



## Minutes of the Finance Committee Meeting of 28 September 2023

**Present:** Provost (Chair), Vice-Provost/CAO, Bursar, Dean of Arts, Humanities & Social Sciences, Chief Operating Officer, Ms. N. Hardiman, President of the Students Union, Mr. L. Kavanagh, Interim Chief Financial Officer – Secretary to the Committee

**In Attendance:** Interim Deputy CFO, CFO's Strategic & Admin Support (Minute-taker)

**Apologies:** Ms. C. Bryce, Ms. N. Holland

**Statement of Interest:** None received

The Provost welcomed the new members of the Committee, including the Dean of Arts, Humanities & Social Sciences, Ms. Neasa Hardiman and the new President of the Student's Union.

The Committee noted and approved the minutes of the Finance Committee meeting of 08.06.2023 as circulated, along with the updates on Matters Arising from the minutes as outlined by the Interim Chief Financial Officer.

### Section A

No items

### Section B

**FN/23-24/1 Financial & Performance Highlights – Qtr 3 2022/23**

The Projects Accounting Manager attended for this item.

In considering the Q3 2022/23 Summary and Detailed Reports from the Interim Deputy CFO and the Projects Accounting Manager dated 28.09.2023 as circulated, the Committee welcomed the updated information, including the key messages and highlights across the following headings:

- Financial Performance Q3 FY22/23 & Full-Year Forecast to 30.09.2023
- Q3 FY22/23 Financial Summary I&E Dashboard - Actual v Budget & PY
- Q3 FY22/23 Financial Summary I&E Dashboard – Forecast v Budget & PY



- HEA Quarterly Reporting
- Q3 FY22/23 Pay by Area
- Q3 FY22/23 Non-Pay by Area
- Student numbers trend FY18-23
- Executive Summaries (Research and Capital) Q3 FY22/23
- FY22/23 Cashflow
- Trinity's Gearing - Loans/Debt Profile and by Project
- Trinity Endowment Fund Q3 FY22/23
- FY22/23 Budget to Q3 Forecast Variances (by Faculty, Division and School)
- Procurement KPI (YTD) Analysis

Following an introduction by the Interim Chief Financial Officer, the Interim Deputy Chief Financial Officer drew the Committee's attention to the financial summary and budget to latest forecast for 2022/23, noting that the forecasted deficit to 30.09.2023 (before unrealised gains/losses) is favourable to budget. The Committee noted that full-year forecast income and earnings before interest, tax, depreciation and amortisation (EBITDA) are both ahead of budget and prior year. The Committee also noted that operating costs are forecast as favourable to budget, driven mainly by significant utilities savings.

The Committee noted the drivers of academic fee income increases, the change in student composition as outlined along with the final student numbers submitted to the HEA in March 2023.

The Projects Accounting Manager outlined the University's research performance, noting the forecasted increase in activity and income year-on-year along with the decrease in value of grant proposals and new research contracts signed compared to the same period in the prior year.

The Committee welcomed the update on capital project activity, including the top five approved projects by value and the overall capital portfolio value, noting the increase in capital expenditure year-on-year.

The Committee noted the University's liquidity position in Q3 and considered the update on the University's gearing and loan/debt profile, noting the value of current borrowings and overall gearing level, along with future committed borrowings.



In reviewing the Endowment Fund update, including net income for Q3 2022/23, the Committee noted that actual net income is slightly ahead of prior year, but behind the current year target due to timing of dividend payments. The Committee also noted the status of the ongoing programme of reinvestment into approved asset allocations.

Following a brief discussion of the University's financial performance and prudent approach to financial management, the Committee expressed concern at the ongoing and longer-term impact of funding constraints on University activity. The Committee noted that expenditure has grown in line with increased income and revenues, leaving the University with very little financial flexibility and welcomed the Sectoral lobbying on the underlying core-funding issue in advance of Budget 2024.

Thanking the Interim Deputy Chief Financial Officer and the Projects Accounting Manager for their report, the Committee noted the results as outlined and requested that an update on Q4 2022/23 activity be provided in Hilary Term 2024.

**Action:**

- 1.1 An update on Q4 2022/23 activity to be provided in Hilary Term 2024.

**FN/23-24/2**

**FY24 Consolidated University Budget – Update & Challenges**

The Head of Financial Planning & Analysis attended for this item.

The Committee noted the circulated document from the Head of Financial Planning & Analysis, dated 28.09.2023, which set out an update on the FY24 Budget shape across the following headings:

- FY23/24 Budget Process – Timelines
- Recap: Revised 5-year forecasts
- FY24 Budget Challenges
- FY24 Overall Draft Budget Shape – Income & Expenditure
- Next steps

By way of presentation, the Head of Financial Planning & Analysis highlighted the Budget timeline and the performance assumptions for FY24 included in the revised 5-year financial plan, approved in January 2023. In outlining the budget challenges for FY24, he drew particular attention to forecasted



increases in energy costs, the expected impact of pay awards, student number trends etc, with the COO noting that the forecasts presented do not reflect the anticipated impact of significant inflationary pressures in operating costs.

The Committee welcomed the update as presented and noted the importance of maintaining a focus on costs in the context of emerging inflationary pressures as discussed, acknowledging however the very real impact of budgetary constraints on the experience of both students and staff. Thanking the Head of Financial Planning & Analysis for his presentation, the Committee noted the final FY24 Budget would come forward for approval at the next meeting.

### **Actions**

- 2.1** The final FY24 Budget to come forward for approval at the next meeting.

### **FN/23-24/3**

#### **The Lir (National Academy of Dramatic Art at Trinity College) Update**

(Minute FN/22-23/6 of 30.09.2023 refers)

The Lir's CEO and Director of Administration attended for this item.

Following an introduction from the new CEO of The Lir, the Committee welcomed the circulated memorandum from The Lir's Director of Administration, dated 28.09.2023 and the accompanying schedules, providing an update on The Lir's activities under the following headings:

- Introduction
- 2021-22 Financial Outcome
- Significant Financial Developments
- Our Potential: Broadening our reach and impact
- Our Place
- Our People: Projections for 2023-24
- A new era for The Lir Academy
- Other Significant Events in Reporting Period
- Current Risks

By way of presentation, the Director of Administration summarised the financial outcome for FY21/22, including the significant EBITDA surplus achieved versus the minimal budget surplus forecasted, due primarily to a



major gift received in December 2021, which, along with a rebound in earned income and careful cost management, resulted in a return to a healthy cashflow position, facilitating the establishment of an Endowment Fund to support the long-term strategic goals of The Lir.

The Committee noted that a second major gift was received in February 2023, and was added to the Endowment Fund, which provides bursaries for directors, actors and playwrights and which is on track to reach its ambitious growth target over the next three years.

The Committee noted the positive outlook for FY22/23 due to growth in student numbers and fee income, with Short Courses thriving and *The Lir at Work* also experiencing strong demand in 2022/23, with further growth predicted in 2023/24. Now in Year 2 of its Strategic Plan, The Lir has delivered high-profile graduate success, which has in turn had a positive impact on student recruitment and created sustained interest in other offerings.

The Committee welcomed the update on the renovation of new Lir studios on the Trinity East Campus, now nearing completion, noting the Capital Development Campaign underway to repay Trinity's bridging loan and accommodate further growth ambitions.

The Committee congratulated The Lir on the improved performance overall, noting the impact of the gifts received and their significance as an indicator of The Lir's successful positioning and growth potential. Having acknowledged the substantial contribution of The Lir's recently retired, founding Director and CEO, Loughlin Deegan to its current success, the Committee wished Ms. Gemma Bodinetz well in her role as the new Director and CEO and requested a further update on The Lir's performance in Michaelmas Term 2024.

### **Actions**

- 3.1** An updated report to come forward for consideration in Michaelmas Term 2024.



**FN/23-24/4 Capital Projects Dashboard.**

(Minute FN/22-23/99 of 08.06.2023 refers)

The Bursar & Director of Strategic Innovation reported on this item.

The Committee welcomed the circulated document from the COO, dated September 2023, which provided a high-level overview of the University's major capital programme, including the approved budget for each of the active projects, expected completion dates, key activities to March 2024 along with a RAG status. The Bursar provided a brief status update on the E3LF Project, with a full report to come forward for consideration in the coming weeks and noted the more detailed reports on other active and planned capital projects circulated for consideration as separate agenda items. The Committee also requested an updated Capital Projects Dashboard to come forward for consideration at the next meeting.

**Actions**

- 4.1** An updated Capital Projects dashboard to come forward for consideration at the next meeting.

**FN/23-24/5 Trinity South Renewal Programme**

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(Minute FN/22-23/83 of 04.05.2023 refers)

The Project Appraisal Manager and Programme Manager for Strategic Projects attended for this item.

The Bursar & Director of Strategic Innovation reported on this item.

The Committee considered a circulated document from the Bursar dated 21.09.2023 setting out an update on the enhancement and expansion infrastructure project at Trinity South (Arts Building and adjacent area). In her presentation, the Bursar provided a summary of the proposal across the following headings:

- Trinity South programme synopsis
- Vision of the Trinity South Renewal Programme
- Alignment with the Strategic Plan 2020-2025
- Enhancement & Expansion
- Previous Board approval and HEA funding
- High level capital costs and funding
- Summary of 30-year financial scenario
- Stage Gate process & deliverable in current stage



- Request from Finance Committee

The Bursar summarised the two key elements of the project, under the headings of enhancement and expansion, outlining that significant work will be undertaken on the existing infrastructure of the Arts Building along with a new development or extension into unused space adjacent to it, underpinned by a commitment to the University's sustainability and climate action responsibilities. As the Government approved Trinity's funding application in May 2023, the Project is now moving to a new phase and the Committee noted the high-level capital costs and funding as outlined, along with the updated 30-year financial scenario.

Having reviewed the underlying financial assumptions, including the sources of income, costs and financing changes, the Committee approved the request to draw down the required funding (from philanthropic donations and the HEA award) to progress through Stage 1. Once the preliminary Business Case is developed it will be brought to Board for approval before the Project moves to Gate 1.

Thanking the Bursar for her report, the Committee requested a further update in Trinity Term 2024.

### **Actions**

- 5.1** An update to come forward for consideration in Trinity Term 2024.

**FN/23-24/6**

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### **Trinity East Update**

(Minute FN/22-23/101 of 08.06.2023 refers)

The Project Appraisal Manager and Project Finance Director & Acting Programme Director attended for this item.

The Bursar & Director of Strategic Innovation reported on this item.

The Committee noted the circulated memorandum and presentation from the Bursar & Director of Strategic Innovation dated 21.09.2023, which provided an update on the Trinity East project across the following headings:

- Trinity East synopsis
- General area of impact



- Why?
- Strategic origin
- Building approach
- Phased programme
- Basis of funding
- Why is action needed now?
- Current state of play
- Specific ask

The Bursar summarised the background to the Trinity East campus development, referencing the fundamental pivot in project concept from new development to one of refurbishment and regeneration, to create a vibrant campus where research, innovation, culture and community can merge and grow.

The Committee noted that when the University approved the new vision in June 2022, the site was ready for full use by Trinity, following completion of the pre-development phase, which had significantly increased the site value. Work commenced on the Portal site in March 2023 and in May 2023 a new governance structure was agreed for the Trinity East Sustainable Campus. Having received large philanthropic donations, the project is now entering the next phase during which an overall vision for the campus will be defined. The plan is to develop the site incrementally, as funding becomes available, with an overarching focus on sustainability and the Bursar advised that approval was being sought for enabling projects, which include:

- A feasibility and benchmarking study on the site's long-term use
- Development of a prototype building
- Clean-up and greening of the site
- IT and utility upgrades

The Committee noted that the current phase will develop a strategy for the whole site and that innovative concepts have already emerged from a short-term study undertaken, with a preliminary plan expected to be available at the end of October. The Committee, noting the historic debt associated with the site and the upcoming re-financing requirement, recommended that consideration be given to an income strategy for the site to meet increased operating costs and higher interest rates associated with re-financed debt. While welcoming the development of the site as a new and vibrant





multidisciplinary campus, the Committee also recommended that the impact of increased operating costs as activity scales up on site be confirmed and, in addition to the proposed treatment of debt on the site once approved, be given further consideration as part of the University's longer-term strategic financial planning.

Having noted the philanthropic funding supporting the next phase of the project and the risks as discussed, the Committee approved the request to commence the capital programme as outlined. Thanking the Bursar & Director of Strategic Innovation for her presentation, the Committee requested a further update in Trinity Term 2024.

**Action:**

- 6.1 Consideration be given to an income strategy for the Trinity East site.
- 6.2 The impact of the increased operating costs and historic debt associated with the Trinity East campus to be given further consideration as part the University's longer-term strategic financial planning.
- 6.3 A further update on the Trinity East Project to come forward for consideration in Trinity Term 2024.

**FN/23-24/7**

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**Dartry Student Accommodation Update**

(Minute FN/22-23/101 of 08.06.2023 refers)

The Project Sponsor and the Project Appraisal Manager attended for this item.

The Committee welcomed the circulated document from the Project Sponsor, dated 28.09.2023, which provided an update on the Dartry Student Accommodation Project across the following headings:

- Project Background, Motivation & History
- DFHERIS Short-Term Activation Programme
- Project Stage
- Updated Financial Model Outputs
- Trinity Considerations
- Next steps



- Decision sought

The Project Sponsor outlined updates to the preliminary Business Case and financial model following significant engagement with DFHERIS. He noted the funding sought under the Government's Student Accommodation Short Term Activation (STA) Programme, which is designed to support projects that have stopped or stalled due to higher costs and outlined the stringent parameters of the programme. In this context, he set out the eligibility conditions associated with the STA funding, including the requirement to have planning permission in place and a classification of the project as being of Service to the General Economic Interest. He also highlighted the mandatory allocation of SUSI bed-spaces, the viability gap arising from the consequential reduction in income and the increased costs of construction along with the detailed financial modelling required to meet EU regulations on State subventions.

The Committee acknowledged the complexity of the funding requirements of the project as outlined and noted the adjustments made to the Business Case following detailed engagement and negotiation with DFHERIS, including the revised split in room allocations, the application of a University market rate to non-SUSI rooms, interest rate changes and the reduced borrowing requirement. The Committee further noted Trinity's considerations as set out, in particular the option for the University to disengage from the process should the tender sum exceed budget.

Further to a query from the President of the Students Union, the Project Sponsor confirmed the source of the market rate used as a benchmark in the Business Case. The longer-term structure of the financial model was also outlined, and it was noted that with affordability being an underlying principle, the Project was not intended as, nor would it be, a profit-making venture for the University. Providing further clarification on the financial implications of the State-required split of the rooms, the Project Appraisal Manager confirmed that the SUSI-allocation had been factored into the Business Case for 30 years. The Project Sponsor also noted that there was an overarching obligation to ensure there was no cross-subsidisation between the room rates for each category of room, nevertheless affordability considerations would factor into the University market rate applied.



Following a brief discussion, the Committee endorsed the revised preliminary Business Case and recommended the project move to the next phase, subject to the University's conditions being met, with a full Business Case to come forward for review prior to any tender being issued. This project will also be added to the Capital Projects Dashboard going forward.

Having received supporting comments from an external member of the Committee (via the Interim Chief Financial Officer) on the three capital projects presented, the Committee noted her suggestions around the need to consider the University's overall capacity and capability before taking on these large-scale projects, and the Bursar was requested to prepare a report in this regard for consideration at a future meeting.

**Action:**

- 7.1** The Committee approved the revised Business Case to the Government's Short Term Activation Programme, subject to the agreed caveats and conditions, with a full Business Case to come forward for approval prior to any tender being issued.
- 7.2** Dartry to be added to future versions of the Capital Projects Dashboard.
- 7.3** The Bursar to prepare a report on capacity and capability challenges for the University in delivering its current and planned capital programme for consideration at a future meeting.

**Section C**

**FN/23-24/8 Financial Committee Meeting Dates & Draft Work Programme 2023/24**

The Interim CFO reported on this item.

The Committee welcomed the circulated memorandum from the Interim Chief Financial Officer dated 21.09.2023, and the enclosed updated Finance Committee Work Programme for 2023/24. The Committee approved the revised 2023/24 Work Programme having noted the inclusion of items suggested at the meeting of 08.06.2023. The Committee further noted that an



updated Terms of Reference will be circulated for consideration at the next meeting to reflect recent Board-approved membership changes.

#### **FN/23-24/9      Nomination Agreement - Variation**

The Committee noted the circulated memorandum from the Interim Chief Financial Officer, dated 21.09.2023, and the accompanying memorandum from the COO and VP for Global Engagement in relation to a proposed variation to a Nomination Agreement with 3<sup>rd</sup> party accommodation providers, which had been approved by the Executive Officers Group on 02.08.2023.

The amendment to the Nomination Agreement will now allow single semester students to rent rooms from a 3<sup>rd</sup> party provider, an option which had previously not been available to them.

#### **FN/23-24/10      Planning Group Report #28**

(Minute FN/22-23/69 of 09.03.2023 refers)

The Committee noted the circulated memorandum from the Vice-Provost/Chief Academic Officer, dated 13.09.2023, enclosing Planning Group Report #28, which had been considered and approved by the Executive Officers Group at its meeting of 13.06.2023 and subsequently by Board on 21.06.2023.

The Report provided an update on Planning Group activity from February 2023 to June 2023 across the following headings:

- Summary
- Budget Planning Allocation (BPA)
- Strategic Plan 2020-25: Community & Connection
- Postgraduate Renewal Programme
- Monitoring: Finances and Staffing
- Acknowledgements

The Committee noted that the new Budget Planning Allocation Model, approved in May 2022, completed its first year of operation during the period of the report and that BPA budget timelines and an Initial One-Year Review



had been agreed in April 2023, with BPA 2022/23 Budget allocations for inclusion in the FY24 University Budget considered in June 2023.

Planning Group approved several funding requests in the reporting period, including a Business Case for Horizon 2 of the Postgraduate Renewal Programme and funding proposal for postgraduate research. The second bi-annual report on Trinity Global Student Recruitment 2022/23 was received, with the issue of available accommodation for visiting and international students being called out as a barrier to growth.

The Committee noted that the next Planning Group report will come forward for consideration in Hilary Term 2024.

#### **FN/23-24/11 Legacy Gift**

The Committee noted the circulated memorandum from the Director of Operations, Trinity Development & Alumni (TDA), which set out the detail and terms of a legacy gift to the University of farmland in Co. Cork to be shared with three other charities.

The Committee further noted that Probate was granted in September 2022 and that the Registry of Deeds is expected to pass to Trinity and the other charities ahead of the upcoming financial year-end. While the land is free from encumbrance, the Committee noted a condition preventing its sale during the lifetime of the occupant of a farmhouse thereon. The land is currently rented on an annual basis, with the rental income covering insurance requirements arising. The Committee noted the Commercial Revenue Unit (CRU) will manage the leasing of the land via an agent and TDA will engage with CRU in this regard.

The Committee approved the signing of Deeds of Assent, noting the overall valuation of the land and the value of the beneficial ownership to the University in due course, when the asset can be realised in the form of unrestricted funds.



## **FN/23-24/12 University Bridge Fund II Investor Report Qtr. 2 2023**

The Committee considered the circulated memorandum from the Trinity Start-Up Development Manager dated 21.09.2023 and the enclosed University Bridge Fund II L.P. Investor Report for Q2 2023, which provided an update on the Fund's performance across the following headings:

- Fund Information
- Portfolio Update
- University Bridge Fund II, L.P. Financial Statements

The Committee noted the detail provided on four recent investments along with the value of total investments made to date, key portfolio highlights as set out and the continuing work to develop specific TCD projects and investment opportunities. The Committee also noted that the pace of investment aligns with the forecast deployment model and requested the Q3 FY23 performance update to come forward for review in Hilary Term 2024.

### **Action:**

- 12.1** The Q3 FY23 performance update to come forward for review in Hilary Term 2024.

## **FN/23-24/13 Minutes of Sub Committees (incl. Quarterly Performance Summary of Trinity Endowment Fund q/e 31.03.2023)**

The Committee noted the circulated memorandum from the Interim Chief Financial Officer dated 21.09.2023 and the accompanying draft minutes of the Investment Committee meeting of 16.06.2023, which included the following items:

- Endowment Fund – 31 March 2023
- IPUT Fund Review of FY2022
- Ancala Fund II Review of FY2022 and update on Ancala Fund III
- Summary of 2022 Performance Review of M&G European Property Fund
- Draft Sustainable Investment Policy



The Committee also noted the quarterly performance summary to 31.03.2023 as circulated.

#### **FN/23-24/14 Minutes of the Commercial Revenue Unit (CRU) Advisory Board**

The Committee noted the circulated memorandum from the Interim Chief Financial Officer dated 21.09.2023 and the accompanying minutes of the CRU Advisory Board meetings of 28.02.2023 and 01.06.2023, which included the following items:

- CRU FY23 YTD Financial Update
- Brand Development – Book of Kells Experience
- Marketing Update
- AOB

#### **FN/23-24/15 Minutes of the Audit Committee**

The Committee noted the circulated memorandum from the Interim Chief Financial Officer dated 21.09.2023 and the accompanying minutes of the Audit Committee meeting of 14.03.2023, which included the following items:

- Audit of Social Media Management
- Audit of Consolidated Financial Statements for 2021/22
- Trinity Endowment Fund Financial Statements for y/e 30.09.2022
- Conduct of the Audits
- Review of Completed & Risk Accepted Recommendations
- Audit Committee Annual Report 2022/23
- Subsidiary Undertakings Statement
- Board Papers

#### **FN/23-24/16 Minutes of the Estates Policy Committee**

The Committee noted the circulated memorandum from the Interim Chief Financial Officer dated 21.09.2023 along with draft minutes of the Estates Policy Committee meeting of 07.06.2023, which included the following items:

- Interim Exhibition Project Update



- Strategic Capital Projects
- Self-Evaluation Questionnaire – review of questions
- AOB

**FN/23-24/17    Related Entity Financial Reporting  
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The Committee noted the circulated memorandum from the Interim Chief Financial Officer dated 21.09.2023 and recommended the Directors’ Report and audited Financial Statements of the following entities to Board for noting:

- Science Gallery International for the year ended 30.09.2022
- The Lir (National Academy of Dramatic Art at Trinity College) for the year ended 30.09.2022
- HEAnet for the year ended 31.12.2022
- Douglas Hyde Gallery for the year ended 31.12.2022
- National Institute of Bioprocessing Research and Training Group (NIBRT) for the year ended 31.12.2022

**Action:**

**17.1**            The Directors’ Report and audited Financial Statements of Science Gallery International, The Lir, HEAnet, Douglas Hyde Gallery and NIBRT for FY2022 to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for 26 October 2023 **at 10:00am** in the Provost’s Library.

PROVOST.....            DATE.....