



Minutes of the Finance Committee Meeting of 1 October 2019

Present: Provost (Chair), Vice-Provost, Bursar, Dean of Health Sciences, Ms. Cathy Bryce, Mr. L. Kavanagh, Professor S. Alyn Stacey, President of the Students Union, Interim Chief Financial Officer (ICFO) – Secretary to the Committee

In Attendance: GSU President, Deputy CFO

Apologies: Registrar, Chief Operating Officer, Director of Financial Planning & Risk Management

Statement of Interest: None declared

The Provost, on behalf of the Committee, once more welcomed the incoming Presidents of the SU and GSU and the new external member, Ms. Cathy Bryce who provided a brief, verbal biography by way of introduction. The Provost also welcomed the Dean of Health Sciences to her first meeting.

Following a brief update by the Provost on the status of key items considered by the Committee at its meeting of 10.06.2019, the minutes of the meeting were noted and approved.

Section A

No items

Section B

FN/19-20/1 Financial and Performance Highlights – Q3 2018/19

The Projects Accounting Manager (Capital & Research) attended for this item.

In considering the Q3 2018/19 Executive Summary and detailed reports from the Deputy CFO and the Projects Accounting Manager dated 24.09.2019 as circulated, the Committee welcomed the updated information, including the key messages as set out and noted (by way of presentation) the highlights across the following headings:

- Financial summary dashboard
- Budget to Forecast as at Q3



- Student numbers trend FY2015-19
- Student numbers analysis
- Budget to forecast variances by Faculty/Division
- Variance by School
- Adjusted budget to actual variances by Faculty/Division as at Q3
- Executive summary: Research/Capital
- Cashflow forecast
- Trinity's Gearing - Loans/Debt Profile
- Trinity Endowment Fund
- Key messages

The Deputy CFO drew the Committee's attention to the financial summary and the budget to latest forecast for 2018/19, noting the forecasted outturn to 30.09.2019 (before unrealised gains and losses on investments) and the movement on the position reported in Q2, arising primarily from a reduction in revenue (including State Grant and Academic Fee income) and partially offset by increased Research and other income. The Committee further noted the Q3 EBITDA position, which is adverse to budget due to increased Research expenditure (related to higher Research income) and partially offset by a reduction in gross depreciation, due to the timing of new projects and the end of depreciable life of assets.

The Committee noted the increase in staff costs year on year, due to increased staff numbers along with increments and promotion costs.

In reviewing the detail provided on student number trends, including the small increase in student numbers on prior year and the overall growth since FY14/15, the Committee noted the ongoing shortfall in students compared to the projections reported to Board in June 2018. The minimal year-on-year student number growth (excluding the Business School growth), was also noted with concern, with two Faculties reporting a decrease in student numbers on prior year.

Having reviewed the detail of the Q3 2018/19 adjusted budgets to forecasted variances by Faculty and Division, the Committee noted the factors underpinning the reported results, in addition to the variances by School. The Committee further noted the variance in central income and



costs as outlined, in particular the significant reduction in HEA grant for 2018/19.

The Committee noted the University's research activity for the quarter is down 2.4% on prior year, related primarily to decreased spend on Infrastructure Awards and awards from industry sources. The 12% increase in research income on prior year is due to timing differences of receipts, in particular from EU and SFI Centre Projects.

The Committee further noted the value of new awards is up 26% on prior year, largely due to the Amber 2 award, which accounts for c. 41% of new awards signed in the period. The Committee welcomed the very significant increase in new proposals value (157.9% over prior year). Of these, some 39% (€165m) were submitted to SFI with decisions due in Oct/Nov 2019. A further 33% (€140m) were submitted to the EU, however the Committee noted with concern that only 1 of 407 recent starting grants from the EU was awarded to Ireland.

The updated information on capital project activity and the overall capital portfolio value was noted (including the top 5 approved projects by value) along with the notable increase in capital expenditure, which is 19% ahead of prior year, largely arising from the Trinity Business School and Printing House Square projects.

In considering the updated cash-flow forecast (operational and capital), the Committee noted a large increase in cash from July 2019, driven by significant loan drawdowns for capital projects. The final quarter of the year shows the forecasted closing cash position at year-end is in line with expectations and indicates that the University will continue to hold minimum year-end cash balances greater than 45 days cash.

The Committee considered the updated information on the University's gearing and loan/debt profile, noting the two recent loan drawdowns and the timing associated with a further upcoming loan drawdown. The updated information on the Endowment Fund, including the increased market value of the fund and status of the portfolio restructure, was also noted.

The Interim CFO highlighted that the University is broadly on track versus budget and that the key focus will be on achieving a break-even or surplus position at the financial year-end. Following a query on gearing, the Interim



CFO also confirmed that Trinity has a strong cash position and projections lie within the covenant range, which is expected to be met at year end.

Thanking the Deputy CFO and the Projects Accounting Manager for their presentations and the key messages as outlined, the Committee requested that an update on Q4 2018/19 activity be provided in Hilary Term 2020.

Action:

- 1.1** An update on Q4 2018/19 activity to be provided in Hilary Term 2020.

FN/19-20/2

E3 Learning Foundry – Project Update

(Minute FN/18-19/67 of 07.03.2019 refers)

The Programme Manager for Strategic Projects attended for this item.

The Committee welcomed the circulated memorandum from the Capital Project Sponsor (Bursar) dated 23.09.2019, setting out an update on the E3 Learning Foundry Capital Project (Phase 1).

By way of presentation, the Bursar provided an update on the capital elements of the E3 Project, and the Committee noted the detail set out across the following headings:

- E3 Learning Foundry Building
- CGI's of proposed E3 Learning Spaces
- Roberts Lab, Bio-Chemistry, Zoology Accretions Demolition
- Completed Ramp up and enabling projects
- Ramp up and enabling projects in design phase
- Programme Budget Business case comparison to Current Stage
- Change request No 23 - Demolition of the Anatomy Annex
- Early Warning of potential additional Design team costs

The Committee noted the demolition works, and related decanting projects, had commenced in August 2019 as planned, with Phase 1 of the demolition to be completed by December 2019. The Committee further noted the status of the cost-benefit analysis being undertaken for basement works in part of the site, with any design and other changes arising from that process to come through normal governance channels.



In considering the completion of Stage 2B of the design phase, which has led to an increase in the proposed building size and an associated revision in costs, the Committee noted that the increase in costs has largely been offset by savings from the enabling projects and that further savings are expected to arise in due course from value engineering initiatives, with no budget uplift requested at this time. The Bursar also advised the Committee of a planning gain arising from the inclusion of outdoor space in the proposed design. Having noted the revised construction and design costs as outlined, the Committee approved change request 23, to remove the Anatomy Building Annex and develop an outdoor plaza, noting that the change had previously been considered and endorsed by the E3 Steering Committee. The source of funding for the works was also identified and approved.

Further to a query on the level of professional fees, the Bursar indicated that whilst significant, they were justified by the extensive revisions to the planning strategy in addition to additional surveys, groundworks etc.

The Bursar also briefed the Committee on the HEA's newly introduced devolved control procedures, noting the HEA's intended involvement in the pre-tender planning and tender stages of the project. The Committee noted that external advice has been sought on the matter and Trinity is engaging robustly with the HEA to maintain existing governance processes, which operate effectively.

Having reviewed the detail provided in the memorandum and noting the risks, assumptions, issues and dependencies as outlined, the Committee thanked the Bursar for her report and requested that an updated report be brought forward for consideration in Trinity Term 2020.

Action:

- 2.1** Change Request 23 was approved.

- 2.2** An updated report to be brought forward for consideration in Trinity Term 2020.



FN/19-20/3 Clare Street Acquisition

The Director of Campus Infrastructure attended for this item.

The Committee welcomed the circulated memorandum from the Director of Campus Infrastructure, on behalf of the Property Group, dated 25.09.2019, regarding a proposal to acquire a property. By way of presentation, the Director of Campus Infrastructure briefed the Committee on the rationale behind the proposal to purchase the property and its immediate and future benefits to the University. The Committee noted the strategic benefits of the acquisition in terms of its location, along with current and future usage plans.

The Director of Campus Infrastructure advised that the acquisition is being approached as a “special purchase” due to the existing occupation of the building and the strategic nature of its location. In considering the cost of the acquisition and the proposed financing as outlined, the Committee noted the financial risks in relation to alternative rental options should the sale not proceed. Further to a query on the variance between the proposed purchase price and the property valuation, the Committee was advised that the purchase price had been validated by an independent Property Valuation Consultant and is within the acceptable range for a strategic purchase of this kind. Noting the proposed funding as outlined, the acquisition was approved provisionally, subject to a full review and assessment of the valuation report by the Property Group.

Action:

- 3.1** The property acquisition was approved provisionally, subject to a full review and assessment of the valuation report by the Property Group.



FN/19-20/4

Historic Accommodation Building Refurbishment Project

(Minute FN/18-19/105 of 10.06.2019)

The Dean of Students (Project Sponsor) attended for this item.

The Committee welcomed the circulated memorandum from the Dean of Students dated 24.09.2019, and the accompanying report on the completed ECBA conducted by Grant Thornton, set out across the following headings:

- Introduction
- Background
- Strategic context
- Options analysis
- Qualitative factors
- Economic appraisal
- Sensitivity analysis
- Conclusions and recommendations

By way of presentation, the Dean of Students outlined the current status of the project, noting that tendering for both the Single Point Design Team (SPDT) and Project Manager/Quantity Surveyors (PM/QS) is nearing completion, with a preferred architecture firm identified and the selection of the PM/GS firm to be finalised by 7.10.2019. He also outlined the four options considered as part of the ECBA and summarised the main findings of the quantitative and qualitative evaluation undertaken. In reviewing the quantitative analysis, the Committee noted the financial metrics achieved for each of the options as set out, along with the importance of keeping the project within budget given the outcome of the sensitivity analysis undertaken for construction cost overruns and different discount rates. The qualitative benefits to the University arising from the Project were also noted.

Having considered the outcomes of the ECBA and noting that an increase in construction costs remains in the planned budget range, the Committee approved Option 3 as the preferred choice and recommended the Project progress with the appointment of the SPDT and PM/QS teams and the tendering process for the main contractor.

Further to a query, the Committee noted the planned usage of the refurbished buildings as accommodation for students and Fellows Emeriti,



with apartments for transitioning new staff also planned. The Committee also noted that on-campus accommodation would greatly enhance the value of Research Fellowships and help to attract high-calibre international academics, should the Chief Stewards House be considered for this purpose.

Thanking the Dean of Students for his report, the Committee requested an update in advance of the appointment of the main contractor and/or in Trinity Term 2020, whichever arises sooner.

Action:

4.1 The Committee approved Option 3 as the preferred development choice and recommended the Project progress with the appointment of the SPDT and PM/QS teams and tendering for the main contractor.

4.2 An updated report to come forward update in advance of the appointment of the main contractor and/or in Trinity Term 2020, whichever arises sooner.

FN/19-20/5

Trinity Business School

(Minute FN/18-19/25 of 23.11.2018 refers)

The TBS Programme Sponsor, the Dean of Development, the Dean of TBS, and Programme Manager attended for this item.

The Committee reviewed the circulated memorandum from the Programme Sponsor and Dean of TBS dated 19.09.2019, which provided an update on the TBS Project across the following headings:

- Update since the last report
- Financial summary
- Financial position of project lifecycle
- Risk
- Sustainability issues

i. TBS Capital Project

The Programme Sponsor presented an update on the capital elements of the TBS Project, as outlined in the circulated memorandum. In considering the financial update on the construction project including the commitments and



spend to date, the Committee noted that claims had been submitted by the contractor (post final account agreement) and design team and that ongoing negotiations are expected to conclude in December 2019. Following some discussion, the Committee agreed to a change request to reassign funds set aside in the budget for the demolition of the Simon Perry building to instead meet current project expenditure. It was further agreed that part of the surplus arising from TBS's overperformance would be allocated to meet the demolition costs.

Having reviewed the detail provided on the transition from construction to operational stage, the Committee noted the requirement for a Business Case Review Group, to track the financial performance of each of the business units in the building, along with a Building Management Committee.

ii. TBS Development Plan

In considering the summary presentation on the TBS Development Plan progress, the Committee noted that TBS continues to exceed planned financial performance and is projecting a significant surplus above plan in 2018/19, arising from a combination of significantly increased revenues and costs being slightly lower than the Board-approved plan. The ongoing challenges encountered by the School in recruiting and retaining teaching staff of the appropriate calibre, for reasons including the lack of rental accommodation and cost of housing in Dublin, along with high income tax rates, were once again flagged as underpinning the variance in forecasted pay expenditure and as well as being an issue that could potentially limit TBS's ability to maintain its strong performance in the longer term. In this context, the Committee requested the Dean of TBS to engage with the VP/CAO to look at possible mechanisms to mitigate this specific growth constraint.

Noting the significant increase in the surplus in 2018/19 (and the further increases forecast for 2019/20) since the last update on the growth plan, the Committee acknowledged the positive impact that the EQUIS and AMBA accreditations have had on TBS's performance and the importance of post-graduate courses in the revenue growth achieved. The diverse composition of the student body was also welcomed, and the Committee further noted that whilst full capacity has not yet been achieved, growth is beginning to moderate.



The Committee reviewed the update provided on CRU activity, noting that although both the café and accommodation opened later than planned, the forecasted contribution to the University from this activity has increased, with a strong pipeline of conference bookings confirmed.

The Committee welcomed the update on Philanthropic activity as presented by the Dean of Development, who indicated that the overall target for the TBS project will be achieved. The Committee noted the reallocation of some funding as outlined and also the update provided on amounts pledged and received. The Dean of Development indicated that it is unlikely further philanthropic sums will be achieved on capital as the project draws to a close, however more funding may be raised to support posts in the future. The Committee noted the funds raised to support operations in Tangent and the positive impact on the overall philanthropic target achieved. Further to a query, the Committee discussed the current and long-term funding options for new posts supported by philanthropic donations in addition to forms of student support most likely to generate philanthropic donations. Having considered the demographic detail provided on donors to TBS, the Committee noted that the Dean of Development would engage with the Provost on key learning about Philanthropic fundraising over the course of this Project.

iii. Tangent (Innovation & Entrepreneurship Hub) Update

The Committee welcomed the presentation on the Innovation and Entrepreneurship Hub, noting the positive impact on Tangent activity since moving to the new space in the Business School. The Committee noted the detail provided on recent events and programmes hosted by Tangent, including the GovTech Conference in June. Tangent's financial position, and the forecasts for the current and future years were also noted, along with the difficulty in forecasting into the future given the short-term nature of the courses.

The Committee welcomed the progress made to date on all elements of the TBS Project and the detail provided in relation to academic programme development, construction progress, philanthropy, risk and sustainability issues and thanking the Dean of TBS, Dean of Development and the Programme Sponsor for their report requested that an update on activity be provided in Trinity Term 2020.



Action:

- 5.1** The Committee approved a change request to reassign funds set aside in the budget for the demolition of the Simon Perry building to meet current project expenditure.
- 5.2** Part of the surplus arising from TBS's overperformance to be allocated to meet planned demolition costs.
- 5.3** The Dean of TBS to engage with the VP/CAO to look at possible mechanisms to mitigate against growth constraints associated with ongoing recruitment challenges.
- 5.4** An update to come forward for consideration in Trinity Term 2020

Section C

**FN/19-20/6
XX**

HEA Funding Statements for year ended 30.09.2018

The Committee noted the memorandum from the Interim CFO dated 24.09.2019 and attached Funding Statements for year ended 30.09.2018 and recommended them for onward submission to Board for approval.

Action:

- 6.1** HEA Funding Statements for year ended 30.09.2018 to be forwarded to Board for approval.

FN/19-20/7

School of Nursing & Midwifery – fee derogation request 2020/21

The Committee noted the circulated memorandum from the Dean of Health Sciences and the Head of the School of Nursing & Midwifery, seeking a derogation from the usual 3% fee increases and setting out a proposal to introduce a new EU fee structure across all Post-Graduate courses within the School, further to recent review and approved by the Faculty Dean.



As requested, the Committee noted the fee derogations approved by the Dean in respect of 3 specific courses, the fees of which are subject to tendered contracts with the HSE, along with one further Post Graduate course which will now align to fees in peer Universities.

Action:

7.1 The Committee noted the fee derogations approved by the Dean of Health Sciences in respect of 3 specific courses, the fees of which are subject to tendered contracts with the HSE, along with one further Post Graduate course which will now align to fees for similar courses in peer Universities.

FN/19-20/8 Online Education Project Strategy Update

(Minute FN/18-19/90 of 1.05.2019 refers)

The Committee noted the memorandum from the Chief Operating Officer/Board member of Trinity Online Services Limited (TOSL) dated 23 September 2019 which set out an update on the Project under the following headings:

- Executive Summary
- Update since the last report
- Financial Summary
- Risk
- Sustainability Issues

The Committee noted the update on company activity since the last report, including the progress on the review of Digital Learning Services. It is anticipated that long term recommendations in relation to the Company and its strategy will arise from the review in Michaelmas Term 2019. In the meantime, the company continues to operate on a 'business as usual' basis.

The Committee noted the financial update and improved performance, including the positive impact on income generated versus operating costs, along with the risks and sustainability issues as outlined, and requested an updated report on the Online Education Project - Strategy II to be brought forward in Hilary Term 2020.



Action:

- 8.1** An updated report on the Online Education Project - Strategy II to be brought forward in Hilary Term 2020.

FN/19-20/9 Planning Group Report #20

The Committee noted the circulated memorandum from the former VP/CAO, dated 24.09.2019, enclosing Planning Group Report #20, which had been considered and approved by the Executive Officers Group and by Board in June 2019 (Minute BD/18-19/295 of 19.06.2019 refers).

FN/19-20/10 Provost's Expenses

The circulated memorandum from the College Secretary dated 19.09.2019, setting out the bi-annual report of the Provost's expenses for the period 01.07.2018 to 31.12.2018, was noted. Furthermore, the Committee noted that, as indicated, all expenses incurred were approved in line with relevant University policies, no exceptional items of expenditure were incurred and that reimbursement claims (and associated supporting documentation) were available for review at the meeting.

FN/19-20/11 Student Sports Development Charge 2020/21

The Committee noted the circulated memorandum from the Head of Sport and Recreation dated 05.09.2019, which advised of a minor increase to the Student Sports Development Charge (from €120 to €122) in 2020/21.

Although an inflation increase of €1 to €121 was already noted by the Finance Committee in March 2019, fees for 2019/20 had already been published at that time and to avoid changing fees mid-cycle, the increase was deferred to align with the start of the next academic year cycle. An increase of €2, reflective of two consecutive years of inflation, was therefore approved for implementation in 2020/21.

Action:

- 11.1** An increase of €2, reflective of two consecutive years of inflation, was approved for implementation in 2020/21.



FN/19-20/12 Treasury Management Update

In accordance with the Treasury Management Policy, the Committee noted the circulated memorandum and accompanying appendices from the Project Appraisal Manager dated 16.09.2019, setting out an update for the third quarter of the financial year from 01.04.2019 to 30.06.2019 along with comparative data for the previous financial year across the following headings:

- Current deposits, credit ratings and credit limits
- Average deposit rates and monthly cash balances
- Bank of Ireland negative interest charges on No.1 current account
- EIB Loan No. 1
- EIB Loan No. 2
- EIB Loan No. 3
- Commercial borrowing
- L & G Loan
- Obligations under Finance Lease
- EIB Financial covenants, borrowing capacity & HEA considerations
- Bank Overdraft

The Committee noted the updated information provided and requested an updated report on the final quarter of the financial year 2018/19 to come forward for consideration in Hilary Term 2020.

Action:

- 12.1** An updated report on the final quarter of the 2018/19 financial year to come forward for consideration in Hilary Term 2020.

FN/19-20/13 Minutes of Sub Committees

The Committee noted the circulated memorandum from the Interim CFO dated 24.09.2019 along with draft minutes of the Investment Committee meeting of 10.09.2019, which included the following items:

- Endowment Fund 30.06.2019
- Risk Review of Portfolio
- Update on portfolio review and restructure
- Trinity Development & Alumni campaign update
- Investment Committee Self-Evaluation 2018/19



FN/19-20/14 Minutes of Audit Committee

The Committee noted the circulated memorandum from the Interim CFO dated 24.09.2019 along with minutes of the Audit Committee meeting dated 02.04.2019, which included the following items:

- GDPR Update
- Annual Report to Board
- Audit Function Risk Register

FN/19-20/15 Minutes of FIS Oversight Group

The Committee noted the circulated memorandum from the Interim CFO dated 24.09.2019 along with the draft minutes of the FIS Oversight Group meeting of 04.06.2019, which included the following items:

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

FN/19-20/16 Minutes of the FIS Transition Programme Steering Group

The Committee noted the circulated memorandum from the Interim CFO dated 24.09.2019 along with the final and draft minutes of the FIS Transition Project Steering Group of 27.05.2019 and 09.09.2019 respectively, which included the following items:

- FIS Transition Programme Update
- RAID Log
- FIS Oversight Group Update

