dean of Students outlined the successful negotiations that resulted in a very competitive rent per room being delivered for students. The Committee noted the need for cross-subsidisation from other University room stock and agreed that to keep the proposed room rents below a certain level per week, all rents would be adjusted on a cost neutral basis to reflect relative value, for the duration of the arrangement, with the blended rates being brought forward for approval in due course as part of the Accommodation Office's review of pricing structures for all student accommodation in 2016/17.

In considering the provision of pastoral support, the Committee recommended that more rooms be offered at a subsidised rent to senior residents in order to maximise the support available to students and requested the Dean of Students to formalise the link between these senior residents, the Registrar of Chambers and the wardens of other accommodation facilities to ensure consistency in service levels.

Furthermore, the Committee noted the mechanism whereby rents for the leased accommodation would be collected from students in the usual manner, with the University being invoiced centrally for the full complement of rooms by the owner of the property.

Having considered the financial terms of the lease agreement, the risks as outlined along with the mitigating factors, the Committee approved the lease as proposed, noting that the University would seek to extend the arrangement for subsequent years in Michaelmas Term 2016/17, subject to a review in the year.

Action

- 92.1** All rents to be adjusted on a cost neutral basis to reflect relative value, with the blended rates being brought forward for approval in due course as part of the Accommodation Office's review of pricing structures for all student accommodation for 2016/17.
- 92.2** The Dean of Students to formalise the link between senior residents in leased accommodation, the Registrar of Chambers and the wardens of other University accommodation facilities to ensure consistency in service levels.
- 92.3** The University to seek to extend the lease arrangement as proposed subject to a review in the year.

**FN/15 - 16/93
XX****Proposed demolition of Oisín House, Printing House Extensions & Housekeeping Sheds**

The Dean of Students remained in attendance for this item.

The Committee noted the circulated paper from the Dean of Students/Project Sponsor and the Director of Estates and Facilities dated 03.02.2016 setting out plans in relation to the disposal of University land and buildings, namely the proposed demolition of Oisín House, Printing House Extensions and Housekeeping Sheds. The Committee was advised that if Oisín House was to be re-let to the current or new tenants, significant renovation works would be required to bring the building up to the necessary standard.

Further noting that the buildings are in the University's possession, freehold and in perpetuity, with no liens or covenants preventing them from being demolished, and that the request is in line with the requirements of Section 42 (1) of the Universities Act, the Committee agreed to the request to demolish the buildings and recommended it for onward consideration and approval by Board. The Committee also requested that no demolition contract be issued until Planning Permission had been received for the Oisín House student accommodation development.

Action

93.1 The request to demolish Oisín House, Printing House Extensions and Housekeeping Sheds was recommended for onward consideration and approval by Board.

93.2 No demolition contract to be issued until Planning Permission has been received for the Oisín House student accommodation development.

**FN/15 - 16/94
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Al Maktoum Centre for Islamic Studies

The Finance Partner for the Faculty of Arts, Humanities and Social Sciences attended for this item, representing the Dean of Arts, Humanities and Social Sciences.

The Committee welcomed the circulated paper from the Dean of Arts, Humanities and Social Sciences dated 15.02.2016 which set out key issues and risks in relation to the proposed Al Maktoum Centre for Islamic Studies. The Committee noted the level of investment being provided by the Al Maktoum Foundation over a ten year period and details of the costs it will cover based on a draft legal agreement, previously considered by Board.

Having briefly discussed the reputational and academic risks as outlined, the Committee noted the planned appointment of an Advisory Board, that all staff appointments to the Centre will be made in accordance with established University recruitment practice and policy and that all academic activity will also be aligned to University policy.

In considering the financial risks as set out, the Committee expressed concern in relation to pay and non-pay cost limitations within the budget and the lack of a provision for potential space needs/costs and, in the context of the revised legal agreement recently received by the Faculty, requested the CFO to engage with the Dean of Arts, Humanities and Social Sciences to seek clarification on these issues. Furthermore, the Committee recommended that consideration should also be given to the phasing of recruitment to align with an incremental increase in activity as the Centre becomes more established. The Committee also requested that detailed financial projections encompassing all activities (e.g. research and fee income) associated with the Centre be prepared as part of the submission to Board.

Noting the risks as set out, and subject to receipt of the clarifications sought above, the Committee approved the financial arrangements for the Al Maktoum Centre in principle and recommended for onward consideration and approval by Board.

Action

94.1 The CFO to engage with the Dean of Arts, Humanities and Social Sciences in relation to the contractual negotiations and to seek clarification on pay and non-pay cost limitations and space issues.

94.2 The Dean of Arts, Humanities and Social Sciences to prepare detailed financial projections encompassing all activities associated with the Centre, for inclusion as part of the submission to Board.

94.3 The financial arrangements for the Al Maktoum Centre were approved in principle and recommended for onward consideration and approval by Board.

Trinity Endowment Fund Financial Statements for the year ended 30.09.2015

The Committee had been circulated with a copy of the draft Trinity Endowment Fund Financial Statements and the draft Letter of Representation to KPMG for the year ended 30 September 2015. Having received a brief presentation from the Deputy CFO on the main highlights of the Fund in the period, the Committee noted the draft Financial Statements and agreed that they be submitted to the Audit Committee for review and onward recommendation to Board for approval. The Committee further noted that it was the intention of the auditors to issue an unqualified audit opinion following approval of the draft Financial Statements by Board. Once approved by Board, the Financial Statements will be submitted to the Charities Regulatory Authority.

Having considered the level of additions to the Fund in the financial year, in the context of the significant fundraising activities undertaken by the University, the Committee requested that Trinity Foundation prepare a report, for consideration in Trinity Term 2016, setting out details of the total funds received in 2014/15, an analysis of the recipients of the funds (including the Endowment Fund) and the timing of investment where appropriate.

Action

- 95.1** The draft Trinity Endowment Fund Financial Statements and draft Letter of Representation to be submitted to the Audit Committee for review and onward recommendation to Board for approval.
- 95.2** Trinity Foundation to prepare a report, for consideration in Trinity Term 2016, setting out details of the total funds received in 2014/15, an analysis of the recipients of the funds (including the Endowment Fund) and the timing of investment where appropriate.

Section C

FN/15 – 16/96 Provost's Expenses

The circulated memorandum from the Secretary to College dated 08.02.2016, setting out the bi-annual report of the Provost's expenses for the period 1.07.2015 to 31.12.2015 was noted. Furthermore, the Committee noted that, as indicated, all expenses incurred were approved in line with relevant University policies, no exceptional items of expenditure were incurred and that reimbursement claims (and associated supporting documentation) were available for review at the meeting.

FN/15 – 16/97 FIS Oversight Group Terms of Reference

The Committee considered the memorandum from the CFO dated 08.02.2015 and the accompanying document proposing new Terms of Reference for the FIS Oversight Group as the FIS Project comes to an end and setting out its role post-Project. Whilst noting the challenges associated with the large membership representing the interests of such a wide range of stakeholders, the Committee recognised the need for ongoing user engagement by FSD to ensure system issues and activity are logged, prioritised and addressed and that such a forum has a critical role to play in this regard.

The Committee approved the Terms of Reference for the FIS Oversight Group, subject to a reduction in the number of meetings, from 6 to 4 times each year.

The Committee further noted that the closure of the FIS Project will be based on a recommendation of FIS/FSD management to the FIS Steering Committee, with a final report being brought forward for consideration and approval by Finance Committee and Board.

FN/15 – 16/98 Insurance Renewal 2015/16

The Committee noted the circulated memorandum from the Director of Estates and Facilities dated 28.01.2016, which included the 2015/16 renewal report prepared by the University's insurance brokers, along with a copy of the Premium Summary.

The Committee further noted that the renewal process was a collaborative effort between the University, the brokers and the Intervarsity Insurance Management Group. The CFO outlined that the IUA had commissioned a feasibility study on future insurance options, including a mutual arrangement, and agreed to circulate the paper for consideration once available.

Action

98.1 A feasibility study on future insurance options to be brought forward for consideration by the CFO once available.

FN/15 – 16/99 Minutes of Audit Committee

The Committee noted the memorandum from the CFO dated 08.02.2016, the draft minutes of the Audit Committee meeting of 07.01.2016 and the BDO Internal Audit Report – FIS Implementation Follow-Up Review, as circulated, along with a document tabled by the CFO at the meeting. In discussing the concerns of the Audit Committee in relation to the FIS Project, as outlined in the draft minutes, and recognising that there have been significant improvements and enhancements in user experience in the past year with good engagement from the FIS team, the Committee noted the requirement for collective leadership and support to fully embed the system.

The Committee welcomed the benefits of improved financial governance and control at an entity level. Furthermore, the Committee acknowledged the challenges associated with implementing an enterprise wide solution on this scale, not least the change management issues associated with the new and revised business processes (affecting financial activity in all areas of the University) required to ensure benefits are delivered. In this context, the Committee also noted the need for careful analysis to differentiate system, process and change management issues in order to address them effectively.

The Committee discussed the appropriateness of Benefits Realisation moving from the FIS Project into the 21st Century Lean Administration project and noted the broad feedback from users of the system along with the FIS Infographic, which sets out key statistics in relation to activity levels on FIS. The Committee further noted that a full report on the FIS Project will be considered in Trinity Term 2016.

Action

99.1 A full report on the FIS Project to be considered in Trinity Term 2016.

FN/15 – 16/100 Minutes of FIS User Group

The Committee noted the memorandum from the CFO dated 08.02.2016 along with the draft minutes of the FIS User Group meeting of 14.01.2016, as circulated.

FN/15 – 16/101 Minutes of Commercial Revenue Unit (CRU) Board

The Committee noted the memorandum from the CFO dated 08.02.2016 along with the draft minutes of the CRU Board meeting of 17.11.2015, as circulated.

FN/15 – 16/102 Related Entity Financial Reporting (Ghala Ltd)
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Having considered the circulated memorandum from the CFO dated 08.02.2016 the Committee recommended to Board for noting the following papers in respect of Ghala Ltd.:

- Draft Financial Statements for the year ended 30.9.2015
- Draft Letter of Representation to KPMG for the year ended 30.9.2015
- Draft minutes of the Directors' meeting of 28.01.2016

The Finance Committee also noted that a resolution to dispense with Ghala Ltd's Annual General Meeting was approved at the Directors' meeting on 28.01.2016.

Action

102.1 The draft Financial Statements of Ghala Limited and the draft Letter of Representation to KPMG, for the year ended 30.09.2015, to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for Monday, 7 March 2016 at 2:30pm in the Provost's Library.

PROVOST.....

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