

Higher Education Authority**Report of 401st Meeting held on 3rd September in Albert College, Dublin City University**

Present¹: Dr Bahram Bekhradnia, by teleconference (items 1-10, 12)
Mr Tony Donohoe (items 1-14)
Dr Judith Eaton (items 1-14)
Professor Orla Feely (items 3-14)
Dr Sharon Feeney (items 1-14)
Ms Lorna Fitzpatrick (items 1-14)
Mr Michael Horgan, Chairperson (items 1-12, 14)
Ms Darina Kneafsey (items 1-14)
Dr Deirdre Lillis (items 1-14)
Dr Ronan Lyons, by teleconference (items 1-10, 12)
Dr Jim Mountjoy (items 1-14)
Dr Sinéad O’Flanagan (items 1-12, 14)
Mr Pól Ó Móráin (items 1-14)
Dr Lynn Ramsey (items 1-14)
Dr John Wall, by teleconference (items 1-10, 12)

In attendance: Mr Paul O’Toole (items 1-13)
Dr Alan Wall (items 3-13)
Mr Padraic Mellett (items 1-13)
Mr Tim Conlon (items 3-13)
Dr Vivienne Patterson (items 1-13)
Mr Peter Brown (items 1-13)
Ms Pearl Cunningham (items 1-13)
Ms Caitriona Ryan (items 1-10, 12)
Ms Nicki O’Connor (item 4)
Ms Orla Christle (item 6)
Mr Malcolm Byrne (item 11)
Ms Amanda Glancy, PR360 (item 11)
Ms Lorraine Murphy, PR360 (item 11)

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

The Chair welcomed the incoming new CEO Dr Alan Wall and wished him well in his new role. He also noted this was Mr Paul O’Toole’s final meeting as interim

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

² Dr Deirdre Lillis, a former employee of IT Tralee absented herself from discussions on the updates on IT Tralee funding (item 3.1). Mr Michael Horgan, a past employee and Dr Sinéad O’Flanagan, current employee of RCSI absented themselves from the discussion on the College’s application for University status.

CEO. He and Members thanked him for his outstanding contribution to the work on the HEA over the past year.

1. Reports of Special Meeting held 19th August and 400th Meeting held 2nd July

1.1 The minutes for the two meetings were approved. Members noted the HEA policy that Board minutes will be published on the HEA website following a period after they have been approved by the Board.

2. Matters arising

2.1 Concern was expressed over the delay in progressing the implementation of one of the follow-up actions, the undertaking of a risk assessment of the HE sector. The CEO advised that progress on this item was a priority for the Executive but the HEA needed to secure additional funding from the DES. The Chair advised that this would be discussed in the context of internal HEA priorities.

2.2 It was confirmed that the term of appointment of National Forum for the Enhancement of Teaching and Learning Board members was 5 years, the exception was Dr Feeney's membership which will be reviewed after 12 months.

3. CEO's Report

3.1 IT Tralee Funding

The CEO updated on developments since the last Board meeting. The Department of Education and Skills has decided not to provide the Institute with a capital loan in respect of the Kerry Sport Academy (KSA). Having regard to this, the Minister has consented to enabling the HEA provide up to €7m in emergency funding to the Institute in 2019. The Institute has to date been provided with €4.5m of the previous €5m approved by the Board and Minister. Any additional emergency funding will only be used if it is required and if it can be provided within the total exchequer allocation to the HEA in 2019.

3.2 Members raised the following issues;

- The credibility of the Institute's sustainability plan given past experience. The CEO acknowledged the Institute's difficulties which flowed from cost over-run on the KSA, the institute's operating deficit attributed in part by its inability to grow its student base and the internal capacity of the Institute. All additional funding provided by the HEA to date has been made in a measured way.
- The source of the additional €2m. The CEO indicated this remained to be clarified but noted that there may be opportunities to find the funding

through the timing of grant payments. If this proves necessary such cash advances will be a first call on the Institute's 2020 grant.

- Capacity of the HEA to put somebody in to manage the Institute's finances. The CEO outlined steps being taken by the Institute to enhance its capacity as regards the management of its finances. He noted that the appointment of an outside person to manage the Institute was problematic from a governance point of view. The HEA would however request Deloitte to further monitor and assess the accuracy of the Institute's financial position.
- The extent to which the funding model supports regionally more peripheral institutions. It was noted that the model was only recently reviewed and consideration needs to be given to the role other development agencies might play in supporting regional institutions. It was agreed that the funding model should be reviewed annually to see if adjustments could be made which might benefit vulnerable institutions while not undermining the integrity of the model.
- Munster TU developments. Members were advised that DES officials and the HEA were working with both institutes to progress the issues identified by the Expert Panel.
- The KSA current development status. Members were advised that the KSA is partially open and is currently being fitted out. The intention is that it will be fully operational at the start of the new year. There are plans for a student plebiscite on a proposed student levy going towards the cost of students availing of the sports facility.

Decision: Members agreed the following;

The Board approved an increase in emergency funding to ITT to €7 million, subject to Deloitte being requested to monitor and assess the accuracy of the Institute's financial position and that it would only be provided if required and within the 2019 exchequer allocation to the HEA.

3.3 GDPR – Members were advised that provision has been made in the HEA's administration budget to cover costs associated with actions required to ensure HEA's compliance with GDPR.

3.4 HEA Summit – Members requested an evaluation of the outcome of the 2019 summit be undertaken before committing to a 2020 summit.

3.5 WIT IP Review – Members were advised that the proposal is to undertake a verification exercise. The Institute has advised that all the recommendations have been addressed and the review should seek to validate this.

4. Report on implementation of the HEA 2019 work-plan and 2018-22 Strategic Plan

4.1 Ms O'Connor made a presentation to the Board which focused on the following;

- Outline of the 8 key themes and 18 priorities
- Status of the 100 actions as set out in the granular plan – it was noted that 71 were on track, a further 4 was scheduled to come back on track and 6 were not scheduled to commence as of yet.
- Status of flagship initiatives
- Developments since the strategic plan was approved in 2017, this included reform of the HEA's legislation and major new programmes such as the Human Capital Initiative. This suggested the need to carry out a mid-term review in 2020 of the strategic plan and the HEA's planning process.
- Proposed changes to the 2019 plan

4.2 Members raised the following issues;

- The Executive was congratulated on the significant progress made to date in implementing the plan.
- The incoming CEO should consider any proposed changes to the strategic plan particularly as regards the theme - the HEA as an excellent organisation. The CEO noted some work was already underway on resources, systems and processes.
- Consideration should be given to having separate strategic plans for the HEA as a corporate body and the HE sector.
- The status of actions delayed. Ms O'Connor outlined the key reasons for the delay, this included a delay in the RFAM being approved, digital transformation which needs to be discussed with the DES and HEA staff and funding resources.
- The Policy and Planning Committee will maintain an ongoing review of implementation of the strategy. It was also agreed that the Committee will receive a presentation from Dr Deirdre Lillis who visited the New Zealand Tertiary Education Commission during the summer.
- The need to undertake a review of landscape funding.
- Consideration to holding a full day meeting on planning will be considered after the new CEO has undertaken a review of the current plan.

Decision: Members;

- Noted progress made by the HEA in the implementation of the detailed 2018-2022 Strategic Plan;

- Noted progress made in the 21 Flagship Initiatives of the Strategic Plan;
- Approved the plans outlined for a mid-term review of the Strategic Plan in 2020, with the review process details to be brought to the Authority in Q1 2020 for approval;
- Delegated change oversight of the Plan to the HEA's Policy and Planning Committee for their onward recommendations to the Authority; and
- Approved the proposed amendments to the 2019 Business Plan Monitoring Report that will be used for reporting at each Board meeting for the remainder of this year.

5. HEA Finances and new HEA Finance System

5.1 Ms Cunningham made a presentation which focused on the following;

- Update on total grant income, projected at €1.38bn for 2019
- HEA Administration Budget – outturn year to date is a deficit of €0.2m. Projected forecast outturn for 2019 is a deficit of €1.0m unless remedial action is taken. A large portion of the HEA's costs are fixed costs relating to pay and premises. She outlined a number of projects that are in the pipeline but cannot proceed due to insufficient funding. A number of requests have been made to the DES for additional funding but to date none has been approved. Mr Mellett is liaising with the DES in this regard.
- Update on new finance system - financial transactions analysed, needs assessment prepared and Grant Thornton engaged to assist with the technical specifications. Tender document due to be issued in September. The Finance and Governance Committee will be kept advised of developments.

5.2 Members raised the following issues;

- How much the new finance system was likely to cost? Members were advised that this was a priority for the HEA and these costs could not be fully assessed until a tender is undertaken. A working figure of between €50k and €100k is the current estimate.
- Consideration should be given to requesting HEIs who are the subject of a review to pay the cost of such reviews. The CEO noted the need to ensure new requests which were not included in the original workplan and budget should only proceed if there is clarity as to how the project will be funded.
- Will new finance system include a grants management system? Ms Cunningham advised that the finance system will take the payment details for grants from current systems, generate automated postings, create payment requests using a workflow process and produce automated remittances. It will not calculate the grants payable. The finance system selected will have the capacity to fully integrate with a new grants management system.

- The need for a new way of funding the proposed new Higher Education Commission. The CEO advised Members that he has informed the DES of his view that the HEA has insufficient funding for the staffing, systems and support services necessary to fulfil its mandate. Consideration should be given to benchmarking the HEA's level of administrative funding against other state agencies.

Decision: Members noted;

- The HEA's 2019 Grant Income
- The HEA's 2019 Administration Budget Outturn to 31 July 2019
- The 2019 Administration Budget Forecast and approved the proposed actions of the Executive and
- The update on development and progress on new finance system.

6. HEA Rolling Governance Review of Pay, Pensions, Travel, Subsistence and Leave

6.1 The CEO updated on developments since the last Board meeting. The report has been updated to take into account the views of the Board. The HEIs who participated in the review have been consulted at senior level in relation to the findings as they apply to their institution. The following issues were raised;

- When will the report be in the public domain? Members were advised that this can be expected anytime after the report is circulated to all of the HEIs.
- Response of the seven institutions who were included in the rolling review. Ms Christle advised that four of the institutions have responded. Some are already taking action on the findings, others are awaiting the release of the final report.
- The status of the Board's recommendation in relation to staff being given early notice of added years entitlements. Ms Christle advised that the consultants did not think it appropriate to include this recommendation as added years require a decision of DES and D/PER. It was noted however that HEIs are required to issue staff annual pension benefit statements.
- The need for the HEA to have a communications plan in response to anticipated media queries. The importance of having a balanced commentary on sectoral and institutional performance was noted.

Decision: The Board approved publication of the report and its circulation to all of the HEIs for their response to the recommendations. The Executive was requested to prepare a communications plan.

7. External Board Evaluation

Decision: Members agreed that the Executive should arrange for an external evaluation of the Board. The appointed consultants will determine the terms of reference to be discussed with the Chair. The consultants will be requested to consider the questions used in the 2018 self-evaluation exercise.

8. HEA legal services

Decision: Following a tender process conducted in conjunction with the OGP Members approved the appointment of Eversheds as the HEA legal advisors with Holmes O'Malley Sexton being an alternative provider in the event of Eversheds not being able to act for the HEA for whatever reason

9. Report of Policy and Planning Committee

9.1 Ms Kneafsey gave a verbal of the Committee who met the previous day. Two of the items, HEA legislation reform and a Communications Strategy were the subject of separate items on the agenda for today. The Committee received an excellent presentation from Mr Pigott on a draft report 'A spatial and socio-economic profile of Higher Education Institutions'. The Committee complimented Mr Pigott and Dr Patterson on the report and recommended that consideration be given to a presentation being made at a future meeting.

Decision: Members noted the verbal report and approved the publication of the report 'A spatial and socio-economic profile of Higher Education Institutions'

10. Reform of HEA Legislation

10.1 Ms Kneafsey reported on the discussion which took place at yesterday's Policy and Planning Committee which was attended by Ms Maev Nic Lochlainn and Ms Íde Mulcahy from the DES. She advised that written submissions are required by 30th September but there would be ongoing engagement with the HEA. The Department anticipate Heads of Bill being ready by Q1 2020. The following issues were raised by the Committee in its discussions with the DES officials;

- Need to balance institutional autonomy and accountability – concern was expressed by some members over the proposal that HEIs would need to submit draft Statements of Strategy to the HEC prior to approval;
- Need to ensure the legislation supports institutional diversity;
- Need to have greater clarity on the role of the HEA in relation to research and ensure that the legislation does underpin support for research across all disciplines;

- Rationale for change in the name from HEA to HEC;
- Need to ensure that the legislation does not provide for HEIs being treated differently, the potential dissolution of governing bodies was referred to in particular;
- Need to consider whether there were other intervention options open to the HEC/Minister between the current proposals and the ultimate option of the Minister suspending a governing body. There was also a desire that financial penalties did not impact on students;
- Different views were expressed on the size and composition of the Board.

10.2 The following additional points were made at the Board meeting;

- The legislation as drafted offers the potential for the HEC to address many of the governance issues which have arisen;
- Consideration should be given to using the legislation to put the National Forum for the Enhancement of Teaching and Learning on a statutory footing;
- Need for the Irish Research Council to have statutory underpinning;
- Risk to the current model for funding HE research through the block grant, Members noted that it is not possible to disaggregate teaching & learning and research in the HEIs. The CEO noted that the proposals as currently drafted requires further consideration in relation to research. He noted the DES is working on a research framework;
- The need for engagement with QQI in relation to the designation of HEIs;
- Proposed tertiary education framework and implications for the HE sector;
- How enterprise based campuses or overseas providers who set up in Ireland will be impacted by the legislation and proposals around designated HEIs.

Decision: Members agreed that the HEA should make a submission, Mr Mellett will clarify the latest deadline for the HEA's submission. If necessary, it may be considered by Members electronically. Members also agreed that the Policy and Planning Committee should continue to maintain a watching brief on the legislation and the HEA should accept the Department's offer of an ongoing structured engagement on the legislation.

11. HEA Communications Strategy

11.1 Mr Byrne made a presentation which focused on the following;

- Context and process for the strategy;
- Factors underpinning a successful communications strategy;
- Core values of the HEA;
- Key messages the HEA may wish to consider;

Members were requested to consider the core values and key messages as presented and whether there were additional themes the Board wished to consider over the next three year. What should be the priorities in terms of key messages and audiences?

11.2 The following issues were raised;

- Need to allow the new CEO input into the new strategy;
- Implications for HEA branding given the plans to have a whole of government branding strategy. Investing in new HEA branding in advance of new Higher Education Commission did not make sense;
- Need to distinguish between communications for the HEA as an organisation, the HE sector and HEIs.
- Some reordering of the key messages was proposed and the wording around HEA being the research expert should be reviewed. An alternative to the word 'bridge' was requested;
- The HEA also needs to be in a position to crisis manage unexpected bad news stories. The CEO noted that the reputation of an organisation can inform its ability to get its response to adverse news heard;
- The HEA should arrange an annual conference which could be used to launch a report such as the System Performance report;
- It was noted that IDA and EI are examples of state bodies who are effective in getting their message understood.

11.3 The CEO outlined the need for the HEA to agree on its key message, its target audience and develop its strategy around this. Critically the HEA needs to decide what it wishes to be known for. The HEA needs however to be realistic having regard to its relatively small Communications team. Ms Glancy suggested that the HEA was well placed to position itself as Ireland's experts on higher education.

Decision: Members agreed that the Executive would progress the communications strategy having regard to today's input through the Policy and Planning Committee. The final strategy will be presented to the Board in December.

12. Human Capital Initiative (HCI)

12.1 Dr Patterson made a short presentation which focused on the following;

- How HCI fitted within the overall skills landscape;
- Objectives and key areas of focus of the initiative. Policy informing documents;

- Three strands – Graduate conversion courses (approx. 10% of budget), Additional places on existing courses (approx. 20% of budget) and Innovation & agility (approx. 70% of budget).

She advised that the DES has approved two new staff for the programme, who are currently developing standard operating procedures. The Department has agreed that up to 2% of the annual budget of €60m (€1.2m) can go towards HEA administrative non-pay costs associated with running the scheme.

12.2 Some concern was expressed that the Board did not get an opportunity to input into the design of the initiative. There was also a concern that the HEA is managing a range of top-slices and other programmes which, if consolidated, could ensure more joined up thinking and avoid duplication. Members were advised that the National Skills Council, IUA and THEA were consulted. It also needed to be noted that the HCI was funded through employer contributions and the HEA was being asked to manage the fund on behalf of the DES.

Decision: Item noted

13. Any other business

13.1 Application from RCSI for University status³

The CEO advised Members that he had just received a request from the DES for the HEA to arrange for an assessment of the RCSI's application against the criteria set out in the Qualifications and Quality Assurance (Amendment) Act, 2019. This together with further observations the HEA may wish to make was requested by 4th October if possible. Members expressed concern whether sufficient time was being given to the HEA to complete this exercise having regard to precedent this might set for consideration of future applications. Mr Conlon advised that the 2019 Act set out a four month period for the Minister to make a decision which can only be consent or a refusal. The CEO advised that given the newness of the correspondence he proposed to consult colleagues in the Executive and in the DES on the next steps including the timing. It is proposed to arrange for an independent evaluation of the RCSI's application against certain of the criteria. It was agreed that the Board will have an opportunity to review this report before it is conveyed to the DES. The CEO will revert back to the Deputy Chair following his consultations to agree how the Board may best consider this application, electronically or through a special meeting, having regard to the time available. He will seek additional time if required.

³ Mr Horgan and Dr O'Flanagan absented themselves from this item

Decision: Item noted

14. Members only session

14.1 Car purchase by outgoing CEO

The Board agreed to allow the outgoing CEO purchase the car provided to him under his terms and conditions at Solas at market value. Documentation should be verified by the Chair in advance,

14.2 Planning Day

It was agreed to suggest to the new CEO that a Planning Day be organised early in 2020

14.3 Communications Strategy

Concern was expressed by members at the lack of a proper, professional communications plan. The incoming CEO will be asked to give a high priority to this.

Next Meeting

5th November 2019, HEA Offices

Chairperson

Date