

Minutes of Finance & Capital Investment Committee meeting

Date: Wednesday, 27th September 2023
Time: 2pm, Boardroom, Haughton Building, SETU Carlow Campus & Microsoft Teams

Chairperson: Professor Patrick Prendergast

Members: Professor Veronica Campbell
 Mr Ray Ryan
 Dr David Dempsey
 Mr Mark Dunne
 Ms Carol Lynch
 Mr Patrick McCormack
 Dr Frances Hardiman
 Dr Helen Murphy
 Mr Alan Quirke

In attendance under the Code of Governance:

Ms Elaine Sheridan, Vice President for Corporate Affairs & Finance
 Mr Cormac O'Toole, Vice President for Corporate Affairs

In attendance for Agenda Item 2

Mr Keith Williams, Capital Projects Manager

In attendance for Agenda Item 3

Dr Patricia Mulcahy, Vice President for Development

Apologies: Ms Louise Grubb

Secretariat: Mary Clare Coogan

Item Title	
1.	<u>Chair's Welcome:</u> a. <u>Chair's opening welcome & notes</u> NOTED The Chairperson welcomed members to the meeting. Confirming the meeting was quorate and that there were no conflicts of interest, the commenced the business of the meeting. b. <u>Approval of minutes: 26th May 2023</u> AGREED To approve the minutes of 26 th May 2023 and publish on the website.

c.	<u>Matters arising</u> NOTED Dr D. Dempsey referred to the International Student Fees item where it had been agreed that the committee would be provided with regular updates on the effects of the implementation of the new fee structure when implemented. The President advised that a lot of work has been done on this and it has been discussed by EMT, and stated that the international team will present an update at the next committee meeting. NOTED Mr P. McCormack stated he had asked at the last meeting if he could see sight of the annual budget for SETU. AGREED 1) Annual budget for SETU to be circulated to all members of the committee. 2) Mary Clare to create an action list which will be circulated in advance of meetings going forward.
2.	<u>Capital Projects:</u> <u>Waterford Crystal site</u> NOTED The President introduced this item to the committee. She referred to the set of papers that were circulated to the committee in advance of today's meeting which included: ➤ Risk Register ➤ Memo re the purchase of the Waterford Crystal site and a summary of SETU's ambitions ➤ Final business case ➤ Various Environmental Due Diligence reports ➤ Draft contract The committee were reminded that the university has already agreed to purchase the site and have agreed a price, on the recommendation of the Finance & Capital Investment Committee and approval of the Governing Body. The price has been agreed with the vendor and approved by the HEA and Department of FHERIS, subject to appropriate pre-contract environmental and legal due diligence being carried out and pre-planning consultation with the local authority. The VP for Corporate Affairs & Finance presented a summary of the comprehensive Environmental Due Diligence Process that was undertaken as follows which included:- ➤ Report 1 undertaken by Malone O'Regan - <i>Environmental Due Diligence which included intrusive investigation works.</i> ➤ Report 2 undertaken by RPS - <i>Independent Review of Environmental Due Diligence carried out by Malone O'Regan including methodology, data quality and identification of any gaps that may have existed.</i> ➤ Report 3 undertaken by RPS Group - <i>Assessment of the implications of material management.</i> The outcome of the above was process is as follows: 1. Report 1 -Malone O'Regan concluded that there would be no reason why the university would not proceed to build on site. 2. Report 2 - RPS have said that they concur with Malone O'Regan. 3. Report 3 - RPS have concluded that the cost to manage the materials on the site would be in the region of €600k. The VP for Corporate Affairs & Finance advised that all three reports have been submitted to the HEA and the university has been keeping the HEA fully informed on developments as they arise, in order to expediate the process, so that when the final business case is submitted they are up-to-date on the project. The committee were informed of the current approvals and final business case stage, as follows: Internal approval processes • Review and consideration by Finance & Capital Investment Committee • Recommendation by Finance & Capital Investment Committee

- Review and consideration by Governing Body
- Approval by Governing Body if deemed appropriate to proceed.

External processes

- Submission to HEA
- Final approval from Minister for Further and Higher Education, Research, Innovation and Science
- Consultation with Department of Public Expenditure, NDP Delivery and Reform

The committee were also appraised of the current internal processes and external funding processes that were currently underway.

The Chairperson opened the discussion for any comments. Dr D. Dempsey referred to the Risk Register and stated that there was no risk mentioned with regard to the commercial partners who will occupy the rest of the site. He made the point that if anything were to happen with them it could potentially have a risk for the university. The VP for Corporate Affairs & Finance took this on board and stated that this risk would be built-in to the register.

A thorough discussion took place where various questions were asked and clarifications sought, and the committee were satisfied that the Environmental Due Diligence was a very thorough analysis.

AGREED To recommend to the Governing Body that the university proceed to the next steps and purchase the Waterford Crystal site.

ACTION Include said risk in the project Risk Register

Corporate Support Services Building (Carlow Campus)

Mr Keith Williams, Capital Projects Manager was welcomed to the meeting and presented an update on the Corporate Services Building Project on the Carlow Campus.

The presentation outlined that:

- The project is scheduled for completion by the end of 2023
- There are high-level finishes throughout
- There are flexible spaces which can respond to the SETU's changing needs as it grows and develops as a university

The Capital Projects Manager advised that the project has been faced with some challenges, with the main ones being:

- Issues with structural steel design and supply chain
- Ukraine conflict and consequential increase in material and labour costs
- Inflation Control Framework
- Liquidation of windows sub-contractor
- Programme delays

A number of claims have been made by the contractor who has appointed a claims specialist, which has created a legalistic environment and little scope for agreement. The contractor has referred these claims to conciliation and SETU has rejected the conciliator's recommendation. The university has unsuccessfully attempted to negotiate a settlement, and the current situation is that the claims made by the contractor have now been referred to Arbitration.

In order for SETU to make an informed decision in relation to conciliation, and Arbitration, the university engaged an independent consultant to conduct a Risk Assessment. The overall cumulative value of contractor claims submitted to-date is quite substantial and once those claims have been independently risk

assessed and reviewed by an independent party, it is estimated that the risk range for the university is
[Information Redacted]

Wexford site: status of CPO

The Capital Projects Manager provided an update regarding the proposed acquisition of lands to facilitate the delivery of a third level campus in Wexford. He advised that the Chief Executive of Wexford County Council wrote to the President on the 12th September 2023 providing an update regarding the on-going Compulsory Purchase Order (CPO) process and to confirm that the period for objections and/or judicial review of the confirmation of the CPO lapsed on 23rd August 2023. As no objection or notifications of any judicial review have been received, it is now in order for the local authority to serve the Notice to Treat which confirms the local authorities commitment to payment of compensation to affected parties. The serving of this notice is a key step in the CPO process in that it obligates the local authority to acquire the property and obliges the owner to surrender same. The local authority have requested the agreement of SETU for them to serve the Notice to Treat on the land owner. A meeting has been scheduled for Thursday 5th October between the Chief Executive of the local authority and representatives of SETU - including the President, the VP for Corporate Affairs, and the Capital Projects Manager to discuss the progression of the CPO to the next stage.

The Chairperson thanked Mr Williams for his updates and he left the meeting.

3. Financial approval of joint programmes with other universities:

Nanjang University of Information Science and Technology (NUIST) - Financials:

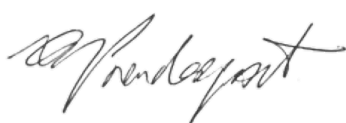
NOTED The Chair outlined the background to this item. He advised that NUIST was a university in China that the former Waterford Institute of Technology had a relationship with for many years and was now under the umbrella of SETU. Dr Patricia Mulcahy, Vice President Development was welcomed to the meeting and outlined a summary of the briefing note that was circulated to the committee about the relationship between NUIST and SETU. The VP for Corporate Affairs & Finance presented a financial overview of this joint programme, outlining the financial situation under a number of different scenarios and parameters.

The Chairperson advised that this item was brought to the committee for discussion and information purposes, as the programme is already up and running. A discussion followed and while it was recognised by the committee that this joint programme was strategically important for the university and would have reputational benefit for SETU abroad, it was important to keep a close eye on how the programme develops, and it was suggested that an update be brought to the committee on an annual basis.

A query was raised in relation to benchmarking. Dr Mulcahy clarified that while other Universities have similar arrangements in China, the terms are treated very confidentially.

Closing the discussion, the Chair requested that the Executive prepare further documentation looking at international activities and the revenue generated in the round at a future committee meeting.

ACTION Paper to come to the committee on finances of all international programmes, to include benchmarking if possible.

Approved: 

Date: 23rd November 2023