

Minutes of Finance & Capital Investment Committee meeting

Date: Wednesday, 13 March 2024
Time: 2.30pm

Location: Boardroom, Tourism & Leisure Building, Waterford Campus & Microsoft Teams

Chairperson: Professor Patrick Prendergast

Attendees: Professor Veronica Campbell, President
 Dr David Dempsey
 Mr Mark Dunne (via MS Teams)
 Ms Louise Grubb (via MS Teams)
 Dr Frances Hardiman (via MS Teams)
 Ms Carol Lynch (via MS Teams)
 Mr Patrick McCormack (via MS Teams)
 Dr Helen Murphy
 Mr Alan Quirke (via MS Teams)
 Mr Ray Ryan

In attendance under the Code of Governance:
 Ms Elaine Sheridan, VP Governance/University Secretary
 Mr Cormac O'Toole, VP Finance/Financial Controller

In attendance by invitation of the committee:
 Ms Mary Dooley

Secretariat: Mary Clare Coogan

Before the meeting commenced, the President introduced Ms Mary Dooley former Bursar and Chief Financial Officer of NUI Galway, who has been engaged by SETU to assist the President on an interim basis in advance of new Executive Structures being fully implemented.

Item Title	
1.	<u>Chairpersons Welcome:</u> The Chairperson proposed Ms Dooley be invited to participate in the meeting and this was agreed. <u>Chairpersons Opening</u> NOTED The Chairperson welcomed members to the meeting, confirming the meeting was quorate he commenced the business of the meeting. <u>Conflict of Interest</u> NOTED The Chairperson asked members if they had any conflicts to declare particularly associated with items on the agenda. No member present declared a conflict for this meeting.

Approval of minutes: 5 December 2023 & 21 February 2024

AGREED To approve the minutes of 5 December 2023 & 21 February 2024 and publish on the website.

Matters arising (Action Log):

NOTED The Chairperson advised that five items on the Action Log were completed and two were in progress.

2.

Committee Matters:

a. HEA Budget Submission

NOTED Mr O'Toole presented a summary of the draft 2024 HEA Budget Submission document for SETU, and outlined the context on which the document was based, as follows:

Income

- Recurrent Grant - based on students returns at 1st March 2023
- Tuition Fees - 8 months 23/24 academic year and 4 months 24/25 academic year
- HEA Budget - calendar year basis
- SETU financial year aligned to academic year
- Academic year Budget spans two calendar years

Expenditure

- Expenditure driven by academic year
- Cost committed to in September for following 12 months

In summary, Mr O'Toole advised there is a projected total Income increase of €18.3m, and a total projected Expenditure increase of €27.1m compared to the 2023 Budget, leaving the university with a net adverse movement of €8.8m and an overall projected surplus of circa €1m. The committee were also appraised of the key risks inherent in the Budget, and the mitigating actions.

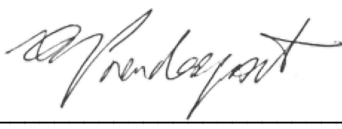
A robust discussion took place where various queries were raised and clarifications sought on different aspects of the Budget document. It was noted that the projected student numbers were ambitious given the fact there has been a drop in last year's numbers, and the committee felt that more focus should be given to the area of Student Retention. The President stated that any drop in student numbers carries a financial implication, and therefore felt the university should also focus on the recruitment of new students and being able to deliver new courses, whilst also investing in those areas that are important for retaining current students.

In terms of how the Budget is allocated across the university, a query was raised as to whether there was an incentivisation scheme currently in place, or planned for, whereby academic areas retain a portion of the revenue from increased activity and/or savings from reduced costs within their faculty/department. It was noted that while not widely used, there is an example of an incentivisation scheme for some Lifelong Learning programmes in operation since 2018 on the Waterford campus. It was further noted that the faculties/departments did not historically have sight of the Pay allocation and it was strongly recommended that be done going forward so as faculties/departments have visibility of this for a better understanding of what is driving costs. The President noted that information on Pay and Non-Pay costs had been shared with the EMT earlier that day and that such financial detail will now continue to be shared with Heads of Faculty/School to assist with decision-making and planning.

The Chairperson summarised that the committee sought the following going forward to the Governing Body:

- a Sensitivity Analysis on the income in relation to student numbers, and
- increased visibility to enable greater understanding in relation to the impact of student retention on income, and
- greater visibility between Core and Non-Core (i.e project based) activities would be helpful in understanding the dynamics of the Budget.

	In addition, Heads of Faculty/Department should have the ability and incentive to manage pay costs with full visibility of such costs. AGREED To recommend the Budget Submission 2024 to the Governing Body for approval and submission to the HEA. b. <u>Student Accommodation: Preliminary Business Case</u> NOTED Ms Sheridan updated the committee on recent developments with regard to student accommodation. She advised she had recently attended a workshop that was organised by the HEA as part of the process, and the key points that emerged from this workshop were as follows:- ➤ HEA Templates: with some pre-populated sections ➤ Elaborate Expression of Interest ➤ Understand options and pipeline ➤ Financial analysis: Indecon ➤ PBC: Strategic Assessment required for each site - due to HEA 27 March 2024 Ms Sheridan advised that when Indecon have completed the financial analysis on some of the preferred options for SETU, this will be made available to the committee. An interim financial analysis on the estimated preliminary rental income was presented, and a concern was raised with regard to the cost per bed space figures, as they appeared to be significantly higher than the current SETU charge. Ms Sheridan undertook to clarify the figures. In closing the discussion, the Chairperson noted that this item was for information only at this point and thanked Ms Sheridan for her update.
3.	<u>AOB</u> Mr Ryan expressed a concern with regard to a recent report in The Munster Express newspaper which advised that a local member of the Oireachtas stated that SETU had committed to renting some office space in the Waterford area. The President indicated that she had not seen the media report, and advised that if any transaction of this nature were to be agreed it would need to come to the Finance & Capital Investment Committee in the first instance.

Approved: 

Date: 14th May 2024