



## **Minutes of the Finance Committee Meeting of 30 January 2023**

**Present:** Provost (Chair), Vice-Provost/CAO, Bursar, Dean of Health Sciences, Chief Operating Officer, Professor Louis Brennan, Ms. N. Holland, Mr. L. Kavanagh, Chief Financial Officer (CFO) – Secretary to the Committee

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

**Apologies:** Ms. C. Bryce, President of the Students Union

**Statement of Interest:** None received

The Committee noted and approved the minutes of the Finance Committee meeting of 23.11.2022 as circulated, subject to a minor amendment requested by a Committee member. There were no updates on Matters Arising from the minutes.

### **Section A**

**FN/22-23/44 XX** **Policy for the Management of Legal Cases and Legal Costs**  
The College Solicitor attended for this item.

The Committee noted the circulated documents from the College Solicitor, including the revised Policy for the Management of Legal Cases and Legal Costs, which had previously been considered by the Executive Officers Group at its meeting of 22.11.2022.

The College Solicitor summarised the background to the policy, which was first introduced in 2012, noting that in the intervening period the provision of external legal advice had transferred from a locally managed procurement process to a sector-led framework.

In considering the policy revisions as outlined, the Committee noted that the proposed changes will reduce the administrative burden arising from its implementation while continuing to reflect the policy's underlying principles. Having further noted the mechanisms in place to monitor cost, quality and compliance, the Committee recommended the revised policy for onward consideration and approval by Board.



**Action:**

**44.1** The Committee endorsed the revised Policy for the Management of Legal Cases and Legal Costs for onward consideration and approval by Board.

**FN/22-23/45**

**Gift Voucher Policy - Revision**

**XX**

The Financial Operations Manager attended for this item.

The Committee noted the circulated memorandum from the Financial Operations Manager and the accompanying revised Gift Voucher Policy, which had previously been considered by the Executive Officers Group at its meeting of 17.01.2023.

The Financial Operations Manager highlighted that the Gift Voucher Policy had last been reviewed in 2016 and that the recommended revisions arise primarily as a result of changes to Revenue's "Small Benefit Exemption Scheme", with further proposed amendments to include TCard credit as an alternative reward mechanism along with new wording on the use of gift vouchers for minors. In line with the University's Policy Management Framework, the Gift Voucher policy was also reviewed to ensure it aligns with best practice.

Noting the increase in the combined aggregate value of benefits or vouchers an employer may give in a tax year, along with the practical guidance provided regarding use of TCard credit and gift vouchers for minors, the Committee recommended the revised policy for onward consideration and approval by Board.

**Action:**

**45.1** The Committee endorsed the revised Gift Voucher policy for onward consideration and approval by Board.



## **Section B**

### **FN/22-23/46 Annual Report of Sub-Committee (Investment Committee)**

The Chair of the Investment Committee attended for this item.

The Committee welcomed the memorandum from the Chair of the Investment Committee dated 22.01.2023, as circulated, which set out the Investment Committee's Annual Report for the year ending 30.09.2022 across the following headings:

- Quarterly investment performance
- Investment Committee Sub-Group Meeting May 2022
- Review of investment managers' performance
- Review of investment strategy and income targets
- Update on portfolio review and restructure
- Endowment Fund brochure
- Endowment Fund Financial Statements FY20/21
- Self-evaluation 2021/22
- Planned Activity for 2022/23

By way of presentation, the Chair of the Investment Committee summarised the key achievements of the Investment Committee in the year, including:

- Transition to bespoke, climate-focused and low carbon equity funds
- Asset manager presentations and reviews undertaken
- Sub-Committee review and selection of replacement infrastructure investments
- Approval of strategic asset ranges

The Committee noted the value of the Endowment Fund at 30.09.2022, and the total net return achieved, which significantly outperformed the MSCI World return for the year to November 2022. Welcoming the value of new endowments in the year, the Committee noted that 90% of the increase in the Fund's value over the last 10 years arises from investment performance, with the remaining 10% growth attributable to donations.

The Committee also noted the actual asset distribution in the year versus the approved investment strategy, along with the update on the portfolio review and restructure. Planned actions for the coming year including the



development of a 5-year growth strategy, a broader and re-defined ESG proposition for donors and the forging of stronger links with TDA to showcase the Endowment Fund were further noted.

The Committee congratulated the Chair of the Investment Committee on the performance of the Fund in the year and, noting the growth in size and complexity of the Fund, acknowledged the significant pro-bono expertise provided by the Investment Committee members along with the scale of supporting activity by FSD. The Committee further noted the challenges and opportunities in growing philanthropic income, and the renewed focus and action required to maximise the Endowment in the context of the planned growth strategy.

Thanking the Chair of the Investment Committee for his report, the Committee requested the Investment Committee's Annual Report for FY22/23 to come forward for consideration in Hilary Term 2024, in line with University policy.

**Action:**

**46.1** The Chair of the Investment Committee to present the Investment Committee's Annual Report for FY22/23 in Hilary Term 2024.

**FN/22-23/47 Funding Proposal for the Redevelopment of TTEC Unit 31 for The Lir**

The Committee noted the circulated documents from the Deputy CFO, including a draft Loan Agreement between the University and The Lir – National Academy of Dramatic Art.

By way of presentation, the Deputy CFO provided context for the proposed loan, noting that this bridging finance will fund renovations of Unit 31 on the Trinity East campus, which will allow The Lir to vacate space currently occupied on the campus, creating future flexibility for the University in terms of its development and use.

The Committee noted that the loan will fund the first phase of a renovation project which will extend to Unit 32 in due course and will be repaid via



philanthropic donations within 24 months. The Committee further noted the benefits to the University and The Lir arising from the decant to the newly refurbished space, including more cohesive space utilisation at this strategically important site and the Bursar outlined her support in this regard. The Committee also noted that should philanthropic donations be insufficient to meet repayment of the bridging loan, the loan would convert to a term loan.

Having noted the value and term of the loan, along with details of the repayment plan as outlined, the Committee approved the loan as requested.

### **Actions**

**47.1** The Committee approved the loan as requested.

## **FN/22-23/48 Financial & Performance Highlights – Qtr4 21/22**

The Group Financial Manager attended for this item.

In considering the Q4 2021/22 Summary and Detailed Reports from the Group Financial Manager and the Projects Accounting Manager dated 30.01.2023 as circulated, the Committee welcomed the updated information, including the key messages as set out and highlights across the following headings:

- Financial Performance FY21/22 (Draft subject to audit finalisation)
- FY21/22 Financial Summary I&E Dashboard v Budget & Prior Year
- HEA Regular Reporting
- Supplementary Information
- FY21/22 Pay by Area
- FY21/22 Non-Pay by Area/Cost Type
- Student numbers trend FY18-22
- Executive Summaries (Research and Capital) FY21/22
- FY21/22 Cashflow
- Gearing - Loans/Debt Profile and by Project
- Trinity Endowment Fund FY21/22
- Endowment Fund Investment Assets FY21/22
- FY21/22 Budget to Actual Variances (by Faculty, Division and School)

The Chief Financial Officer advised the Committee that the external audit was in progress and that the draft Consolidated Financial Statements for the year ending 30 September 2022 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 draft financial performance for the year whereby the University is expected to report a small net overall deficit of <€0.2m> in FY21/22 compared to a total surplus of €20.7m in FY20/21)

**He highlighted that there was an** underlying net deficit (before unrealised gains of €11.7m relating to sale of assets and movements in the Endowment fund), which was broadly in line with budget and compared to a net underlying deficit of €13m in the prior year. He emphasised that the underlying net deficits recorded in both years reflected the substantial impact of Covid-19 on the University's income streams, along with higher operating costs primarily associated with inflationary pressures and pay increases.

The Committee noted that increases in staff costs year-on-year were primarily due to pay restoration costs, increments, allowances and higher staff numbers supporting increased activity,

In reviewing the final student numbers (at 31.03.2022) submitted to the HEA for 2021/22, the Committee noted that numbers are ahead of prior year, with the student mix reflecting the easing of Covid-related restrictions on student recruitment.

The Committee reviewed the University's research performance, noting that research activity (expenditure) will once again exceed €100m, with a year-on-year increase in research income of 12.1%, whilst the value of new research contracts signed in the year was down 17% on prior year (due to two large SFI Centre grants awarded in 2021).

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 increase in capital expenditure year-on-year, due to full resumption of construction activity in the year.

The Committee noted the net increase in closing cash versus budget and a year-on-year increase in cash due to lower than expected capital expenditure and an improved working capital position.



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 FY21/22, market value of the Fund at year-end (which reflected significant volatility in equity markets in 2022) and status of the portfolio restructure, was also noted.

Thanking the Group Financial Manager for her presentation, the Committee noted the results as outlined and requested that an update on Q1 2022/23 activity be provided at the next meeting.

**Action:**

**48.1** An update on Q1 2022/23 activity to be provided at the next meeting.

**FN/22-23/49  
XX**

**5-Year Financial Forecasts Update**

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

The Committee noted the circulated presentation from the Chief Financial Officer and the Head of Financial Planning & Analysis, dated 26.01.2023, which set out revisions to the 5-Year Financial Forecasts approved by the Board in February 2021 across the following headings:

- Introduction
- Key assumptions
- Student number projections –
- CRU Forecasts
- Consolidated income and expenditure projections
- CAPEX & Gearing
- Future CAPEX by project
- Cashflow projections
- Key Risks
- Scenario planning
- Conclusions

The Chief Financial Officer introduced the 5-year financial projections and summarised the key objectives including strategic financial planning, risk assessment and scenario modelling and the Head of Financial Planning &



Analysis noted the key elements of the update as circulated, which now reflect:

- Provisional actual outturn in the FY22 financials
- FY23 approved budgets (incorporating BPM and BPA models)
- Inflationary impacts (incl. energy) FY24-26
- Board-approved fee-certainty
- Board-approved capital projects
- OLRP mitigating strategies

He drew the Committee's attention to the revised student number projections, noting that the University is on track to meet original GRS3 ambitions and provided additional detail on current student composition versus forecast.

The Head of Financial Planning & Analysis also highlighted the improvement in revenues in FY22 following the severe impacts of Covid 19 in FY20 and FY21, noting underlying growth across all areas of the University. The Chief Financial Officer outlined the need to balance the levelling out of the growth phase with ongoing inflation based cost-base pressures and demands on existing resources, and the limited flexibility available to the University in this regard.

The Committee discussed the interdependencies and limiting factors underpinning the University's strategic objectives.

In this context, the Provost advised the Committee that she would bring forward an update on emerging focus areas that will need to be factored into scenario planning around future financial models.

The Committee reviewed the cashflow projections and capital investment programme and, as outlined by the Chief Financial Officer, the University's debt-servicing requirement. The Committee noted this and the other key risks as set out.

Further to a query on pension funding, the Committee noted that a report on pensions will come forward for consideration in Trinity Term 2023.

Having noted the detail provided on ongoing scenario modelling and thanking the Head of Financial Planning & Analysis and Chief Financial Officer for their





presentation, the Committee requested that a further update on the 5-Year Strategic Plan come forward for consideration in Trinity Term 2023.

**Action:**

**49.1** FSD to bring forward a report on Pensions for consideration in Trinity Term 2023.

**49.2** A further update on the 5-Year Strategic Plan to come forward for consideration in Trinity Term 2023.

**FN/22-23/50 E3 Business Development update**

(Minute FN/21-22/93 of 02.06.2022 refers)

The Dean of STEM, Head of School of Engineering, Head of School of Computer Science & Statistics and the E3 Senior Business Development & Engagement Manager and Project Appraisal Manager attended for this item.

The Committee noted the update provided by the Dean of STEM (Project Sponsor) in her circulated memorandum dated 17.01.2023, across the following headings:

- Background
- Update since the last report on E3 workstreams
- 2021/22 Final Update
- Final summary 2021/22
- 2022/23 Forecast FTEs
- Final Summary 2022/23
- Comments on draft 2022/23 recruitment
- Lookahead to student recruitment 2023/24
- Request

By way of presentation, the Dean of STEM summarised the progress made versus Business Case targets under the following headings:

- E3 Business Case 6-year to date summary
- 22/23 Forecast: Update on FTEs & Income
- Comments on draft 2022/23 FTEs & income
- Growth in staff



- E3 Education update
- Forecast / Draft Financial Summary 2022/23
- Request
- Key risks

The Dean drew the Committee's attention to the strong cumulative performance achieved against the business case income and FTE targets in the six years of operation to date, noting the total growth in student numbers of 515 (19.3%) and income, which is significantly above the baseline. The Dean also outlined the 2022/23 forecast of 96% and 92% of income and FTE targets respectively, noting that, E3 students will represent 30% of all STEM students by 2028/29 and detailing the areas of challenge and measures being taken to address those within School and Faculty control.

The Committee welcomed the update on staff recruitment, noting that growth is behind the Business Case forecast with a consequential impact on PGT programme development and also noted the update on new activities which commenced in 2021/22 along with those currently under development.

In reviewing the financial forecast for 2022/23 the Committee noted that a modest annual surplus is expected,

Further to a query on specific recruitment challenges, the Dean provided additional detail on both internal and external limiting factors, noting the impact of cost-of-living issues including accommodation availability and stipend levels, along with the buoyant graduate employment market. Addressing a further query on capacity of Schools to meet any Business Case income shortfalls, the Dean confirmed that accumulated surpluses within the project may be drawn down in time as current timing issues resolve.

Having noted the risks as outlined, the Committee commended the Dean and the Heads of the Schools of Engineering, Computer Science & Statistics and Natural Sciences on E3's performance and requested an update to come forward for consideration in Trinity Term 2023.

**Action:**

- 50.1** An update on the E3 Business Case to come forward for consideration in Trinity Term 2023.



**FN/22-23/51      Capital Projects Dashboard**  
**XX**                    (Minute FN/22-23/21 of 23.11.2022 refers)

The Committee welcomed the circulated document from the COO, dated January 2023, which provided a high-level overview of the University's major capital programme, including the approved budget for each of the 5 active projects, expected completion dates, key activities for the next six months along with a RAG rating.

The Bursar provided further detail on active projects, including the OLRP and E3 Learning Foundry, noting the emerging challenges in respect of both projects. The Committee, welcoming the update on the now opened and fully occupied Printing House Square building, requested an updated Capital Projects dashboard to come forward for consideration at the next meeting.

**Action:**

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

**FN/22-23/52      Portal Project Update (Trinity East)**

The Committee welcomed the circulated memorandum and presentation from the Bursar & Director of Strategic Innovation, dated 25.01.2023, which provided an update on the Portal Project at the Trinity East campus across the following headings:

- Request of Finance Committee
- Strategic Direction summary
- Background on Portal
- Evolution of Portal
- Updated Business Case
- Updated Portal funding
- Summary

The Bursar drew the Committee's attention to the change in vision for the Trinity East campus, with the focus now on regeneration and refurbishment to create an innovation campus for Trinity researchers, innovators and cultural practitioners. In this context, the Committee noted the updated business case and revised project costs for this strategic long-term project, along with the



external, specific-purpose funding secured, further noting that Board approval was received in January 2023 for the revised project budget, with additional costs being met in full by philanthropic donations.

Having noted the recent appointment of a contractor further to a public tendering process, the Committee requested a further update to come forward for consideration in Trinity Term 2023.

#### **Actions**

**52.1** A further update on the Portal Project to come forward for consideration in Trinity Term 2023.

### **FN/22-23/53 Additional Stepped Nomination Agreements**

The Committee noted the circulated memorandum from the Head of Accommodation dated 30.01.2023, which set out a proposal to enter exploratory negotiations with third-party student accommodation providers, with a view to putting in place additional stepped nomination agreements for the provision of accommodation to incoming Trinity students.

The Head of Accommodation outlined that although there was no commercial benefit to the University in making such agreements, they would provide prospective students with a degree of certainty in the challenging Dublin accommodation market, supporting Trinity's recruitment initiatives. He also highlighted that the University had no role in setting room price, and that students would be advised of this from the outset.

In considering the potential financial exposure for the University, the Committee noted the detail provided on uptake of rooms in existing facilities along with the strong pipeline, large numbers of re-bookers year-on-year and other risk-limiting factors.

Having noted the success of previous agreements of this nature, and the risks as set out, the Committee agreed in principle that negotiations be entered into for the stepped nomination agreements as outlined.

#### **Actions**

**53.1** The Committee agreed in principle that negotiations be entered into for the stepped nomination agreements as outlined.



## Section C

### **FN/22-23/54 Financial Services Division Annual Report 2021/22**

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The Committee noted FSD's Annual Report for 2021/22 as circulated, including the goals and targets achieved in the year, key performance statistics along with the priorities and planned objectives for 2022/23 and agreed that the Report be forwarded to Board for noting.

**Action:**

**54.1** The Financial Services Division's Annual Report 2021/22 to be forwarded to Board for noting.

### **FN/22-23/55 Global Brain Health Initiative (GBHI) Update**

(Minute FN/21-22/50 of 02.02.2022 refers)

The Committee noted the memorandum from Prof. B Lawlor, Prof. I. Robertson and Dr. Anne-Marie Glynn of GBHI dated 14.11.2022, 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 full lifecycle of the project, along with Year 7 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 2024.

**Action:**

**55.1** An updated report to come forward for consideration in Hilary Term 2024.

**FN/22-23/56 Control Exception Report**

The Committee noted the circulated memorandum from the Financial Operations Manager dated 23.01.2023 and the enclosed bi-annual Control Exception Report for the six-month period to November 2022, further noting the new 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 to the Chief Operating Officer and Vice Provost/Chief Academic Officer for circulation within CSD and ASD respectively.

**Action:**

**56.1** The Control Exception Report to be circulated to the Faculty Deans for Heads of School and to the Chief Operating Officer and Vice Provost/Chief Academic Officer for circulation within CSD and ASD respectively.

**FN/22-23/57 Annual Financial Report of Capitation Committee 2021/22**

The Committee welcomed the circulated memorandum from the Senior Dean, Chair of the Capitation Committee, dated 20.01.2023, which set out the Annual Financial Report of the Capitation Committee for 2021/22 across the following headings:

- Role
- Committee
- Committee Meetings
- Financial Reports

The Committee noted that the FY21/22 audited financial statements of two of the capitated bodies had been considered at a Capitation Committee meeting



in November 2022, with the remaining three sets of financial statements expected to be available once technical issues and revisions are resolved as outlined. In considering the financial overview as set out, the Committee noted the distribution of income in the year, the update on actions taken in respect of funds held in trust on behalf of the SU and the decisions taken to reallocate funding to the SU to provide a service to the postgraduate community. The Committee further noted the planned review of GSU financial reporting and oversight.

Acknowledging the work of the Capitated Bodies in supporting the student experience during the year, the Committee requested an updated report in Hilary Term 2024.

**Action:**

**57.1** The next report from the Capitation Committee to come forward for consideration in Hilary Term 2024.

**FN/22-23/58 Additional Fee Derogations for Academic Year 2023/24**  
(Minute FN/21-22/110 of 02.06.2022 refers)

The Committee noted the circulated memorandum and appendices from the Project Appraisal Manager and the Financial Operations Manager dated 23.01.2023, which set out fee derogations for courses in the Faculty of Health Sciences, applicable to new entrants in 2023/24, that had been previously approved by the relevant Course Directors, Head of School and Faculty Dean. Planning group had also considered and approved the requests at its meeting of 13.12.2022.

**FN/22-23/59 Minutes of Sub-Committee including quarterly performance summary of the Trinity Endowment Fund q/e 30.09.2022**

The Committee noted the circulated memorandum from the Chief Financial Officer dated 17.01.2023 and the accompanying draft minutes of the Investment Committee meeting dated 06.12.2022, which included the following items:

- Endowment Fund – 30 September 2022



- Review of Asset Allocation including ESG alignment to UN SDGs
- Review of Equity Investment Management
- Investment Committee Annual Report 2021/22
- Trinity Today profile
- Investment Committee Self Evaluation 2021/22

The Committee also noted the quarterly performance summary to 30.09.2022 as circulated.

### **FN/22-23/60 Minutes of Audit Committee**

The Committee noted the circulated memorandum from the Chief Financial Officer dated 23.01.2023 and the accompanying minutes of the Audit Committee meeting of 11.10.2022, which included the following items:

- Audit Recommendations Log
- Plan for the Audit of the 2021/22 Financial Statements
- External Audit Quality Assessment
- Update from the Chief Operating Officer
- Audit of University and Student Union Financial Relationship
- Audit of Accommodation Management
- Audit of Faculty Financial Responsibilities
- Update on Internal Audit Annual Plan 2022
- Audit Committee Self-Evaluation
- Audit Committee Terms of Reference and Internal Audit Charter
- Revised Annual Governance Statement
- Risk Management Presentation
- Board Papers

### **FN/22-23/61 Minutes of Estates Policy Committee**

The Committee noted the circulated memorandum from the Chief Financial Officer dated 23.01.2023 along with minutes of the Estates Policy Committee meeting of 20.09.2022, which included the following items:

- Annual Review of Committee Membership
- Results of Estates Policy Committee Self-Evaluation 2021-22
- General update on Capital Projects
- Minutes for Noting
- Item for Approval/Noting





**FN/22-23/62    Related Entity Financial Reporting**  
**XX**

The Committee noted the circulated memorandum from the Chief Financial Officer dated 23.01.2023 and recommended the Directors' Report and audited Financial Statements of the following entities to Board for noting:

- Central Applications Office (CAO) for year ended 31.12.2021
- Irish Universities Association (IUA) for the year ended 31.12.2021

**Action:**

- 62.1**    The Directors' Report and audited Financial Statements of the CAO and IUA for FY2021 to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for 9 March 2023 **at 10:00am** in the Provost's Library.

PROVOST.....    DATE.....