



Minutes of the Finance Committee Meeting of 3 February 2022

Present: Provost (Chair), Vice-Provost/CAO, Bursar, Interim COO, Dean of Health Sciences (Minutes 42 to 47), Registrar (Minutes 40 to 43) Ms. C. Bryce (Minutes 40 to 46), Mr. L. Kavanagh, Professor Louis Brennan, President of the Students Union (Minutes 40 to 44), Chief Financial Officer (CFO) – Secretary to the Committee

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

Apologies: Ms. N. Holland

Statement of Interest: Ms. Cathy Bryce for Minute 45.

The Committee noted and approved the minutes of the Finance Committee meeting of 18.11.2021 as circulated, along with the updates provided on open actions under Matters Arising.

Section A

No items

Section B

FN/21-22/40 Finance Committee – Meeting Structure

Noting the governance requirements and the terms of reference of the Finance Committee as set out in the University Statutes, the Provost invited Committee members to consider whether future meetings could be better structured to maximise the Committee's effectiveness, noting that any suggestions in this regard would be very welcome.



FN/21-22/41 Annual Report of Sub-Committee of Finance Committee

The Chair of the Investment Committee attended for this item.

The Committee welcomed the memorandum from the Chair of the Investment Committee dated 27.01.2022, as circulated, which set out the Investment Committee's Annual Report for the year ending 30.09.2021 across the following headings:

- Quarterly investment performance
- Investment Committee Sub-Group Strategy Day
- Investment Managers' performance
- Investment Policy Statement
- Investment strategy and income targets
- Portfolio review and restructure
- Investment management fees and charges
- Benchmarking review of Endowment Fund's performance
- Membership changes
- Endowment Fund Financial Statements FY19/20
- Self-evaluation 2020/21
- Planned Activity for 2021/22

By way of presentation, the Chair of the Investment Committee highlighted the value of the Endowment Fund at 30.09.2021 which, for the first time, exceeds €250 million having doubled in value over the last 10 years. Whilst there have been additions to the Fund during that period, he noted that 90% of the increase in value arises from investment performance.

The Committee considered the key achievements in the year as presented noting the review of quarterly investment performance and the net return achieved in the year, which was slightly lower than prior year. The Committee also noted the actual asset distribution in the year versus the approved asset strategy (still being implemented) which, along with consideration of a short-term strategy for managing cash and a review of risk appetite, had been reviewed at an Investment Committee Sub-Group meeting in April 2021 and at a subsequent Strategy meeting in May 2021. Three of the external asset managers also presented 2020 activity and performance updates at the Strategy meeting.



The Investment Committee considered quarterly performance reports from ILIM, IPUT plc., the Irish Infrastructure Fund, Ancala Infrastructure Fund II, NTR Renewable Energy Income Fund, University Bridge Fund, M&G European Property Fund and CBRE Pan European Core Property Fund at each meeting and also focussed on developing an Investment Policy Statement, which was approved by Finance Committee in February 2021. Ongoing review of the investment strategy and monitoring of income targets in the context of Covid-19 impacts had also been a key activity during the year.

The Committee noted the update on the portfolio review and restructure, including the drawdown of committed funds, consideration of new asset allocations for excess funds, along with the approvals of new private credit and trade finance investments during the year. The Investment Committee also reviewed investment management fees and charges which, in the context of the strong performance achieved, continue to represent good value for money. The Committee also noted the planned actions for the coming year including the transition of equity holdings to ILIM's Climate Conscious Fund.

Having congratulated the Chair of the Investment Committee on the performance of the Fund in the year and thanking him, the Investment Committee members and the team in FSD for their work, the Committee noted the growth in size and complexity of the Fund along with the scale of supporting activity carried out by FSD and agreed that consideration should be given to appropriate, dedicated resourcing going forward. The Committee requested the Investment Committee's Annual Report for FY21/22 to come forward for consideration in Hilary Term 2023, in line with University policy.

Action:

- 41.1** FSD to consider appropriate resourcing levels to manage the administrative requirements of the Endowment Fund given its growth in size and complexity.
- 41.2** The Chair of the Investment Committee to present the Investment Committee's Annual Report for FY21/22 in Hilary Term 2023.



FN/21-22/42 Financial & Performance Highlights – Qtr.4 2020/21

The Group Financial Manager and Projects Accounting Manager attended for this item.

In considering the Q4 2020/21 Summary and Detailed Reports from the Group Financial Manager and the Projects Accounting Manager dated 03.02.2022 as circulated, the Committee welcomed the updated information, including the key messages as set out and highlights across the following headings:

- Financial Performance FY20/21 (Draft subject to audit finalisation)
- FY20/21 Financial Summary Dashboard
- FY20/21 Actuals v Prior Year v Budget (excl. investment gains)
- FY20/21 Pay by Area
- FY20/21 Non-Pay by Area
- Student numbers trend FY16-21
- Executive Summaries (Research and Capital) FY20/21
- FY20/21 Cashflow
- Trinity's Gearing - Loans/Debt Profile and by Project
- Trinity Endowment Fund FY20/21
- Endowment Fund Investment Assets FY20/21
- FY20/21 Budget to Actual Variances (by Faculty, Division and School)

The CFO advised the Committee that the external audit was progressing well and that the draft Consolidated Financial Statements for FY21 would come forward to the next meeting for review in line with planned reporting timelines. He drew the Committee's attention to the University's financial performance for the year, highlighting the underlying deficit (before unrealised gains and losses) of €13m, which compares to a net deficit of €16.4m in the prior year, due primarily to impacts of Covid on University income. He emphasised that the net deficits recorded in both years reflect the substantial impact of COVID-19 on the University's income streams, which were partially mitigated by substantive remedial actions implemented over the period.

In considering the draft Actual versus Budget results for 2020/21, income and expenditure analysis, and year-on-year comparison of financial performance, the Committee noted the relatively positive financial position achieved, despite the continued financial impacts of Covid-19, further noting the operational position – i.e. earnings before interest, tax, depreciation and



amortisation (EBITDA), along with the factors contributing to the variance against budget and prior year including:

- Covid-19 impacts on commercial income
- Higher investment and philanthropic income
- Receipt of one-off HEA Covid support funding and business continuity insurance award
- Increased fee income

The Committee noted the increase in staff costs year-on-year, primarily due to pay restoration costs, increments, allowances and higher staff numbers; with concerns around the fixed nature of pay costs once again expressed.

Considering the final student numbers (at 31.03.2021) submitted to the HEA for 2020/21, the Committee noted that whilst numbers are ahead of expectations earlier in the year, they represent a small shortfall on prior year, with the mix of students reverting to FY16/17 levels as a result of the Covid-19 impacts on international student recruitment.

The Committee reviewed the University's research performance, noting that research activity (expenditure) will once again exceed €100m for the fifth consecutive year. The average indirect cost recovery rate at 17.3% had reduced versus prior year and remains substantially lower than the University's FEC rate. Having reviewed the total value of grant proposals during the year, and noting the increase in SFI applications, the Committee requested that TR&I provide an analysis of grant applications over the past 5 years in order to assess any indicative trends impacting future research activity. Furthermore, the Committee requested FSD to provide a comparative analysis of SFI funding, to include a breakdown in the number and value of individual awards over the past 5 years.

The Committee noted the value of new research contracts signed in the year (up 26.8% on prior year), continuing the 5-year trend of the value of new awards exceeding €100m.

The update on capital project activity was noted, including the top 5 approved projects by value and the overall capital portfolio value along with the notable decrease in capital expenditure year-on-year, due to the closure of the University's construction sites in January 2021. The Committee noted the



significant increase in philanthropic funding on prior year, in particular the largest single gift ever received by the University; a donation to E3 Learning Foundry in May 2021.

The Committee noted the net increase in closing cash versus budget and a year-on-year increase in cash, with lower Capital outflows, higher EBITDA and improved working capital partially offset by lower investment and benefactions cashflows.

The Committee considered the update on the University's gearing and loan/debt profile, noting current and committed future borrowings, along with approved, uncommitted borrowings.

The Endowment Fund update, including net income for FY20/21, the market value of the Fund at year-end and status of the portfolio restructure, was also noted. The Committee was advised that Endowment Fund Net Assets are up €41m on the prior year balance, which reflected the significant losses due to Covid-19 impacts on equity markets in FY19/20. The current year surplus includes unrealised gains of €33.7m at 30.09.2021.

Thanking the Group Financial Manager and the Projects Accounting Manager for their presentations, the Committee noted the results as outlined and requested that an update on Q1 2021/22 activity be provided at the next meeting.

Action:

- 42.1** TR&I to provide an analysis of research applications over the past 5 years in order to assess any indicative trends impacting future research activity.
- 42.2** FSD to provide a comparative analysis of SFI funding, to include a breakdown in the number and value of individual awards over the past 5-years.
- 42.3** An update on Q1 2021/22 activity to be provided at the next meeting.



FN/21-22/43 Strategic Plan 2020-25 Progress Report
(Minute FN/20-21/63.1 of 04.02.2021 refers)

The Committee noted the circulated document from the VP/CAO dated 03.02.2022, and enclosed schedules setting out a detailed progress update and RAG status for each Goal, Action and Target in the University's Strategic Plan 2020-2025.

By way of presentation, the VP/CAO summarised key achievements since the last report, including an increase in the value of philanthropic funding, including scholarship-specific amounts raised, publication of the Disability Service's Strategic Plan, development of student spaces in the 1937 Reading Room and Hamilton Building along with steps to develop a platform for early career researchers. The Committee noted the overall status of each of the 9 Goals, and the primarily "green" status of the individual actions and targets underpinning each Goal.

The VP/CAO provided an update on previously flagged "red" actions/targets, noting the impact of Covid-19 as a common underlying factor to delays and also highlighted the newly assigned "red" status of 4 additional actions/targets and 3 "amber" since the last report, providing additional detail and plans to progress each item.

Following a brief discussion of the underlying issues including financial constraints, the Committee requested a further update come forward for consideration in Trinity Term 2022.

Action:

43.1 A further update on the Strategic Plan to come forward for consideration in Trinity Term 2022.



FN/21-22/44 Old Library Redevelopment Project - Interim Exhibition Update

(Minute FN/20-21/98 of 17.05.2021 refers)

The Head of Capital Projects & Planning and the Commercial Director attended for this item.

The Committee considered the circulated memorandum from the Bursar & Director of Strategic Innovation dated 27.01.2022, across the following headings:

- Request of the Finance Committee
- Background
- Feasibility study of interim exhibition
 - Market analysis
- Option B for Interim Exhibition
 - Market research
 - Location for Option B
 - Results of the Built Environment Feasibility Study
- Business Case for Option B
- Comparison to original business case and risks
- Recommendation

In her presentation, the Bursar summarised the critical importance of the Interim Exhibition as part of the business case for the Old Library Redevelopment Project (OLRP), both in terms of offsetting commercial revenue losses due to the closure of the Book of Kells exhibition and by directly contributing income from the interim exhibition itself and associated income from Trinity Trails.

As reported in May 2021, the location, feasibility of revenue estimates and costs of the interim exhibition were undetermined and following an extensive consultation process, Option A (with an interim exhibition location in College Park and which did not include the Book of Kells), was presented to Board in November 2021. However, a subsequent evaluation by external consultants, indicated that this option was not financially viable and would not achieve the OLRP business case targets.

The Committee was advised that Option B emerged as a workable alternative, with a dual location in New Square and the Printing House and will include an



exhibition of the Book of Kells. Refurbishment of the Printing House will be required and although there will be additional costs of this refurbishment, the overall financial contribution from Option B to the OLRP business case exceeds target. The Committee noted that this new Option/location had been considered and approved by both the Executive Officers Group and Board in January 2022.

Having considered the conclusions of the feasibility study of Option B, the comparison to the original business case, sensitivity analysis and timing risks as outlined, and noting the detailed rationale underpinning the recommendation and request to proceed, the Committee approved Option B – the renovation of Printing House with the Book of Kells and a smaller pavilion in New Square.

The Committee thanked the Bursar, Head of Capital Projects & Planning and the Commercial Director for the significant work that had been undertaken to progress this element of the OLRP Project and requested an update come forward for consideration Trinity Term 2022.

Action:

- 44.1** The Committee approved Option B as the preferred choice of location for the Interim Exhibition.
- 44.2** An update on the Interim Exhibition to come forward for consideration in Trinity Term 2022.

FN/21-22/45

Interest Rate Mitigation – 2022 Update

(Minute FN/21-22/04 of 07.10.2021 refers)

The Project Appraisal Manager and Treasury Accountant attended for this item.

The Committee noted the circulated memorandum from the Project Appraisal Manager and Treasury Accountant dated 27.01.2022, which set out an update on the previously agreed interest rate risk mitigation strategy, in advance of execution, across the following headings:

- Introduction



- Recap on hedging position
- Market update
- Recommendation

In his presentation, the Project Appraisal Manager updated the Committee on progress made since the decision to secure an interest rate swap on the University's floating rate loans was made in October 2021. This includes completion of a competitive pricing tender process along with meeting the administrative requirements of the successful bank in order to proceed with the agreed swap.

The Project Appraisal Manager also highlighted that while market rates have steadily increased since September 2021, with a consequential increase in the cost of the interest rate swap to the University, the rationale for the proposed interest rate swap remains unchanged.

Having noted the costs and risks as outlined, the Committee agreed that the rate swap should proceed as planned and requested FSD to put it in place.

Action:

- 45.1** The Committee agreed that the interest rate swap should proceed as planned and requested FSD to put the swap in place.

FN/21-22/46 Securing Future Technology Transfer Funding from Enterprise Ireland's Technology Transfer Strengthening Initiative

The Director of TR&I and the IP Development Manager attended for this item.

Following a brief introduction by the Provost and Vice-Provost, which provided the context for this matter, the Committee welcomed the circulated memorandum from the Director of TR&I dated 1.02.2022, which set out the background to the Technology Transfer Strengthening Initiative (TTSI) across the following headings:

- Summary
- Why is this important?
- Technology Transfer in Trinity



- History and achievements with the TTSI
- Next phase – TTSI4 – Knowledge Transfer Boost
- Strategic objective and initiatives
- Proposed resources
- Summary
- Annex

The Director of TR&I provided a high-level summary of the TTSI programme, which currently funds a significant proportion of Trinity's technology transfer activities, including patenting, IP licensing, campus company formation, commercial negotiations, spin out revenues, the University Bridge Fund and collaborative research initiatives. The Committee noted the level of funding received by the University since the TTSI's inception in 2008, along with the successful Trinity IP case studies presented.

The Committee further noted that with the current phase of TTSI funding ending in December 2022, the University is required to apply for funding for 2023-2026, on the basis that Trinity co-funds technology transfer activities for the 4-year period of the new KT Boost programme, to a minimum value of 40% of total budget. The Director of TR&I outlined the matched funding proposed and provided additional detail of the budget breakdown, including additional staff costs. He also presented a number of potential scenario outcomes to the funding bid and the implications for the University in each case.

Thanking the Director of TR&I for his presentation, the Committee noted that while the focus was on the cost of the programme, they recognised the significant upside to the initiative and requested the detailed proposal be circulated to provide additional details on the full range of benefits to the University from participation in the KT Boost programme.

Having considered the costs, risks and benefits as outlined, and noting the proposal had been previously considered at Research Committee, Planning Group and EOG, the Committee endorsed the proposed application for the next available funding phase of Enterprise Ireland's Technology Transfer Strengthening Initiative .



Action:

- 46.1** The full TTSI proposal to be circulated to the Committee to provide additional details on the full range of benefits arising.
- 46.2** The Committee endorsed the proposed application for the next available funding phase of Enterprise Ireland's Technology Transfer Strengthening Initiative.

FN/21-22/47 Higher Education Authority (HEA) Bill, 2022

Further to an update provided by the Provost on the proposed new HEA Bill, the Committee noted the ongoing sectoral engagement including provision of detailed feedback on the potential impacts on institutional governance. The Committee agreed that, if required, further consideration would be given to the HEA Bill as the impacts become clear.

Action:

- 47.1** The Committee agreed that, if required, further consideration would be given to the potential impacts on institutional governance of the HEA Bill as matters become clear.

Section C

FN/21-22/48 Financial Services Division (FSD) Annual Report 2020/21
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The Committee noted FSD's Annual Report for 2020/21 as circulated, noting the goals and targets achieved in the year, key performance statistics along with the priorities and planned objectives for 2021/22 and agreed that the Report be forwarded to Board for noting.

Action:

- 48.1** FSD's Annual Report 2020/21 to be forwarded to Board for noting.



FN/21-22/49 Trinity Online Services CLG Update
(Minute FN/20-21/85 of 29.04.2021 refers)

The Committee noted the circulated memorandum from the Head of Operations (Interim), Trinity Online Services CLG, dated 24.01.2022, which set out an update on the company 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 active support of online teaching as part of the University's pandemic response, development of new online education and multimedia support materials, along with catalogue maintenance of online PG courses (and associated live tutorials). TOSCLG also increased resources to meet projected online session development for Trinity's Human Capital Initiative, albeit that the actual level of HCI work was significantly less than initially forecasted.

The Committee reviewed TOSCLG's financial position, noting the significant increased income, due largely to HCI-related activities and an increase in CPD courses, somewhat offset by a reduction in directly charged work. In reviewing the expenditure for the financial year, the Committee noted that while pay costs were less than forecast, the increase over prior year relates to the recruitment of additional resources to support HCI activity. The Committee welcomed the positive outturn achieved in the year.

Having reviewed the risks and sustainability issues as set out, including the reliance on HCI funding and the availability of parent subvention, the Committee requested an updated report from TOSCLG to come forward for consideration in Michaelmas Term 2022.

Action:

- 49.1** An updated report to come forward for consideration in Michaelmas Term 2022.



FN/21-22/50 Global Brain Health Institute (GBHI) Update
(Minute FN/20-21/49 of 04.02.2021 refers)

The Committee noted the memorandum from Prof. B Lawlor, Prof. I. Robertson and Dr. Anne-Marie Glynn of GBHI dated 24.01.2022, and accompanying annual report, setting out an update on GBHI activity across the following headings:

- Executive Summary
- Update since the last report
- Update on performance indicators
- Financial Summary
- Risk
- Sustainability

Noting that the GBHI financial year runs from 1 July to 30 June annually, the Committee welcomed the detail provided on the financial performance in the year to date and cumulatively over the 5 years since the project commenced, along with Year 6 budget figures. The Committee also noted the update provided on recent recruitment, including faculty appointments and associated transfer dates, the progress and success of Atlantic Fellows, along with detail on the refurbishment of GBHI space and recent funding successes.

Having noted the risks and mitigating strategies along with the sustainability issues as outlined, the Committee requested an updated report to come forward for consideration in Hilary Term 2023.

Action:

- 50.1** An updated report to come forward for consideration in Hilary Term 2023.

FN/21-22/51 Treasury Management Update

In accordance with the Treasury Management Policy, the Committee noted the circulated memorandum and accompanying appendices from the Project Appraisal Manager and Treasury Accountant dated 28.01.2022, setting out an update for the fourth quarter of the financial year from 01.07.2021 to



30.09.2021 and a full year review for FY20/21 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
- Negative interest charges
- EIB Loans & Top-Up Financing
- Commercial borrowing
- Other Borrowing
- Rolling Credit Facility
- Obligations under Finance Lease
- Financial covenants, borrowing capacity & HEA considerations
- Bank Overdraft

An updated report on the first quarter of the financial year 2021/22 will come forward for consideration at the next meeting.

Action:

- 51.1** An updated report on the first quarter of the financial year 2021/22 will come forward for consideration at the next meeting.

FN/21-22/52 Control Exception Report

The Committee noted the circulated memorandum from the Financial Operations Manager dated 27.01.2022 and the enclosed bi-annual Control Exception Report for the six-month period to November 2021 as circulated, further noting the new and recurring exceptions occurring in the reporting period along with progress updates on external audit recommendations. In accordance with normal practice, the Control Exception Report will be circulated to the Faculty Deans for Heads of School and also to the Interim Chief Operating Officer and Vice Provost/Chief Academic Officer for circulation within CSD and ASD respectively.

Action:

- 52.1** The Control Exception Report to be circulated to the Faculty Deans and also to the Interim Chief Operating Officer and Vice



Provost/Chief Academic Officer for circulation within CSD and ASD respectively.

FN/21-22/53 Annual Financial Report of Capitation Committee 2020/21

The Committee welcomed the circulated memorandum from the Senior Dean as Chair of the Capitation Committee, dated 19.01.2022, which set out the Annual Financial Report of the Capitation Committee for 2020/21 across the following headings:

- Role
- Committee
- Committee Meetings
- Financial Reports

The Committee noted that the FY20/21 audited financial statements of two of the capitated bodies had been considered at a Capitation Committee meeting in January 2022, with the remaining three capitated bodies' FY20/21 financial statements expected to be available in March 2022. In considering the financial overview as outlined, the Committee noted the distribution of income in the year, the update on funds held in trust on behalf of the SU and GSU and the decisions taken in relation to suspension of the GSU moiety.

Acknowledging the work of the Capitated Bodies in supporting the student experience during the year, the Committee requested an updated report in Hilary Term 2023.

Action:

- 53.1** The next report from the Capitation Committee to come forward for consideration in Hilary Term 2023.



FN/21-22/54 Minutes of Sub-Committee including quarterly performance summary of the Trinity Endowment Fund q/e 30.09.2021

The Committee noted the circulated memorandum from the CFO dated 27.01.2022 along with draft minutes of the Investment Committee meeting of 07.12.2021, which included the following items:

- Endowment Fund to 30.09.2021
- ILIM Proposal re. equity migration to Climate Conscious Fund
- Update on Portfolio Review & Restructure
- Investment Committee Annual Report 2020/21
- Investment Committee Self-Evaluation 2020/21

The quarterly performance summary of the Trinity Endowment Fund for the quarter ended 30.09.2021 was also noted.

**FN/21-22/55 Sub-Committee – Extension of Tenure of External Member of Investment Committee
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The Committee noted the circulated memorandum from the CFO dated 27.01.2022 and, as requested, recommended a three-year extension of Mr. J. Garvey's membership of the Investment Committee for approval by Board.

Action:

- 55.1** A three-year extension of Mr. J. Garvey's membership of the Investment Committee to be forwarded to Board for approval.

FN/21-22/56 Minutes of Audit Committee

The Committee noted the circulated memorandum from the CFO dated 27.01.2022 along with minutes of the Audit Committee meeting of 05.10.2021, which included the following items:

- Audit Committee Recommendations Log
- Plan for the Audit of the 2020/21 Financial Statements
- Audit of Academic Registry – Student Fees
- Audit of Academic Registry – Student Admissions
- Covid Return to Work Protocols



- Update on Internal Audit Annual Plan
- Letters of Engagement – Audit of the 2020/21 Financial Statements
- Communications Received
- IT Security Arrangements
- Board Papers

FN/21-22/57 Minutes of Estates Policy Committee

The Committee noted the circulated memorandum from the CFO dated 27.01.2022 along with draft minutes of the Estates Policy Committee meeting of 09.12.2021, which included the following items:

- Update to Dublin City Development Plan
- Progress Update on Live Implementation Strategy
- Trinity East Project Update
- Waste Management Policy

FN/21-22/58 Related Entity Financial Reporting

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The Committee noted the circulated memorandum from the CFO dated 27.01.2022 and recommended the Directors' Reports and audited Financial Statements of the following entities to Board for noting:

- Central Applications Office (CAO) for year ended 31.12.2020
- Irish Universities Association (IUA) for the year ended 31.12.2020

Action:

58.1 The Directors' Reports and audited Financial Statements of the CAO and IUA for FY2020 to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for **3 March 2022 at 10:00am** via Zoom.

PROVOST.....

DATE.....