

Higher Education Authority

Report of the 365th Meeting held on 25th March 2014, in Brooklawn House, Dublin 4.

Present ¹

- Mr. Bahram Bekhradnia (items 1-6, 8, 10, 12)
- Dr. Mary Canning
- Professor Maeve Conrick
- Mr. John Dolan (items 1-8, 10, 12)
- Mr. Eamonn Grennan
- Ms Siobhan Harkin
- Professor Eileen Harkin-Jones
- Mr. John Hennessy, Chairman
- Dr. Stephen Kinsella
- Dr. Maria Meehan
- Dr. Jim Mountjoy (items 1-5, 8,12)
- Mr. Joe O'Connor
- Mr. Gordon Ryan
- Professor Anthony Staines (items 1-6, 8, 10, 12)
- Mr. Declan Walsh (items 1-8, 10, 12)

Apology:

- Cllr. Brendan Byrne
- Mr. Paddy Cosgrave
- Dr. Brian Thornes
- Professor Marijk van der Wende

In attendance:

- Mr. Tom Boland (items 2-14)
- Ms Mary Kerr (items 2-11,13-14)
- Mr. Padraic Mellett (items 2-14)
- Mr. Pat Harvey (item 5)
- Mr. Muiris O'Connor (items 5, 8-9)
- Mr. Fergal Costello (item 5)
- Ms Mary Armstrong (item 5)
- Ms Nicki O'Connor (item 8)
- Mr. Stewart Roche (items 10-11)
- Ms Damien Kilgannon (item 11)
- Mr. Gerry O'Sullivan (item 13)
- Ms Sarah Dunne (item 5)

The chair welcomed Mr. Declan Walsh and Dr. Stephen Kinsella to their first meeting.

1. Members only session

1.1 The Chair outlined that arising from the last Board meeting held 28th January 2014 a request for additional information in the form of

¹ Members present for all items unless otherwise indicated. The meeting concluded at 4.00pm

documentation/paperwork related to Appendix A of the CEO's report ('Policy consultant in the Higher Education Authority'), was received from a board member. This request sought such information to be made available to members at the next meeting of the Board and discussed as an agenda item, so that the board is assured that the correct procedures were followed. The CEO agreed to provide the reassurance needed by some members and he prepared a comprehensive memo on the matter for discussion under item 12 of the agenda at this board meeting. The concerns were restated and it was agreed by the board to address the matter under item 12 with the CEO present and if the matter is not closed during that discussion to reconvene a members only session later in this meeting.

- 1.2 The Chair raised the matter of succession planning and the potential loss of key competence sets from the HEA executive. The board agreed that the matter was urgent and be addressed at the May meeting. The CEO will be requested to give reassurance that he has a plan for continuity of the work plan and that critical competence gaps are addressed. The board agreed that the CEO could seek external assistance in preparing the assessment and plan for the May board meeting.

2. Reports of meeting held 28th January

Decision: The minutes were approved subject to amendments to p. 2239 (list of attendees)

3. Matters Arising

- 3.1 Item 13 - The CEO advised members that a briefing on higher education legislation was being deferred until May due to the volume of work on today's agenda. He indicated that the Oireachtas Committee on Education had invited a written submission on the draft heads of bill by the end of this week. A short document setting out the HEA's observations will be circulated to members for their observations. There would be a further opportunity for the HEA to engage with the legislation as it proceeds through the Houses of the Oireachtas. He did not envisage the legislation being enacted before the summer of 2015. He advised members that he understood that the criteria for TU designation will be in line with the HEA's submission to the DES.
- 3.2 Item 3.2 – Members noted the report from the IoTs on the extent to which additional core recurrent funding provided in December 2013 was allocated to student assistance. Concern was expressed that not all institutes used the additional core grant for student support. It was noted that there was a growing demand for the Student Assistance Fund (SAF) and accordingly the HEA should address this issue in a more strategic way. The Executive agreed to undertake a review of the SAF.

4. Report of the Chief Executive

4.1 The CEO updated members on developments relating to the sustainability study. The DES was now considering having this matter considered by an inter-departmental working group which would include the HEA. This will enhance the likelihood of greater political support for recommendations which will emerge from the review. It will however mean that the report will not be finalized until next year or early 2016. He undertook to inform members electronically once a decision has been made by the DES. One factor the DES will wish to reflect on are new labour market projections from SOLAS which suggest that the demand for HE skills will greatly exceed projected graduate output should the economy grow at a higher rate than previously projected.

4.2 Members raised the following points;

- The need to provide for high quality graduates to meet future skills needs and the costs associated must be addressed in the system performance report to the Minister.
- Concern was expressed that this could be perceived as another delaying exercise having regard to the fact that the HEA had requested last October clarification from the DES on the terms of reference for the study.
- This was an opportunity for the HEA to engage with other stakeholders in making a case for a more sustainable system.
- Who would the working group report to and would the report be published? The CEO indicated that it was his expectation that the report would go to government and be published shortly afterwards.

4.3 Members raised the labour market projections from SOLAS. The point was made that it suggested that the economy is on the rise, it was important those on the margins were not left behind. Members were advised that the Executive would explore whether it would be possible to invite SOLAS to make a presentation at the next board.

4.4 The issue of the WIT budget and whether it has made provision for repayment of the loan from DES was raised. Members were advised that the Executive have not met the Institute yet to discuss its 2014 budget.

4.5 The funding of Letterkenny Institute of Technology was discussed. Members were advised that the HEA works closely with any institution that is facing funding difficulties such as LyIT. The Institute's funding problems are complex as they relate to the Killybegs campus which entails particular regional and HR issues. Any solution is likely to require some additional capital funding. The matter is under ongoing consideration by the Finance Committee. Members were advised that the detailed report prepared by the Executive for the committee is available upon request.

4.6 Members were advised the HEA was coordinating the disposal of disused radioactive resources by HEIs at the request of the DES who has provided funding for this activity. It was subsequently clarified that the role of the HEA

was to provide funding to the HEIs who were responsible for the disposal of the radioactive waste.

- 4.7 It was confirmed that the DES has not yet commissioned a follow up review on implementation by WIT of the Quigley report recommendations.

5. Report of System Governance and Performance Management Committee/Draft Report to Minister on Higher Education System Performance

- 5.1 The chair noted that the System Governance and Performance Management Committee reviewed an earlier draft of the report and that subsequent to that meeting the Executive has consulted with the DES and a number of other stakeholders. He noted that there remains some outstanding editorial refinement of the report. He suggested that members focus on the foreword which was not considered by the committee and the following two questions (1) how members believe the report might be improved and (2) what additional contextual background is required, in particular what particular enablers might be highlighted. Mr. Costello made a short presentation which focused on the following;

- Purpose of the System Performance Report and process followed.
- Issues which arose at the Committee's meeting
- Next steps in the process – these are outlined in chapter 7.
- Issues raised at consultation sessions with DES, DEJI, USI and other stakeholders
- Next steps in finalising the report.

- 5.2 The following points were made by members;

- The Executive was to be complimented in the preparation of the report. It is a major achievement for the HEA to be discussing a report covering performance at such a system level. It was important that the HEA conveyed the right message as regards participation/quality and sustainability of funding. More work was required on the executive summary. It should focus on issues rather than process. The report was quite positive in outlining all that have been done at a time of funding cuts, however the HEA needs to be assertive where necessary and highlight the risks to quality if sustainability is not addressed. It was felt that the cuts made it difficult to deliver excellence in teaching and learning.
- How best to demonstrate the impact of the deterioration in the staff student ratio? One possibility would be to outline a series of test cases. The cuts also have impacted on the contact hours for academics, this could have implications for institutions under the Organisation and Working Time Act.
- The report was a little passive as regards the importance of system diversity.
- There should be some reference to the impact of various labour market activation initiatives, concern was expressed over the potential for interns to be exploited and the impact such schemes had for paid employment.

- Consideration should be given to including in appendix 6 the list of stakeholders who were consulted. USI for its part was very happy with its engagement with the HEA.
- Concern was expressed over the narrowness of the research KPIs. It was important that Ireland's research strengths, particularly in the AHSS, were not overlooked.
- Capacity of HEIs to continue to progress participation of disadvantaged students.
- Need to enhance the capacity of leadership on HEI boards.
- More work could be done to outline the rationale for geographical clusters and the overall impact of the system performance framework.
- The report details a considerable number of initiatives in teaching and learning. However to what extent will these result in the system delivering excellence in teaching and learning?
- The report does not address to any significant extent lifelong learning and on-line tools.
- Consideration should be given how best to present trend data.

5.3 Mr. Costello presented the remaining items considered by the Committee at its meeting held on 25th February.

Decision: It was agreed that the Executive would undertake further work on the report focusing in particular on conveying in the Executive Summary the risks in relation to the quality of outcomes. A revised draft will be issued to members on Friday 11th April. Subject to the views of members on the revised draft, a further meeting of the Board may be convened on Thursday 24th April. Members also approved the report of the Committee on System Governance and Performance Management.

6. HEA Governance

6.1 There were two papers before the meeting under this item. Introducing the first paper the CEO advised members that the objective was to work towards a shared understanding with the HEIs as to the governance and regulatory role of the HEA. The latter was easier to understand, the former was very much underpinned by values.

6.2 Members raised the following;

- Academic freedom as defined in the document did not fully cover how academic freedom is defined in S. 14 of the Universities Act. It also needed to be recognised that the level of autonomy enjoyed by the IoTs differed from that enjoyed by the universities. The CEO noted that this was the case as regards regulation however the HEA's approach to governance should be the same for all HEIs.
- To whom should the HEA paper be communicated? Should it be posted on the HEA website in addition to the being sent to the HEIs?
- How can the HEA, while respecting the autonomy of HEIs, help them to be more effective in how they govern themselves?

- Clarification was requested as to what HR/IR reforms were requested. Members were advised that the IUA has made a submission on HR/IR practices, a similar paper was required from the IoTI. It was agreed to prepare a paper for the September meeting.
- To what extent can the HEA intervene with HEIs as to how they manage their funding? It was noted that the HEIs are autonomous and it is up to them to manage their recurrent funding as they see fit. Concern was expressed over the increasing use of funds for legal costs. The HEA however had a responsibility for safeguarding public funding, accordingly it needs to work closely with HEIs who are facing financial difficulties.

Decision: The CEO agreed to review the document in particular to ensure the balance between governance and regulation was appropriate. A revised document would be circulated at either the May or July meeting.

- 6.3 The Chair advised members that memorandum A 11/14 was concerned with the HEA's own governance arrangements. Members were requested to approve the recommendations set out in the Board Evaluation report prepared by Mr. Semple and a number of other measures outlined in the memorandum.
- 6.4 The proposed changes to the terms of reference of the Audit Committee were raised. As the remit of the HEA requires it to consider matters of concern in the HEIs should the Audit Committee not have a role to undertake reviews as it sees fit? The chair indicated that such issues should be a matter for the Board and Audit Committee of the HEI in the first instance, if they become a matter of concern for the HEA such matters can be considered by the Board or the relevant standing committee – Finance or System Governance and Performance Management. He noted that best practice indicated that an Audit Committee should focus on an organisation's own systems of internal controls and management of risk. It was noted the Audit Committee, in reviewing the management of risk in the HEA, would come across risks which it had a duty to ensure were being managed. The Committee also has a responsibility to ensure that the organisation was undertaking some horizon scanning. Concern was expressed that the proposed change could hinder the Committee's ability to ensure a high standards of governance were in place in the HEIs. It was noted that there was a balance between the HEA enquiring into matters of concern and acting as proxy Directors of the HEIs. The chair confirmed that members can continue to raise matters of concern. The CEO indicated that it was in the organisation's interest that there was an effective Audit Committee in place. It was agreed that the CEO would meet with the chair of the Audit Committee to review this matter further, the proposed amendment was only meant to provide clarification as regards the role of the committee. If the clarification is not required it can be dropped.

Decision: Members approved the actions outlined in Mr. Semple's report and memorandum A 11/14 including the changes to the terms of reference of the standing committees. It was agreed the CEO would meet the chair and members of the audit committee together with expertise on how audit committees operate in other organisations.

7. Report of Finance Committee

- 7.1 Ms Kerr presented the report of the Committee. The recommendations in relation to the purchase of land by CIT was queried. Members were advised that the Finance Committee had considered the land acquisition in accordance with the format approved by the board. The question whether a land acquisition is considered by the Finance Committee or goes directly to the Board depends on when the necessary documentation is finalised. The papers associated with this recommendation, as with all papers provided to the standing committees, are available to other board members if required.

Decision: Members approved the report of the Finance Committee.

8. Report of Research and Graduate Education Committee

- 8.1 The chair welcomed Professor Orla Feely, chair of the Irish Research Council and Vice President, Research, Innovation and Impact who made a presentation. Professor Feely at the start of her presentation indicated that the observations she would be making were her own and not those of UCD or the Council. She focused on the following;
- The three components of an academic's role – teaching, research and administration/other. In UCD promotion is based on performance in all three areas.
 - Importance of research to undergraduate teaching. Without research 'higher education' just becomes 'education'.
 - The need to insure that researchers are given the skills that they can use in the workplace and to the benefit of wider society, researchers need to understand that the number of positions in academia is very limited.
 - There is a need for diversity as regards academic workload – some will carry a heavier teaching workload, while others will be more research focused.
 - How the workload of a researcher can scale up as they attract larger research grants (paid to the institution) and take on more research assistants.
- 8.2 Professor Feely then outlined a number of challenges facing higher education institutions. These included the following;
- The emergence of a gap as regards the expectations of enterprise and higher education.
 - The impact of SFI funded centres, the SFI does not fund the salaries of academics. There is a big demand on the time of academics attached to such centres, this restricts their ability to carry out teaching. This is particularly an issue at a time when student numbers are growing.
 - The decision to prioritise certain areas for research funding has led to research academics being split into a 'have' and 'have not' group. Priority areas are well funded by national standards. Research funding for non-priority areas are still available from the Research Council, however those

researchers are not in a position to apply for larger national grants. This places them at a disadvantage when it comes to applying for larger ERC grants.

- The lack of funding in these non-prioritised areas means there are less opportunities for new researchers in these areas which will result in fewer students opting for these areas. Academics in non-prioritised areas are more likely to leave with institutions more inclined to fill the resulting vacancy in prioritised areas. This development poses a risk to our system in areas as diverse as astronomy, history, and mathematics.
- There are also strains in the prioritised areas as academics seek to balance the demands of research funders and the needs of undergraduate to PhD students. The credit for earning larger research awards is often limited to Principal Investigators which restricts the ability of others in the faculty to build up their profile.
- Given the strains research centres place on HEIs a number have suggested that such centres be located outside higher education. This would damage both higher education and enterprise and is not the practice outside Ireland except for a small number of large and well established centres.
- Other questions which are being asked is who controls the research element of the HEA's block grant and should higher education operate under the aegis of the Department of Jobs, Enterprise and Innovation?

8.3 Professor Feely concluded her presentation with the following challenges for the HEA;

- I. The HEA needs to assert the vital link between higher education and research
- II. How can the HEA support world class research at a time of cutbacks and changes in the research funding environment?
- III. How to contribute to a new national research strategy? She noted that the SSTI expired in 2013. Both the Research Council and the Standing Committee have considered how the HEA might contribute to a new strategy.

8.4 The chair thanked Professor Feely for her presentation and invited comments from members.

- The HEA had a role in defining research strategy but needs to recognise the reality that it needs to work with bodies such as D/JEI and SFI who may have a different perspective. The academic community needs to ensure that it contributes in a constructive way. Professor Feely acknowledged that the academic voice may not always have been as coherent or constructive as it could have been.
- The point was made that the SFI came into existence in response to demand from the business community. The Foundation had a number of initiatives for non-priority disciplines such as mathematics and engineering. Another member who was involved with the maths initiative noted that the SFI did not appear to listen to the academic voice and were only interested in supporting applied mathematicians who had links to industry.
- The increasing teaching demands placed on academics made it difficult for many, especially females, to be actively engaged in research. This often required a working week in excess of 65 hours.

- A number of institutions, such as WIT, have adopted a different research strategy focusing on EU funding. As this funding is project based many of the Institute's staff are on fixed term contracts.

8.5 Professor Conrick and Mr. M. O'Connor presented the report of the standing Committee on Research and Graduate Education. Professor Conrick noted that many HEIs are frustrated over the absence of a national strategy on research. Dr. Meehan and her colleagues in the Council were complimented for organising a very successful conference on Horizon 2020.

Decision: Members approved the Committee's report.

9. Report of Policy and Planning Committee

9.1 Mr. M. O'Connor presented the report of the standing Committee. He advised members that the proposed inaugural seminar under the Forward-look series was scheduled for 30th May to facilitate the participation of speakers from the State University of New York. The intention is to keep attendance at these seminars to 30-40 participants so as to maximise interaction between participants. The attendance at the inaugural seminar was likely to be 60-65. Concern was expressed over the costs associated with the accommodation of the Teaching and Learning Forum. Mr. O'Connor indicated that it was always intended that the Forum's accommodation needs would be kept modest, it would not be feasible to operate as a virtual entity.

Decision: Members approved the Committee's report.

10. Report of Audit Committee

10.1 The chair of the Committee presented the report. Members raised the following;

- Treatment of the cash balance of €25m held back from HEIs in 2013 and 2014. The Executive indicated that the Minister has indicated that it would be restored in 2015. If it is not restored it will become in effect a cut.
- What was the risk posed by An Chéim? It was noted that the risk ultimately rested with DIT but the HEA as funder of An Chéim faced a reputational risk. The risk was however being managed through the proposed value for money exercise and proposals to establish the body as a subsidiary under HEAnet Ltd. The CEO advised members that he had stood down as chair of the Board of HEAnet.
- Given the changed role of the HEA have the internal auditors reviewed the capacity of the HEA to manage this? It was agreed that the Committee could request the internal auditors to consider this in the context of the next review of internal controls.
- The level of ERASMUS funding being returned to the EU was regrettable. It was agreed that the Executive would review how best to ensure the allocation was fully availed of for the next financial year. It was noted that this applied to both student and staff mobility.

- Members were advised that the C&AG would be commencing their audit of the 2013 accounts next week.

Decision: Members approved the report of the Committee including the draft 2013 accounts for audit.

11. Purchase of Land by IT Tralee

- 11.1 Mr. Kilgannon briefed members on this proposal. He confirmed the purchase would be funded from the Institute's capital development fund and that the DES had no objections to the proposal. Mr. Roche advised members that the Executive was working closely with the Institute in relation to its recurrent finances. The proposed acquisition would offer the Institute an annual return on investment of 8%. The CEO advised members that the Executive would not ordinarily place a maximum purchase price on an acquisition, in this situation however there were different valuations. He has been advised by the Institute's President that the vendors, Shannon Development, may not offer the full site for the price recommended to the Authority. It was the view of the Executive that the Institute should not accept anything less than the full 48 acre site for a price no greater than €2.4m.

Decision: Members approved the recommendation of the Executive and noted the proposal would return to the Board if necessary.

12. Enhancement of Policy Capacity in the HEA

- 12.1 The chair introduced this item noting that the CEO had at the request of the Board provided more information focusing in particular on the concerns in relation to procurement and conflict of interest. Ms Harkin advised members that she was pursuing a PhD under the supervision of Professor Hazelkorn and she would accordingly confine any remarks to the procurement process.
- 12.2 The CEO outlined the background to the decision to buy-out a portion of Professor Hazelkorn's time. He advised members that he had discussed with the chair on a number of occasions how the Executive might enhance its capacity in the area of higher education policy. There were two possible sources, however he decided to approach DIT as it was felt that Professor Hazelkorn had the required experience and international contacts. The HEA's procurement policy allows the CEO to engage a consultant without recourse to tendering in limited situations. In this situation no additional payments were being paid to Professor Hazelkorn or DIT. The only costs to the HEA are Professor Hazelkorn's salary costs for 3 days per week and any travel costs she incurs in connection with work undertaken on behalf of the HEA. He addressed the issue of conflict of interest by noting that Professor Hazelkorn's role in DIT has now changed, while her work with the HEA will focus on high level policy work. Her policy advice will in the first instance be considered by the HEA Executive, then the Policy and Planning Committee and ultimately the Board. He concluded his remarks by acknowledging that he should have kept the Board advised while negotiations were ongoing with DIT. He confirmed that the Executive will in future advise the Board and the relevant

standing Committee in future where the Executive is availing of expertise from the sector. He will prepare a document for consideration by the Board outlining the generic arrangements.

12.3 Members made the following points;

- There has been a reluctance in the Irish public service to buy-in expertise. This is more common practice in the UK. Professor Staines advised members that he is seconded to the HSE for 2 days each week on similar arrangements to that agreed by the HEA and DIT.
- It would not have been appropriate for the CEO to enter into a false procurement process where the required expertise was very specialist and the outcome of the tendering process was a foregone conclusion.
- The Board should have been kept advised of this development, this arrangement was different in so far as the person engaged was a member of the Board. There is a risk that decisions of the Board could be perceived as tainted. The CEO advised members that Professor Hazelkorn resigned as a member before taking up her policy role.
- The policy expertise of Professor Hazelkorn was acknowledged. It was noted that she will in her new role have an input into policy but will not be a determinant of policy.
- The issue of costs was raised. This arrangement has added to the costs of both DIT and the HEA having regard to the fact that DIT have to replace Professor Hazelkorn.

Decision: Members noted the arrangement had been implemented in accordance with HEA procurement policy. Members noted that there will be an opportunity to consider the generic terms that might apply to similar arrangements in the future. The Board will be advised of the outcome of the review of the arrangement with Professor Hazelkorn either at the November or January meeting.

13. Review of Actions from previous Board meetings

- 13.1 WIT (Ms Harkin absented herself from this item) The CEO advised members that WIT has now completed the purchase of Manor Village. He understood Mr. Quigley would be undertaking a review of the implementation of his review shortly. The Executive agreed to clarify whether the rental income will be sufficient to enable the Institute repay the loan from the DES. An update note will be provided.
- 13.2 The CEO briefed members on developments in GMIT. He indicated that the Institute has appointed Mr. Jim Coyle, former head of HR at AIT and a solicitor to review the grounds for the possible taking disciplinary action.
- 13.3 Members were advised that a report will be prepared on AIT Audiology. It is not likely to be ready until the July meeting.
- 13.4 Mr. O'Sullivan briefed members on actions to develop language skills arising from the 2012 Erasmus conference. A new initiative agreed with GradIreland

will see graduates being able to take up Erasmus work placements after they graduate. Discussions are taking place with the German National Agency which see the provision of up to 50 work placements. This arrangement will be put in place in association with German HEIs. A number of language courses were offered under Springboard, however take up has not been particularly high. He noted there was a limit to what can be done at 3rd level to address foreign language skills with initiatives also required at 2nd level.

- 13.4 Ms Kerr briefed members on the decision of the Minister for Education & Skills in relation to the charging of EU level fees for certain categories of emigrants. She noted that there was some inaccurate reporting in the media. She indicated that IUA and IoTI were consulted before the Minister announced his decision. It was noted that the proposal was quite modest although actual costs will be difficult to measure as the initiative may result in an increase in demand from emigrant students.

Decision: Item noted.

14. Any other business

- 14.1 Mr. J. O'Connor briefed members on an initiative for postgraduate loans which will be launched in early April. USI was assisted by the DES and HEA in negotiations with the financial institutions.

Next Meeting: 27th May 2014

Padraic Mellett
Secretary to the Board
1st April 2014