

## Higher Education Authority

### Report of the 380<sup>th</sup> Meeting held on 27<sup>th</sup> September 2016 in Brooklawn House, Dublin 4.

Present: <sup>1</sup> Mr Bahram Bekhradnia  
Dr Mary Canning  
Mr Tony Donohoe  
Professor Orla Feely  
Dr Sharon Feeney  
Ms Siobhán Harkin  
Ms Annie Hoey  
Mr Michael Horgan, Chairman  
Ms Darina Kneafsey  
Dr Jim Mountjoy  
Dr Sinéad O’Flanagan  
Mr Pól Ó Mórain  
Dr Lynn Ramsey  
Mr Gordon Ryan  
Dr John Wall  
Mr. Declan Walsh

Apology: Dr Judith Eaton  
Dr Stephen Kinsella  
Dr Brian Thornes

In attendance: Dr Anne Looney  
Mr Andrew Brownlee  
Mr Fergal Costello  
Dr Gemma Irvine  
Mr Padraic Mellett  
Dr Vivienne Patterson  
Ms Caitríona Ryan  
Mr Stewart Roche  
Mr Damien Kilgannon (item 6)  
Mr Tim Conlon (item 8)  
Ms Valerie Harvey (items 8,13)

The Chair at the start of the meeting thanked the new members for agreeing to serve on the Board. He also paid tribute to his predecessor, Mr. John Hennessy and thanked Dr. Stephen Kinsella for stepping in as acting chair for the last few

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<sup>1</sup> Members present for all items unless otherwise indicated.

months. He outlined his proposed approach noting the responsibility of the Board to focus on strategic issues. He encouraged members to participate fully in the work of the Board. He indicated that the members only item would be included on the agenda when appropriate. He also outlined his intention that all Board materials will be provided digitally from January 2017 and that Board meetings will be conducted using iPad/Tablets.

## **1. Report of 379<sup>th</sup> Meeting**

1.1 The minutes were approved subject to the deletion of one bullet point under item 11.2 (relating to the potential thematic review of engineering).

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

2.1 Status of the HEA-DES Service Level Agreement – A concern was expressed that the SLA was overly detailed and that it could be seen as micro-managing the work of the HEA. Members were advised that the Department, in line with all Government Departments, is now seeking similar SLAs with all agencies.

2.2 The previous CEO had written to the DES following the last discussion by the Board on the SLA. The SLA has now been signed, the revised SLA included a statement to the effect that the agreement reflects and develops on the 2016 work plan approved by the Board. The CEO indicated she attended a meeting to review progress on implementation of the SLA and the Department was satisfied with progress made to date. It was agreed that the Board would in future be consulted before the final SLA is signed if issues of substance remain contested. It was noted that the Board however will continue to have the opportunity to substantially shape the SLA by approving the annual work plan each November.

## **3. Review of the Approach to Funding Higher Education Institutions by the HEA**

3.1 Mr. Brownlee introduced this item. In his presentation to the Board he focused on the following;

- The reasons why the review is necessary at this time – he noted in particular the recommendation of the Expert Group on Future Funding.
- Eight core principles which should underpin the future approach to funding HEIs;
  - Policy driven
  - Action aligned with strategy
  - Metric based
  - Transparent and understandable
  - Demand and cost reflective

- Differentiating missions
- Funding excellence and transformation
- Embedding good governance
- Terms of reference for the review

Members were invited to comment on the appropriateness of the eight principles and to provide suggested names for the review panel.

### 3.2 Members raised the following;

- Should the HEA undertake a public consultation process? It was noted that the Expert Group had carried out its own public consultation process and the review proposed by the HEA provides for consultation with a broad range of stakeholders. This review is narrower and more technical than that undertaken by the Expert Group, so parties to be consulted would need some expertise. It was suggested that the HEA should seek access to the Expert Group's data.
- Timing of the review – should it await a decision on the Expert Group's recommendations? It may be the case that the policy underpinning the funding of higher education may have changed by the time this review is completed. Furthermore, should the overriding concern be the adequacy of funding, rather than reviewing how it is allocated? It was noted however, that the HEIs are looking for a review of the funding model. It was noted that a decision on the wider issue of funding is unlikely to be taken in the immediate future.
- One of the principles proposed was that the HEA's funding approach should support differentiating missions. The implications of this principle may need further consideration. Might it entail the HEA telling HEIs what they should and should not do?
- The review should look at the operation of performance funding is in other countries. There should be a clear distinction between ensuring there is sufficient funding to support quality teaching and research and funding to support good performance. The former needs to be clearly articulated in the paper. Ideally, performance funding should be additional funding, as taking it as a top-slice may result in punishing students in under-performing HEIs.
- HEIs should not receive additional funding as a reward for taking in more access students, but in recognition of the additional costs association with that particular student body.
- The best funding models were those that were not too complex; the HEA should be careful about adding additional funding criteria.
- Has the Department been advised on the declining HEI reserves? Members were advised that the HEA has been in constant contact with the DES in relation to funding. The HEA has submitted an estimates request for 2017.

The point was made that HEIs are in receipt of funding from other bodies. The Executive acknowledged this was the case but noted that the funding provided did not always cover the full cost of the activity.

- The capacity of the system to absorb demands for further changes is limited

**Decision:** Members approved that the review should proceed. Members were requested to submit suggested names for the review panel to Mr Brownlee. It was agreed that the fourth listed expert should not have links with a HEI.

#### **4. Process for the recruitment of a new CEO**

4.1 The interim CEO presented memorandum A 30/16. Members were advised that

- the DES has agreed to the HEA engaging an executive recruitment agency to manage the process.
- There were 12 responses to the tender posted on e-tenders.
- The successful firm will be selected by reference to the criteria set out in the request for tender.
- They will be provided a copy of the report on the previous process undertaken by Forde HR.
- A copy of this report has been provided to the DES and will also be provided to PAS as a matter of courtesy.
- An initial meeting has taken place with the DES in relation to salary. Members noted the tight timescale particularly as the question of salary remains to be finalized.

**Decision:** Members agreed the next steps in the process.

#### **5. Proposal for an interim update to the HEA Strategic Plan 2012-16**

5.1 Dr Irvine introduced this item. Members were advised that a mid-term review on the plan was carried out and it was now proposed to undertake an interim update pending the development of a new strategic plan to cover the period 2018-22.

5.2 The following issues were raised;

- Is this exercise necessary? A one year work-plan using the high level goals of the existing strategic plan would suffice.
- A review of the current strategic plan should be carried out to see whether the objectives were met.
- Were there any changes arising from the mid-term review? Members were advised that a number of new initiatives in access, engagement, funding and governance were added.

**Decision:** Members agreed the Executive should proceed with the development of a one year work-plan and undertake a review of the 2012-16 Strategic Plan.

## **6. Protocol for Authority Approval of Institute of Technology Land Acquisitions**

6.1 Mr. Brownlee introduced this item. He outlined the background to the proposal before the Board, noting that decisions to date have been made in accordance with the protocol. There was however, some concern on the part of some members whether land acquisition decisions need Board approval. The proposal before the Board provides for ongoing notification to the Board, with some decisions being delegated to the Executive. Mr. Kilgannon outlined those projects which would continue to require Board approval;

- Proposals from institutes deemed by the Finance and Governance Committee to be vulnerable.
- Proposed property purchases which would increase an institute's land bank by 50% or more or whose value exceeds 50% of the institute's annual income.

6.2 Members raised the following issues;

- What was the basis for the 50% threshold? Mr. Kilgannon indicated that it has regard to the existing size of Institute land banks many of which were in the region of 70 acres or less.
- A key issue for the Board would be that the Institute's own governing authority has carried out the necessary due diligence. This should be confirmed to the HEA in writing by the chair of the governing authority.
- The DES has a role in approving land acquisitions.
- Has the Board the legal authority to delegate decision making to the Executive. It was agreed the Executive would arrange this advice.

6.3 The CEO assured members that in any case where the HEA is approving land acquisitions, it will ensure the necessary due diligence has been undertaken. Likewise it will ensure the governing authority of the Institute concerned has undertaken the necessary due diligence. She suggested the Board approve, subject to legal advice, the proposed new arrangements for a 12 month period.

**Decision:** Members approved the proposal subject to legal advice. The arrangement will be reviewed after a 12 month period. Members may request a discussion on a particular land purchase.

## 7. Report of the CEO

- 7.1 The CEO update on the new Access programme which was launched on 19<sup>th</sup> September.
- 7.2 The CEO briefed members on a proposed review by the C&AG on completion rates in the HEIs. The CEO has written to the C&AG outlining HEA's current work in this area. Members noted the need to reflect on the multiple policy objectives involved in this review e.g., value for money, broadening access and increasing opportunity. There will be a need to avoid simplistic solutions that reduce drop out by reducing intake to only student above certain points thresholds. The CEO indicated that she will contact the C&AG for more details on terms of reference and timescale. The correspondence with the C&AG will be issued to members.
- 7.3 The Board was updated on the work of Dr Jane Williams with the University of Limerick and three people who made protected disclosures. She has advised that a mediated settlement is not possible given the protracted nature of this dispute. The HEA will accordingly write to the Minister providing him with the file on this case. It will now be a matter for the Minister to decide the next steps.
- The chair noted the Board had no formal role in relation to protected disclosures made by HEI staff as the statutory instrument<sup>2</sup> provides for such disclosures to be made to the CEO. The CEO indicated that the HEA would develop guidelines for HEI staff wishing to make protected disclosures (the HEA and each of the HEIs have developed guidelines for their own staff). Has the HEA a communications plan in place in relation to this matter? The CEO suggested that the HEA's role in this matter is limited as the next step will be a matter for the Minister.
- 7.4 Members were briefed on the review on procurement currently being undertaken by Deloitte and Touche. This was the first of a series of rolling governance reviews being undertaken by the HEA. Once completed the HEA will receive a thematic review from the consultants. It was suggested in future that the HEA decide the thematic review and request that the review be undertaken by the institutions' own internal auditors.
- 7.5 The CEO briefed members on communications. Interest in the strategic dialogue process has increased significantly arising from coverage via the HEA's twitter account. Members were advised that tenders for the development of a new website are currently been considered.

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<sup>2</sup> SI 399 of 2014

7.6 Members were advised that there are no planned meetings with the Public Accounts Committee, the chair is scheduled to attend a meeting of the Oireachtas Committee on Education and Skills on 13<sup>th</sup> October. Members will be notified in advance of any meetings with the PAC.

7.7 The CEO indicated that the HEA raised Brexit at the strategic dialogue meetings with the HEIs. A roundtable summit has been arranged for 4<sup>th</sup> October. This will be an open dialogue with 'Chatham House' rules applying. The discussions will feed-in to an updated HEA paper on Brexit which will be circulated to members. The DES will be undertaking a wider consultative process in November. Mr. Ó Mórain outlined work the Irish Export Council is undertaking in relation to Brexit. The CEO agreed to look at the Council's work before finalising the HEA's memorandum.

## **8. Initial Report on Strategic Dialogue cycle 3**

8.1 Mr. Costello introduced this item. He reported that the engagement by the HEIs in the process as a whole (i.e. self-evaluation and meeting with the HEA) was positive. Progress was mixed as regards the regional clusters and implementation of the Initial Teacher Education report. He outlined the next steps in the process which includes finalisation of the minutes of the meetings with each of the HEIs. The System Development and Performance Management Committee will be briefed on 1<sup>st</sup> November and a final recommendation on performance funding will be presented to the Board in November. Members were informed that the institutions welcomed the opportunity to meet the HEA annually.

8.2 Members who attended some of the meetings offered the following comments on the meeting format;

- Some of the institutions reported at quite a high level, a little more probing may have helped.
- The funding difficulties expressed by some HEIs was noteworthy.
- Further elaboration on the student experience would have been welcome. This was acknowledged, the HEA needs to get more information from HEIs on how they are using information gained from the ISSE. The point was made that the information gained from student feedback will be informed, to some extent, by the degree of diversity within the student body.
- More discussion on the employability of graduates would have been welcomed.
- To what extent will the exercise have regard to institutional capacity? Mr. Costello indicated that the HEA certainly focused on the institution's capacity to undertake strategic planning in an integrated manner. The targets themselves are set by the HEIs; international evidence suggests that this

provides the most robust basis for dialogue with, and ultimately performance by the institutions, as opposed to the imposition of external targets. It was also noted that many HEIs have endeavoured to link their compacts to their strategic plan objectives.

## **9. Presentation by QQI**

9.1 Item deferred to November meeting.

## **10. Report on implementation of recommendation of previous Board self-evaluation exercises**

10.1 Mr. Mellett introduced this item noting the report addressed recommendations from three Board self-evaluation exercises and one independent review. One recommendation which arose in all four reports concerned the size and composition of the Board. While this was a matter for the Minister and his Department, it was open to the HEA to advise on suggested areas for legislative reform.

10.2 Members raised the following issues;

- The Board needs to be fully involved in the setting of strategy. This may necessitate more strategy planning days
- The Chair indicated it was his intention to provide Board members with opportunities to further their knowledge of governance.
- The capacity of HEI governing bodies. It was noted that many governing bodies were very large making it difficult for members to contribute effectively. The HEA should consider how it could support HEI governing body members better understand their governance responsibilities.
- Succession plan for the HEA Board; it was noted that eight members are scheduled to step down at the end of January. The chair indicated that he would speak to those members eligible to serve another term to ascertain if they would be interested in serving a further term. Having regard to the fact that ten new members were just appointed, the chair suggested any reappointments be for a two or three year period to ensure there is not a total turnover of membership in 2021.
- Executive attendance at Board meetings. The chair indicated that he had requested the senior management team to attend Board meetings as he considered that this was of value both to the Board, and to the Executive. In this regard members noted the strong inter-connections between the issues being raised at Board level, and that it was useful to have members of the executive present. The chair indicated this can be reviewed at a later date if members wished.

## **11. New Code of Practice for the Governance of State Bodies**

11.1 Memorandum A 36/16 was noted. The chair indicated that the Board would revisit this item over the coming year.

## **12. Report on roll-out of 2016 Springboard + Programme**

12.1 Dr. Patterson introduced this item. She noted that as LMA funding is reduced in line with a more targeted Springboard programme, the question whether the funding could be redirected to upskilling activities remains to be decided. There were competing demands including the new apprenticeship programme and further education.

**Decision:** It was agreed that the paper submitted to the Board should be submitted directly to the Minister

## **13. OECD Education at a Glance**

13.1 Ms Harvey made a presentation to the Board highlighting some relevant findings of the recently published report;

- Investment – Ireland spends 1.2% of GDP on higher education as against an OECD average of 1.5%, however Ireland’s overall expenditure on education (primary, secondary, and tertiary) was above the OECD average. Ireland comes 19<sup>th</sup> out of 34 students as regards expenditure per third level student.
- Outputs – Ireland has a high level of third-level attainment – 52% of 25-34 year-olds have a third-level qualification as against an OECD average of 42%. Participation in STEM subjects particularly strong.
- Outcomes – Ireland’s employment and unemployment rates for those with third level education broadly in line with the OECD average.

Concluding she noted that as Education at a Glance data is based on 2013 or at best 2104 data, the findings in respect of funding per student are likely to continue to worsen for at least the next issue of Education at a Glance, as funding has declined further while student numbers have continued to grow.

## **14. Membership of HEA standing Committees**

14.1 Memorandum A 38/16 was before the Board. Subsequent to the memorandum being issued a number of members signalled their willingness to serve on the standing committees as follows;

Audit Committee: Sinéad O’Flanagan and Pól Ó Mórain and Annie Hoey

Policy and Planning: John Wall

System Development and Performance Management: John Wall

Pension Appeals: Michael Horgan and John Wall

It was agreed to review the standing committees’ membership in January, when new Authority members are appointed.

## **15. Schedule of Board and Committee Meetings in 2017**

15.1 Memorandum A 39/16 noted.

### **Next Meeting**

22<sup>nd</sup> November 2016

Padraic Mellett

3<sup>rd</sup> October 2016