

Minutes of Finance & Capital Investment Committee meeting

Date: Friday, 31st March 2023
Time: 2.30pm, Boardroom, Haughton Building, SETU Carlow Campus.

Chairperson: Professor Patrick Prendergast

Attendees: Professor Veronica Campbell
 Dr David Dempsey
 Ms Louise Grubb
 Mr Mark Dunne
 Ms Carol Lynch
 Dr Frances Hardiman
 Dr Helen Murphy

In attendance by invitation of the Committee as an Observer:

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 under Agenda Item 2.a

Ms Eleanor Rea, Finance Manager
 Ms Cristiona Innseaduin, Finance Manager

In attendance under Agenda Item 2.d

Mr Keith Williams, Capital Projects Manager

Secretariat: Mary Clare Coogan

Item Title	
1.	Before the meeting commenced, the committee were advised that there were technical issues with Microsoft Teams, and as a result Mr Ray Ryan was unable to join the meeting remotely.
a.	<u>Chair's Welcome:</u> <u>Chair's welcome and Introductions</u> NOTED The Chair welcomed members to the meeting. He advised that a proposal will be brought to the Governing Body at their next meeting to approve Mr Alan Quirke, Director of Ireland Southeast Development Office as an independent external member of the Finance & Capital Investment Committee. He further advised that pending Governing Body approval, he had invited Mr Quirke to today's meeting as an observer, and with

	the permission of the committee, he stated he would like to ask him to join the meeting as an observer. This was agreed. Mr Quirke joined the meeting and provided a brief self-introduction to the committee. Confirming the meeting was quorate, he commenced the business of the meeting. b. <u>Approval of minutes: 7th February 2023</u> AGREED To approve the minutes of 7th February 2023 and upload to the website. c. <u>Matters arising</u> NOTED There were no matters arising. d. <u>Terms of Reference (updated)</u> NOTED The Chair stated there were some minor additions to the Terms of Reference that were approved at the last committee meeting, and the VP for Corporate Affairs & Finance outlined these additions to the committee. AGREED To recommend the updated Terms of Reference to the Governing Body for approval.
2.	<u>Committee Matters:</u> a. <u>HEA Budget Submission</u> NOTED The VP for Corporate Affairs & Finance introduced this item. She advised that the HEA Budget Submission was an annual document that SETU are required to submit to the HEA which informs the budget of the university. She further advised that the document requires Governing Body approval before submission, but would first need to be reviewed and discussed by the committee for recommending to the Governing Body. She introduced Ms Eleanor Rea and Ms Cristiona Innseaduin who joined the meeting and gave a comprehensive and detailed presentation to the committee on the proposed Budget Submission. They explained that the document had a prescribed format set by the HEA, and the information was presented as a calendar year outturn for 2022 and budget year 2023, as well as five academic years, including two prior year's results and forecasts for the coming three academic years. The presentation outlined the following: ➤ Income & Expenditure result for the noted periods ➤ Student numbers 2021/22 to 2025/26 ➤ The 2022 outturn shows a positive result with 2023 moving to a breakeven position ➤ Pay costs have significantly increased, primarily due to the pay restoration in 2022 and the nationally agreed pay increases for 2023 ➤ Research income shows a large increase in 2023 over 2022, primarily due to the Transfer to Partners which forms part of the Non-Pay costs A discussion followed where various queries were raised by the committee. One particular area of concern was the drop in student numbers which has had a marked negative impact on student income. While it was recognised that this drop in numbers was replicated across the third level sector, the committee were informed that members of the Executive have been tasked with investigating the drivers of that drop to better understand the cause of this, and take the appropriate action thereafter. A discussion took place regarding the detailed nature of the document and the fact that this would be presented to the committee on an annual basis. A suggestion was made on how the presentation could be more informative for members. AGREED To recommend the HEA Budget Submission to the Governing Body for approval. A summary presentation will be made to the Governing Body at their next meeting.

The Chair, in closing the discussion made a suggestion that this committee should consider how SETU can generate increased non-exchequer revenues. He thanked Ms Rea and Ms Innseaduin for their presentation and they left the meeting.

As advised earlier, there were some technical issues with Microsoft Teams and Mr Paul Quirke, Capital Projects Manager and Ms Elaine Greenan, Estates Manager were therefore unable to join and present the following items on the agenda to the committee.

b. Waterford Crystal Site

NOTED The President advised that SETU has received written confirmation that the government is willing to provide funding to purchase a portion of the Waterford Crystal Site, a copy of which was circulated to the committee with the papers for today's meeting. She further advised that reference is made in the Strategic Plan to the creation of a University & Enterprise Quarter on the site of Waterford Crystal.

[Information redacted]

The VP for Corporate Affairs & Finance indicated that approval was being sought to purchase circa 20 acres for the former Waterford Crystal site, in line with approved funding as outlined in the HEA letter dated 24th March 2023, subject to:

- appropriate pre contract due diligence (environmental and legal)
- pre planning consultation with local authority
- final approval from the Minister of the Department of Further and Higher Education, Research, Innovation and Science
- consultation with the Department of Public Expenditure, NDP Delivery and Reform

She also outlined the next steps as follows:

- agree Heads of Terms
- develop (with Strategic Partners) the master plan for the overall site 'University & Enterprise Quarter'
- develop the detailed funding submission for the 1st SETU Building

It was re-iterated that any approval from the committee would be subject to the satisfactory outcome from the due diligence exercise, and further approval from the HEA. The committee were advised of the amount of funding that the HEA were willing to provide to purchase the ~20 acre portion of the site. It was noted that there were a number of different valuations carried out on the site which were provided to the members. The VP for Corporate Affairs & Finance provided the committee with some background to the valuations and the process that took place thereafter. She advised that the HEA also went through their own processes which included obtaining independent valuations. It was noted that SETU were not party to this information.*[Information redacted]*

AGREED The Executive to request information from the HEA regarding their valuations and to further develop a document for the committee on mission alignment and how that will be delivered as part of the overall plan. An online meeting of the Finance & Capital Investment committee will be convened when this information is available.

c. Pathfinder Project

NOTED The VP for Corporate Affairs & Finance introduced this item. She advised that the project being put forward for approval was governed under a HEA funding scheme in relation to Decarbonisation and Energy Retrofits, and this particular project was a Deep Fabric Retrofit of the Business School on the Waterford Campus. She further advised that this had already gone through a number of stages, including a formal tender process, and the project is currently at a stage where tenders have been received, and a tender report has been

submitted to the HEA for approval. Approval from the Finance & Capital Investment Committee was being sought - pending HEA approval, to commence these works and award the tender to Flynn Construction Ltd. AGREED To approve the project as outlined above.

d. Student Accommodation

NOTED Mr Keith Williams joined the meeting and provided an information update/recap following on from the presentation that Mr Paul Quirke and himself had presented at the last meeting in relation to the provision of purpose-built student accommodation. As requested by the committee at the last meeting, he also gave a presentation outlining the different financial scenarios with regard to the rental - with an upper bound on the rent and a lower bound and, and outlined the type of government subventions that would be required as a result.

A robust discussion took place where many views were expressed. The general consensus of the committee was that while it was acknowledged it may be some time before funding is secured and planning permission is granted etc., that the university should continue to focus its efforts and resources to try and deliver purpose-built accommodation for SET U, and to proceed with the development of a strategic assessment and business case on the basis of a government subvention for the development.

The Chair thanked Mr Williams for his presentation and he left the meeting.

Strategic Plan Financials

e. NOTED The VP for Corporate Affairs presented a financial overview of the Strategic Plan which outlined the following:

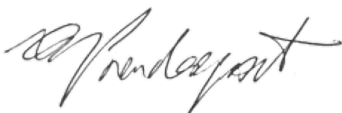
- Delivery scenarios - financial summaries
- Strategic Plan activities
- Governance & financial review scenarios
- Capital & Philanthropy
- Student growth
- Income opportunities

Approval was being sought on the following steps and early priorities for revenue diversification:

- International: Recruit a Business Development Officer at appropriate senior level
- Alumni & Philanthropic Office: Develop an appropriate structure to support alumni and philanthropic activities
- Commercial Activities: Recruit a Commercial Director at appropriate senior level

It was noted that all of the above were to be underpinned by relevant business cases which would come to the Finance & Capital Investment Committee for discussion and approval.

AGREED To take the course of action as outlined above.

Approved:  _____

Date: 28th April 2023