



Minutes of the Finance Committee Meeting of 16 December 2015

PRESENT: Provost (Chair), Bursar, Chief Operating Officer, Mr. J. Gorringe, Registrar (for Minutes FN/15-16/60-66), Dean of Arts, Humanities & Social Sciences, Professor R. Gilligan, President of the Students Union, Chief Financial Officer (CFO) – Secretary of the Committee

IN

ATTENDANCE: Deputy CFO, President of the Graduate Students Union

APOLOGIES: Vice Provost/Chief Academic Officer, Ms. C. Curtis

Subject to a minor amendment, the minutes of the meeting of 23 November 2015, along with an update on open action items, were noted.

Section A

**FN/15 - 16/60
XX Treasury Management Policy Derogation**
(Minute FN/15 - 16/1 of 25.09.2015 refers)

In considering the circulated memorandum from the Deputy Chief Financial Officer dated 09.12.2015, the Committee, acknowledging the associated timing issues as outlined, agreed to a further 3-month extension to the derogation from the Treasury Management Policy and recommended it for onward consideration and approval by Board.

Action

60.1 A 3-month extension to the derogation from the Treasury Management Policy is recommended for onward consideration and approval by Board.

**FN/15 - 16/61
XX Treasury Management Policy Change:
Capital Development Fund – Structured Deposit Proposal**

The Committee considered the circulated memorandum from the Chief Financial Officer dated 09.12.2015 which set out the background to the proposed Treasury Management policy change. The Committee noted that the recommended financial structure was well established and provided a capital guarantee.

Acknowledging the University's capital commitments over the short to medium term, and in order to ensure adequate diversification to manage risk, the Committee, noting the Investment Committee recommendation (Minute IC/15-16/15 of 08.12.2015 refers), approved and recommended to Board for onward consideration and approval, the proposal as follows:

- Funds available for less than two years to be invested in short term bonds (including indexed funds) or placed on deposit with a bank if a short term corporate deposit rate can be secured; and
- Funds available for more than two years to be invested in the Structured Deposit product.

Action

61.1 A change to the University's Treasury Management Policy to allow investment in short term bonds and Structured Deposit products was approved and recommended to Board for onward consideration and approval.

Section B

FN/15 - 16/62

Trinity Long Room Hub (TLRH)

(Minute FN/14 - 15/139 of 08.06.2015 refers)

The Director of TLRH and the Institute Manager attended for this item.

The Committee considered the first of the bi-annual reports from the Director of the TLRH, dated December 2015 as circulated, which set out an update under the following headings:

- Update since the last report
- Financial Summary
- Risk
- Sustainability
- Grant Applications

Having reviewed the financial details provided, the Committee noted the TLRH's requirement for agreed financial support in 2015/16. The Committee considered the specific risks outlined by the Director of TLRH in relation to financial sustainability, noting that, whilst the relevant Schools associated with TLRH were very supportive, they were unable at this time to make their agreed contributions due to the challenging financial environment. The Committee, recognising the clear benefits of TLRH, particularly in the context of the University's rankings, requested that a 5-year financial plan should be completed and signed off by the participating Schools as a matter of priority, and following engagement with the Dean of Research, be brought forward for consideration in Hilary Term 2016 as part of his overall review of the financial sustainability of TRIs.

Furthermore, noting the schedule of research proposals submitted during the reporting period and the impact of the TLRH on University rankings, the Committee requested the Dean of Research engage with the Dean of AHSS and Planning Group to explore options for the use of Faculty/School research overhead to support TLRH and further requested that should changes to overhead policy arise from this review, they would be brought forward for consideration in due course.

Thanking the Director and the Institute Manager for their report, the Committee, in line with College policy, invited them to provide an update in Trinity Term 2016.

Action

- 62.1** A five year financial plan for TLRH to be completed as a matter of priority which, following engagement with the Dean of Research, will be brought forward for consideration in Hilary Term 2016 as part of his overall review of the financial sustainability of TRIs.
- 62.2** The Dean of Research to engage with the Dean of AHSS and Planning Group to explore options for the use of Faculty/School research overhead to support TLRH and any changes to overhead policy arising from this review to be brought forward for consideration in due course.
- 62.3** In line with College policy, the TLRH Director and Institute Manager to provide an updated report in Trinity Term 2016.

FN/15 - 16/63

Commercial Revenue Unit (CRU) - Operational Plans & Budget for 2015/16

(Minute FN/14 - 15/100 of 08.05.2015 refers)

The Commercial Director attended for this item.

The Committee welcomed the Commercial Director and considered his circulated presentation dated 16.12.2015, which detailed the following:

- FY 2014/15 Performance
- FY 2015/16 Budget
- Five year plan
- FY 2015/16 Initiatives
- Key requests and projects of interest
- Risk register

The Committee noted the turnover and associated contribution to the University in 2014/15 along with the forecasted contribution for 2015/16 and the key initiatives planned for the coming year.

Having noted the detailed financial information provided and the risks as outlined, the Committee welcomed the CRU's strong performance overall and, thanking the Commercial Director, invited him to provide an update in Trinity Term 2016, in line with College policy.

Action

63.1 The Commercial Director to provide an updated report in Trinity Term 2016 in line with College policy.

FN/15 - 16/64

Quarterly Accounts to 30.09.2015

The Management & Financial Accounting Manager and the Projects Accounting Manager attended for this item.

The Committee was circulated with a memorandum dated 09.12.2015 from the Management & Financial Accounting Manager and the Projects Accounting Manager along with accompanying schedules which set out the quarterly accounts, including key issues and trends, for the period 01.10.2014 to 30.09.2015 under the following headings:

- Financial Analysis of College Divisional Areas (excl. Research)
- Research
- Analysis of Capital Projects

The Committee noted the accounts as presented, including the outcome versus budget for pay and non-pay within Faculties/Divisions/Other Areas for the year ended 30 September 2015. The Committee further noted that the balanced budget being reported has been achieved through savings and the use of reserves, with the unadjusted position being an underlying deficit against budget. In this context, the Committee requested the Deputy Chief Financial Officer to engage with the Faculty Deans and bring forward a paper setting out details of Schools/Divisions committed and ring-fenced reserves for consideration in Hilary Term 2016. The Committee noted that the University does not currently budget for depreciation or provision for asset and infrastructure renewal.

In considering the Research schedules, the Committee noted the increased activity in the period, the level of new awards, high participation levels and growth in the level of overhead being recouped by the University. The Committee requested the Dean of Research to engage with the Director of PAC to identify an effective mechanism to communicate recent research successes and to raise awareness of the increased level of research activity.

The Capital Projects update was noted under the following headings:

- Analysis of capital projects
- Income and expenditure in the current financial year
- Strategic and non-strategic capital projects at 30 September 2015
- Administration and system development

Action

64.1 The Deputy Chief Financial Officer to engage with the Faculty Deans and bring forward a paper setting out details of Schools/Divisions committed and ring-fenced reserves for consideration in Hilary Term 2016.

64.2 The Dean of Research to engage with the Director of PAC to identify an effective mechanism to communicate recent research successes and to raise awareness of the increased level of research activity.

FN/15 - 16/65

Science Gallery Update

(Minute FN/14 - 15/106 of 08.05.2015 refers)

The Science Gallery Interim Director and Operations Manager attended for this item.

Having been presented with an update on the financial status of the Science Gallery in the circulated memorandum from the Interim Director dated 02.12.2015, the Committee welcomed the high level of visitors in 2014/15, the programmes hosted, recent research award successes and the impact of the absence of a dedicated fundraiser in the second half of the year. The satisfactory year-end position was noted.

The Committee further noted that a five-year "Strategic Road Map" for the Science Gallery to address sustainability issues had been developed, including its dependency on additional spatial and financial resources and that engagement with a Working Group of Executive Officers is ongoing to bring forward proposed solutions.

Thanking the Science Gallery Interim Director and Operations Manager for their report and, in line with College policy, the Committee invited them to provide an update in Trinity Term 2016.

Action

65.1 The Science Gallery Interim Director and Operations Manager to provide an update in Trinity Term 2016.

FN/15 - 16/66

Online Education Strategy II Update

(Minute FN/14 - 15/45 of 04.12.2014 refers)

The Associate Dean for Online Education attended for this item.

The Committee, having been circulated with a memorandum from the Associate Dean for Online Education dated 08.12.2015, noted the updated financial position at 30.09.2015 along with the revised financial forecasts associated with reduced student numbers, including the increased investment required by Year 3. Having considered the issues outlined in relation to course selection, the Committee requested the Associate Dean to work with Executive Officers to review the Online Education Pilot and explore mechanisms to ensure full School engagement in the design of appropriate course offerings to support maximum participation levels.

Noting details of the set-up of Trinity Online Services Ltd., the Committee requested the Associate Dean to engage with the College Secretary and CFO to clarify the role of the University's support functions in assisting the activities of the new company.

Thanking him for his report and in line with College policy, the Committee requested the Associate Dean to bring forward an updated report for consideration in Trinity Term 2016.

Action

66.1 The Associate Dean to work with Executive Officers to review the Online Education Pilot and explore mechanisms to ensure full School engagement in the design of appropriate course offerings to support maximum participation levels.

66.2 The Associate Dean to engage with the College Secretary and CFO to clarify the role of the University's support functions in assisting the activities of the new company.

66.3 In line with College policy, the Associate Dean to provide an update in Trinity Term 2016.

Industry Strategy

(Minute FN/14 - 15/103 of 08.05.2015 refers)

The Director of Trinity Research & Innovation attended for this item.

The Committee welcomed the Director of Trinity Research & Innovation and considered the paper dated December 2015 as circulated, which set out the update on the Industry Research Strategy under the following headings:

- Executive Summary
- Financial Summary
- Balanced Scorecard
- Sustainability
- Activity
- Risk & Opportunity

The Committee noted that the Industry Strategy is on target with industry awards in excess of the full 2-year strategic target and Exchequer co-funding of industry activities also ahead of target. With a significant level of new industry collaborations having already been executed in 2015/16, the Committee also recognised that a strong future pipeline is in place.

Welcoming the progress made to date, the Committee noted the sustainability issues as outlined, the key activities undertaken in the period along with the risks as set out. Having reviewed the financial summary and balanced scorecard, the Committee thanked the Director of Trinity Research & Innovation for his report and invited him to provide an update in Trinity Term 2016, to include a revised presentation of the financial information.

Action

67.1 The Director of Trinity Research & Innovation to provide an update in Trinity Term 2016, to include a revised presentation of the financial information.

Research Funding Diversification Strategy

(Minute FN/14 - 15/104 of 08.05.2015 refers)

The Director of Trinity Research & Innovation attended for this item.

The Director of Trinity Research & Innovation introduced the paper dated December 2015, which set out an update on the Research Funding Diversification Strategy under the following headings:

- Update since the last meeting
- Risk
- Grant Awards

In considering the update provided, the Committee noted that the University's success rate in Horizon 2020 is currently above the international benchmark. The high participation levels, which are significantly above the strategy target, were also noted. In noting the successes achieved under Horizon 2020, the Committee acknowledged the risk arising from the dependence on ERC funding, and the mitigating actions that are planned to ensure the success rate is maintained/increased.

Whilst US funding is being sought and the number of awards is increasing, it was noted that the individual awards are of a lower value than forecast. Consequently the funding base has been broadened, with targets now included for non-US international funding. This funding source is strong with significant numbers of applications and good award values achieved to date.

Having reviewed the schedules accompanying the circulated memorandum, the Committee further noted the expected return on investment for the strategy is positive overall.

The Committee thanked the Director of Trinity Research & Innovation for his report and invited him to provide an update in Trinity Term 2016.

Action

68.1 The Director of Trinity Research & Innovation to provide an update in Trinity Term 2016.

Procurement Strategy Implementation Update

(Minute FN/14 - 15/135 of 08.06.2015 refers)

The Procurement Manager attended for this item.

The Committee welcomed the Procurement Manager who presented an update on the Procurement Strategy as outlined in his circulated memorandum dated 07.12.2015 and the accompanying schedules under the following headings:

- Overall 14/15 Savings versus Target
- Procurement Steering Group
- External environment
- Supplier management
- Category management
- Resourcing

Welcoming the progress made on the strategy implementation and the savings made in the year to 30 September 2015, the Committee noted the impact of resourcing issues on performance as outlined and the outstanding START recommendation for a fully integrated procurement service for the University. The Committee further noted the supplier and category management initiatives in progress along with the set-up of the Procurement Steering Group, which met for the first time in October 2015.

Thanking the Procurement Manager for his report, the Committee requested that an updated report be brought forward in Trinity Term 2016.

Action

69.1 The Procurement Manager to provide an updated report in Trinity Term 2016.

Non-EU Fee Increases 2016/17 - Update

(Minute FN/15 - 16/32 of 20.10.2015 refers)

The Committee considered the circulated memorandum from the Director of Internationalisation dated 09.12.2015, which set out requests in relation to proposed 2016/17 fee increases for specific courses within two schools following a benchmarking review by an external consultancy firm.

Having considered that a review of PGT courses is currently underway along with the rationale provided by the Head of School, the Committee agreed that a fee increase in respect of this specific course would be spread over two years as proposed, with fee increases of 8% and 6.5% in 2016/17 and 2017/18 respectively. It was further noted that once the review of PGT courses within the school is completed, an increase in excess of the recommended level may prove to be warranted in future years.

The proposed fee increase for a specific Masters course in another School was considered, with full derogation from the 2016/17 fee increase approved as requested and recommended for onward approval by Board. The Committee requested that a review of relevant PGT courses in this School be completed as a matter of urgency with a paper setting out the recommended fees to be brought forward for consideration at the next meeting in February 2016, and then onward to Board for approval.

The Committee noted the view of the President of the Students Union that any fee increases should be deferred until all course reviews are completed.

Action

70.1 The proposed 2016/17 fee increases for specific courses following a benchmarking review by an external consultancy firm to be forwarded for approval by Board.

70.2 A review of relevant PGT courses in a specific School to be completed as a matter of urgency with a paper setting out the recommended fees for 2016/17 to be brought forward for consideration at the next meeting in February 2016, and then onward to Board for approval.

FN/15 - 16/71 FSD Risk Assessment - Update

The Committee considered the circulated memorandum from the Planning Appraisal Manager dated 09.12.2015, which, in accordance with the College's Risk Management Policy, outlined a review of the financial risks associated with College activity along with the monetary value estimate for each risk. The Committee, noting that there were no critical risks, considered the following high risks:

- Balanced recurrent budget 2015/16
- Financial sustainability, income diversification and cost management/efficiency enablers
- Strategic plan and capital programme delivery

Having acknowledged the appropriateness of the high risks as set out and noting the medium risks as outlined, the Committee agreed that the risks as presented be forwarded to the Chief Operating Officer for inclusion in the College's overall risk register.

Action

71.1 Risks to be forwarded to the Chief Operating Officer for inclusion in the College's overall risk register.

Section C

FN/15 - 16/72 Analysis of Income & Expenditure of Research Accounts for 2014/15 (Greenbook Extract)

The Committee noted the circulated memorandum from the Projects Accounting Manager dated 09.12.2015, incorporating an extract of the Annual Analysis of Recurrent Expenditure and Research Accounts (Green Book) for the year ended 30.09.2015, including information on income and expenditure for all individual research accounts by Faculty/School/Discipline and the number of active research accounts along with research income by source.

FN/15 - 16/73 Control Exception Report

The Committee noted the bi-annual Control Exception Report for the period to November 2015 from the Financial Operations Manager as circulated, which included issues in relation to the repetitive nature of certain control exceptions along with a number of new exceptions occurring in the reporting period. In accordance with normal practice, the Control Exception Report will be circulated to the Faculty Deans for Heads of School and also circulated to the Chief Operating Officer for Heads of Service and Support.

Action

73.1 The Control Exception Report to be circulated to the Faculty Deans and also to the Chief Operating Officer for onward circulation to Heads of School and Heads of Service and Support areas respectively.

FN/15 - 16/74 Trinity College Institute of Neuroscience (TCIN)
(Minute FN/14 - 15/69 of 04.02.2015 refers)

The Committee noted the circulated report from the Director of TCIN dated 09.12.2015, as presented under the following headings:

- Update
- Income and Expenditure plus Forecast figures for 15/16
- Grant Applications
- Sustainability
- Risk Assessment
- GBHI Governance
- Other
- Recap outline Budget TGBHI

The Committee noted that a request to Planning Group for additional funds is likely and requested that a further update be provided in Trinity Term 2016, in line with College policy.

Action

74.1 In line with College policy, the Director of TCIN to provide an update in Trinity Term 2016.

FN/15 - 16/75 Treasury Management Quarterly Update

The quarterly Treasury Management update as set out in the circulated memorandum from the Project Appraisal Manager dated 09.12.2015 was noted.

FN/15 - 16/76 Fee Derogations 2016/17

(Minute FN/15 - 16/32 of 20.10.2015 refers)

The Committee noted and approved the circulated memorandum from the Dean of the Faculty of Engineering, Mathematics and Science dated 09.12.2015, requesting derogation from the fees set for 2016/17 for a specific course, further noting that the request had previously been considered and approved by Planning Group.

FN/15 - 16/77 Financial Services Division Annual Report 2014/15
XX

The Committee noted the Annual Report of the FSD for 2014/15 as circulated which set out goals and targets achieved in the year, key performance statistics along with the priorities and planned objectives for 2015/16. The contribution by FSD staff, in particular the Director of Financial Planning and Risk Management and the Service Liaison Officer, was acknowledged. It was also noted that the Report will be forwarded to Board in electronic format for noting in January 2016.

Action

77.1 The FSD Annual Report 2014/15 to be forwarded to Board (in electronic format) for noting in January 2016.

FN/15 - 16/78 Capitation Committee Annual Report

The Committee noted the Capitation Committee's Annual Financial Report 2014/15, circulated for oversight purposes at the request of Board. Following a discussion of the allocations made, the Committee, (following a proposal from the President of the GSU), requested that the basis on which allocations are made to capitated bodies be reviewed by Capitation Committee so current policies and best practice are followed and legacy issues do not occur.

Action

78.1 The Capitation Committee to review the basis on which allocations are made to capitated bodies so current policies and best practice are followed and legacy issues do not occur.

FN/15 - 16/79 SFI & EI OIP Allocations 2015/16

The Committee noted the 2015/16 SFI and EI OIP Allocations (previously approved by the Indirect Cost Planning Group and noted by the Planning Group), as set out in the schedules appended to the circulated memorandum from the Projects Accounting Manager, dated 03.12.2015. The Committee requested the Dean of Research to review the basis of the allocation of other research overhead and to bring forward a proposal to Planning Group to ensure fair distribution of overhead income to areas in the University.

Action

79.1 The Dean of Research to review the basis of the allocation of other research overhead and to bring forward a proposal to Planning Group to ensure fair distribution of overhead income to areas in the University.

FN/15 - 16/80 Total Indirect Costs Earned by College 2014/15

The Committee noted the circulated memorandum from the Projects Accounting Manager dated 03.12.2015, setting out the levels of research indirect costs earned by the University in 2014/15 by source, their allocation between Central Services and Academic Areas and Schools in terms of indirect costs generated.

FN/15 - 16/81 Minutes of FIS User Group

The Committee noted the memorandum from the CFO dated 09.12.2015 and the draft minutes of the FIS User Group meeting of 19.11.2015 as circulated.

FN/15 - 16/82 Minutes of Sub Committees

The Committee noted the memorandum from the CFO dated 09.12.2015 along with the draft minutes of the Investment Committee meeting of 08.12.2015, as circulated.

FN/15 - 16/83 Sub Committee - Appointment of New Member

The Committee noted and approved the circulated memorandum from the CFO dated 09.12.2015 proposing a new member of the Investment Committee, along with attached biography.

**FN/15 - 16/84 Related Entity Financial Reporting
XX**

The Committee, noting the circulated memorandum from the CFO dated 09.12.2015, recommended the Directors' Report and audited Financial Statements of the Houghton Institute and National Digital Research Centre (NDRC), for the year ended 31 December 2014, to Board for noting.

Action

84.1 The Directors' Report and audited Financial Statements of the Houghton Institute and National Digital Research Centre (NDRC), for the year ending 31.12.2014, to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for **Friday, 22 January 2016 at 9.00am** in the Provost's Library.

PROVOST.....

DATE.....