



Minutes of the Finance Committee Meeting of 22 November 2016

PRESENT: Provost (Chair), Bursar, Vice Provost/Chief Academic Officer, Ms. C. Curtis (from Minute 37), Dean of Arts, Humanities & Social Sciences, Mr. J. Gorringer, Mr. L. Kavanagh, Professor B. Lucey, President of the Students Union, Registrar, Chief Financial Officer (CFO) – Secretary of the Committee

IN

ATTENDANCE: Deputy CFO, Director of Financial Planning and Risk Management, President of the Graduate Students Union

APOLOGIES: Chief Operating Officer

STATEMENT OF INTEREST No statements of interest were declared.

The Committee noted and approved the minutes of the Finance Committee meeting of 26 October 2016.

Section A

No Items

Section B

FN/16-17/37 Role and Sustainability of TRIs

(Minutes FN/15-16/50+51 of 23.11.2015, FN/15-16/62 of 16.12.2015, FN/16-17/8.1 of 19.09.2016 and FN/16-17/24 of 28.10.2016 refer)

The Dean of Research attended for this item.

The Dean of Research, by way of presentation, summarised the key points of his circulated memorandum dated 17.10.2016 in relation to the role and sustainability of Trinity Research Institutes (TRIs). The Committee noted the role of TRIs in driving Trinity's reputation, attracting academic talent (both faculty and non-EU students) and generating a contribution to indirect costs, post-graduate fee income and philanthropic investment. It was acknowledged that the structural/funding landscape in the research arena has changed significantly since the concept of TRIs was introduced. Whilst conscious of the international scientific/research visibility that TRIs provide to the University, the Committee noted that the outputs of the Institutes needed to be commensurate with the University's strategic investment.

The financial sustainability of the Institutes needs to be addressed as a matter of urgency and the Committee requested the Dean of Research to bring forward

5-year sustainability plans (for each of the TRIs) for consideration in early Hilary Term 2017. These plans should include details of the split of the contribution to indirect costs between Schools and TRIs, strategic funds etc., with cost data aligned to relevant activities in peer institutions and benchmarked accordingly.

Furthermore, the Committee requested that the level of support from the College should be clearly identified in all financial plans along with any associated reports.

Action

37.1 5-year sustainability plans (for each of the TRIs) are to be brought forward by the Dean of Research early in Hilary Term 2017. The plans should include details of the overhead split between Schools and TRIs, strategic funds etc., with cost data aligned to relevant activities in peer institutions and benchmarked accordingly.

37.2 The level of support from the College to be clearly identified in all financial plans and in any associated reports.

FN/16-17/38 Industry Strategy Update

(Minute FN/15 - 16/154 of 10.06.2016 refers)

The Dean of Research, the Director of Trinity Research and Innovation (TR&I), and the Senior Business Development Manager of TR&I attended for this item.

The Committee, having welcomed the Dean of Research, the Director, and the Senior Business Development Manager of TR&I, considered the memorandum dated 07.11.2016, as circulated and the updated position on the Industry Research Strategy as outlined under the following headings:

- Update since last report
- Financial Summary
- Financial Position of Project Lifecycle
- Budget Revision Allocation Request
- Risk

By way of presentation, the Director of TR&I highlighted the key achievements since the last report, noting that the strategy is currently ahead of target, with a strong pipeline of activities and submissions in place. The Committee noted in particular the strong performance in Exchequer co-funding (representing more than double the target) and the fact that the strategy is limited by way of resources rather than opportunity.

The Committee agreed to the request for resources to be mainstreamed at the end of the Strategy timeline in order to strengthen key components. Noting the additional request to re-invest underspent funding in additional resources, the Committee agreed in principle to the proposed use of the funding but recommended that the request for two specific posts be brought through the appropriate governance channels in the normal course of business.

Whilst the Committee acknowledged the success of the strategy in attracting research funding, concern was expressed about the extremely low levels of contribution to indirect costs associated with this funding as identified in the update. On this basis, the Committee recommended that the Director of TR&I consider possible revisions to the internal approval processes for research awards in order to identify, at an early stage, the level of indirect support required for new activity.

The Committee noted the significant challenges in operating a University policy in relation to the contribution to indirect costs in such a competitive environment, particularly in the absence of an agreed sectoral baseline. In this context, the Committee requested the CFO and Director of TR&I to engage with the HEA to explore the possibility of agreeing a common sectoral level of contribution from industry sources and requested that this issue be addressed explicitly in the next report.

Welcoming the progress made to date and having reviewed the financial summary, balanced scorecard and risks as set out, the Committee thanked the Director of TR&I for his report and invited him to provide an update in Trinity Term 2017.

Action

- 38.1 The Director of TR&I to consider possible revisions to internal approval processes for research awards in order to identify at an early stage the level of support required for new activity.
- 38.2 The CFO and Director of TR&I to engage with the HEA to explore the possibility of agreeing a common, sectoral level of overhead from industry and for this issue be addressed explicitly in the next report.
- 38.3 The Director of TR&I to provide an update in Trinity Term 2017.

FN/16-17/39 Research Funding Diversification Strategy Update

(Minute FN/15 – 16/155 of 10.06.2016 refers)

The Dean of Research, Director of TR&I and Research Development Manager attended for this item.

The Research Development Manager, by way of presentation, drew the Committee's attention to the key points in the circulated memorandum dated 10.11.2016, which provided an update on the Research Funding Diversification Strategy under the following headings:

- Update since last report
- Financial Summary
- Financial Position of Project Lifecycle
- Risk

The Committee noted the significant success in terms of the funding levels achieved, alongside the decrease in success rates, and that Trinity is the top performer in Horizon 2020 in Ireland. The Committee further noted the high level of School engagement in the programme and that Trinity performs well at sectoral level based on a comparison of academics per capita.

In considering the financial summary provided, the Committee also noted that the spend against budget is on target. Noting the request to mainstream these staff costs, the Committee agreed that a more detailed proposal in this regard should accompany the next report in Trinity Term 2017.

The Committee welcomed the increased focus on US funding and the revised strategy produced by TR&I in this regard as outlined. Having reviewed the schedules accompanying the circulated memorandum, the Committee further noted the expected return on investment for the strategy is positive overall.

The Committee acknowledged the risks at outlined, in particular the ongoing risk in relation the dependence on ERC funding, and the mitigating actions required to ensure the success rate is maintained/increased.

The Committee thanked the Research Development Manager and Director of TR&I for their report and invited them to provide an update in Trinity Term 2017.

Action

39.1 An update on the Research Funding Diversification Strategy to come forward for consideration in Trinity Term 2017, accompanied by a more detailed proposal to mainstream staff costs.

FN/16-17/40 Innovation and Entrepreneurship Hub (I&E Hub) Update

(Minute FN/15 – 16/156 of 10.06.2016 refers)

The Director of TR&I and Interim CEO of the I&E Hub attended for this item

The Committee considered the memorandum dated 10.11.2016, as circulated, which included updates on I&E Hub activities under the following headings:

- Update since June 2016
- Financial Summary
- Financial Position of Project Lifecycle
- Risk
- Sustainability Issues

Further to the Director of TR&I's presentation, the Committee noted the detailed update on the I&E Hub's activities since its business plan was approved in June 2016, in particular the significant operational progress made, the early validation of key income streams, the success of LaunchBox companies in terms of the levels of new funding raised and that the Tower (TTEC) is now under I&E Hub management.

In considering the financial summary provided, the Committee noted the level of income achieved to date, currently ahead of target, along with the value of programme contracts achieved and the projected revenue for the TTEC Tower. The risk summary as set out was also noted.

In the context of the arrangements in the original business plan, the Committee agreed to the request to waive the normal contribution to indirect costs from self-financing activities for I&E Hub going forward. Thanking the Interim CEO of the I&E Hub and Director of TR&I for their report, and in line with University policy, the Committee requested an update in Trinity Term 2017.

Action

40.1 An updated report from the I&E Hub to be brought forward for consideration in Trinity Term 2017.

FN/16-17/41 FSD Risk Assessment Update

The Committee considered the circulated memorandum and accompanying schedules from the Director of Financial Planning & Risk Management dated 15.11.2016, which, in accordance with the University's Risk Management Policy, outlined an updated review of the financial risks associated with University activity along with an estimated monetary value (where relevant) for each risk.

Further to the Director of Financial Planning & Risk Management's presentation, the Committee noted that there were no critical risks and considered the following risks:

High

- Financial sustainability, income diversification and cost management/efficiency enablers
- Balanced recurrent budget 2016/17
- Strategic plan and capital programme delivery
- FIS operational environment
- Developing talent

Medium

- Financial control
- Subsidiary activities/TRIs

In considering the high risks outlined, the Committee noted the issues relating to financial sustainability and the dependency on achieving ambitious income targets. Noting the risk relating to achieving a balanced budget in 2016/17, the Committee recommended that in future it should be referenced directly to performance against the key financial targets/KPIs under Goal 9 of the Strategic Plan. In noting the risk outlined in relation to the delivery of the Strategic Plan and Capital Programme, the Committee welcomed the update on the work of EOG regarding the prioritising of capital projects in the context of the related funding, capacity and capability issues.

Noting the medium risks as outlined, and subject to a minor change on the classification of a specific risk, the Committee recommended that the risks as presented be forwarded to the Chief Operating Officer for inclusion in the University's risk register. The Committee also recommended that the risk in relation to Brexit be captured at a high level in the University's overall risk register until more specific risks emerge.

Action

41.1 Subject to a minor change on the classification of a specific risk, the updated risks as present are to be forwarded to the Chief Operating Officer for inclusion in the College's overall risk register.

41.2 The risk in relation to Brexit to be captured at a high level in the University's overall risk register until more specific risks emerge.

FN/15–16/42 Science Gallery Update

(Minute FN/15 – 16/140 of 04.05.2016 refers)

The Science Gallery Director will attend for this item

The Committee welcomed the Science Gallery Director and noted her memorandum dated 10.11.2016, as circulated, including details of funding awards achieved since the last report, the summary financial position at 30.09.2016, the launch of a Graduate Trainee Programme and the positive performance against Board approved KPIs. In noting the Gallery's requirement for additional learning space as outlined and the recent allocation by the Space Allocation Committee in this regard, the Committee requested that a business case for the redevelopment of the arch be brought forward for consideration via the approved governance structures in Hilary Term 2017.

Noting the summary of the financial position and risks as outlined, the Committee requested the Science Gallery Director to bring the repayments of the start-up loan up to date. The Committee also requested that they be circulated with a copy of the Science Gallery's 5-year business case in advance of its next meeting.

Thanking her for her report, and in line with College Policy, the Committee requested the Science Gallery Director to provide an update in Trinity Term 2017.

Action

42.1 The Science Gallery Director to make arrangements to bring repayments of the start-up loan up to date and to circulate a copy of the Gallery's 5-year business plan to the Committee members.

42.2 The Science Gallery Director to bring forward a business case for the development of new space through the appropriate governance structures in Hilary Term 2017.

- 42.3** The Science Gallery Director to provide an update in Trinity Term 2017.

Section C

FN/16-17/43 Income Generation
(Minute FN/16 - 17/21 of 26.10.2016 refers)

Further to a request at its October meeting, the Committee welcomed the circulated memorandum from the CFO dated 15.11.2016 and noted the various scenarios prepared by FSD to illustrate the impact of different annual infrastructure contributions that could fund campus renewal along with the key assumptions incorporated in the models. The Committee further noted that no decision in relation to the concept of an annual infrastructure contribution was sought at this time and that a further discussion paper on income generation is due to come forward for consideration in Hilary Term 2017.

Action

- 43.1** A further discussion paper on income generation will come for consideration in Hilary Term 2017.

FN/16 - 17/44 Updated START Cost-Benefit Summary
(Minute FN/15 – 16/158 of 10.06.2016 refers)

The Committee considered the circulated memorandum from the Deputy CFO dated 15.11.2016, which provided an updated summary of the START cost-benefit analysis, and noted the actual position achieved to date against target and the projected net savings by each Division as set out.

A further update on the START Program will come forward for consideration in Trinity Term 2017.

Action

- 44.1** A further update on the START Program to come forward for consideration in Trinity Term 2017.

FN/16 - 17/45 Procurement Strategy Implementation Update
(Minute FN/15 – 16/162 of 10.06.2016 refers)

The Committee noted the comprehensive update on the Procurement Strategy provided in the circulated memorandum from the Procurement Manager dated 15.11.2016 under the following headings:

- Savings achieved in 2015/16
- Category Management
- Procurement Steering Group
- Staff Training and Procurement Toolset
- Supplier Management
- External Environment

- Resourcing

The Committee requested that an updated report be brought forward in Trinity Term 2017.

Action:

- 45.1** The Procurement Manager to provide an updated report in Trinity Term 2017.

FN/16 - 17/46 Voluntary Strike Off of the Haughton Institute

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The Committee noted the circulated memorandum from the College Secretary dated 14.11.2016, setting out the proposal by the Board of the Haughton, following a meeting on 16.08.2016, to recommend the wind up of the Institute on the basis that the original purpose of the company has been largely discharged. The Committee further noted that no new research projects had commenced in 2015, along with the proposal that existing accounts be administered by St James' Hospital Foundation in the future.

The Committee considered the points of clarification received from the Institute's auditor regarding the specific tasks required to complete the strike-off process as set out.

Noting that the 2015 annual financial statements, including the relevant disclosures relating to the strike-off process are due to be finalised and that an auditor's report and a draft final set of accounts will also be prepared for the current financial year, the Finance Committee agreed to the strike-off process and recommended it to Board for approval.

Action:

- 46.1** The strike-off process for the Haughton Institute was recommended to Board for approval.

FN/16 - 17/47 Minutes of the Commercial Revenue Unit (CRU)

The Committee noted the memorandum from the CFO dated 15.11.2016 along with the draft minutes of the CRU meeting of 06.09.2016, as circulated.

FN/16- 17/48 Minutes of the Audit Committee

The circulated memorandum from the CFO dated 15.11.2016 along with the enclosed draft minutes of the Audit Committee meeting of 19.10.2016, were noted.

FN/16 - 17/49 Related Entity Financial Reporting

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The Committee noted the circulated memorandum from the CFO dated 15.11.2016 and recommended the Directors' Report and audited Financial Statements of the following entities, for the year ended 31.12.2015, be forwarded to Board for noting:

- Central Applications Office (CAO)
- Irish Universities Association (IUA)

Action:

49.1 The Directors' Reports and audited Financial Statements of the CAO and IUA to be forwarded to Board for noting.

FN/16 - 17/50 Fossil Fuel Divestment

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As outlined by the Provost, the Committee noted the recent University decision to divest its investments in fossil fuels. The Committee noted that this decision had been reached following engagement with student representatives and lengthy and detailed consideration by the Investment Committee in the last twelve months and that details of the decision will be set out in the next Investment Committee minutes.

The Committee noted the next Finance Committee meeting is scheduled for Monday, 19 December 2016 at 2:30pm in the Provost's Library.

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