

Higher Education Authority**Report of 403rd Meeting held on 17th December in the HEA's Offices, 3 Shelbourne Buildings, Dublin 4.**

Present¹: Dr Bahram Bekhradnia (agenda items 1-11)
Mr Tony Donohoe (agenda items 1-11)
Dr Judith Eaton (agenda items 1-11)
Professor Orla Feely (agenda items 1-11)
Dr Sharon Feeney, Deputy Chairperson (agenda items 1-11)
Ms Lorna Fitzpatrick (agenda items 1-11)
Mr Michael Horgan, Chairperson (agenda items 1-10, by teleconference)
Dr Deirdre Lillis (agenda items 1-11)
Dr Jim Mountjoy (agenda items 1-11)
Dr Sinéad O'Flanagan (agenda items 1-11)
Mr Pól Ó Móráin (agenda items 1-11)
Dr Lynn Ramsey (agenda items 1-11)
Dr John Wall (agenda items 1-11)

Apologies: Ms Darina Kneafsey
Dr Ronan Lyons

In attendance: Dr Alan Wall (agenda items 1-11.1)
Ms Orla Nugent (agenda items 1-10)
Mr Padraic Mellett (agenda items 1-10)
Mr Tim Conlon (agenda items 1-10)
Dr Vivienne Patterson (agenda items 3-10)
Ms Pearl Cunningham (agenda items 1-10)
Ms Caitriona Ryan (agenda items 1-10)
Ms Nicki O'Connor (items 3,4, 7, 10)
Mr Peter Brown

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

As the Chair was not able to attend the meeting in person, the meeting was chaired by the Deputy Chair, Dr Sharon Feeney.

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

² Dr John Wall absented himself from item 3.4

1. Report of 402nd Meeting held 5th November

1.1 The minutes were approved subject to two minor edits to par. 2.1. It was agreed to add reference in the final bullet point to the HEA participating in the DES estimates process.

2. Matters arising

2.1 *Risk Assessment of HE System*

Ms Nugent updated on the following developments.

- The DES has requested the Structural Reform Support Service (SRSS) of the European Commission for an economic review to be conducted on increasing future sustainability of higher and further education provision in Ireland and the associated assessment of future funding options for the tertiary education sector.
- A subcommittee of the RFAM working group will commence a programme of work to develop a conceptual design for a sectoral Full Economic Cost System (FEC) to assess the feasibility to applying the system across all institutions in the sector. The HEA CEO will chair the Steering Group that will oversee this work.
- The HEA has advised the OECD that it would like to participate in one of its thematic reviews on HE funding models. This is a co-funding by the European Commission.

Concern was expressed that this work, while welcome, would not address the question as to the adequacy of the level of funding. The issue of funding was further discussed under item 9.

2.2 *HEA Legislation*

Mr Conlon updated on developments relating to reform of the HEA's legislation. He agreed to advise members when the Department has published the HEA's submission and the 17 other submissions received.

3. CEO's Report

3.1 HR Processes

The CEO advised Members that consultants have been engaged to review a number of HEA HR policies and procedures including its recruitment and promotion policy.

3.1 Coaching

The CEO advised Members of his plans to arrange executive coaching for the SMT early in the new year.

3.3 Business Process Re-engineering

Members were advised that the HEA planned to appoint consultants to undertake a review of processes and systems in the HEA and IRC early in the new year.

3.4 IT Tralee

IT Tralee are providing the HEA with a Sustainability plan and a Business plan for the Kerry Sports Academy. Members were advised that there is focus on how to reduce the Institute's cost base. Savings are being quantified and will include voluntary redundancy (VR) options.

3.4 WIT IP Review

Members were advised that progress is being made on addressing issues that have arisen in relation to the Institute's own review.

3.5 Review of Landscape Funding

Ms Nugent advised Members that a review has yet to commence this is with the DES. The HEA will follow up with DES and consideration will be given as to whether the HEA should undertake the review.

3.6 Munster TU Application

Members were advised that an updated application was expected at the end of Q1 2020. The same panel will be available to review it.

3.7 Performance Compacts – HEI Self-evaluation reports

Members were updated on plans to combine the annual funding and accountability meetings and the performance compact meetings with HEIs in 2020. These meetings will take to place during March/April 2020. The question of Board members attending these meetings in an observatory capacity after consideration of the Governance Ireland board evaluation report.

3.8 C&AG Review on capital expenditure in the HE sector

Members were advised that the HEA has been invited to attend a meeting of the PAC on 30th January to consider the report.

The role of the Board in relation to capital projects was discussed. Members were advised that while the DES approves individual capital projects, there was a responsibility for the HEA to manage the funding allocated to these projects. Members noted that previously it was their understanding that the Board only had responsibility for land acquisitions by the IoTs and noted the need for this development to be reflected in the Corporate Risk register.

The CEO indicated that he is seeking more clarity on the respective roles of the HEA and DES in relation to capital projects and noted that the Capital Programmes Unit remains under resourced for the level of activity it is expected to manage. He would endeavour to get clarity when next year's Performance Delivery Agreement is concluded with the DES and undertook to keep members advised of developments.

Members noted the risk facing institutions who do not have the funding to purchase specialist equipment needed for buildings acquired under PPP. This particularly applies to the IoT/TU sector who cannot avail of EIB loans.

3.9 Rolling Review – Pay, Pensions, Leave, Travel and Subsistence

Members were advised that it was planned to post the report on the HEA website shortly. A formal launch was not planned, however the needs for a communications plan to address media interest in the report was noted.

3.10 Other issues raised under the Executive Report included;

- Update on the Senior Academic Leader Initiative
- Work by the National Forum for the Enhancement on Teaching & Learning on National Student Engagement programme.

- HEA-SFI MoU – it was noted that the CEO will be attending the SFI’s Board meeting next February.
- Tender for a new finance system for the HEA
- HEA workforce plan
- Plans for the Communications Section following Malcolm Byrne’s election to the Dáil.
- Student Assistance Fund – it was noted that the HEA issues guidelines and this allows the HEIs some discretion in how funding is managed at local level.
- The increased number of competitive calls, members noted that while the additional funding was welcome there was a need to increase core funding and the HEA needed to ensure in so far as possible standardised process for these calls.
- Human Capital Initiative – strands 2 and 3.

4. 2020 Business Plan

4.1 Ms O’Connor presented the 2019 workplan progress report and outlined the new template for reporting on progress in implementing the 2020 business plan. It is proposed to report on 18 key actions. The objective is to enable the Board focus on the key strategic objectives. Members were requested to forward their views on the proposed 18 actions to Ms O’Connor. Members welcomed the new reporting template.

4.2 Members considered how best might the HEA influence public consideration of matters such as the adequacy of funding for the HE system? The HEA should act as an authority on matters relating to higher education having regard to its evidence based knowledge of the HE sector.

Decision: Members agreed to the new reporting template subject to the addition of two further key objectives – development of a White Paper series and risk assessment of HE funding.

5. Report of the Audit and risk Committee

5.1 The Deputy Chair introduced the Committee’s report.

5.2 Review of Terms of Reference for the Audit and Risk Committee

The Committee in reviewing its terms of reference suggested that the membership of all of the standing committees should be reviewed. It was agreed that this should be considered by the Board after the Governance Ireland Board evaluation has been completed.

Decision: Members approved the revised terms of reference for the Audit and Risk Committee

5.3 Corporate Risk Register

Decision: Members approved the updated register.

5.4 Reappointment of Internal Auditors

Decision: Members approved the reappointment of ASM (B) as internal auditors for a 12 month period.

Decision: The report of the Audit and Committee was approved.

6. Report of the System Development and Performance Management Committee

6.1 Mr Donohoe introduced the Committee's report. He proposed that the Board receive a detailed presentation of the proposed system performance indicators at the January meeting. Ms Nugent advised that a detailed presentation on the work undertake was deferred to January Board meeting. The Research and Graduate Education Committee was consulted in relation to the research KPIs. Dr Patterson advised that the objective was to come up with a set of indicators that were measurable, available in a timely manner across the system. The intention was to publish the data visually on the HEA's website as it becomes available. Members were informed that the Executive had considered U-Multirank and New Zealand indicators in developing its proposals.

Decision: Members approved the Committee's report and agreed to having a detailed presentation at the January Board meeting.

7. Report of Research and Graduate Education Committee

7.1 Professor Feely introduced the Committee's report. The key issues considered were a framework for good research practice and a successor to Innovation 2020. Ms O'Connor reported that she attended a meeting of the Innovation 2020 Implementation Group at which representatives of the Department of Business, Enterprise and Innovation (D/BEI) outlined plans for a successor to Innovation 2020, a 7 year plan broken into 1 three year and 2 two year programmes was envisaged. The Department proposes to engage in a stakeholder consultation process between now and October 2020 when a draft plan will be presented to the Innovation 2020 Implementation Group. The Department hopes to launch the plan in January 2021. Ms O'Connor confirmed that there will be bilateral consultations between D/BEI and the DES, HEA and Irish Research Council.

Members noted that research was particularly important to the HE system and it was important accordingly that the HEA engaged closely with the DES on the development of a successor to Innovation 2020. Mr Brown noted the importance of funding streams being made available to support the new plan, some of the funding linked to the NDP is already committed.

7.2 Framework for Good Research Practice

Ms O'Connor indicated the objective was to ensure the document was accessible to all. Members welcomed the proposed framework. A number of suggested changes were made following consultation with the Committee Chair.

Decision: It was agreed that the Executive would add to the framework a definition of research and a statement outlining the global context of research.

Decision: Members approved the Committee's report

8. Dates for 2020 Board and Committee meetings

Decision: Members approved the proposed dates. Mr. Mellett will contact those institutions being invited to host meetings in 2020 and will revert back to members if it is necessary to make alternative arrangements.

9. Reports of Finance and Governance Committee

9.1 The Chair presented the Committee's first meeting held on 19th November 2019, all bar one item was for noting.

9.2 Financial Trend Analysis report

The Committee had considered the Financial Trend Analysis report on University and IoT funding 2007-2017. The Chair noted the report together with a summary would be published on the HEA's website. Members were invited to consider whether the HEA should add anything further to the publication having regard to previous discussions on the adequacy of funding the sector. He noted that the DES has provided targeted additional funding such as the recent Human Capital Initiative and that many of the universities have generated additional own revenue. Other issues raised included the need to consider a new funding model and the issue of top-slices which the CEO is discussing with the DES. Members noted that there were different perspectives to this issue. The following points were made;

- How to convince the political system that additional funding will enhance the output of higher education?
- Do we believe that higher education is a public good?
- The majority of non-exchequer funding comes from student fees and contributions.
- The use of student contributions, there should be an update on the reports issued in 2010 and 2014.
- Inadequacy of student counselling services.
- The recent Parliamentary Budget Office report noted that the level of funding per student entering in 2018 was 50% less than that provided in 2007. The cost of making up this gap was estimated to be €550m.
- The additional funding generated by Universities does not come without risk. Revenue from non-EU countries is at risk to
 - I. Changes in government policies in those markets Ireland is reliant on. China is planning to build a new university the size of UCD in 2021.
 - II. The drop in international rankings and a perceived deterioration in the student experience may see these students go elsewhere
 - III. Inadequate student accommodation for non-EU students
- The lack of autonomy HEIs face with up to 70% of budget going on fixed pay costs.
- There was an opportunity for the HEA to lead on the conversation on issues such as the funding of higher education through the publication of a White Paper series. The CEO indicated he would revert back to the Board with a more detailed proposal.

Decision: Members welcomed the White Paper initiative. It was agreed that the Financial Trend Analysis report would be published together with a short commentary that repeated the points made in the covering paper as well as some of the points recorded above. Together with the papers presented at the special meeting on funding this should be circulated to the consultants appointed by DES to study the financing of third level education. The Executive will circulate a draft paper electronically for consideration by members.

9.3 Multi-Campus Allocations

Decision: Members approved the allocation of €900,000 as set out in the appendix to memorandum F 41/19.

9.4 Dr Mountjoy outlined the key decisions made at the Committee's meeting held 17th December. A summary report was circulated by the Executive.

9.5 Proposed approach to finalisation of the 2019 grant allocation

Decision: Members approved the proposed approach whereby the remaining balance will be allocated as a core grant to the HEIs.

9.6 Proposed approach to the 2020 Recurrent Grant

Decision: Members approved the Committee provisionally approving electronically the 2020 grant once notified by the DES. It was also agreed that there should be a discussion on top-slices at the next Board meeting.

9.7 Reappointment of Deloitte as external providers of Process reviews, Accounting, Audit and Financial Services

Decision: The Board approved the reappointment of Deloitte until a new contract is tendered and a revised framework is put in place.

Decision: Members approved the Committee's reports.

10. Irish Research Council Strategic Plan 2020-24

10.1 Mr Brown introduced the plan noting that that there has not been much change to the plan since it was considered by the Board last May. He outlined developments since May including consultations with the DES and other stakeholders. The IRC would very much welcome the HEA Board's support for its mandate in forthcoming discussions on a successor to Innovation 2020. He outlined a number of examples where relatively modest IRC awards have resulted in researchers being awarded significantly larger grants from the funders such as the European Research Council and under the IRC's own Laureate Programme. Professor Feely, Chair of the Research and Graduate Education Committee, congratulated Mr Brown and colleagues in The Council on its comprehensive new plan. She questioned whether Strategic Goal 4.1 envisaged a wider policy role for the Council in its engagement with research activity in the HE sector. Mr Brown clarified that this was not the Council's intention, what was envisaged was more systemic use by the Council of data it holds to support policy development with the HEA and other stakeholders.

Decision: Item noted.

11. Members only session

11.1 HEA Capacity

The Board and CEO discussed plans for developing the capacity of the HEA organisation to meet the emerging legislative requirements. The Board is supportive of the CEO's view that additional staff will be required.

Next Meeting

28th January 2020, HEA Offices

Chairperson

Date