

# Higher Education Authority

## Report of the 367<sup>th</sup> Meeting held on 22<sup>nd</sup> July, in Brooklawn House, Dublin 4.

Present <sup>1</sup>

- Mr. Bahram Bekhradnia
- Mr. Brendan Byrne
- Dr. Mary Canning
- Mr. John Dolan (items 1-11, 14)
- Mr. Eamonn Grennan
- Ms Siobhan Harkin
- Professor Eileen Harkin-Jones
- Ms Laura Harmon
- Mr. John Hennessy, Chairman
- Dr. Stephen Kinsella
- Dr. Maria Meehan (items 1-10, 14)
- Dr. Jim Mountjoy
- Mr. Gordon Ryan
- Professor Anthony Staines
- Professor Marijk van der Wende
- Mr. Declan Walsh

Apology:

- Professor Maeve Conrick
- Mr. Paddy Cosgrave
- Dr. Brian Thornes

In attendance:

- Mr. Tom Boland (items 2-14)
- Ms Mary Kerr (items 2-14)
- Mr. Padraic Mellett (items 2-14)
- Ms Caitriona Ryan (items 5,7)
- Ms Orla Christle (item 7)
- Mr. Fergal Costello (items 6, 14)
- Ms Sarah Dunne (items 6, 14)

### 1. Members only session

1.1 The chair advised members that the next Board meeting in September will be a full-day meeting having regard to the need to address normal Board matters in addition to the need to give consideration to the international panel's report on the stage 2 TU applications.

### 2. Reports of meeting held 27<sup>th</sup> May 2014

**Decision:** The minutes were approved.

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<sup>1</sup> Members present for all items unless otherwise indicated. The meeting concluded at 2.45pm

### **3. Matters Arising & Follow-up actions**

3.1 Item 5.11 - The CEO advised members that the Department of Education and Skills has confirmed that there will be no relaxation in the ECF target for the sector this year. The HEA had requested consideration be given to the need to provide staffing for Springboard courses and research activities associated with Horizon 2020. Further efforts will be made in 2015 if necessary.

3.2 Members noted the status of the follow-up actions.

### **4. Report of the Chief Executive**

4.1 The CEO briefed members on a letter the chair has sent to the new Minister Ms O'Sullivan. This will be circulated to members. The key points were;

- The higher education system was performing well but there are challenges.
- A key challenge was to maintain the momentum in the programme of reform.
- The importance of progressing the work of the Expert Group on Funding so as to ensure Ireland can fund the growing demand for higher education.
- The need to restore in 2015 the €25m cash held back from the grant in the 2013 budget.
- Other issues mentioned – a new national access plan, the employment control framework, a new national strategy for research and ensuring the system has the appropriate HR management tools.

He indicated that he hoped that he and the Chair would meet the new Minister in early September. He would be meeting later this week the Minister's advisor Noel Ward. He hoped to get a better understanding of the new Minister's priorities at that meeting.

4.2 The CEO briefed members on the Expert Group on Funding which had its inaugural meeting recently. Its next meeting is scheduled for 11<sup>th</sup> September. The HEA is committed to providing administrative support to the group. The following issues were raised;

- The decision to set up the expert group could be seen as reflecting badly on the HEA. The funding of the higher education system was a matter for the HEA and in setting up this Group the impression is created of a lack of capacity in the HEA and a lack of confidence on the part of the DES.

The CEO noted that the role of the HEA was to provide policy advice to the Minister, not to set policy. The HEA already provided advice on funding and had been in discussion with the DES as to how best to advance the issue to a point where a decision on funding would be made. In those discussions the conclusion was reached that the funding of higher education was a national issue requiring a whole of government approach, in a process that would carry key stakeholders through to a point where they accepted the arguments as to the benefits of higher education and the need for investment. A group of the kind now established provided a better chance of success than a report

from the HEA. The timelines for the Group were also designed to give time to build broad stakeholder support. It was accepted that the frustration with the pace of development on this issue was well placed.

- The CEO is a member of the Expert Group and the HEA will contribute to the secretariat. The executive will bring forward proposals as to how the Board can most effectively influence the work of the Group.
- The group is likely to present a range of options in its report to the Minister rather than recommend one particular option. The options will be costed with the expectation that additional resources needed by the system will be clearly outlined. The final report will also address the scope for achieving further efficiencies from existing investment. The group may publish a range of interim reports with a view to keeping the public informed in the lead up to a decision by the Government. It is likely that decisions on funding will fall to the next Government to implement.

**Decision:** It was agreed that the Board would have a preliminary discussion on this matter at the September meeting.

4.3 The CEO briefed members on the TU stage 2 designation process. He outlined the members of the international panel and the criteria considered in their appointment. The members are;

- 1) Lauritz B. Holm-Nielsen – former rector of Aarhus University. He led the successful mergers out of which the current globally ranked university was born. He is currently Vice-President of the European Universities Association and chair of the Nordic Universities Association.
- 2) Professor Kay Harmon - one of the foremost international experts and authors on the subject of higher education institutional mergers. She has acted as consultant to the World Bank, the Asian Bank, the South African government amongst others, on research policy and on higher education landscape reconfiguration including mergers.
- 3) Professor Philip Gummett former Chief Executive Officer of the Higher Education Funding Council for Wales where he was charged with drawing a new structure for the configuration of Welsh higher education institutions. He is also a former vice-chancellor of the University of Manchester. He will act as Secretary to the group.

The group will meet in Dublin the week commencing 1<sup>st</sup> September. The group do not plan to undertake site visits but will be meeting the two consortia. Their report will be finalised by 15<sup>th</sup> September ensuring it can be issued to members in time for the meeting on 30<sup>th</sup> September.

4.4 The Pensions Ombudsman recently upheld an appeal on a pension determination. The DES, D/PER and HEA are appealing the Ombudsman's finding to the High Court.

4.5 As regards the setting up of An Cheim as a subsidiary of HEAnet, the CEO undertook to get advice as to the role of the Board of the HEA. The matter of a value for money study on An Cheim will also be considered. The intention of

setting up An Cheím as a subsidiary of HEAnet was to set up a new, more effective entity and develop synergies between the two bodies.

4.6 It was agreed to provide members with details on the progression rates on Springboard participants.

4.7 Members were advised that there have been no developments on the proposed new national research strategy. The HEA will make the case for a broader strategy in its meetings with the new Minister and Minister of State Damien English. The decision on the timing and scope of a new strategy rests with the Minister for Jobs, Enterprise and Innovation.

## **5. Mid-year review of the 2014 work plan**

5.1 The work plan is informed by 2012-16 Strategic Plan which itself will be subject to a review by the end of the year. The Plan has six strategic objectives and three overarching outcomes. The CEO reported that overall significant progress has been made on implementation of the strategic objectives while there had been some slippage in the timelines for some of the objectives.

5.2 The following issues were raised;

- Would the review of international programmes consider the ambitious international students targets set by a number of institutions as part of their compact? The CEO indicated that the focus of the review would be on two particular programmes – Science without Frontiers and the Government of Ireland International Scholarship scheme. In relation to the targets these will be kept under regular review by the Executive.

**Decision:** Members noted the report.

## **6. Report of System Governance and Performance Management Committee**

6.1 Mr. Costello presented the Committee's report. There were three agenda items;

- Development of performance funding – consultation document for approval
- Review of workload management systems in Irish higher education
- Proposed changes to the HEA funding models

6.2 In relation to the performance funding paper the following issues were raised;

- The assessment of the performance of regional clusters. The regional clusters will not be set up as legal entities. Institutions will accordingly be assessed according to commitments they made in respect of the clusters under their institutional compact. The HEA has left it to each cluster to agree their own governance arrangements but asked them to consider putting in place mediation arrangements to address potential cluster performance issues. In the event of a cluster failing to deliver the HEA will assess the reasons for this and determine whether failure should be attributed to one or more institutions in the cluster.

- It was noted that the experience of institutional cooperation in other countries such as the Netherlands has not been particularly successful. What is the planned approach in Ireland? Members were advised that it was proposed to take an incremental approach in Ireland. Two objectives have been identified for the clusters, pathways to higher education and mapping of course provision. Members were advised that the next forward-looking forum will look at the potential of regional clusters.
- An international panel will advise on the allocation of performance based funding on the basis of institutional reports.
- The risk of frequent change in national objectives against which performance is measured. There was a commitment that this would not occur, and in any case it would be difficult to see how a new Minister could come up with a radically different framework.
- It was confirmed there is no appeal process in relation to performance funding.
- The importance of the HEA getting to know how the clusters operate was noted. The CEO indicated that the Executive was working on proposals.
- It was agreed that the research metrics need to encompass performance in knowledge exchange.
- To what extent are there plans to map the regional clusters with other regional development bodies? The HEA is engaging with Enterprise Ireland with a view to identifying how the clusters might contribute to regional objectives for economic development.

6.3 The need for a communications strategy having regard in particular to the recent Prime Time programme was discussed. The CEO briefed members on the background to the programme. The Chair indicated that he subsequently spoke to the Director General of RTE who agreed to consider another programme on higher education which would be well researched and structured. The CEO advised members that the Head of Communications is working on a new communications strategy and work plan which will be considered by the senior management team in early September. The new strategy will be presented to the Board at its November meeting. He also advised members that the HEA hoped to have a press cutting service within the next few weeks.

6.4 Ms Kerr advised members that the Committee recommended that the review on workload management models in higher education institutions be circulated to the higher education institutions and posted on the HEA website. Members raised the following issues;

- Is the HEA proposing a centralised or decentralised model? Ms Kerr indicated that the HEA was not proposing a single centralised model and recognised the need for devolved models both between and within institutions. That is the international practice.
- In the IoT sector a centralised model was recommended in the report. Ms Kerr indicated that this referred solely to central information technology systems for timetabling purposes and in recognition of the fact that institute academics had set contact hours to work.

- This data could be potentially very useful for the HEA in demonstrating the actual hours worked by most academics.
- In some institutions there are particular activities such as working with SMEs or serving on boards which can be difficult to capture.

6.5 Ms Kerr outlined the proposed changes to the RGAM. The Executive is to undertake further work on the model and report back to the Committee in September. The point was made that this is an opportunity to look at how the free fees scheme operates under the RGAM.

**Decision:** Members approved the report of the Committee.

It was agreed to circulate to members the memorandum considered by the SGPM Committee on performance funding. It was also agreed to discuss the governance of regional clusters at the November meeting.

Members approved the review on workload management models being issued to the HEIs and posted on the HEA website.

## **7. Report of Policy and Planning Committee**

7.1 Ms Ryan outlined the process in relation to a new national access plan 2014-16 as considered by the Committee. The consultation paper to be issued to the sector has been the subject of discussions with the Department of Education & Skills, the HEA's national advisory committee and a number of stakeholders. The consultation document outlines four headline goals and presents participation targets for five under-represented groups. It is proposed to present the plan for approval at the November meeting.

**Decision:** Members approved the report of the Committee.

## **8. Report of the Finance Committee**

8.1 Ms Kerr presented the Committee's report. She advised members that the Executive is continuing its analysis of the three year plans submitted by institutions proposing deficits and will revert back to the Committee in September. The Executive will, at the request of the Committee, prepare a memorandum on guiding principles on how to deal with HEIs in financial difficulties. The Committee agreed that the report of the working group on LYIT and Killybegs should be issued to the Institute for their consideration and proposals. The Committee will consider the Institute's proposals having regard to the aforementioned principles.

The Committee recommended for approval the revised valuation for land that IT Tralee wish to purchase.

8.2 Members raised the following issues;

- The basis for the revised land valuation. Regard has been given to existing tenancies and annual rental income, currently €150 to €200k. The previous valuation was based on vacant possession.
- The Institute's current financial position. Ms Kerr indicated that the Institute is currently running a recurrent deficit of €0.45m. It has however submitted a plan which envisages a breakeven position by 2016 with its accumulated reserves remaining at c. €1.5m.

8.3 Members noted items 5, 6 and 8 of Finance Committee's report and briefly discussed item 7 in relation to non-payment of the student contribution. Ms Kerr advised members that the DES has been advised of the level of non-payment. The following issues were raised;

- Consistency across the sector as to how non-payment is treated from an accounting perspective and how students are treated? It was assumed that non-payment would ultimately be treated as a bad debt, the HEA was not aware of the measures an institution takes prior to this. This would be a matter for each institution to determine.
- There is a noticeable difference in the level of debt between the universities and the IoTs. The latter reflects a significant non-payment in semester two which in turn is linked to the sector's higher non-progression rate.
- Is it possible to make adjustments to the RGAM to reflect different levels of non-payment? Ms Kerr suggested that this would have a negative impact on the integrity of the funding model.
- Members noted that the decision to request HEIs to allow students pay the student contribution over two instalments may have resulted in the perverse outcome of some students deciding not to carry out studies beyond semester one.

**Decision:** Members approved the report of the Finance Committee and its recommendations.

## 9. Report of the Audit Committee

9.1 Professor Staines give a verbal report of the Committee's meeting held the previous day. The formal minutes will be circulated to members in due course. The Committee considered the following;

- A report prepared by Aidan Horan of the IPA on the Committee's terms of reference. Issues considered by the Committee will be discussed under item 10.
- Report on risk management from the CEO. The Committee was satisfied that the Executive has identified, and is managing, the key high level risks as follows;
  - Strategic – maintaining momentum with the programme of reform
  - Funding for the system and the HEA itself

- Staffing, including resources for the Expert Group on Funding and the need for succession planning.
- Review of HEA banking arrangements. Having reviewed a report from Mazars the Committee is satisfied that the HEA should continue to bank with AIB.
- Process for appointment of internal auditors
- Terms of reference for the next review of the HEA's system of internal financial controls. This should include a review of the risks and controls associated with electronic banking.

**Decision:** Members approved the verbal report.

## 10. Governance and Regulatory Role of the HEA

10.1 The CEO introduced this item. Members raised the following issues;

- The document to reflect the vision and purpose of the HEA.
- Consideration should be given to the diversity of demand and not just the increase in demand.
- Reference was made to the Audit Committee's discussion on the level of assurance the HEA might expect from the system. It is noted that the HEIs accounts are subject to review by the C&AG and that each institution submits an annual governance compliance statement signed by the President and Governing Body Chair. The HEA needs to be satisfied that the governance systems in place are robust. Should the HEA seek further assurances such as carrying out spot audits on aspects the governance returns? There were pros and cons in taking such an approach.
- The CEO noted the risk of the HEA becoming partly responsible for matters which rest with the particular HEI. The HEA must have regard to the legislation and the extent to which it upholds institutional autonomy. The HEA does not undertake internal audit reviews of the HEIs. He noted that the PAC had tacitly recognised that it was not the responsibility of the HEA to police internal audit processes in the HEIs. He did not recommend that the HEA take on further responsibilities as regards institutional governance. The Chair noted the importance of the HEA maintaining an arms-length distance from the HEIs. However there was an opportunity for the HEA to address matters of concern through the strategic dialogue process.
- The extent to which the HEA could ensure financial accountability and if Board Members are personally liable should the HEA fail to achieve this objective? It was agreed to circulate to members the circular dealing with the indemnity of Board Members.
- A diagram setting out the respective roles of the HEA and C&AG would be helpful.

- The HEA should consider sponsoring a conference on governance in the HEIs. It was noted that governance will be addressed at an IUA conference taking place next September.

**Decision:** The CEO agreed to review the document having regard to the above observations and submit a revised document in September.

## **11. Protocol for Student Engagement in Higher Education Institutions – establishment of a working group and proposed terms of reference**

11.1 The Chair noted that this proposal arose out of the presentation made by Mr. O'Connor at the last meeting. The CEO advised members that IUA has reservations about this proposal seeing it as an intrusion in their autonomy. Ms Harmon welcomed this proposal noting that there is currently considerable variation in the extent to which students are engaged. The point was made that institutions who currently are engaging with students in the appropriate manner should have nothing to fear from this proposal. It was suggested that consideration be given to including in the terms of reference quality assurance and programme reviews.

**Decision:** Members approved the proposal outlined in memorandum A 24/14.

## **12. HEA Deputy Chair**

**Decision:** Members approved the process for filling the Deputy Chair.

## **13. HEAnet Ltd. Board**

**Decision:** Members approved the nomination of Mr. Fennell and Ms Duffy to the Board of HEAnet Ltd.

## **14. Dublin City University – Presentation on the new Institute of Education**

14.1 The chair welcomed Professor Brian MacCraith, President DCU, Mr. Jim Dowling, Deputy President, DCU, Dr Pdraig O'Duibhir, Registrar, St. Patrick's College, Drumcondra, and Ms Orna Duggan, Project Manager, Institute of Education. He noted that higher education was currently undergoing a major change process with teacher education being one of the first areas to undergo change. The HEA looked forward to engaging with the sector on other thematic reviews.

14.2 Professor MacCraith in introducing his presentation to the Board noted that there are few examples of multiple institutions coming together to form a single entity. The bringing together of the DCU education faculty, St. Patrick's College Drumcondra, Mater Dei and the Church of Ireland College of Education was a particular challenge given the different culture and ethos of the institutions involved. His presentation focused on the following;

- Motivation, vision and impact for the incorporation programme – the objectives were to have a centre that offered world-class teacher education, a

centre that was co-located and covered the education continuum, achieved critical mass and was globally networked and research intensive.

- A centre that offered traditional and applied disciplines and enabled students undertake varied subject combinations.
- A centre that was aligned with the views of the International Teacher Education Panel.
- The objective is to have the incorporation complete by September 2016.
- Achievements to date – the planning phase for the incorporation project now fully agreed by the four institutions. Under the planning programme – 10 separate work streams have been established. Within the 10 work streams there were 30 plus separate projects underway.
- Launch by the Minister for Education & Skills with Archbishops Jackson and Martin of ‘A new vision of education for all the children of Ireland’
- Staffing and costs involved – the recurrent costs will reach €3.45m in 2015 before tapering off in 2017.
- Significant capital costs required. The centre will operate from the SPD campus which is currently undergoing a €50m capital development. However another €20m is required to accommodate the newly merged institute, the University hopes to secure this additional funding from the state and philanthropic donors.

14.3 Members complemented Professor MacCraith on the significant progress made to date. The following issues were raised;

- There will be a protected pathway and guaranteed number of places for applicants from the Anglican and other reformed churches.
- Costs associated with the incorporation. Professor MacCraith indicated that the University was committed to offering the full range of services on the SPD campus. In addition to the need to accommodate the additional students, the objective was to future proof the IT infrastructure. On the recurrent side he did not envisage any scope for significant savings given the fact that all of the participating institutes have had their core budgets cut significantly in recent years.
- Reference was made to making provision for increased student numbers - the University will grow from 12,000 to 16,000 students. The University should also plan for an increase in the diversity of provision.
- The commitment of so many staff to the project was commendable. The University should consider how this success story could be preserved so that others can learn for future similar projects.
- The key success factors. Professor MacCraith noted the importance of trust, buy-in from institutional leaders and delivering on commitments. Another key enabler was the sourcing of external facilitators. The project could have benefited from better communications early on. There is now a dedicated website.
- How will the University ensure that the specific teacher education mission present in the smaller colleges will be maintained? The University was able to offer reassurance through highlighting the success of its school of nursing.
- The students have been particularly enthusiastic with the unions moving to combine their finances in advance of the full incorporation.

- How have HR processes being progressed? The University has now issued a statement to the effect that staff from the 3 institutions to be incorporated into the University will be considered employees of the University and enjoy, where possible, homogenous terms and conditions. While there may still be issues to overcome, he noted that NUIM and Froebel have managed to successfully resolve all outstanding issues.

**Next Meeting: 30<sup>th</sup> September 2014**

Padraic Mellett  
Secretary to the Board  
27<sup>th</sup> July 2014