

Minutes of Finance & Capital Investment Committee meeting

Date: Tuesday, 14 May 2024
Time: 2.30pm

Location: Boardroom, Haughton Building, SETU Carlow Campus & Microsoft Teams

Chairperson: Professor Patrick Prendergast

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

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

In attendance for agenda item 2.b
 Ms Sarah Morrissey, Risk & Compliance Officer

In attendance for agenda item 2.d
 Mr Keith Williams, Capital Projects Manager
 Mr Paul Quirke, Capital Projects Manager

In attendance for agenda item 2.e
 Mr David Buckley, Estates Manager

Apologies: Mr Ray Ryan

Secretariat: Mary Clare Coogan

Item Title	
1.	<u>Chairpersons welcome:</u>
a.	<u>Chairpersons opening</u> NOTED The Chairperson welcomed members to the meeting, and confirming the meeting was quorate he commenced the business of the meeting.

b. c. d.	<u>Conflict of Interest</u> NOTED The Chairperson asked members if they had any conflicts to declare particularly associated with items on the agenda. Dr Hardiman advised she would step out of the meeting for item 2.a due to a perceived conflict of interest with this item. <u>Approval of minutes: 13 March 2024</u> NOTED Dr Murphy noted that a minor correction was needed in the minutes. The minutes stated that currently there is no incentivisation scheme in place in the University whereby academic areas retain a portion of the revenue from increased activity and/or savings from reduced costs within their faculty/department. As there has been an incentivisation scheme for Schools on the Waterford campus since 2018, the minutes may need to be amended. ACTION To amend the minutes to include the following <i>‘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.’</i> NOTED Mr McCormack referred to the discussion that had taken place under item 2.b in relation to student accommodation and asked if clarification was sought on the figures that were presented to the committee with regard to the cost per student bed space. Ms Sheridan advised she had confirmed the figures with SETU Novus. <u>Matters arising (Action Log)</u> NOTED The Chairperson noted that both items on the Action Log were currently in progress. He referred to a matter that had been discussed at previous meetings by the committee in relation to the possibility of SETU appointing an External Auditor, and noted that this may be a matter for the Audit & Risk Committee to consider. Ms Sheridan advised that this matter had not previously been raised by the Audit & Risk Committee, but advised that discussions should take place with the HEA in the first instance and then also the C&AG. ACTION Ms Sheridan and Mr O’Toole to discuss the matter of appointing an External Auditor for SETU with both the HEA and the C&AG. NOTED The President advised that the HEA Budget meeting had taken place. SETU had the opportunity to point out to the HEA that the full cost of the pay deal had not been factored into the University’s allocated Budget. Discussions had also taken place around staff and student recruitment.
2. a.	<u>Committee matters:</u> <u>Commercialisation Committee: Approval of members</u> NOTED Dr Hardiman left the meeting for this item. Mr O’Toole referred to the memo that was circulated which outlined that the President has proposed the following SETU staff members to the Commercialisation Committee:- • Ailsing O’Neill • Brian Ogilvie • Anne Graham • Frances Hardiman AGREED To approve the above as members of the Commercialisation Committee. Ms Sheridan advised that while there is still a requirement for an external member to be nominated to the Commercialisation Committee, it is anticipated that the first meeting of the committee will take place on the 11th June.

Dr Hardiman re-joined the meeting.

Dr Murphy queried if the Conflict of Interest declaration is in place (on the agenda) for the Commercialisation Committee. Ms Sheridan confirmed that all SETU committees have a Conflict of Interest declaration on their agendas.

b. Subsidiaries

Matters associated with subsidiary companies

NOTED Ms S. Morrissey was welcomed to the meeting. She advised there were two matters that required the approval of the committee as follows.

At the February 2024 meeting of the Finance & Capital Investment Committee, the appointment of Directors and change of Company Secretary to the Boards of Insurtech Network Centre DAC and National Design Innovation Hub DAC were considered. It was noted by the committee that to ensure good governance, the appointment of external members to the Boards of Directors would be considered by the Executive to encourage more independence.

On this basis it is proposed to appoint:

- Ms Anne-Marie O’Leary as a Director to the Board of Insurtech Network Centre DAC (biographical summary circulated - Appendix 1)

It is further proposed to appoint:

- VP Governance/University Secretary as Company Secretary
- VP Finance/Financial Controller as a Director (previously acted as Company Secretary)

Subject to the approval of the above appointments, the Board of Insurtech Network Centre DAC would consist of two external members, two internal members (further details circulated - Appendix 2).

AGREED To approve the appointments to the Board of Insurtech Network Centre DAC as outlined above.

Resolution to dispense with AGM

NOTED In accordance with the Companies Act 2014, (the Act) single member companies can pass a written resolution which dispenses with the requirement for the company to hold an Annual General Meeting of its members, provided that the member (SETU) approves by way of a written resolution.

SETU subsidiaries are single member companies, of which SETU is the sole member, and the subsidiaries are:

- SETU Campus Services CLG t/a Novus
- Insurtech Network Centre DAC
- ThreeD DAC
- Lean Industry 4.0 DAC
- National Design Innovation Hub DAC

AGREED To recommend to Governing Body that the written resolutions to dispense with an AGM for each SETU subsidiary be approved.

Ms Morrissey brought a matter to the attention of the committee for noting, in relation to an emerging risk which has been identified by the Executive with regard to compliance with State Aid legislation and regulation, in particular to De Minimis pass through funding. This is a risk for both SETU and its subsidiaries who are/have been in receipt of Regional Enterprise Development Funding. This serious risk has been flagged to the Audit & Risk Committee, and further work is required to fully understand this risk which centres around accounting for and reporting economic and non-economic costs of research, development and innovation activities.

The Chairperson thanked Ms Morrissey for her input and she left the meeting.

The committee were of the view that they would like to see a plan outlining the potential way forward for the subsidiaries. The President outlined that the subsidiaries – excluding Novus – had been set up to facilitate projects and project funding. It was agreed that more comprehensive information on the subsidiaries would be presented to the committee at a later date.

ACTION Ms Sheridan and Mr O'Toole to prepare a briefing for the Committee on subsidiaries (date Q3 2024).

c. Treasury Management Policy

NOTED Mr O'Toole advised that this document sets out the Treasury Management Policy of SETU, and the purpose of the policy is to ensure the University's cash resources are managed as efficiently as possible, and that the University has sufficient resources to meet its operational and funding requirements - both in the short and long term. The policy recommends that the University shall only invest surplus funds with the National Treasury Management Agency (NTMA), or Commercial Banks that are established in the Irish Market and meet the required Credit Rating Criteria as set out in the policy.

A discussion took place in relation to the substantial amount of surplus funds, and a query was raised about the possibility of perhaps investing this money in other ways that may have a better return for the University. It was noted that the Treasury Management Policy explicitly sets out that the University only invests in financial institutions or the NTMA. While this is extremely conservative and return is less generous, it is secure, and SETU would need to consider if it is prepared to take a risk in investing money elsewhere.

There were minor amendments for clarity suggested.

AGREED To **1)** approve the Treasury Management Policy, and **2)** to revisit the policy in six months' time, and consider other options as to how SETU may invest its surplus funds which may result in a better return for the University.

ACTION Mr O'Toole to present options for the investment of surplus funds to the committee in Q4 2024, and committee to consider revision of the Treasury Management Policy.

d. Technological Sector Strategic Projects Fund (TSSPF)

NOTED Mr Keith Williams and Mr Paul Quirke were welcomed to the meeting. The President advised there were two Capital Projects that are currently in the preparation phase to submit funding for under the Technological Sector Strategic Projects Fund (TSSPF):

1. University Enterprise Quarter (former Waterford Crystal site)
2. Development of the SETU campus in Wexford

Ms Sheridan provided a very comprehensive presentation on both projects which included:

- Projected Student Numbers
- Multi Criteria Analysis
- Building costs and carbon emissions
- Project Expenditure and Funding Profiles
- Preliminary Construction Programme
- Risk Register
- Total Project Cost Options
- Financial analysis

A discussion followed where clarity on the student numbers and the options available were highlighted. Ms Sheridan undertook to note the feedback of the committee in the finalisation of the documentation. She did point out that the student numbers were consistent with the approved Strategic Plan.

e.	The Chairperson thanked Mr Williams and Mr Quirke for their input and they left the meeting. <u>Pathfinder Project (Burrin Building, Carlow Campus)</u> NOTED Mr Buckley was welcomed to the meeting. He advised that the project comes under the Energy Efficiency and Decarbonisation Pathfinder Programme, and gave a presentation on the proposed Retrofit of the Burrin Building on the Carlow Campus which included project objectives and an outlined of the proposed works. The current status of the project is as follows: ○ Currently at Stage (iii) Tender Action, Evaluation & Award ○ Assessment of the submitted tenders has been completed by the project team ○ Tom O’Brien Construction have been identified as the most economically advantageous tender ○ The tender return price is €1,850,788 ex VAT which is within the HEA approved pre-tender Budget Mr Buckley advised that the project is fully funded by the HEA, and subject to SETU and HEA approval, the Contractor will commence on-site on 3rd June 2024 with works complete for the start of the new academic year. AGREED To recommend to the Governing, the approval to progress the award of the contract to Tom O’Brien Construction in the amount of €1,850,788 ex VAT.
3.	<u>AOB:</u> <u>Finance & Capital Investment Committee Effectiveness Review</u> NOTED The Chairperson advised that the Finance & Capital Investment Committee are required to undertake an Effectiveness Review and this will be circulated to members of the committee before the next meeting. NOTED Ms Lynch referred to the recent publicity surrounding a university in relation to concerns over property acquisitions, and she queried if there was anything that the Finance & Capital Investment Committee should consider at this time in light of this. Mr O’Toole pointed out that because of new TU legislation, all SETU property acquisitions are required to go through the HEA and the Department, and therefore they follow a very different process. Coupled with SETU’s governance approvals the whole process is very robust. The Chairperson suggested that the Effectiveness Review should consider the robustness of the approval process for property acquisitions as part of it.

Approved: 

Date: 11th June 2024