



Minutes of the Finance Committee Meeting of 18 November 2019

Present: Provost (Chair), Mr. L. Kavanagh, Professor S. Alyn Stacey, Registrar (items 18 to 22) , Chief Operating Officer, interim CFO (ICFO) – Secretary to the Committee

In Attendance: GSU President, Deputy CFO

Apologies: Vice-Provost, Bursar, Dean of Health Sciences, Ms. Cathy Bryce, President of the Students Union and Director of Financial Planning & Risk Management

Statement of Interest: None declared

The Committee noted and approved the minutes of the Finance Committee meeting of 01.10.2019.

Section A

No items

Section B

FN/19-20/18 **Clare Street Acquisition**
XX (Minute FN/19-20/3 of 01.10.2019 refers)

The Committee welcomed the update from the interim CFO on the proposed acquisition, noting that following engagement with the vendor, a reduced purchase price had been agreed and the transaction is now pending completion.

FN/19-20/19 **E3 revisited Business Case**
XX (Minute FN/18-19/67 of 07.03.2019 refers)

The Dean of FEMS, Programme Manager for Strategic Projects, Head of School of Engineering, Head of School of Computer Science, Head of School of Natural Sciences and the Project Appraisal Manager attended for this item.



In considering the circulated memorandum from the Dean of FEMS (Project Sponsor) dated 11.11.2019, the Committee noted the update provided under the following headings:

- Background
- Revisited Business Case
- Update since the last report
- Financial Update

By way of presentation, the detail on the revisions made to the Business Case were summarised under the following headings:

- What is the E3 vision?
- What does it enable?
- Overall student numbers and collective growth in the three Schools
- E3 targets
- Finance update November 2019
- Revisited Business Case
- Actions taken
- E3 2019/2020 Predicted Income and FTE vs Targets
- Proposed PhD recruitment strategy
- E3 Business Case Primary Risks
- Business and Marketing Opportunities and acknowledgements
- Financial Update

The Dean of FEMS drew the Committee's attention to the key elements of the E3 vision including future-proofing the education offering, noting the planned increases in UG student numbers in the three Schools and the re-calibration of growth targets following analysis of the original Business Case and highlighted the complexities of achieving cross-disciplinary targets.

The Project Appraisal Manager provided a financial summary of the revised Business Case, across the following headings:

- Incremental E3 FTEs (Actual vs Board Approved)
- 10-year Income & Expenditure
- 30-year Overview
- 30-year Costs Detail

The Committee noted the actions taken following an extensive review, including re-forecasts across the 3 Schools, with 10-year projected growth now slightly lower than originally expected based on a re-assessment of student demand, and welcomed the positive NPV and IRR achieved over 30 years. The Committee further noted the revised governance structures, the resourcing requirements (both academic and professional), curricula design requirements, along with the interdependency on external research funding



to support PGR targets. The Committee considered the capital costs versus the size of the building and also welcomed the competitive interest rates achieved over the loan term.

Following updates by each of the Heads of School, the Committee noted the performance against target to date and measures to address areas of concern and welcomed the strong level of engagement and collaboration across the Schools, in particular the recently established E3 Business Development Working Group chaired by the Dean of FEMS. The Committee also welcomed the assurances given by the Heads of School in terms of the Schools' commitment and capacity to deliver growth targets.

Noting the revised targets as set out and that the risk register is being carefully managed, the Committee recommended the revised Business Case for onward consideration and approval by Board and thanked the Dean of FEMS, Programme Manager for Strategic Projects, the Project Appraisal Manager and the Heads of the Schools of Engineering, Computer Science and Natural Sciences for their presentation.

Action:

19.1 The revised E3 Business Case was approved and recommended to Board for onward consideration and approval.

**FN/19-20/20
XX**

Trinity at Grand Canal Quay (formerly TTEC)

(Minute FN/18-19/107 of 10.06.2019 refers)

The Chief Innovation & Enterprise Officer and interim Project Director attended for this item.

The Committee welcomed the circulated memorandum from the Chief Innovation & Enterprise Officer, Dean of Research, interim CFO and interim Project Director dated 13.11.2019, setting out an update on the TTEC Pre-Development under the following headings:

- Executive Summary
- Project rationale
- Update and context
- Pre-development finance review and projections
- Conclusion

By way of presentation, the Chief Innovation & Enterprise Officer (Project Sponsor) provided an update across the following headings:



- TTEC Project
- Approvals requested
- Pre-development project summary
- TTEC opportunity
- International competition
- Recap – Pre-development business case and Board approvals

The Committee noted the overall opportunity presented by the Project, including the strategic gains in terms of research and innovation links along with the potential for additional activity offered by the site. The increase in the land value during the pre-development phase, arising from site development and de-risking activities was further noted.

Having reviewed the project timelines and key milestones, along with usage of the next tranche of funding required for activity to June 2020, the Committee welcomed the Project's success in securing an Urban Regeneration Development Fund Award, which will offset some of the planned pre-development activity costs.

In his presentation, the interim CFO outlined the anticipated spend of the Pre-Development Business Case, noting once more the increase in site value and highlighting the cautious approach being taken to project spend, with drawdown of funding occurring in tranches as required. He presented the pre-development spend versus budget to November 2019, noting the cost savings achieved due largely to timing issues. The Committee noted the detail provided on planned incremental spend on pre-development activities in the period to June 2020, for which the drawdown is now sought, along with a contingency for specific commercial activities (if required).

The interim Project Director detailed the key workstream activities planned to June 2020 and outlined the process by which options will be assessed in order to arrive at the directional Business Case that will come forward for Board's consideration in due course. Highlighting the importance of testing the validity of the financial model on an iterative basis, once stakeholder inputs and requirements are agreed, the interim Project Director also summarised the Business Case maturity process, including reporting, governance and risk reviews during the period from November 2019 to June 2020, noting the progression of certainty and the creation of value as milestones are achieved.

Noting that whilst the overall vision for the site is unlikely to change significantly, there is scope for engagement with Faculties/Schools that have not yet been involved. The Committee agreed that engagement with the local community was critical and that the development must have demonstrable



benefits to them, welcoming the detail provided by the Chief Innovation & Enterprise Officer in this regard. Following a query, the Committee also welcomed the update on discussions with the IDA and the expected completion timelines as set out.

Having reviewed the financial details and noting the risks as outlined, the Committee approved the request to drawdown the next tranche of funds and recommended it for onward consideration and approval by Board. The Committee thanked the Chief Innovation & Enterprise Officer, the interim CFO and the interim Project Director for their report and requested that an update be brought forward for consideration in Trinity Term 2020.

Action:

- 20.1** The Committee approved the request to drawdown the next tranche of funds and recommended it for onward consideration and approval by Board.
- 20.2** An updated report to be brought forward for consideration in Trinity Term 2020.

FN/19-20/21 University Strategic Plan 2020 - 2025 (incl. 5 Year Forecast)

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The Committee welcomed the circulated memorandum from the VP/CAO and Interim CFO dated 18.11.2019, and the accompanying draft Strategic Plan 2020-25 “Community and Connection” (which was taken as read), along with a summary of the 5-year financial projections underpinning the Plan. By way of presentation, the Interim CFO briefed the Committee on the financial projections across the following headings:

- Summary key assumptions
- Student number projections
- Baseline income & expenditure projections
- Baseline EBITDA growth & financial sustainability
- Capex & debt
- Baseline student:staff ratios
- Target student:staff ratios
- Key upside scenarios to deliver ratios
- Key risks

The Committee welcomed the robust financial models developed by the Financial Planning & Risk Management team, to enable fulsome consideration of the financial impact of the Plan’s strategic goals and objectives, ensuring the



University is aligned with the changing external environment and has the capacity to deliver on its key objectives.

Having noted the key financial deliverables of the new Strategic Plan, along with the associated performance metrics, interdependencies and financial risks, the Committee approved the financial projections as outlined and recommended them for onward consideration by Board as part of the Strategic Plan approval process, thanking the interim CFO and his team for the clarity provided by the financial model.

Action:

21.1 The financial projections as presented were recommended for onward consideration by Board as part of the Strategic Plan approval process.

**FN/19-20/22
XX**

Purchase of the long leasehold interest of Stack B

The Director of Campus Infrastructure attended for this item.

The Committee noted the circulated memorandum from the Director of Campus Infrastructure, on behalf of the Property Group, dated 12.11.2019, and the accompanying Appendices, setting out a proposal to acquire the leasehold of the Stack B property across the following headings:

- Introduction
- Current lease terms
- Redevelopment of the Property under the Head Lease
- Planning Report
- Purchase of the long leasehold of the building and proposed funding
- Indicative timeframes and approvals process
- Risks
- Summary and recommendations

The Director of Campus Infrastructure advised the Committee that the acquisition had been approved in principle by Executive Officers on 12 November 2019. By way of presentation he outlined the proposal under the following headings:

- Introduction
- Site details
- Valuation SWOT Analysis
- Funding Proposal Summary
- Planning
- Risk
- Summary & recommendations



The Committee noted that this short-term strategic purchase could provide significant financial advantage due to a combination of low loan interest rates and a negligible difference between the rental and interest costs making the acquisition an attractive option.

In reviewing the funding proposal, the Committee noted the proposed purchase price and supporting costs, the favourable financing terms as outlined and the potential to refinance after 5 years if the property is required on a longer-term basis, along with the estimated re-sale value after 5 years.

Having considered the SWOT analysis, the potential planning gain and the risks, the Committee held a fulsome discussion on the merits of the proposed acquisition including the fit-out costs already expended, current lease terms and the valuation report. Noting that a second valuation report had been sought by the Director of Campus Infrastructure, the Committee approved the acquisition in principle and recommended it for onward consideration and approval by Board, subject to receipt of a satisfactory second valuation report.

Thanking the Director of Campus Infrastructure for his report, the Committee further agreed that the costs of the rezoning application would be met from the Estates & Facilities budget.

Action:

22.1 The Committee approved the acquisition in principle and recommended it for onward consideration and approval by Board, subject to receipt of a satisfactory second valuation report.

FN/19-20/23 Trinity Development and Alumni (TDA) Update

(Minute FN/18-19/117 of 10.06.2019 refers)

The TDA Director and Director of Operations attended for this item

The Committee reviewed the circulated memorandum from the TDA Director dated 06.11.2019, which provided an update on TDA's performance versus the approved Business Plan, across the following headings:

- 2018/19 Funds Raised and Income
- Review of Outstanding Pledges
- Ageing of Pledges
- Forecasted Cashflow
- Operating Costs: Year to Date to April 2019
- Update on Operations



By way of presentation, the TDA Director detailed the funds raised in 2018/19 and welcomed the positive variance against the 2018/19 target as reported, noting the significant gifts received during the year. The Committee further noted the funds raised by the Campaign to date, along with the remaining balance to achieve the Campaign fundraising goal of €400m, and congratulated TDA on their achievements to date. The TDA Director advised the Committee that a critical part of the Campaign was to elevate the level of steady-state annual donations to €30m - €40m. In reviewing the outstanding pledges, the Committee noted the split of balances due to TDA and those that will be paid directly to the University. The age profile of outstanding pledges was also reviewed, and the Committee noted that these pledges are being actively pursued by TDA, with one specific pledge now due for payment on fulfilment of donor conditions in 2019.

The Committee welcomed the benchmarking data provided, noting that Trinity ranked 6th in the 'total funds raised in 4 years' classification and also benchmarked well against peer universities in terms of the gifts of €500k+ received.

In considering the operating costs as outlined, the Committee commented on the small fundraising team and need for tight cost control, noting the importance of strong existing relationships with donors and the associated risk in terms of loss of key staff.

Thanking the TDA Director and Director of Operations for their report, the Committee requested that an update on activity be provided in Trinity Term 2020.

Action:

23.1 An update to come forward for consideration in Trinity Term 2020.

FN/19-20/24 Tangent Financial Update

(Minute FN/18-19/93 of 01.05.2019 refers)

The Tangent CEO and the Chief Innovation & Enterprise Officer attended for this item.

The Committee reviewed the circulated memorandum from the Tangent CEO, dated 18.11.2019 and the update provided across the following headings:

- Executive Summary
- Overview to September 2019
- Financial summary
- Risk



By way of presentation, the Tangent CEO summarised Tangent's financial performance in 2018/19, highlighting the significant increase in revenues and the surplus achieved, noting the strong pipeline of activities and the favourable growth projections for 2019/20. The Committee welcomed the successes outlined in terms of funding secured, courses delivered (including certification at regional level) along with the positive impact of the new Tangent space in Trinity Business School.

In considering the income and expenditure for the year, the Committee noted the negative variance against income target and the impact of timing delays in staff recruitment that led to the achievement of an overall surplus. The Committee queried Tangent's 5-year outlook and their plans to diversify income streams, noting that the Tangent Business Plan is currently being reviewed. Having noted the risk outlined in relation to the EIT audit outcome, the Committee also noted the successful outcome to the first phase of the appeal; the financial impact of which is not reflected in Tangent's financial summary as reported.

Thanking the Tangent CEO and Chief Innovation & Enterprise Officer for their report, the Committee requested that an update on activity be provided in Trinity Term 2020.

Action:

24.1 An update to come forward for consideration in Trinity Term 2020.

Section C

FN/19-20/25 Global Brain Health Institute (GBHI) Update
(Minute FN/18-19/94 of 01.05.2019 refers)

The Committee noted the memorandum from Prof B Lawlor, Prof Robertson and Deputy COO of GBHI dated 04.11.2019, and accompanying annual report, setting out an update on GBHI activity across the following headings:

- Executive Summary
- Update since the last report
- Update on performance indicators
- Financial Summary
- Risk

Noting that the GBHI financial year runs from 1 July to 30 June annually, the Committee welcomed the detail provided on the financial performance in the



year to date and cumulatively since the project commenced. In considering the income in the period, the Committee noted that the final tranche of the Atlantic Philanthropies gift has now been received, in line with the achievement of key institutional milestones during the year.

The Committee also noted the update provided on recent recruitment, including faculty appointments and associated transfer dates, the progress and success of Atlantic Fellows along with detail on the refurbishment of GBHI space and recent funding successes.

Having noted the risks and mitigating strategies as outlined, the Committee requested an updated report to come forward for consideration in Michaelmas Term 2020.

Action:

25.1 An updated report to come forward for consideration in Michaelmas Term 2020.

FN/19-20/26 International Foundation Programme Update
(Minute FN/18-19/24 of 23.11.2018 refers)

The Committee welcomed the circulated memorandum from the Vice-President for Global Relations (VPGR) dated 08.11.2019, which provided an update on the International Foundation Programme (IFP) after its third year in operation under the following headings:

- Executive summary
- Update – Michaelmas Term 2019
- Financial summary
- Risk

The Committee noted the key performance highlights for 2018/19 including the student intake and fee income generated, welcoming the significant surplus achieved. The Committee further noted the updated transition rates of the foundation programme students to undergraduate programmes in the University (which had fallen slightly versus prior year rates) and the value accruing to the University in this regard.

In considering the plans and performance forecast for 2019/20, the Committee noted the Programme's positive impact on growth strategies through the provision of a pipeline of students from diverse geographical regions. In this context, the Committee also noted plans regarding the admissions process, responsibility for which will transfer to Marino, and which will include a focus on



pastoral care and other initiatives to support higher rates of progression. A review of the pre-sessional English programme offering is also underway.

The Committee thanked the VPGR for the report, congratulated the team on IFP's strong performance and requested that an updated report be brought forward for consideration in Michaelmas Term 2020.

Action:

26.1 An updated report to come forward for consideration in Michaelmas Term 2020.

FN/19-20/27 International Partnerships – Discounts

The Committee welcomed the circulated memorandum from the Vice-President for Global Relations (VPGR) dated 06.11.2019, seeking to establish a formal process whereby discounted tuition fees may be offered to students from select universities with whom Trinity has established strategic international partnerships, in line with existing practice internationally.

The Committee noted the benefits arising from such arrangements in terms of attracting high calibre students along with details of the standard partnership models, including discount ranges and articulation arrangements, along with cohort caps etc.

Having considered the proposed process, including the approvals and system requirements, in addition to cost allocation mechanisms, the Committee approved the arrangements as set out and requested an update as part of the GRS3 reports going forward.

Action:

27.1 The Committee approved the international partnership discount arrangements as set out and requested an update as part of the bi-annual GRS3 reports going forward.

FN/19-20/28 Arts Building Refresh Project Phase 2 Update
(Minute FN/68.1 of 07.03.2019 refers)

The Committee considered the circulated memorandum from the Bursar & Director of Strategic Innovation dated 06.11.2019 which set out an update on the Arts Building Refresh Project – Phase 2 across the following headings:

- Summary



- Financial Summary
- Performance over Project Lifecycle
- Sustainability Opportunities
- Risks
- Sustainability Issues

The Committee noted the update provided on Phase 2 of the project which had been completed in the summer of 2019 and included new ceilings, the installation of new energy efficient and emergency lighting, new acoustic panels, painting and general refurbishment measures. The Committee welcomed the budget update and the savings achieved to date, which, along with any unspent contingency, will be returned to the University once the Project is completed in early 2020, noting that a final update and budget position will be brought forward for consideration at the next meeting in February 2020.

Action:

- 28.1** A final report to come forward for consideration at the next meeting in February 2020.

FN/19-20/29 School of Medicine Business Expansion Plan
(Minute FN/74.1 of 07.03.2019 refers)

The Committee welcomed the circulated memorandum from the Head of School of Medicine dated 11.11.2019, which set out an update on the School of Medicine business expansion plan across the following headings:

- Executive Summary
- Update
- Financial Summary
- Risks
- Sustainability Issues

The Committee noted the update provided on the progress made against the School's expansion plan in 2018/19 along with the plans for 2019/20. The Committee further noted the expenditure to date, including capital and equipment spend, along with the update on planned recruitment. Welcoming the performances against target for 2018/19 and the plans for 2019/20, the Committee noted the budget position as reported and the risks as outlined and requested a further update for consideration in Trinity Term 2020.

Action:

- 29.1** An updated report to come forward for consideration in Trinity Term 2020.



FN/19-20/30 Printing House Square (PHS) Update
(Minute FN/18-19/86 of 01.05.2019 refers)

The Committee noted the circulated memorandum from the Dean of Students dated 18.11.2019, which set out an update on PHS across the following headings:

- Overview
- Update of Contract Status
- Update on Financial Plan
- Programme
- Project Oversight and Quality Assurance

The Committee noted that whilst the Project cost and quality are in line with the contract and works requirement, the Project programme is delayed, with a revised completion date of July 2020 now expected. In this context, the Committee noted that the Project Board is now considering the financial implications of the delay and professional advice has been sought on the most appropriate course of action, along with the risks associated with the available options. The Committee requested an updated report to come forward for consideration in Hilary Term 2020.

Action:

- 30.1** An updated report to come forward for consideration in Hilary Term 2020.

FN/19-20/31 FIS Transition Programme Progress Update
(Minute FN/18-19/91 of 01.05.2019 refers)

The Committee noted the memorandum from the FIS Transition Programme Manager dated 11.11.2019, setting out an update on the Programme under the following headings:

- Progress since the last update
- Priorities for the next quarter

The Committee noted that the Transition Programme is running well within budget, with spend increasing significantly as planned, as key programme activities are delivered. The Committee further noted the extension of time granted by CRG in November 2019 to facilitate an upgrade of the Oracle E-Business Suite, as part of an infrastructure refresh that will ensure the stability of the Oracle Platform and futureproof it for the next 10 years.

The Committee noted the priorities for the next quarter, including enhanced reporting and Business Intelligence development. Noting the detail set out in



the accompanying Report to the FIS Transition Plan Steering Committee, the Committee requested an updated report in Trinity Term 2020.

Action:

31.1 An updated report to come forward for consideration in Trinity Term 2020.

FN/19-20/32

Procurement Strategy Update

(Minute FN/18-19/92 of 01.05.2019 refers)

The Committee noted the comprehensive update on the Procurement Strategy provided in the circulated memorandum from the Procurement Manager dated 11.11.2019 across the following headings:

- Brexit
- Savings & Revenue
- Capital Works & Facilities
- Sustainable Procurement
- Contract Management System
- Supplier Management
- Category Management
- External Environment
- New Procurement Strategy 2020-25

The Committee welcomed the update provided, noting the increase in procurement activity in the year, with 144 separate tenders and competitive processes being undertaken. As noted previously, the unprecedented level of tenders, along with extensive and ongoing Brexit preparations, involving engagement with stakeholders including staff, suppliers, Government agencies, the university sector etc., to manage the evolving issues around Brexit, have impacted Category Management and Supplier Management initiatives, which will be focussed on in early 2020.

The Committee noted the savings achieved and revenues generated during the year, which were derived primarily from Laboratory & Research activity, with further savings achieved in the Commercial Revenue Unit. Noting the updates provided on sustainability, contract and supplier management activities and noting that a new Procurement Strategy will be developed in 2020, to align with the University's new Strategic Plan 2020-25, the Committee requested an updated report be brought forward in Trinity Term 2020.



Action

32.1 An updated report to come forward for consideration in Trinity Term 2020.

FN/19-20/33 Report of Audits of Research/Capital Projects in 2018/19

The Committee noted the memorandum from the Projects Accounting Manager dated 30.10.2019 as circulated, which set out the positive outcome of audits carried out during 2018/19 by external stakeholders on research activity; there were no capital audits in the period. The Committee also noted the value of expenditure audited, the adjustments arising and the common findings across the various audits.

FN/19-20/34 Casual Pay Rates

The Committee noted the circulated memorandum from the Deputy Director of HR dated 11.11.2019 setting out revised hourly pay rates for casual and occasional staff to align to the rates paid to salaried staff. Noting the provision for local flexibility in how rates are applied depending on specific circumstances, the Committee approved the rates as set out.

FN/19-20/35 Minutes of Estates Policy Committee (EPC)

The Committee noted the circulated memorandum from the interim CFO dated 11.11.2019 along with minutes of the EPC meeting dated 04.10.2019, which included the following items:

- Matters arising / actions taken
- Dartry Accommodation Project
- Estates Strategy Implementation, incl. property acquisition
- EPC terms of reference

FN/19-20/36 Minutes of FIS Oversight Group

The Committee noted the circulated memorandum from the interim CFO dated 11.11.2019 along with the draft minutes of the FIS Oversight Group meeting of 24.09.2019, which included the following items:

- FIS Development Log and User Group Updates
- FIS Project Update
- FIS Stakeholder Engagement & Communications



FN/19-20/37 Related Entity Financial Reporting
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The Committee noted the circulated memorandum from the interim CFO dated 11.11.2019 and recommended the Directors' Report and audited Financial Statements of the following entities to Board for noting:

- National Institute of Bioprocessing Research and Training Group (NIBRT) for the year ended 31.12.2018
- Irish Bioeconomy Foundation CLG for the year ended 31.12.2018
- Douglas Hyde Gallery for the year ended 31.12.2018

Action:

37.1 The Directors' Report and audited Financial Statements of NIBRT, Irish Bioeconomy Foundation CLG and Douglas Hyde Gallery for FY2018 to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for **4 February 2020 at 10.00 am** in the Provost's Library.

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