THE UNIVERSITY OF DUBLIN  
TRINITY COLLEGE  

The Minutes of the Finance Committee Meeting of 6 February 2008  

PRESENT:  
The Provost, the Bursar, the Registrar, the Senior Lecturer, Professor M. Marsh, Ms P. Murphy, the Secretary, Treasurer (Acting) - Secretary of the Finance Committee.  

IN ATTENDANCE:  
Research Accounting Manager  

APOLOGIES  
Professor J. Parnell, Mr. A. Byrne  

(PRESENT FOR)  
The Provost welcomed Professor M. Marsh (Dean of Arts Humanities & Social Sciences) and Ms P Murphy (Board member) as new members of the Finance Committee.  

The Minutes of the Meeting of 19 December 2007 were approved and signed.  

Section A  
None  

Section B  

FN/07 – 08/37 Action List 2007/08  
The Treasurer (Acting) briefed the Committee on the circulated Action List and on the status of items contained therein not yet brought to a conclusion. It was agreed that Action 86.1 be amended to reflect the correct title of the Director of the International Office.  

FN/07 – 08/38 An Post Site/Biosciences Development – Funding Proposal  
The Director of Buildings attended for this item.  

The Committee had been circulated with a memorandum from the Treasurer (Acting) dated 29.01.2008 setting out a funding proposal for the new An Post/Biosciences Development. Introducing the paper, the Provost stressed the importance of this project as being vital to the development and expansion of the College in the context of the College’s Strategic Plan and in addition being entirely consistent with the Government Strategy for Science, Technology and Innovation (SSTI). The Treasurer (Acting) presented the background to this proposal highlighting the agreement with the successful developer for the provision of retail/commercial space within the project funded directly from rental income for a 10 year period after which ownership returns to College free of charge. The funding sources for the academic space budgeted at €75M are as yet to be finalised. It was noted that the Site & Facilities Committee had been fully briefed by the Director of Buildings with regard to the design, construction and total budgeted costs of the project. The Committee also noted that a Cost Benefit Analysis Report as required by the Department of Finance Capital Appraisal Guidelines had been prepared by external consultants and submitted to the Department of Education and Science/Higher Education Authority for evaluation. The Treasurer (Acting) informed the Committee that, as the project will be partly funded by non public sources and will cost in excess of €30m, the College is also required to seek advice on the proposed funding mechanism from the National Development Finance Agency (NDFA). To this end a preliminary informal meeting, with a formal engagement to follow, was held on 04.02.2008 with NDFA representatives who acknowledged the current status of the project and indicated areas where the NDFA could provide assistance with the funding proposal.  
The Committee, in considering the funding proposal noted the –
i. cost per annum of financing various levels of borrowing on an ‘interest only’ basis
and on a repayment basis over 10, 20 and 30 years at an indicative loan rate of
5%.

ii. advices from the College's Procurement Officer that there is no requirement to use
an EU tendering process to obtain the required funding through borrowing.

iii. project and associated borrowing complies with the conditions set out in the
sectoral borrowing framework and prior consent from the HEA is not required.

iv. recurrent costs of the development will be borne by the occupants of the building.

Given the high probability that the College will be successful in generating other significant
direct capital funding over the next 12-24 months (PRTLI V Programme, Donor Funding,
State Agencies etc.) and the phased period of construction, the Committee acknowledged
the likelihood that the full drawdown of €75m will not be required. The Committee was
however made aware of the cost per annum of servicing both capital and interest on
borrowing €75m and other possible options available in the unlikely event that direct
capital funding did not materialise. The Committee agreed that the funding proposal was a
departure from existing College policy and therefore required full consideration and
approval by Board.

The Committee, satisfied that all the risks associated with the funding proposal had been
considered in detail and on balance represented a low risk, agreed to recommend to
Board that the Treasurer (Acting) be authorised to procure a borrowing capacity enabling
the development of the An Post Site/Biosciences building up to a maximum of €75m on
the most economically advantageous terms for the College utilising the asset as security.

Action:
38.1 The Treasurer (Acting) to bring forward the An Post Site/Biosciences funding
proposal for consideration and approval by Board.

FN/07 – 08/39 Student Fees 2008/09 – Non-EU and Postgraduate

The Committee considered the circulated memorandum from the Finance Operations
Manager dated 30.01.2008 with attached schedules setting out the proposed fees for EU
and non-EU Postgraduate Fees and other non-EU fees for the academic year 2008/09. The
Treasurer (Acting) indicated that the standard rate of fee inflation required to meet
incremental expenditure for 2008/09 was estimated at 6.5% after taking account of known
pay increases and an estimate of non-pay inflation. The Committee noted that, as in
previous years, Heads of School/Vice Deaneries and Course Directors have had discretion
in setting fee levels of postgraduate and non EU courses depending on circumstances
applicable to each course. The Treasurer (Acting) advised the Committee that although all
areas had been written to proposing an increase of 6.5%, a number of areas had requested
that fee levels be retained at current levels and reduced in some cases.

In the context of the current pressure on College’s finances, concern was expressed with
regard to student fees not being adjusted upwards in line with expected increases in the cost
base. It was noted however that Schools were taking a more proactive approach to
determining fee levels as it now has a direct impact on their ARAM related income. The
variety and complexity of the current fee levels was discussed and the Committee
reiterated its request of February 2007 (Minute FN/06-07/45 refers) that the matter be
addressed by the Deans following their appointment.

Taking into consideration the advices/observations received from the Director of the
International Office and Dean of Graduate Studies, the Finance Committee approved the
fee increases set out in the accompanying schedules in respect of non-EU, self financing
courses and postgraduate fees and agreed that in future the Deans through their Faculty
Offices would be involved in the process for determining fee levels.

Action:
39.1 The Faculty Deans to consider the complexity and fragmentation of the current
fee structure with a view to introducing a more simplified fee structure in the
future.

**FN/07 – 08/40 Recurrent Grant 2008**

The Treasurer (Acting) advised the Committee that the HEA grant letter had been received on 28.01.2008. He indicated that the Estimates (which are currently being prepared on the basis of the grant as notified) are scheduled for consideration at the next meetings of the Executive Officers, Finance Committee and Board in order to meet the tight timeframe set by the HEA for the return of budget information. The Committee was concerned that the Sectoral core grant for 2008 (as notified) represented an increase of 3.2% over the outturn for 2007 which only translated into an increase of 2.2% for College (after the application of the RGAM amended moderating mechanism applied by the HEA) in 2008. The Committee noted that the three-year phasing-in period for the implementation of the RGAM to calculate the core grant was now complete and also that the university-submitted student number returns for 2006/07 had been reviewed by the HEA Student Audit Group who had concluded that the returns, while not audited this year, were sufficiently robust and reliable as a basis for grant allocation purposes.

**Section C**

**FN/07 – 08/41 Funding Statements 2006/07 - KPMG Audit**

(Minute FN/07-08/25 of 19.12.2007 refers)

Having been circulated with the Audit Committee memorandum to Board dated 16.01.2008 with the accompanying letter from KPMG to Audit Committee dated 14.01.2008, the Board Minute (draft) of 23.01.2007 and the C&AG Correspondence to Audit Committee dated 9.01.2008, the Committee was pleased to note that the 2006/07 Funding Statements had been approved by the Board and were signed off without qualification by the external auditors KPMG on 23.01.2008.

**FN/07 – 08/42 Travel and Subsistence Rates for Ireland and Abroad 2008**

The Committee noted and approved the memorandum, circulated, from the Treasurer (Acting) dated 28.01.2008 with the accompanying 2008 College booklet on Travel and Subsistence Rates for Ireland and Abroad. It was agreed that Deans, Heads of School and Support Units will be circulated with the booklet which will also be made available on the College website to all interested parties.

**Action:**

42.1 Deans, Heads of School and Support Units to be circulated with Travel & Subsistence Rates 2008 and also to be made available on the College website.

**FN/07 – 08/43 HEA Correspondence**

The Committee was circulated with the following correspondence from the HEA:


ii. Recurrent Grant Allocation Model (RGAM) Letter dated 19.12.2007 informing the Provost of current developments in relation to the RGAM. The Committee noted that the research top-slicing will remain at its present level of 5% and also the HEA’s request for feedback on a consultation paper on a framework to support vulnerable/strategically important subjects. The Treasurer (Acting) tabled the response to the HEA from the Senior Lecturer dated 31.01.2008.

iii. PRTLI Cycle 4 Budgets and Pension Provision to the Provost dated 19.11.2007 outlining the current status of the HEA Working Group on University Pensions and
confirming that pension costs are not eligible under PRTL1 Cycle IV.

**FN/07 – 08/44 Payroll Audits**

The Committee received a circulated memorandum from the Treasurer (Acting) dated 29.01.2008 enclosing a copy of the recently issued Internal Audit reports on the review of internal controls operating within the monthly/weekly and casual payrolls. The Committee noted the opinions expressed in the reports and agreed that appropriate action should be adopted by the Treasurer’s Office in conjunction with the Staff Office on the recommendations. Progress on the recommendations will be reported as part of the bi-annual Control Exception Report.

**Action:**

44.1 The Treasurer’s Office to take appropriate action on the recommendations made, in conjunction with the Staff Office, with progress on the recommendations to be reported as part of the bi-annual Control Exception Report.

The next meeting of the Finance Committee has been arranged for **Monday 18 February 2008 at 11.00** in the Board Room.

PROVOST..................................................

DATE....................................................

/ fc min 06 02 2008