



Trinity College Dublin

Coláiste na Tríonóide, Baile Átha Cliath

The University of Dublin

Budget, Planning & Allocation Model Explanatory Booklet

May 2023

1. Introduction

This explanatory booklet sets out the principles and mechanisms of the new Board-approved Budget Planning & Allocation (BPA) Model, which replaces the previous Baseline Budgeting Model (BBM). The BPA Model will be implemented starting with budget year 2022/23.

This updated model encourages Schools, Faculties and Divisions to prepare rolling annual 5-year plans, which will provide them with more control over medium to long term strategic planning and resourcing requirements and more certainty over budgets in the future. This new model will also enable areas to include changes to their staff planning in their 5-year plans.

School, Faculty and Divisional Baseline Budgets will be reset to their existing FY22 actuals or FY22 BBM Budgets¹, as a once off exercise, while School baseline activity (used as the base level for calculation of budget uplifts) will reset to actual 2021/22 levels to match the budget resetting.

One of the main differences between BPA and the previous BBM model is the inclusion of an automatic allocation/top slice to provide a budget uplift for increments, promotions, and specific non-pay inflation e.g. energy. This will assist Faculties, Schools and Divisions in meeting rising costs that are not in their control. There is also scope to bring forward planned budget uplifts to better match investment with growth. The BBM uplift allocated in FY23 will continue to form part of the BPA baseline for FY24 onwards.

If, in any given year, a School's baseline across the three years departs significantly from the baseline as transmitted previously, this will be flagged to the Vice-Provost/Chief Academic Officer, and an explanation should be provided. The Vice-Provost/Chief Academic Officer will consult with the Planning Group who may query the School's budget allocations, however the final decision to vary any School's budget from a previous baseline will rest with the Dean, who will work within their own Faculty envelope. If the sum of a Faculty Dean's allocations to their Schools exceeds the Faculty baseline, it will be done once corresponding adjustments may be made to the other Faculty baselines and following discussion and agreement at Planning Group level.

2. Reset of School Baseline Budgets

The 'Baseline Budget' for each School has been reset for 2022/23. This Baseline Budget has been calculated in conjunction with the Finance Partners for each Faculty who can provide further detail in this regard for each individual School. The Baseline Budget will be 'uplifted' to reflect 2020/21 academic promotions and Government pay awards.

3. Definition of Baseline Activity: Teaching and Quality / Impact

Each School's 2022/23 budget reflects a level of activity i.e. the Baseline Activity with Teaching Activity measured by 2021/22 Student numbers. The 'Quality/Impact' element measures the overall value a School brings to the University and the wider community with

¹ Schools with an I&E ratio higher than their Faculty average received a budget equivalent to the higher of their FY22 actual expenditure or FY22 BBM budget; all other Schools received their FY22 BBM budget.

5% of the 60% uplift based on these Faculty-driven metrics (the budget for this will be allocated directly to Faculty Office for distribution using the Faculty-driven measures).

4. Link Between School's Baseline Activity and Budget

An increase in the School's teaching activity (i.e. student numbers at a given EU/NEU mix, change in mix or fee rates) in 2022/23 above the agreed baseline level will result in an increase in the Baseline Budget calculated as 60% of the incremental income as per section 5 below.

New courses that start in the 2022/23 academic year (i.e. the first student intake was in September 2022) will attract the 80% BPA uplift for the first 3 years. All other courses that have begun in years prior to this will receive the standard 60% for additional income generated. There are a few exclusions that apply to all courses nullifying their inclusion as a new course (i.e. they do not qualify for the 80% budget uplift)².

The list of exclusions are:

- Any change in course title/code for an existing course
- Addition of any existing subject as part of a Trinity Joint Honours programme
- Any PhD structured modules
- Addition of a one-year part-time certificate to an existing two-year part-time diploma course
- Any articulation route into JS years of an existing course
- Any addition of a new strand into an existing course leading to same award
- Addition of a postgraduate certificate/diploma exit route to any existing MSc/MPhil course
- Any restructuring of an existing course leading to the same award

In practice, it is anticipated that this uplift will be allocated in the following year's budget as student numbers are not confirmed until end-March of the academic year; however Schools can bring forward this uplift to the current year if required.

Conversely, should the School's 2022/23 teaching activity fall below baseline activity, the Baseline Budget will fall in line with this reduction in activity. Please see Appendix 1 for simple examples.

5. Allocation of New Incremental Teaching-Related Income Over Baseline Activity

60/80% to the School	60% of the new income from this increased activity will flow directly to that School and is not contingent on the Faculty or University reaching teaching related targets. New courses attract 80% allocation for the first 3 years except those that fall into the exclusion clause.
20% to Divisions	20% of the new income from this increased activity will flow directly to Divisions to support the increase in costs of additional activities.
20% to Existing Costs	20% will be directed towards addressing the University's existing costs/returning to financial stability.

² They continue to receive the standard BPA 60% budget uplift unless the School or course itself is outside of the BPA model.

Five scenarios have been prepared to illustrate the impact of a change in activity (see Appendix 1).

6. Other Faculty Budget Units

Trinity Research Institutes (TRIs), Research Centres and Faculty Offices have been set Baseline Budgets using a similar methodology applied to Schools, i.e. based on FY22 adjusted BBM budgets as I&E ratios do not apply to these units.

7. Definition of Division Baseline Budget

Each Division has also been set a Baseline Budget for 2022/23, based on FY22 adjusted budget or actual spend, with uplifts included only for known additional requirements.

8. Negative Budget Variances i.e. Overspends Against Budget

As part of the quarterly reporting to Planning Group and Finance Committee, Schools that are projecting a negative budget variance at year end must inform their Faculty Dean. A plan should be agreed with their Finance Partner to minimise the variance and the plan should confirm that the variance will be cleared at year end through the use of reserves or as a reduction against the following year's budget.

9. Treatment of SFI and EI OIP and other Research Indirect Costs

The Baseline Budgets allocated to Schools are exclusive of OIP and other overhead budgets (see Section 2) and a matching budget will be assigned to Schools based on the research overhead / indirect cost forecasts. Finance Partners for each Faculty can provide further detail on how this will operate in Oracle.

10. Link to Strategic Plans

In order to maintain income at the current levels forecasted and work towards generating the additional income required for the University to sustain a break-even financial position, increased income (e.g. an increase in student numbers and/or fee rates) will be required across the University. Strategic plans at School level provide the mechanism for planning the overall activity to reach this required level of activity. Individual plans will be aggregated into Faculty plans, which in turn will be aggregated into a University-wide plan for ongoing monitoring and reporting to Planning Group and Finance Committee. In short, strategies that will benefit the Schools will also collectively contribute to improving the financial position of the university as a whole.

11. New Course Template

An enhanced New Course Template (see Appendix 2) is now available to strengthen the financial planning process for new academic programmes. Schools should contact their Finance Partner for more information and assistance when completing the template.

12. Promotions and Pay Restoration

Promotions, Increments and Pay Awards are included in BPA

The 2022/23 (and future years') costs associated with increments, promotions, and pay award are excluded from the existing Baseline Budgets for Schools, Faculties and Divisions, however there will be an automatic allocation³ for these items funded from any increase in

³ Allocation applies to staff funded through 'general'/core accounts only.

the state grant not already ringfenced for other purposes. The balance, if any, required to fund these increases will be top sliced from the incremental fee income before allocation under Section 5 above.

13. Planning Tool / Model

A 5-year planning template for Schools will be available from FSD to assist when preparing their multi-year budgets– please contact your Finance Partner for a copy.

14. Self-Financing Activities

Self-Financing Activities do not form part of the BPA and are dealt with as part of separate annual budgeting conducted by Finance Partners with support from Schools and administrative areas.

15. Projects (Capital and Research)

Capital and direct expenditure on Research projects is excluded from the BPA.

16. Frequently Asked Questions

A FAQ section is included at Appendix 3.

Appendix 1

BPA Scenarios

(Budgets in the scenarios reflect the 80% related to teaching activity)

Scenario 1 - Increase in overall baseline activity in current courses

Budgets increase a year in arrears by 60% of new activity on existing courses to the relevant schools

Scenario 1

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
University Income	250.00	250.00	250.00	250.00	250.00
Change in income arising from a change in school activity - existing courses	0.05	0.08	0.13	0.18	0.18
Total Income	250.05	250.08	250.13	250.18	250.18

Change in Activity

2022/2023: 5 extra students @ €10k each
 2023/2024: another 3 extra students @ €10k each
 2024/2025: another 5 extra students @ €10k each
 2025/2026: another 5 extra students @ €10k each

School of Astronomy Budget

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Baseline Budget based on Baseline Activity	3.73	3.73	3.73	3.73	3.73
60% of new academic Income (one year in arrears)		0.03	0.05	0.08	0.11
Total School of Astronomy BPA Budget	3.73	3.76	3.78	3.81	3.84

Scenario 2 - Increase in overall baseline activity in new courses

Budgets increase a year in arrears by 80% of new course activity to the relevant schools for 3 years, then reverts to 60%

Scenario 2

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
University Income	250.00	250.00	250.00	250.00	250.00
Change in income arising from a change in school activity - new courses	0.50	0.50	0.50	0.50	0.50
	250.50	250.50	250.50	250.50	250.50

Change in Activity

2022/2023: 5 extra students @ €10k each in a new course

School of Astronomy Budget

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Baseline Budget based on Baseline Activity	3.73	3.73	3.73	3.73	3.73
80% of new course academic Income (one year in arrears)		0.40	0.40	0.40	0.30
Total School of Astronomy BPA Budget	3.73	4.13	4.13	4.13	4.03

Scenario 3 - Reduction in overall baseline activity in current courses (No change from previous model)

School budget decreases a year in arrears by 100% of the reduction in activity

Scenario 3

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
University Income	250.00	250.00	250.00	250.00	250.00
Change in income arising from a change in school activity - existing courses yr 1	-0.10	-0.10	-0.10	-0.10	-0.10
Change in income arising from a change in school activity - existing courses yr 2		0.04	0.06	0.08	0.08

Total Income

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	249.90	249.94	249.96	249.98	249.98

Change in Activity

2022/2023: Fall of 10 students @ €10k each
 2023/2024: Replace 4 of the 10 students @ €10k each
 2024/2025: Replace another 2 of the 10 students @ €10k each
 2025/2026: Replace another 2 of the 10 students @ €10k each

School of Astronomy Budget

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Baseline Budget based on Baseline Activity	3.73	3.63	3.67	3.69	3.71
60% of new academic Income of existing courses (one year in arrears) nil as student activity is still in deficit of initial drop of 10 students		0.00	0.00	0.00	0.00
Total School of Astronomy BPA Budget	3.73	3.63	3.67	3.69	3.71

Scenario 4 -Activity stays static - no change to baseline budget

Scenario 4

University Income
No change in income or activity

2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
250.00	250.00	250.00	250.00	250.00
0.00	0.00	0.00	0.00	0.00
250.00	250.00	250.00	250.00	250.00

School of Astronomy Budget

Baseline Budget based on Baseline Activity
60% of new academic Income (one year in arrears)
Total School of Astronomy BPA Budget

3.73	3.73	3.73	3.73	3.73
0.00	0.00	0.00	0.00	0.00
3.73	3.73	3.73	3.73	3.73

Scenario 5 - Activity levels fall in Yr 1 but then rise and surpass initial reduction in yr 2 and beyond

Yr 1 school budget decreases a year in arrears by 100% of the reduction in activity

Yr 2 school budget increases a year in arrears by 60% of the increase in activity

Scenario 5

University Income
Change in income arising from a change in school activity - existing courses yr 1
Change in income arising from a change in school activity - existing courses yr 2

2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
250.00	250.00	250.00	250.00	250.00
-0.10	0.00	0.00	0.00	0.00
0.05	0.10	0.15		
249.90	250.05	250.10	250.15	250.15

Total Income

Change in Activity

2022/2023: Fall of 10 students @ €10k each
2023/2024: Extra 15 students @ €10k each (net gain of 5)
2024/2025: Extra 5 students @ €10k each
2025/2026: Extra 5 students @ €10k each

School of Astronomy Budget

Baseline Budget based on Baseline Activity
60% of new academic Income of existing courses (one year in arrears)
Total School of Astronomy BPA Budget

3.73	3.63	3.73	3.73	3.73
0.00	0.03	0.06	0.09	
3.73	3.63	3.76	3.79	3.82

Appendix 2

New Activity or Course Proposal - Financial Data Template Draft

Title of New Activity or Course
Sponsoring School
Activity Sponsor or Course Director
Type of Course
Full or Part Time
Duration
Intake

				Forecasted	Financially Sustainable Position	Forecasted	Financially Sustainable Position	Forecasted	Financially Sustainable Position	Forecasted	Financially Sustainable Position	Forecasted	Financially Sustainable Position
Yr 1-3				Year 1	Year 1	Year 2	Year 2	Year 3	Year 3	Year 4	Year 4	Year 5	Year 5
Student Numbers and Income													
Forecasted Student Numbers													
EU	Year 1			5	3	7	1	10	1	13	1	16	1
Non-EU				1	1	1	1	2	1	2	1	2	1
EU	Year 2					5	1	7	1	10	1	13	1
Non-EU						1	1	1	1	2	1	2	1
EU	Year 3							5	1	7	1	10	1
Non-EU								1	1	1	1	2	1
EU	Year 4									5	1	7	1
Non-EU										1	1	1	1
EU	Year 5											5	1
Non-EU												1	1
Total EU				5	3	12	2	22	3	35	4	51	5
Total Non-EU				1	1	2	2	4	3	6	4	8	5
Fees													
Fees per EU Student				10,000	10,000	10,300	10,300	10,609	10,609	10,927	10,927	11,255	11,255
Fees per Non-EU Student				20,000	20,000	20,600	20,600	21,218	21,218	21,855	21,855	22,510	22,510
Total EU Fees				50,000	30,000	123,600	20,600	233,398	31,827	382,454	43,709	574,009	56,275
Total Non-EU Fees				20,000	20,000	41,200	41,200	84,872	63,654	131,127	87,418	180,081	112,551
Total Fees				70,000	50,000	164,800	61,800	318,270	95,481	513,582	131,127	754,091	168,826
Split of Fees													
				80% to be received in Yr 2		80% to be received in Yr 3		80% to be received in Yr 4		60% to be received in Yr 5		60% to be received in Yr 6	
Where a school achieves above its Baseline Activity, an 80% share of income from this increased activity will flow directly to the School for years 1-3. After year 3 this reverts to 60%													
Divisions - 20% Return/maintenance of Financial Stability - 20%	80%	60%	20%	56,000	40,000	131,840	49,440	254,616	76,385	308,149	78,676	452,455	101,296
Contribution to College	20%	20%		14,000	10,000	32,960	12,360	63,654	19,096	102,716	26,225	150,818	33,765
	0%	20%		-	-	-	-	-	-	102,716	26,225	150,818	33,765
				70,000	50,000	164,800	61,800	318,270	95,481	513,582	131,127	754,091	168,826
School Income and Costs													
Where a school achieves above its Baseline Activity, an 80% share of income from this increased activity will flow directly to the School for years 1-3. After year 3 this reverts to 60%													
Total Direct Annual Costs (Pay and Non Pay)	80%	60%		(15,000)	(15,000)	56,000 (15,188)	40,000 (15,188)	131,840 (15,377)	49,440 (15,377)	254,616 (15,570)	76,385 (15,570)	308,149 (15,764)	78,676 (15,764)
Total Once off and Capital Costs				(10,000)	(10,000)	0	0	0	0	0	0	0	0
Activity/Course Surplus				(25,000)	(25,000)	40,813	24,813	116,463	34,063	239,046	60,815	292,385	62,912
Direct Costs as a % of Total Income				36%	50%	9%	25%	5%	16%	3%	12%	2%	9%
Direct Costs as a % of Total Activity/Course Income						27%	38%	12%	31%	6%	20%	5%	20%
Full Economic Cost - for information purposes													
FEC Cost for Course				37,716	25,144	88,004	25,144	163,436	37,716	257,726	50,288	370,874	62,860
FEC Course Surplus/Deficit				32,284	24,856	76,796	36,656	154,834	57,765	255,856	80,839	383,217	105,966

Course Fee Details required by Student Finance to set up course on SITs This section must be completed in full	Tuition Fees		EU	Year 1	€10,000	Fee Guidance note 1
			NEU	Year 1	€20,000	
	Deposit Fee - Do you wish applicants to pay a deposit to secure a place on this course? Y/N					Fee Guidance note 2
	Deposit Rate - Please add relevant rate					Fee Guidance note 2
	Application Fee €55 - Do you wish that applicants pay an application fee of €55 for this course? Y/N					Fee Guidance note 3
	SLC fee - Do you wish that applicants/students pay the SLC? Y/N					Fee Guidance note 4
SLC fee - If student is not to be charged SLC, please state who is to be charged?						Fee Guidance note 4
Sponsorships						Fee Guidance note 5
Note - any exemptions/derogations from the standard fees, require approvals in advance - see relevant Fee Guidance notes						Please read

Note:
The 'Financial Sustainability Position' column calculates automatically the minimum amount of fees that must be earned to cover the activity/course costs and splits students proportionately as the Forecast.
The mix between EU and Non-EU students can vary once the minimum amount is earned.
School administrator to conduct an annual review and confirm that the course is at least maintaining the minimum values in the 'Financial Sustainability Position' column and report to Faculty Executive for Planning Group.
Timing of additional income/Baseline activity queries can be discussed directly with the Faculty Business Partner.

Approved by School Executive: _____
Approved by Faculty Executive/Dean: _____
Minute Reference re Approval: _____

Appendix 3

Frequently Asked Questions

1. Will Schools be allocated any other budget(s)?

Schools will be allocated supplementary budgets, which are not considered part of their baseline budgets, corresponding to their overhead allocations (Overhead and OIP) and may be allocated additional supplementary budgets, which are typically of limited duration. Other known supplementary budgets that may be allocated to Schools, where awarded, include those for:

- Officer allowances
- Global Officers
- Promotions and Increments (see section 12)
- Research Project Officers
- Additional CAO places
- HCI (pillar 1)

2. Are external examiner allowances included?

Yes, external examiner allowances are included in baseline budgets from 2017/18 onwards.

3. How is teaching activity measured?

Teaching Activity is measured by student FTEs, including service teaching provided to other Schools. The Baseline Teaching Activity is measured by 2021/22 Student Numbers split by student FTE including service teaching provided to other Schools.

4. If next year's teaching activity is the same as this year's, will next year's baseline teaching budget be the same as this year's?

Yes.

5. Will teaching activity be divided by course?

No, as teaching activity is measured by student FTEs across the entire School, including service teaching provided to other Schools.

6. How is the value of teaching activity measured?

It is the fee income associated with the relevant student FTE in a specific School.

7. How is the reduction in the baseline teaching budget from this year to the next calculated?

Next year, the School budget decreases by 100% of the value of the reduction in teaching activity measured by fee income.