

**Report of the 391st Meeting held on 29th May 2018
RCSI, St Stephen's Green, Dublin 2**

Present¹: Dr Bahram Bekhradnia
Mr Tony Donohoe
Dr Judith Eaton
Dr Orla Feely (items 6-11)
Dr Sharon Feeney
Mr Michael Horgan
Mr Michael Kerrigan
Ms Darina Kneafsey
Dr Deirdre Lillis
Dr Ronan Lyons
Dr Sinéad O'Flanagan
Mr Pól Ó Móráin
Dr Lynn Ramsey
Dr John Wall

Apologies: Dr Jim Mountjoy

In attendance: Dr Graham Love
Mr Padraig Mellett (items 1-10)
Ms Caitriona Ryan (items 1-10)
Dr Vivienne Patterson (items 3-10)
Ms Sheena Duffy (items 3-10)
Mr Peter Brown (items 5-10)

Members at the start of the meeting considered any potential conflict of interest.²

1. Report of 390th Meeting

1.1 The minutes were approved.

2. Matters arising

2.1 Item 5 – Review of the Creative Arts. Members were informed that this would be considered by the SDPM Committee at its meeting in September.

¹ The quorum for HEA Board meetings, six members, was met.

² Dr John Wall is an employee of WIT recused himself from item 3.3, discussion on WIT under the CEO's report. Dr Deirdre Lillis advised she was a former employee of IT Tralee discussed under item 4.

2.2 Item 8 CAO Applications. The implications of the drop in applications were discussed. Members were advised that there is a slight drop in leaving certificate numbers this year, however the numbers are set to rise next year and beyond. There is a possibility that CAO applications may increase when late applications are factored in. There is also a possibility that HEIs may increase intake through other non-CAO routes.

2.3 Item 3.3 Eurostat and University borrowings. The implications any future decisions on university oversight might have for Eurostat rulings on the status of university borrowings was raised.

2.3 The Chair indicated he will discuss the status of the follow-up items with the Executive and brief the Board on progress being made in implementing the items at its next meeting.

3. CEO's Report

3.1 The CEO updated members on the meeting of the Public Accounts Committee who considered the accounts of the HEA, CIT and UCC.

3.2 Members were advised of two PQs concerning the Board of the HEA. One concerned the Members Whatsapp Group. It was noted that this account was used solely for social purposes and not for official HEA business. The other PQ related to residency requirement of Board members.

3.3 The CEO updated members on Mr McLoone's report into IP commercialization matters at Waterford Institute of Technology. It was agreed that the Finance and Governance Committee will consider the next steps. It was also agreed that the Executive will draft a protocol for consideration by the Board outlining how future issues raised by the PAC will be managed by the HEA.

3.4 The CEO advised members that the Department of Public Expenditure and Reform is undertaking a review of the funding needs of higher education. It is understood the Department is examining the basis for reducing the staff:student ratio as recommended in the Expert Group on Future Funding report. The point was made that having smaller classes has a positive impact on student outcomes and is a factor in university rankings. Better ratios also enable institutions attract more overseas students.

3.5 Members were advised that UL has submitted its first progress report on implementation of the recommendations arising from the Thorn report. The report will be considered by the Finance & Governance Committee.

3.6 Members were briefed on the work of the Task Force on Gender Equality whose report was due shortly.

3.7 Members were advised that, as requested by the Board, the Executive proposes to commission a position paper on possible changes to the HEA Act. The draft proposal will be brought to the Board in the near future.

4. Report of Finance and Governance Committee

4.1 Members discussed memorandum A 26/18 concerning IT Tralee which was prepared at the request of the Committee. Members were advised that the Institute has been innovative as regards the delivery of bespoke courses, however this has been insufficient to bridge the funding gap. Members were advised that the proposal to write to the DES proposing a range of solutions was in line with the approach taken previously with GMIT and LyIT. Consideration should be given to reviewing the funding model to see if this was a contributory factor to the Institute's funding difficulties.

4.2 Members noted the Committee's report. It was suggested that the Chair of the CIT Governing Body should be included in all correspondence relating to the review of expenditure arising from the retirement of the last President.

Decision: Members approved the Committee's report and the following;

- The Executive to write to the DES in relation to IT Tralee's funding situation.
- The funding allocations for the Student Assistance Fund and Fund for Students with Disabilities.
- The MoU with the Royal Irish Academy.
- The proposals relating to implementation of the Review of the Funding Model. It was agreed to recommend to the Minister that the Innovation call be retitled 'Innovation and Transformation' call.

5. Report of Audit and Risk Committee

5.1 Dr Feeney presented the Committee's report. She noted the Committee had a detailed discussion on the proposed Risk Appetite Statement noting that the HEA operated within a tight regulatory framework. The Committee also considered whether the internal auditors should attend the full Committee meeting and agreed that this should be facilitated. The new internal auditors had requested access to Finance and Governance Committee documentation, the Committee recommended that this be agreed.

Decision: Members approved the Committee's report and the following;

- The HEA's Risk Appetite Statement.
- The HEA Governance Statement and Board Members' Report.
- The internal auditors be provided access to Finance and Governance Committee documentation.

6. Report of System Development and Performance Management Committee

6.1 Mr Donohoe presented the Committee's report. Members were briefed on the work and membership of the Expert panel reviewing the application of the TU4 Dublin application. The panel's report will be considered at the June Board meeting. He noted that a number of items have been deferred to the Committee's September meeting. The Committee noted that the timeline for completing the compacts would be a challenge for some institutions.

6.2 Mr Donohoe outlined the Committee's recommendations in relation to higher education landscape reform call noting that potential conflict of interest concerns were addressed as follows;

- The Irish academic members did not attend meetings involving institutions they had a direct involvement in. They also did not participate in post meeting discussions.
- Irish academic members did not participate in deciding the proposed allocations to any of the consortia/institutions.

He indicated the Committee had a very good engagement with each of the consortia and institutions. He also acknowledged the work of the Executive in the process. The Committee members noted the process was very intensive but necessary for it to be in a position to make its recommendations to the Board. The Committee has recommended in a number of cases that payment be subject to satisfactory progress reports.

6.3 The following issues were raised;

- The extent to which student engagement was demonstrated. This should feature in future calls.
- The extent to which amalgamations will give rise to savings and efficiencies in the future should be outlined and measured.
- The extent to which amalgamations will give rise to better outcomes for students.

Decision: Members approved the Committee's report and the recommendations to the Minister on the allocation of the landscape reform call.

7. Report of Research and Graduate Education Committee

7.1 Dr Feely introduced the Committee's report noting that the Committee spent some considering the structure and frequency of Committee meetings. The Committee will now meet four times per annum. The Committee considered two very good documents from the IUA and THEA which outlined their research priorities. It was agreed, subject to agreement of both bodies, to forward these documents to the DES. The Committee also received an update from the Irish Research Council and noted the need for ongoing and increased investment for basic frontier research through the Council's Laureate programme.

7.2 Members considered how the HEA could progress the call for more investment in basic frontier research. The following issues were raised;

- Impact of the TU process – there will be an increase in research activity.
- Impact of research on employee skills.
- Opportunities arising from Brexit. If Ireland is to exploit these opportunities it will need to increase expenditure in research.

Mr Brown noted other countries encountered similar difficulties and suggested a paper outlining the long term economic and social benefits. An increase in investment in the Laureate programme should enhance the capacity of Irish researchers to secure more funding from the ERC. He reported that Irish HEIs are currently meeting their Horizon 2020 funding targets.

Decision: Members approved the Committee's report.

8. Memorandum of Understanding with QQI

Decision: Members approved the MoU.

9. Appointment of Chair of HEAnet CLG

Decision: Members approved the nomination of Professor Anne Scott as Chair of HEAnet.

10. Address by Mr William Beausang, Head of Higher and Further Education and Training Policy, DES

10.1 The Chair welcome Mr Beausang to the meeting and expressed his good wishes and those of the Authority to Mr Beausang on his recent appointment to the Department of Education and Skills.

10.2 Mr Beausang in his remarks to the Board noted the following;

- Importance of Project Ireland 2040 – there is a significant capital commitment to higher education.
- Importance of governance – failure to get it right can undermine respect for the sector.
- HEA legislation – it has been to the credit of the HEA Board and Executive that so much has been achieved despite the limitations of the 1971 Act.
- Relationship between further and higher education – there is an opportunity for more integration over time.
- Funding – the increased funding from the NTF is not guaranteed, the sector needs to demonstrate it is meeting its commitments.
- Gender equality – the Task Force is making progress. It was now up to the HE system to demonstrate its commitment to achieving gender equality.
- Importance of supporting research in non-prioritised areas – this requires a demonstration as to how such investment meets broader economic and social objectives.

10.3 Members raised the following issues;

- Relationship between the HEA and the DES and in particular clarity regarding the roles of each. Mr Beausang agreed to discuss this with the CEO.
- The D/PER review on higher education funding. Mr Beausang noted that D/PER needs to be able to see the impact investment will have. It was no longer enough to outline what inputs the sector requires.
- Flexibility for HEIs to use privately generated income, HEIs are currently encountering difficulties in recruiting staff funded through international fee income due to the ECF. Mr Beausang acknowledged the ECF was a blunt instrument, account needed to be taken of the pension liabilities for the state. However, where a sector demonstrates responsibility, there can be some relaxation of the rules.
- Establishment by universities of special purpose vehicles for privately funded activities. Mr Beausang acknowledged the need to ensure that innovative practices are not discouraged. Key to this will be agreement on an appropriate governance oversight.
- Size of HEI governing bodies – Mr Beausang noted the difficulties in ensuring effective governance. There are international models which provide for smaller boards which allow for input from stakeholders. The Chair indicated that the HEA planned to undertake a review of HEI governance.
- Opportunities for more HEIs to have more flexibility in their HR practices – Mr Beausang acknowledged the difficulties centralised public service controls have on individual bodies.

- Case for increased research investment – Mr Beausang suggest that higher education needs to demonstrate the current range and impact of research activity in the sector.

11. Members only session

11.1 Update on Recruitment - The Chief Executive gave the Board an update on the recruitment of additional staff, including the Deputy Chief Executive and Head of Finance posts. The Board was informed that Professor J. Browne, immediate past President of NUIG, was joining the interview panel for the Deputy CEO post and Ms Anne Brady, member of the Finance and Governance committee would be joining the Head of Finance interviews.

11.2 The Chair introduced the issue raised at the previous Board meeting concerning the inclusion of a Board member on the interview panel. The Chair informed the Board that in his experience it was quite common to have one member of the Board on all selection panels for senior appointments. However, following discussion the Board decided not to insist on representation on the interview panels.

11.3 A concern was expressed regarding the unsuccessful staff members who have applied for the vacancies.

The Chief Executive Officer left the meeting at this stage.

11.4 Action Items following Board meetings - The Chairman informed the Board that as requested, he had reviewed all the action items from Board meetings since September 2016. It was noted that no action list had been included with the minutes of the Board meetings on a number of occasions and because of this, a small number had been omitted in the latest list.

11.5 A revised and update list will be prepared and put on the agenda of the next meeting for discussion on progress and timelines.

12. Any other business

12.1 No issues raised.

Next Meeting

26th June, Letterkenny Institute of Technology

Padraic Mellett

1st June 2018.