

Higher Education Authority**Report of Special Meeting held on 27th May 2019
at the HEA's Offices, 3 Shelbourne Building**

- Present¹:
- Dr Bahram Bekhradnia
 - Ms Siona Cahill
 - Dr Judith Eaton
 - Dr Sharon Feeney
 - Mr Michael Horgan, Chairperson
 - Ms Darina Kneafsey
 - Dr Deirdre Lillis
 - Dr Ronan Lyons
 - Dr Jim Mountjoy
 - Dr Sinéad O'Flanagan
 - Mr Pól Ó Móráin
 - Dr Lynn Ramsey
 - Dr John Wall
- Apologies:
- Mr Tony Donohoe
 - Professor Orla Feely
- In attendance:
- Mr Paul O'Toole
 - Ms Lorna Fitzpatrick, incoming President USI
 - Ms Orla Nugent
 - Mr Padraic Mellett
 - Dr Gemma Irvine
 - Ms Caitriona Ryan
 - Dr Vivienne Patterson
 - Mr Peter Brown
 - Ms Pearl Cunningham

The Chair welcomed Ms Lorna Fitzpatrick and indicated he looked forward to her joining the Board when she takes up the post of President of the USI on 1st July. He also welcomed Ms Pearl Cunningham following her appointment as interim Head of Finance in the Executive.

There were two parts to the meeting – Funding of the Irish Higher Education sector and HEA funding and oversight mechanisms.

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

1. Funding of the Irish Higher Education Sector

1.1 The CEO made an updated presentation to that made at the previous Board meeting. The additional slides outlined the USI budget submission which emphasised higher education as a public good and capital developments planned under Project 2040 and the National Development Plan 2018-27. He concluded with four topics the Board might wish to discuss;

- The Irish higher education is performing well, will it continue to do so?
- If further investment is required, where should it be directed?
- Where should such investment be sourced?
- Is the ongoing and planned evolution of the HEA's funding mechanisms, including the RGAM, appropriate and sufficient?

1.2 Dr Bekhradnia presented an addendum to his paper made at the last Board meeting. He indicated that measuring Irish investment in higher education by reference to GNP rather than GDP did not alter the picture to any significant extent. Ireland continues to have the second highest staff student ratio in the OECD and its higher education investment remains in line with the poorest EU countries. He questioned whether Ireland can aspire to have one of the best systems of higher education in Europe with the current level of State funding while noting it is difficult to make the case for additional investment when the system appears to be performing well. He noted that some indicators can take time to emerge, and his belief that the HEA has the responsibility to highlight system risks.

1.3 There was a wide ranging discussion which included the following;

- Sources of additional funding – employer contributions and/or Ireland could generate more international revenue like New Zealand.
- Need to rebrand apprenticeship education and move some Level 6 teaching activities to regional FET centres, this will free up capacity in the IoTs for the demographic bulge, with the advantage of reducing costs for students (e.g. regional versus city centre locations for the first two years of study).
- We need to consider the poor completion rates for certain level 6-7 courses, care needs to be taken as to how such data is interpreted.
- The need for more HR flexibilities including the capacity to redeploy staff or make staff redundant where necessary
- Consideration should be given to undertaking a review of the recommendations of the National Strategy for Higher Education to see if they are still appropriate. This review should also look at the alignment of further and higher education.

- We should advise the DES what is achievable having regard to the funding that is being provided.
- The case for additional investment needs to be evidence based. One way of getting that evidence might be to look at other countries similar to Ireland such as Austria, the Netherlands, Sweden and New Zealand. The HEA should look at trend data from these countries to track the extent to compare their experience.
- Capacity of HEIs to generate own investment, the IoTs have no borrowing framework.
- Impact of technologies and company own education platforms
- Is Ireland's participation rate too high?
- The importance of ensuring that class sizes are not increasing due to funding constraints, and the likely negative impact that would have on student learning. Although non core funding had increased most of this was not available to improve provision for students, and the amount of funding per student had reduced significantly.
- To what extent are HEI strategic objectives in line with national objectives, a useful exercise would be to gather a summary of the various HEI strategies to see the extent to which there are overlaps and gaps. It was noted that this was done to some extent at regional cluster level and the exercise did not necessarily influence behaviour as regards course provision.

Decision:

The Board agreed the following next steps:

1. Confirmed the decision of the previous meeting to undertake a risk assessment of the HE system
2. Review the recommendations of the National Strategy for Higher Education including a review of the alignment between further and higher education
3. Propose to the DES that the HEIs be given more flexibility to manage HR
4. Undertake a trend analysis of investment in higher education in a number of small countries similar to Ireland

2. HEA Funding and Oversight Mechanisms

2.1 The CEO introduced this item noting that the state invests over €1.3b in higher education. He outlined the key building blocks for accounting for this funding including the financial memorandum, system governance reports and the performance compacts. He also noted that the system is evolving with the recurrent grant allocation model having recently been the subject of a review. He suggested the members consider whether the various building blocks are driving the required behaviours.

2.2 In a wide ranging discussion the following points were made;

- The extent to which the HEI compacts provide information on HEI performance. Members were advised that HEI were requested to report on 202 metrics, these returns are separate to the compacts.
- The risk that HEIs will set the bar too low particularly if performance funding is at risk. Members were advised that this was something the international panel members can challenge.
- An alternative way of assessing performance was the U-Multirank.
- The role of the HEA as a regulator, there is a risk that the HEA will end up over-regulating in response to issues which arise in particular HEIs.
- How best to influence HEI behaviours: it was noted that some programmes such as PRTL have had a positive impact on institutional behaviour but currently there are 53 adjustments to the recurrent grant before it is allocated. Some of these are top-slices, some are additional pots of funding provided for specific purposes.
- The system would benefit from having a small number of key success factors.
- To what extent should it be left to individual HEIs to decide how they will accommodate the rise in numbers coming from secondary education? A request was made that the provision for demographic growth be looked at, there was a concern that it was not meeting the full cost.
- The extent to which the RFAM influences behaviour e.g. increased intake at level 8 rather than levels 6 and 7.
- The extent to which there is cross subsidisation within HEIs and how this influences behaviour at faculty level.
- Impact of the establishment of TUs on internal resource allocation as they seek to increase the number of level 9 and 10 student numbers.
- Need to integrate better the strategic dialogue process and annual budget meeting process. Members were advised that the Executive plans to set up a working group, Board involvement would be welcome.
- Enhancing the capacity to gather more data on-line from HEIs. Members were advised that the HEA currently collects SRS data directly from the HEIs. Further developments can be considered in the context of the HEA's business transformation exercise and the development of a digital transformation strategy. It would be important that the HEA has the capacity to put any additional data to good use. The capacity of the HEA to legally gather more data will need to be provided for under the forthcoming HEA Act.
- Implementation of the RFAM recommendations: one piece of work under way is the development of a full economic cost model. A working group with representatives from the HEA, DES, D/PER, IUA and THEA is overseeing this. Concern was expressed that this may ultimately punish institutions who have fewer students on courses.

- The provision for the flex-hour in the IoTs.

Decision

It was agreed to undertake a review of the status of the Horan report on the RGAM.

It was agreed that a working group to integrate better the strategic dialogue process and annual budget meeting process would be established. Ms O. Nugent will convene the group. Dr S. Feeney was nominated to join the group.

Chairperson

Date