

Higher Education Authority

Report of the 368th Meeting held on 30th September, in Brooklawn House, Dublin 4.

Present ¹ Mr. Brendan Byrne
Dr. Mary Canning
Professor Maeve Conrick
Mr. Paddy Cosgrave (items 1-4)
Mr. John Dolan (items 1-7)
Mr. Eamonn Grennan
Ms Siobhan Harkin
Professor Eileen Harkin-Jones
Ms Laura Harmon
Mr. John Hennessy, Chairman
Dr. Stephen Kinsella
Dr. Maria Meehan
Dr. Jim Mountjoy
Mr. Gordon Ryan
Professor Anthony Staines
Dr. Brian Thornes
Professor Marijk van der Wende
Mr. Declan Walsh

Apology: Mr. Bahram Bekhradnia

In attendance: Mr. Tom Boland (items 2-14)
Ms Mary Kerr (items 2-14)
Mr. Padraic Mellett (items 2-14)
Mr. Fergal Costello (items 2-14)
Ms Sarah Fitzgerald (items 5,11)
Mr. Muiris O'Connor (items 6, 8)

1. Members only session

1.1 Two matters were considered;

- Succession planning in terms of current CEO contract, future role and timeline.
- The TU Expert Panel Report. Given the importance of the decision, the Board raised concerns about not having available the two consortia plans in advance, the broad risks (including the lack of a compelling business case) to the HEA and higher education, the lack of clarity around mission and about the value and difference the TU proposals will make to HE, the complexity and distraction of mergers, and how staff changes could be mobilised given public human capital management policy.

¹ Members present for all items unless otherwise indicated. The meeting concluded at 5.00pm

2. Reports of meeting held 22nd July 2014 and follow-up actions

Decision: The minutes and follow-up actions were approved.

3. Matters Arising & Follow-up actions

3.1 Item 4.5 - The CEO briefed members that legal advice relating to the setting up of An Cheim as a subsidiary of HEAnet indicated that this was solely a matter for the Board of HEAnet and the Board of the HEA did not have a role in approving the Articles and Memorandum of the new company. To do so would raise the possibility of the Board assuming liability as “shadow directors” of the new company.

A presentation from the CEO of HEAnet will be scheduled for the January meeting to focus on the potential synergies to be gained from the establishment of An Cheim as a subsidiary of HEAnet. The Board will be kept advised of developments in relation to HEAnet and An Cheim. Members would not be precluded from raising matters relating to An Cheim.

3.2 Item 6.3 – The CEO advised members that a draft communications strategy would be presented to the Board at the November meeting with a view to it being signed-off at the January strategy meeting. A process to get the views of stakeholders is being put in place.

3.3 Item 6.4 – The question of non-teaching hours in the IoTs and how they are managed in the IoTs was raised. Ms Kerr indicated that this was for each institute to determine, the only centralised element was the prescribed teaching hours. Mr. Grennan indicated he had concerns over the lack of a decentralised model to capture non-teaching hours in the IoTs.

4. Report of the Chief Executive

4.1 The CEO briefed members on the standing of Irish universities under the Times Higher Education rankings.

4.2 Members were briefed on the work of the Expert Group on Funding. The CEO outlined the content of a letter it is proposed will issue from the chair of the HEA to the chair of the expert group. The following issues were raised by members;

- The frustration of the university presidents over delays in developing a funding strategy for the higher education sector was clearly evident at the IUA seminar held on 29th September. Urgent action is required now.
- Did the Minister give an indication of her thinking at her briefing meetings with the HEA and IUA? The CEO reported that the Minister indicated she would await the report of the Expert Group. In the immediate future there are two possible areas of relief. Firstly the DES is exploring the possibility of some limited capital funding for the sector. This should free up recurrent funding that institutions are currently using for minor capital projects. Secondly the HEA has strongly pressed the DES to restore the €25m cash withheld from the

grant over the last two years. This will become an effective cut if not restored next year. The Secretary General of the DES had indicated that the 1% cut in grant would most likely proceed

- The possibility of allocating some of the €25m, if restored, towards the student assistance fund (SAF)? Ms. Kerr indicated that would not be possible as it belonged to a separate vote. Furthermore the money is required to meet free fee initiative commitments.
- Members agreed that the level of funding was insufficient to allow for the growth in numbers. The HEA and the system needs to work with other stakeholders to develop a positive case for further funding.
- Given that the higher education sector is unlikely to be a priority were additional funding to be provided to education, the message needs to be carefully crafted. The solution requires multiple measures including improved processes within institutions, flexibility in relation to salaries etc.

Decision: The Chair requested the Executive to reflect on the members views both in relation to the proposed letter to the Chair of the Expert Group and the need to build a coalition of interests on the question of funding.

4.2 The CEO briefed members on the working group on student engagement. He was working on identifying an independent chair. A request has been made to consider the representation of students from non USI affiliated institutions.

4.3 Members were briefed on feedback received so far on the HEA's consultation paper on performance funding and the strategic dialogue process. In relation to the former, the feedback is that there is support in principle for performance funding, but the timing and scale of funding to be set aside was a concern. A full briefing will be provided at the SGPM and Board at the November meetings.

4.4 Members were briefed on the new National Access plan. 15 submissions have been received to date. The Executive is looking at ways of engaging communities with low levels of participation. Having regard to this, the draft plan is not likely to be ready until January.

4.6 Members were briefed on the study of the funding of nursing studies. This follows on from an exercise undertaken by the Department of Health in relation to manpower requirements and curriculum. The outcome of that exercise was to leave student numbers at their current level. The funding exercise being undertaken by the HEA/DES is unlikely to be complete before mid-2015.

4.7 A request was made that consideration should be given to involving persons outside the HE system for future forward looking. The CEO agreed to take this suggestion on board.

5. Report of System Governance and Performance Management Committee

5.1 Mr. Costello presented the Committee's report. He agreed to circulate to members memorandum SGPM 21/14.

Decision: Members approved the report of the Committee and noted that Dr. Jim Mountjoy has now taken on the role of chair of the Committee.

6. Report of Policy and Planning Committee

6.1 Mr. O'Connor presented the Committee's report. Members discussed the item on international trends and challenges with a focus on the areas where Ireland could capitalise on; areas where we may be ahead of the curve and where we lag international developments. The need for HEIs to address the ongoing life-long learning needs of our population rather than focus on developing the skills of post-secondary students was noted. The impact of digitisation on future skills needs was also raised.

Decision: Members approved the report of the Committee and noted that Ms Siobhan Harkin has now taken on the role of chair of the Committee.

7. Report of the Finance Committee

7.1 Ms Kerr presented the Committee's report. She advised members that the question of providing support to vulnerable institutions required further consideration. In particular the principle as to whether support should be provided at all needs to be addressed given potential moral hazard. Members were advised that there will be an opportunity for the Board to consider this matter further after the next Finance Committee meeting.

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

8. Report of the Committee on Research and Graduate Education

8.1 The chair advised members that Professor Harkin-Jones has taken on the role of chair of this Committee in addition to serving as Deputy Chair. He thanked Professor Conrick for her work as chair of this Committee and as Deputy Chair. Mr. O'Connor presented the report of the Committee. The key development has been discussions on the possible establishment of Research Transfer Offices (RTOs). The Executive has endeavoured to engage constructively in these discussions but would be anxious that they are integrated into the overall research landscape. Members agreed on the need to ensure that there is higher education involvements in such centres.

Decision: Members approved the report of the Research and Graduate Education Committee.

9. Report of the Audit Committee

9.1 Professor Staines presented the reports of the Committee's meetings held on 21st July and 9th September. A verbal presentation had been provided on the former at the last Board meeting. The main agenda item on the September meeting was the internal audit review on the system of internal financial controls. No major issues emerged in the review. Members were advised that the C&AG has now signed-off on the 2013 HEA accounts.

Decision: Members approved the reports of the Committee held 21st July and 9th September.

10. Governance and Regulatory Role of the HEA

10.1 The CEO introduced this item. Three documents were before the Authority. The first was a distillation of previous drafts presented to the Board detailing the governance and regulatory role of the HEA. The second document referred to the annual statements of governance and internal control issued by the HEIs. The Committee on System Governance and Performance Management considered an earlier draft of this document at its last meeting and agreed the actions outlined in the revised document so as to enable the HEA discharge its governance role more effectively. Ms Kerr indicated that the third document which was considered by the Finance Committee was based on a memorandum issued by the Scottish Funding Council. It essentially pulls together various funding requirements into a single document. Members noted that the document on the HEA's governance and regulatory role has progressed significantly since the earlier drafts. A number of editing changes were identified. In addition a number of issues were raised including;

- Need for clarity on the capacity of the HEA to withhold performance funding
- Reference should be made to the charter on academic freedom in addition to the legislative provisions set out in the 1997 and 2006 Acts.
- The importance of ensuring links between teaching and research, while recognising that different institutions have different missions
- Reference should be made to the new whistleblowing legislation

Decision: Members approved the documents subject to a number of editing amendments. The documents will now be issued to the DES and the HEIs.

11. Future meetings of the HEA

11.1 The chair noted that dates for a number of standing committees have yet to be fixed, every effort will be made to have all standing committee meetings on the same day.

Decision: Members approved the schedule of meetings as presented.

12. Regional Clusters

12.1 Members were advised that the Executive has been engaging informally with the HEIs in recent months. The Executive will meet each of the regional clusters in addition to the individual HEIs in November to assess progress. Members will be updated in January on the status of the compacts in advance of the next round of strategic dialogue meetings. The chair highlighted the importance of ensuring robust governance arrangements and an agreed 5 year mission in each of the clusters. Reference was made to involving the clusters in regional enterprise developments and social initiatives. Mr. Costello noted the need to

prioritise the two objectives outlined for the clusters in the performance framework together with putting in place appropriate governance arrangements.

Decision: Item agreed.

13. International TU panel report – Stage 3 Technological University Process

13.1 The CEO in introducing this item noted that this was the next stage of a process that may, or may not, result in the establishment of one or more technological universities. He outlined the process to date and the work to be done. The Board today was requested to review and endorse the international panel's reports and satisfy itself that the process was carried out satisfactorily in accordance with the process adopted by the Board.

Members welcomed Professor Holm-Nielsen who chaired the international panel.

13.2 Professor Holm-Nielsen confirmed that both reports were fully agreed by all three panel members. He outlined the five reform challenges facing higher education, each of these impacted to varying extent on the two consortia;

- i. Structure/landscape changes
- ii. Governance, including board composition
- iii. Funding/financing – including diversity of funding sources
- iv. Human capital – the type of skills required
- v. Curriculum reforms – linkages between different sector of education and between education and the labour market.

The panel acknowledged the reforms being implemented in Ireland including the proposed introduction of a new type of institution and consolidation. The establishment of a technological university will require the joint effort of government, the HEIs, and wider society if it is to succeed.

13.3 The panel concluded that the TU 4 Dublin consortia was likely to meet the criteria for technological university within the prescribed timeframe. The Dublin submission was well prepared and demonstrated leadership. However the challenges facing the consortia should not be underestimated. The panel recommended that the institutes should move to consolidation as soon as possible so as to maintain momentum and eliminate any uncertainties. The panel also highlighted the issue of costs which will inevitably arise in the short-run, although cost saving efficiencies may emerge in the medium to long run. The panel had examined the budgets of both consortia and concluded that they were, on balance, at a level one would expect. The panel recommended that the HEA undertake a risk analysis of the two consortia's projected income. The panel also highlighted the challenge of ensuring the new TU had sufficient academic leadership.

13.4 Professor Holm-Nielsen noted that many of the panel's points in relation to the Dublin proposal also applied to the Munster proposal. The panel however noted that the Munster initiative was not as well advanced as that received from Dublin. The panel was satisfied, following its meeting with the Munster consortium that their thinking was more advanced than what was reflected in the plan. While the

panel noted that the geographic distances between the two Munster institutes was greater than that faced by the three Dublin institutes, international experience would suggest that this should not be an insurmountable challenge. Both institutes have well developed IT infrastructure, which would help in this regard. The panel were aware of limitations in the redeployment of staff under a national agreement, however some mobility of staff will be required. The consortium had the advantage of having a highly regarded Marine Institute. The panel's two main concerns were the lengthy timescale proposed by the two institutes to achieve consolidation and their need to develop their proposed TU mission. The panel concluded that if these areas are addressed the Munster proposal could meet the criteria for TU.

13.5 Members raised the following issues;

- Legally binding MoUs. Members were advised that the governing bodies have concluded agreements. Professor Holm-Nielsen was of the view that binding MoUs was somewhat a technical issue. The panel was satisfied that the parties in both consortia were fully committed to the process.
- Were the budgets that the consortia presented credible? Professor Holm-Nielsen indicated that both consortia outlined costs of €8m each over 5 years. The bulk of these costs were to replace staff who have been assigned to work associated with the merger/TU planning process. Generally institutional consolidations cost 2-3% of annual budget - early investment can help accelerate the process. Although both consortia believed the consolidation and designation to TU can be done within existing resources, the panel recommends additional funding be provided. Mr. Costello confirmed that the budgets submitted were based on existing funding levels and acknowledged the need for careful risk management.
- The credibility of the enrolment targets proposed by the two consortia, particularly having regard to the expansion plans of other HEIs? The point was made that participation rates in the south were already quite high. Professor Holm-Nielsen indicated the panel questioned both consortia closely on their enrolment targets. Both consortia have the potential to increase numbers through life-long learning enrolments and providing tailored courses for industry. He suggested that both consortia could probably attain the standard for TU with a minimal increase in numbers. Mr. Costello indicated that the student enrolment plans submitted by both groups were realistic. There were some areas in Munster which offered the opportunity for further growth.
- Past experience in the cases of UL and DCU would suggest mission drift was very likely and so was the panel satisfied that both consortia would protect level 6 and 7 provision particularly given the decline in demand for such courses? Professor Holm-Nielsen indicated that the panel was satisfied that both consortia are committed to continuing to provide level 6 & 7 places.
- Meaningful staff consultation. Professor Holm-Nielsen indicated that both plans detailed the extent to which staff and students have been consulted. The panel asked both consortia several questions so as to be reassured that the engagement was meaningful.
- The lack of clarity over mission in the case of Munster was of concern and did not appear consistent with the report's recommendation. How could the

consortia generate a meaningful plan in the absence of a defined mission? Professor Holm-Nielsen indicated that the Munster consortium gave a convincing outline of their vision for a Munster TU at the presentation. The panel was satisfied that the Munster proposal could be successful - they would however have to work harder.

- Where did the consortia plan to attract students from and had they identified opportunities to diversify income? Both consortia identified a broad range of students. Two of the Dublin IoTs have identified students from disadvantaged regions. A significant number of students in Tralee are from the Kerry region. While students from Kerry might continue to opt for the Tralee campus they would have an opportunity of taking courses offered at the Cork campus. The Dublin consortium also identified adult learners and those pursuing life-long learning opportunities. Both consortia had the opportunity to increase their research income.
- The type of Professor that would be required and the level of new staff needed. Professor Holm-Nielsen indicated that given the mandate of the TUs both should be seeking to appoint Professors with appropriate academic qualifications who have real life experience. The panel did not believe there was an immediate need for a significant number of new staff. It was important however that they recruited a number of new staff with a high profile. The panel welcomed in particular the fact that staff in the Munster TU were undertaking their PhDs in institutions other than CIT/Tralee IT.
- The challenges posed by the geographical distance of the two Munster institutes should not be underestimated. Industrial action was recently just avoided in the IoT sector. Professor Holm-Nielsen noted that there were joint working groups involving staff from both institutes in place.
- It was noted that the panel made reference to the role of the AHSS in the Dublin proposal but not the Munster proposal. Professor Holm-Nielsen stressed the importance of ensuring there was no duplication. In Munster UCC has a substantial humanities faculty. The situation in Dublin was different given the size of the capital.
- To what extent did both consortia submit compelling strategic and academic arguments for seeking TU status? The point was made that seeking TU status just for its own sake was not sufficient. Professor Holm-Nielsen noted that the Munster TU was motivated on lifting academic standards while retaining its existing range of programmes, the Dublin TU was less ambitious in so far as it did not envisage offering level 10 provision for all its disciplines.
- How detailed was the research profile in respect of each consortia? Professor Holm-Nielsen indicated both consortia recognised that it would not be appropriate to seek to have all staff research active. A significant amount of leadership and HR practice was required to ensure this was managed in an appropriate and fair manner. It was recognised that this is a challenge for higher education globally and it would be unfair to expect either consortia to come up with a solution. The panel warned both consortia that they should not aim to do too much, they should focus on their research strengths. The point was made that in the university sector there is an expectation that an academic is competent in teaching, research and service to business/community and to excel in at least one. Professor Holm-Nielsen indicated that that model may not readily transfer to the technological university sector.

- The plans of the consortia to address duplication in staff positions. Both consortia were clear on the question of leadership, the first President will be recruited through an open competition. The panel encouraged both consortia to proceed with the establishment of single teams for faculty and support departments as soon as possible. Professor Holm-Nielsen acknowledged that if both consortia proceed as planned 5 institutes will be consolidated into 2, this will likely give rise to potential redundancies, however neither consortia identified redundancy numbers. It was noted that there is currently no scheme for redundancy in the public service, furthermore the capacity to redeploy academic staff will be much more limited than technical and other support staff.
- Where will these two consortia stand in a future Irish higher education landscape? Professor Holm-Nielsen noted that the higher education landscape was a matter for government, he was satisfied however that both would meet the criteria needed to be members of the EUA.

13.6 Following the Q & A session with Professor Holm-Nielsen members considered the next steps. The CEO indicated that the process as previously agreed was that members should consider whether to adopt the reports as prepared by the international panel, agree to their transmission to the two consortia and subsequent publication and consider the recommendations to the HEA made by the panel and agree any actions arising from same. Members expressed concern with the HEA proceeding further pending detailed consideration and discussion of the reports and the consortia plans, including issues relating to the management of risks associated with consolidation and designation of two new TUs. The CEO stressed the importance of adherence to process and indicated that there was an opportunity for the HEA to deal with concerns as the consortia proceed to the next stage.

Decision: It was agreed that the Executive would consider how the concerns of members could be addressed. Members were requested to forward any particular issues they would like addressed to the Executive. A further meeting of the Board would be convened to consider the International panel reports and the next steps.

14. Any other business

14.1 The chair noted that this would be Mary Kerr's last Authority meeting before her retirement. Members joined him in paying tribute to Ms Kerr for her long and distinguished career with the HEA. They wished her well in her retirement.

Next Regular Meeting: 25th November 2014

Padraic Mellett
Secretary to the Board
7th October 2014