

Minutes of Finance & Capital Investment Committee meeting

Date: Tuesday, 7th February 2023
Time: 2.00pm, Wexford County Council, Carricklawn, Wexford.

Chairperson: Professor Patrick Prendergast

Attendees: Professor Veronica Campbell
 Dr David Dempsey
 Mr Ray Ryan
 Mr Mark Dunne
 Ms Carol Lynch (via Microsoft Teams)
 Dr Frances Hardiman
 Dr Helen Murphy (via Microsoft Teams)

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.

Mr Keith Williams, Capital Projects Manager
 Mr Paul Quirke, Capital Projects Manager

In attendance under Agenda Item 3.

Dr Mark White, Vice President of Research Innovation & Graduate Studies
 (via Microsoft Teams)
 Ms Cristíona Innseadúin, Finance Manager (via Microsoft Teams)
 Dr Robin Flynn, Integration Lead for Postgraduate Education (via Microsoft Teams)

Apologies: Ms Louise Grubb

Secretariat: Mary Clare Coogan

Item Title	
1.	<u>Chair's Welcome:</u> a. <u>Chair's welcome and Introductions</u> NOTED The Chair welcomed members to the first meeting of the Finance & Capital Investment Committee and thanked all for agreeing to serve on the committee. Confirming the meeting was quorate, he commenced the business of the meeting. b. <u>Finance & Capital Investment Committee Terms of Reference</u> NOTED The Terms of Reference were taken as read and agreed. c. <u>Timeline and approval process for Financial Statements</u> NOTED The VP for Corporate Affairs & Finance presented this item. She referred to the document that was circulated to the committee 'Annual Financial Reporting & Governance Deadlines' and in

	particular Section 3.1 which indicates the reporting deadlines of the annual financial statements as outlined by the Department of Public Expenditure and Reform. It was noted that one of the major tasks of this committee was to review the annual accounts in detail for recommending to the Governing Body. Also outlined in the document was the timeline for the submission of the annual governance statement (AGS), which she explained is a report by which SETU must confirm its compliance or otherwise with a series of reporting requirements arising from the Code of Practice for the Governance of State Bodies. The VP for Corporate Affairs & Finance advised that the preparation of three statements are currently underway:- two for the legacy Institutes - to the 30th April 2022, and one for SETU - to the 31st August 2023 and these will be presented to the Governing Body at its next meeting for approval. It was noted that there was no reference made on the timeline in the document as to when the financial statements would be presented to the Governing Body for approval. The VP for Corporate Affairs & Finance advised that they will be presented to the Governing Body before being submitted to the Comptroller & Auditor General. The document will be amended to reflect this. The VP for Corporate Affairs & Finance referred to the briefing note circulated which explains the situation with regard to the final and penultimate set of accounts for both of the legacy Institutes. The relevant legislation was also outlined in the document which states that 'the technological university shall prepare the final accounts of the dissolved body.' To give some context, the VP for Corporate Affairs & Finance explained that the final set of accounts for both organisations is for the period 1st September 2021 to 30th April 2022, and they will have to be approved by the Governing Body of SETU. With regard to the penultimate accounts set of accounts for the period 1st September 2020 to 31st August 2021 in relation to Carlow, they were approved by the out-going Governing Body at their last meeting, and in relation to Waterford they could not be approved because they had not been audited by the C&AG. They have since been audited and there are now two sets of accounts to be approved by the Governing Body of SETU in terms of the former Waterford Institute of Technology. The committee were advised that ATU had already been in the same situation with regard to their accounts whose Governing Body, having read the legislation, agreed that they could only approve the final set of accounts. ATU discussed their decision with the C&AG and the Minister and they have approved an extended period for the final set of accounts, so SETU have two options available in this regard: Option 1: Approve two sets of Financial Statements: penultimate set of accounts for Waterford Institute of Technology for the period 1st September 2020 to 31st August 2021 (12 months) and final set of accounts for Waterford Institute of Technology for the period 1st September 2021 to 30th April 2022 (8 months). Option 2: Approve one set of Financial Statements: final set of accounts for Waterford Institute of Technology for the period 1st September 2020 to 30th April 2022 (20 months). A discussion took place and both VP's confirmed there would be no difference in the figures, and either option can be accommodated. AGREED To choose option 2 and approve one set of Financial Statements. The VP for Corporate Affairs & Finance advised that there will be an issue with comparatives, as the previous financial statements were for a 12-month period.
2.	<u>Committee matters:</u> a. <u>Potential Student Accommodation Projects</u> NOTED The Capital Projects Managers presented a slide deck in relation to the delivery of potential purpose-built accommodation for SETU over the next number of years, which outlined the following: ➤ Estimated demand for purpose-built student accommodation ➤ Estimated overall project costs ➤ Financial analysis

- Proposed site location and overview of proposal for student accommodation for both the Carlow and Waterford Campuses

[Information redacted]

A discussion followed where various queries were raised by the committee as to how the above figures were arrived at, and clarifications were provided by the Capital Projects Managers. The issue of government subvention was discussed and it was agreed by the committee that without subvention, the delivery of student accommodation would not be financially viable. The VP for Corporate Affairs & Finance advised that SETU were currently exploring the subvention with the Department who understand that there were commercial viability issues for developers to get involved in projects such as this. She stated that the subvention, along with the borrowing framework for Technological Universities needs to be further explored with the government.

The VP for Corporate Affairs indicated that in December last, the government committed significant capital investment to some of the universities who had a number of student accommodation projects ready to commence, but were holding off because of the increase in construction costs. This investment equated to approximately 30% of the estimated costs, so there is some precedent in that respect.

The Chair advised that the Minister would shortly be visiting the Waterford Campus and meeting with the President, and suggested it might be a good idea to put proposals around the matter of subventions to him for discussion. As there have already been conversations with the Department as outlined by the VP for Corporate Affairs & Finance, it was agreed that this was the correct course of action, coupled with the fact that the university student numbers are robust and externally validated which supports the demand for purpose-built student accommodation.

The committee welcomed the proposals as presented by the Capital Projects Managers, and indicated they would like to see these proposals develop further.

AGREED That a business case be developed to support the proposals, to include different scenarios with regard to the rental:- with an upper bound on the rent and a lower bound, and what kind of subventions would be required as a result.

b. Governance and financial overview of Capital Project: Corporate Services Building on Carlow Campus

NOTED The Carlow Campus Capital Projects Manager, presented an update on the current status of the Corporate Services Building Project on the Carlow Campus, which included an overview of what will be housed in the building, and the projected completion date. The committee were advised that the project commenced on 1st October 2021, with an original contract completion date of 31st March 2023. There have been delays to the project, primarily due to the delay in ordering and delivery of structural steel by the main contractor, and also the façade contractor entering liquidation in December 2022. The current anticipated completion date is September 2023.

The committee were also presented with an overall financial overview of the project as it currently stands.

Also included in the presentation was the project governance associated with delivery of the project which outlined the following:-

Capital Projects Manager oversees the running of every aspect of the Capital Project on a day to day basis with the assistance of the design team.

Steering Committee make recommendations at each stage of the project and all capital funding, including budget allowance, expenditure, scope, change orders, programme review. Appointments of contractors and design team.

Executive Group approves the project at Business Case stage, key stage gates, before appointment of the main contractor, change orders in excess of approved contingency allowance.

SETU Governing Body approves the project at Business Case stage, key stage gates, before appointment of the design team and main contractor.

The Chair thanked both Capital Projects Managers for their updates/presentations and the very useful discussion on student accommodation, and they left the meeting.

c. SETU PhD Scholarship Scheme

NOTED The President introduced this item to the committee and was joined by Dr Mark White, Vice President of Research Innovation & Graduate Studies; Dr Robin Flynn, Integration Lead for Postgraduate Education; and Ms Cristíona Innseadúin, Finance Manager who have been working closely together on the following proposals being presented to the committee:

- 1. 2023 SETU PhD Scholarship Scheme**
- 2. Stipend standardisation for legacy internal scholarship schemes**

The VP for Research Innovation & Graduate Studies presented the following to the committee:-

2023 SETU PhD Scholarship Scheme

Context

- SETU currently hosts 153 PhD students (approximately 30% internally funded, 65% externally funded, 5% self-funded)
- Pre-Merger, WIT and ITC supported 28 - 32 internal PhD scholarships per annum
- Costs approximately €1m per annum
- Net cost €250k - €350k per annum
- Centrally funded via research income RGAM/OH
- Many migrating over to IRC Scholarships in recent years

[Information redacted]

The Chair thanked Dr White and members of his team for their presentation, and they left the meeting.

d. Commercial Revenue Carlow Campus

NOTED The VP for Corporate Affairs gave a presentation on the overall view of commercial revenue/self-financing on the Carlow Campus. He advised that the financial philosophy that the Institute has operated with over the last number of years was that all recurrent expenditure would be matched with recurrent income, all self-financing activities would be operated on a break-even basis, and any surpluses would be invested in capital.

The presentation outlined where income has been generated from via commercial activities:-

- Catering - franchised
- Sports facilities - managed by the Sports/Estates departments
- Room rentals etc. - managed by External Services

and via Self-financing activities:-

- Lifelong Learning - levels 6 to 10 market driven course fees
- International Non-EU students
- Market driven fees

The projects that were funded from the above were:

- GAA Stand - completed in 2010 at a cost of €2.660m
- Barrow Centre Extension - completed in 2012 at a cost of €8.072m
- Dargan Centre - completed in 2015 at a cost of €5.040m
- Haughton Building - completed in 2016 at a cost of €7.293m
- Sports Campus Phase I & II - completed in 2021 at a cost of €12.167m

and current project:

- Corporate Support Services Building - commenced in 2022 at a cost of €24m

[Information redacted]

	A discussion took place in relation to the way revenue for commercial and self-financing activities are treated differently in both campuses. The committee agreed that SETU need to move towards one way of doing things going forward and a question was raised as to how this can be achieved. The VP for Corporate Affairs advised that the budgeting process was currently underway and it will be the first time that a combined budget will be allocated for SETU. He went on to say that this will give SETU a financial baseline and all of the activities can be looked at and explore how they fit into the combined budget. AGREED That the committee will re-visit this matter at a future meeting and discuss how commercial and self-financing activities can converge.
3.	<u>AOB:</u> a. NOTED With regard to future agenda planning, the Chair asked the committee what other matters they would like to see on the agenda at future meetings. A discussion followed and the committee agreed on two definite agenda items: ➤ Student accommodation ➤ Waterford Crystal and Wexford sites The President noted that there will also be a number of things arising from the Strategic Plan when it is enacted that will also need to be discussed by this committee. The committee wished to extend their thanks to the people involved in preparing the work for the finance briefing that took place on the 31st January. It was noted that this session was very helpful and informative. Both VP's acknowledged the work of Ms Eleanor Rea and Ms Crístíona Innseaduin, Finance Managers who had worked closely on this. <u>[Information redacted]</u>
4.	<u>SETU Subsidiaries</u> NOTED The Chair stated he had requested that SETU Subsidiaries be placed on today's agenda for information only, and to be discussed at a further meeting. He asked if there was anything that the committee were urgently required to do with regard to this matter as this point. The VP for Corporate Affairs & Finance advised that a review of Board memberships needed to be done and suggested that both VP's undertake this work and bring back proposals to the Governing Body for approval. AGREED That both VP's bring back proposals on Subsidiaries Board memberships.

Approved: _____



Date: 31st March 2023