



Minutes of the Finance Committee Meeting of 26 October 2023

Present: Provost (Chair), Bursar, Dean of Arts, Humanities & Social Sciences, Chief Operating Officer, Ms. N. Hardiman, President of the Students Union, Ms. N. Holland, 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, Vice-Provost/CAO

Statement of Interest: None received

The Committee noted and approved the minutes of the Finance Committee meeting of 28.09.2023 as circulated. The update on Matters Arising from the minutes, including the status of a review of the University's capital programme management structures as outlined by the Bursar, was also noted along with circulated Action List, dated October 2023.

Section A

No items

Section B

FN/23-24/18 Commercial Revenue Unit (CRU) Update
(Minute FN/22-23/108 of 08.06.2023 refers)
The Interim Commercial Director attended for this item.

The Committee noted the circulated memorandum and presentation from the Commercial Director dated 19.10.2023, which provided an update on CRU activity and performance in FY23 across the following headings:

- Executive Summary
- Total forecast FY23 sales & contribution vs Budget & FY22 actuals
- Key highlights
- Key variances - FY23 Forecast vs Budget



The Commercial Director highlighted CRU's strong performance in the year and the significant increase in contribution over the prior year, outlining this was the first full year of normal commercial activity post-Covid. He noted that summer activity was strong overall, with both the Book of Kells and Library Shop operating at almost full capacity throughout the summer. Trinity Trails performed very well, with revenues increasing by over 60% on prior year. He noted that 88% of all Book of Kells tickets were booked on-line leading to increased efficiency and valuable data insights.

In considering the performance of each income generating activity, the Committee noted the positive impact of additional room availability on campus following the opening of Printing House Square, which along with the improved Events and Catering performance underpinned the strong recovery in the year. The Commercial Director acknowledged the CRU team's commitment and contribution, highlighting in particular the 27 Trinity student employees who had met increasingly strong demand for Trinity Trails tours.

Having reviewed the FY23 overall sales forecast, the Committee welcomed the positive variance achieved against budget, noting that contribution to the University for the year had surpassed FY19 levels. The Committee noted the impact of the Book of Kells Experience start-up costs on the FY24 forecast, which will be wholly funded from the CRU budget over the next 5 years.

Thanking the Commercial Director for his presentation and commending his team for the strong performance achieved, the Committee requested a further update in Trinity Term 2024. The Committee also requested additional detail on student employment trends across all areas of CRU activity.

Action:

18.1 A further update on CRU performance to come forward for consideration in Trinity Term 2024.

18.2 The Commercial Director to provide additional detail on student employment trends across all areas of CRU activity.



**FN/23-24/19
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FY24 Consolidated University Budget

(Minute FN/23-24/2 of 28.09.2023 refers)

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

The Committee noted the circulated documents from the Head of Financial Planning & Analysis, dated 20.10.2023, which set out the final FY24 Budget across the following headings:

- FY23/24 Budget Process – Timelines
- Recap: Revised 5-year forecasts
- FY24 Budget Challenges
- Student Numbers & Fee Income 2023/24
- Projected CRU Income & Contribution
- FY24 Overall Draft Budget – Income & Expenditure
- Total Consolidated Income
- OPEX Budget
- Cashflow Forecast & CAPEX
- Key Risks
- Next steps

The Interim Chief Financial Officer provided a brief introduction on the FY24 Budget, which had previously been considered and endorsed by Planning Group and Executive Officers, noting the increased total budgeted income and expenditure versus prior year and noted that, at a headline level, the budgeted out-turn aligns with the revised Strategic Plan target of a breakeven position for the year. She also highlighted the strong student number forecast and continued recovery of commercial revenues.

By way of presentation, the Head of Financial Planning & Analysis summarised the main components of the budget, highlighting key challenges including exceptional energy costs and significant pay awards expected in the year. The Committee noted the uplift in BPA allocations, the student number and fee income forecasts along with assumptions made in relation to the State Grant, CRU contribution and cost inflation, further noting the provisions made for insurance and Estate maintenance.

In considering the overall budget for FY24, the Committee noted the projected growth in both income and expenditure, along with the uplift in EBITDA, which



is ahead of the Strategic Plan, as is the budget surplus (when exceptional energy costs are excluded). The Committee welcomed the continued rebound in commercial activity and student numbers and reviewed the key risks as outlined, noting the uncertainty around inflation, energy and other cost pressures, along with the uplift in State Grant.

Following a brief discussion, the Committee noted that with a near break-even position in the FY24 budget, the potential impact of inflationary or other unplanned financial pressures could be significant. The Committee also noted that while the University's cash position was strong, a large proportion of funds were ringfenced for capital and research projects, with limited financial capacity available for investing in further strategic, infrastructure and sustainability initiatives.

Thanking the Interim CFO and Head of Financial Planning & Analysis for their presentation, the Committee recommended the FY24 Budget for onward consideration and approval by Board.

Actions

19.1 The FY24 Budget was recommended for onward consideration and approval by Board.

FN/23-24/20

Capital Projects Dashboard

(Minute FN/23-24/4 of 28.09.2023 refers)

The Committee welcomed the circulated document from the COO, dated October 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 and key activities to March 2024 along with a RAG status. The Committee also requested an updated Capital Projects Dashboard to come forward for consideration at the next meeting.

Actions

20.1 An updated Capital Projects dashboard to come forward for consideration at the next meeting.



FN/23-24/21 Printing House Square Update

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The Project Sponsor, Director of Campus Infrastructure and Project Appraisal Manager attended for this item.

The Committee considered a circulated memorandum from the Sponsor of the Printing House Square Accommodation Project, dated 19.10.2023 setting out an update on the Project across the following headings:

- Overview
- Update on Dispute Resolution Process
- Request of Finance Committee

In a brief presentation, the Project Sponsor summarised the current status of the Project deliverables, budget and dispute resolution process, which had been previously notified to the Committee and Board as part of the bi-annual project updates.

In considering the proposal presented, the Committee considered the risk assessment and professional advices sought, along with the required adjustments to the Project budget and Business Case in approving the proposal.

Having noted the adjustments to the Project budget as outlined and thanking the Project Team for their work in bringing the matter to a close, the Committee recommended the change to the Project Budget and proposed settlement (subject to legal agreement) for onward consideration and approval by Board.

Actions

- 21.1** The change to the PHS Project Budget and proposed settlement (subject to legal agreement) were recommended for onward consideration and approval by Board.



FN/23-24/22 Student Accommodation Rates

The Dean of Students attended for this item via Zoom.

The Committee noted the circulated memorandum from the Dean of Students dated 24.10.2023 which set out a proposal regarding Student Accommodation rates for AY24/25 across the following headings:

- Background
- Financial context
- Student welfare
- Request

The Dean of Students outlined the background to the request, noting the 3-year arrangement in respect of student accommodation rates which is now coming to an end and highlighted the economic changes and inflationary pressures which have emerged in the intervening years. The Dean of Students highlighted the extensive engagement undertaken with a wide range of stakeholders, including the Students Union, the Accommodation Office and Financial Services Division, as part of the accommodation rates review for AY24/25. He also noted that this activity operates at an annual deficit and is subsidised by other University revenues.

The Committee noted the broader context in determining student accommodation rates and the University's recognition of student wellbeing as an important part of this process. While indicating his appreciation of and support for the proposed rent freeze, the President of the Students Union outlined his concerns about the affordability of both University and private accommodation and noted the potential longer-term consequences of its effect on the student experience. The Committee, noting the impacts of the housing crisis and long-term Government underfunding on the current situation, acknowledged the disproportionate impact on students from disadvantaged backgrounds and welcomed engagement at local and sectoral level on this issue. The Committee also agreed that comparative information on the pricing strategies of other Universities would be beneficial/welcome as part of a future update.



Having considered the financial impact of the proposed rent freeze in AY24/25 along with the consequential impact on rental rates in subsequent years due to RTB guidelines, the Committee approved the rent freeze as proposed.

Action:

22.1 A proposal to freeze accommodation rental rates in AY24/25 was approved.

FN/23-24/23

Procurement Strategy Update

(Minute FN/22-23/89 of 04.05.2023 refers)

The Procurement Manager attended for this item.

The Committee noted the circulated paper from the Procurement Manager dated 19.10.2023, setting out the first of the bi-annual updates on the University's Procurement Strategy, across the following headings:

- Introduction & Overall Environment
- Capital Works & Facilities
- Facilities
- Sustainable Procurement
- Category Activity
- Resourcing

In terms of an overall picture, the Committee noted the slow improvement in availability and a lowering of inflationary pressure in recent months, with prices due to level off in 2024, noting however the sensitivity to geo-political factors. The Committee further noted the impact of year-on-year cost increases combined with resourcing constraints on the savings achieved in FY22/23 which were significantly below target.

In considering the update provided on Capital Works & Facilities, the Committee expressed concern at the potential impact of recent changes to Public Works Contracts, with contracting authorities now having to take on far greater levels of risk due to the introduction of liability caps and price variation clauses. The Committee noted that new processes will need to be introduced in order to formally assess liability caps, determine inflation thresholds and



manage contracts at delivery stage, as well as the resourcing implications of these new processes.

The Committee noted the high level of activity in the Capital Works and Facilities categories, including the update provided on active and pipeline projects. Further updates including specific activities outlined under the ICT and Professional Services categories, progress made during the year in Laboratory and Travel categories and ongoing engagement with the Top-50 suppliers were also noted.

Having reviewed the increasing levels of current and planned activity, along with emerging requirements, ongoing inflation, supply chain and contract management challenges, the Committee noted the resourcing issues as outlined and the opportunity to consider some of these issues as part of the planned capital programme management structure review. Having noted the updated KPI report as circulated, the Committee requested an updated report for consideration in Trinity Term 2024.

Action:

23.1 An updated report for consideration in Trinity Term 2024.

FN/23-24/24 Government Funding Challenges

The Interim CFO and Interim Deputy CFO reported on this item.

The Committee welcomed the circulated discussion paper from the Interim Chief Financial Officer and Interim Deputy Chief Financial Officer, dated 23.10.2023, which set out details of the State funding received by the University and associated challenges across the following headings:

- Introduction
- Decline in State Grant funding
- Primary income sources
- Key messages
- Breakdown of funding to Trinity - key points
- Next steps



The Interim Chief Financial Officer summarised the key messages of the circulated document, highlighting the University's response to the reduction in Government funding since 2008, and the success of the various initiatives undertaken to diversify income streams and reduce reliance on State Grant income. She highlighted that the additional income generated has been critical in supporting core operations, further noting the University's reliance on philanthropy, commercial income and loan financing in delivering capital projects and other strategic developments in this period.

The Committee noted the growth in student numbers over the past decade, which has been largely unfunded, and the consequential impact in terms of existing and future capacity constraints. The Committee expressed concern at the longstanding issues associated with the HE funding model, noting Government commitments to address the current core funding deficit have been largely undelivered to date. Whilst acknowledging recent funding opportunities for specific capital projects, the Committee also expressed concern at the extent of the University's backlog maintenance requirements following a prolonged lack of investment in this regard.

In reviewing the detailed breakdown of funding received in 2022 and 2023, the Committee noted that, despite apparent increases year-on-year, there is little additional financial flexibility due to a shortfall in funding for mandated pay awards. In considering the Free Fees initiative and Research funding specifically, the Committee further noted the fee per student has not increased in 15 years, despite significantly increased operational costs, with Trinity similarly bridging the gap between the actual costs of conducting research and Exchequer-funding received.

Following a detailed discussion of the funding measures included in Budget 2024, the ongoing lobbying efforts at University and Sectoral level and other avenues available to the University, the Committee noted the importance of continuing to seek other sources of funding due to the competing priorities at Government level. In this context, the Committee requested the Chief Innovation & Enterprise Officer be invited to present on the University's revised Innovation Strategy, including bridging the gap in research and development funding and creating synergies with other University initiatives.



The Committee thanked the Interim Chief Financial Officer and Interim Deputy Chief Financial Officer for their informative report.

Action:

- 24.1** The Chief Innovation & Enterprise Officer to be invited to present on the University's revised innovation strategy, including bridging the gap in research and development funding and creating synergies with other University initiatives.

Section C

FN/23-24/25 Financial Committee Terms of Reference Update

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The Interim CFO reported on this item.

The Committee welcomed the circulated memorandum from the Interim Chief Financial Officer dated 19.10.2023, and approved the enclosed, revised copy of the Finance Committee's Terms of Reference, which reflect recent Board-approved membership changes along with other minor amendments.

The Committee also noted the updated detail provided on changes to University Governance structures and the accompanying high-level Terms of Reference for newly convened Principal Committees.

FN/23-24/26 Trinity Online Services CLG Update

The Committee noted the circulated memorandum from the Director of Trinity Online Services CLG, dated 19.10.2023, which set out an update on the company under the following headings:

- Executive Summary
- Background
- TOSCLG recommendations proposed to and accepted by Board
- Next Steps

The Committee noted the update on company activity since the last report, in particular the outcome of a strategic review by the Directors of Trinity Online



Services CLG which recommended that the services provided by the Company be transferred to the University and the company be closed. Following approval by Board in October 2023, the process to wind down this University subsidiary has now commenced and the Committee noted the next steps in this regard as outlined.

An updated report from TOSCLG will come forward for consideration in Trinity Term 2024.

26.1 An updated report to come forward for consideration in Trinity Term 2024.

FN/23-24/27 Report on the Audits of Research/Capital Projects in 2022/23

The Committee noted the memorandum from the Projects Accounting Manager dated 16.10.2023 as circulated, which details the outcome of audits carried out during 2022/23 by (or on behalf of) external stakeholders on research activity, along with two capital audits undertaken in the same period. Noting that there were no significant audit risks or issues identified, the Committee also noted the value of expenditure audited, the adjustments arising and the common findings across the various audits.

FN/23-24/28 Trinity Development & Alumni (TDA) Update

The Committee noted the circulated memorandum from the Director of Trinity Development & Alumni (TDA) dated 19.10.2023, which provided an update on TDA's performance as at 30.09.2023 when compared to the approved Business Plan across the following headings:

- 2022/23 Funds Raised and Income Received
- Review of Outstanding Pledges
- Ageing of Pledges
- Forecasted Cashflow
- Operating Costs: 2022/23
- TDA Update



The Committee noted the funds raised in 2022/23 versus the annual and 5-year targets, and the significant gifts received during the year. The total philanthropic income in the year, 7.6% ahead of prior year, was also noted along with the value of funds received directly by the University.

The Committee reviewed the update on outstanding pledges, including the split of balances due to TDA and those that will be paid directly to the University (and their age profile), along with the forecasted cashflow and favourable variance to budget in terms of operating costs in the year, as outlined.

In considering the update on TDA activities, the Committee noted the development of the Strategic Travel Plan and the significant increase in fundraising activity and proposals submitted, along with the increase in social media engagement as outlined. A further update on activity will come forward for consideration in Trinity Term 2024.

28.1 A further update on activity to come forward for consideration in Trinity Term 2024.

FN/23-24/29 Dartry Student Accommodation Project Update

The Committee noted the circulated memorandum from the Sponsor of Dartry Accommodation Project dated 18.10.2023, and the accompanying copy of the fully reviewed Preliminary Business Case for the Project, which had previously been approved by Board in September 2019, along with additional detail and supporting information. The Committee noted that the Business Case will be further updated in the coming months, culminating in a Final Business Case which, in line with normal University governance procedures, will be submitted for approval by Finance Committee and Board prior to any construction contracts being entered into.

Action:

29.1 The final Dartry Student Accommodation Project Business Case to be submitted for approval by Finance Committee and Board prior to any construction contracts being entered into.



FN/23-24/30 Treasury Management Update

(Minute FN/22-23/114 of 08.06.2023 refers)

In accordance with the Treasury Management Policy, the Committee noted the circulated memorandum and accompanying appendices from the Project Appraisal Manager, Project Appraisal Accountant and Financial Accountant dated 19.10.2023, setting out a review of the financial quarters from 1st October 2022 to 30th June 2023, along with comparative data for the previous financial year across the following headings:

- Current deposits, credit ratings and credit limits
- Deposit Capacity & New Banks
- Average deposit rates and monthly cash balances
- Bank of Ireland 0% Interest charges on No 1 Current Account
- EIB Loan Nos. 1, 2 and 3 and Top Up Financing
- Commercial Borrowing
- L&G Loans 2, 3 and 4
- HFA Loan 1
- AIB Bank Rolling Credit Facility
- Obligations under Finance Lease
- EIB Financial Covenants, Borrowing Capacity & HEA considerations
- Bank Overdrafts
- Treasury Policy Update
- Treasury Risk Management Update

An updated report on the final quarter of the financial year 2022/23 will come forward for consideration in Hilary Term 2024.

Action:

- 30.1** An updated report on the final quarter of the financial year 2022/23 will come forward for consideration in Hilary Term 2024.



FN/23-24/31 University Bridge Fund II – Governance Update

The Committee noted the circulated memorandum from the TCD Start-up Development Manager dated September 2023 along with the accompanying Atlantic Bridge UBF2 Update Presentation, which set out summary detail on the University Bridge Funds I and II, including the initial investment made into each fund, drawdowns to date, along with the total value of funds invested and the number of recipient companies.

In the circulated presentation, Atlantic Bridge provided an update across the following headings:

- Investments and Commitments to Date
- Trinity Spin-Outs Key Value Drivers in University Fund 1
- New Investments (since last Update in Sept 2022)
- Portfolio Progress
- Pipeline development and ecosystem engagement

The Committee noted the Governance update and requested an update to come forward for consideration in Michaelmas Term 2024.

Action:

- 31.1** A University Bridge Fund 2 Governance update to come forward for consideration in Michaelmas Term 2024.

FN/23-24/32 Minutes of Sub Committees (incl. Quarterly Performance Summary of Trinity Endowment Fund q/e 30.06.2023)

The Committee noted the circulated memorandum from the Interim Chief Financial Officer dated 19.10.2023 and the accompanying draft minutes of the Investment Committee meeting of 12.09.2023, which included the following items:

- Endowment Fund – 30 June 2023
- NTR Fund Review of the Financial Year 2022
- Arcmont review of the Financial Year 2022
- Summary of 2022 Performance Review of CBRE PEC Fund
- Update on Portfolio Restructuring
- Investment Committee Best Practice & Self Evaluation



The Committee also noted the quarterly performance summary to 30.06.2023 as circulated.

FN/23-24/33 Minutes of the Audit Committee

The Committee noted the circulated memorandum from the Interim Chief Financial Officer dated 19.10.2023 and the accompanying minutes of the Audit Committee meeting of 07.06.2023, which included the following items:

- Audit of Oversight of Externally Contracted Services
- Audit of Department of Sport & Recreation
- Audit of Occasional Staff & Casual Payroll
- Risk Management Policy
- Update on Internal Audit Annual Plan
- Audit Committee Self-Evaluation
- Non-Audit Services Policy
- Audit Committee Terms of Reference and Internal Audit Charter
- Audit Committee Schedule
- Audit Committee Annual Report 2022/23
- Management Letters
- Non-Audit Services Engagement
- Funding Programme
- Board Papers

The Committee noted the next Finance Committee meeting is scheduled for **23 November at 10:00am** in the Provost's Library.

PROVOST..... DATE.....