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LIVERPOOL HOPE UNIVERSITY

Finance & General Purposes Committee: 16th January 2025

PRESENT: Mr J. Norbury (in the Chair), Ms J. Boggan, Mr N. Dawe, Ms J. Ellis, Professor C. Ozanne

By invitation: Ms S. Beecroft, Mr J. Ellison, Ms C. McLean

Apologies: Fr C. McCoy

Secretariat: Mr Marc Jones

1. Conflicts of Interest

The Chair reminded members of the need to report any potential Conflicts of Interest which might arise during the meeting. None was reported.

2. Minutes of the previous meeting

Minutes of the meeting held on 5th November 2024 were received. Re the third paragraph of item six, Ms McLean pointed out that the date should read '2023/24' rather than '2023/43'. Pending this correction, the minutes were **APPROVED** as a correct record.

3. Matters Arising

Re meeting scheduling, the Chair asked members whether they were happy for the addition of a January meeting to the committee's schedule to be made permanent. Members noted that the addition of a January meeting gave them a better opportunity to consider data presented in the November reforecast and requested that a January meeting be added to the committee's schedule in future.

Re discounting Students' Union pension deficit payments, Ms Beecroft informed members that the University has taken the decision not to proceed with this.

Re Ms Boggan's potential conflicts of interest, Mr Jones confirmed that he had raised this with Mr Dykins and that there were no conflicts of interest.

Re Going Concern documentation, Ms Beecroft confirmed that she had circulated this to members.

Re Students' Union representation on the committee, Professor Ozanne confirmed that the new Head of Governance would be moving this forward when in post.

4. Annual Financial Return 2024

Members had received the Annual Financial Return for 2024. Members noted that the five year projection showed the University moving back into surplus by 2028/29. The

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Chair and members assured Ms Beecroft that they had read and considered all information in the return.

5. Financial Year ended 31st July 2025

Members had received the completed November Reforecast. Ms Beecroft reminded members that in July 2024 University Council agreed to an Operational deficit target of £1.4 million for 2024/25; the Operational deficit result in 2023/24 was £1.253 million, and the 2024/25 target was therefore comparable.

Ms Beecroft reminded members that at the November 2024 meeting, the Committee had received a paper '2024/25 Finance Report' (FGP 1066) explaining that due to a number of issues since the budget target was agreed in July 2024, it was now unlikely that the target deficit would be met. Members noted the factors negatively affecting the University's position (impact of September recruitment on tuition fees, grant income reductions (OfS and UKRI), and National Insurance increases).

Ms Beecroft assured members that University cash reserves remain robust, and there are no concerns about liquidity at any stage during the year or in the immediate future.

Ms Beecroft informed members that the University will be recommending at the March 2025 meeting of the committee that the deficit target is increased from £1.4 million to £2.4 million. Ms Beecroft added that this target is dependent on delivery of Project 2028 targets of £1.56 million.

Mr Dawe asked whether changes to the interest yield would affect the University's financial position. Ms Beecroft responded that the changes would not have any material impact.

Professor Ozanne informed members that work is under way to substantially speed up the University's student recruitment processes, adding that some budget has been allocated to this project.

6. Merseyside Pension Fund Update

Members had receive the Merseyside Pension Fund update. Ms McLean reminded members that In September 2024 an updated termination report from the scheme actuary had been requested, adding that this amount was based on the funding position at 31 March 2022. Ms McLean informed members that to terminate the scheme on 30th September 2024 the University position was a surplus termination amount of £804,000, with the caveat that this was an estimated amount and would vary dependent upon the actual date of termination. Ms McLean informed members that the University is in the process of drafting a timetable to consult with the existing (and deferred) members of the scheme.

Members noted the report's recommendations that the University proceed with the consultation with the five remaining employees around the termination of MPF and move to GMPF. It was noted that any final decision for approval to exit will be subject to consideration of the responses received during the consultation period. If agreed the intention would be to conclude the termination and transfer to the staff to GMPF before the end of academic year 2024/25. Members **APPROVED** these recommendations.

7. Estates Developments

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Members had received the i3 Building final account summary. Mr Ellison informed members that following a series of fortnightly 'without prejudice' discussions the variation account was reduced from 404 disputed items to 14 items outstanding by December 2024. Mr Ellison added that the variance between accounts was reduced from £825,369 to £204,482. In addition, the overall claim from JTCG reduced from the August high of £11.5m to £11,115,257 net by 9th December 2024.

Mr Ellison informed members that a further offer of £10,347,091 net was made on 16th December 2024. The final offer incorporated a partial split of the remaining variance that could not be agreed. The offer was accepted by JTCG on 17th December 2024 and a signed final account statement was received on the same day. The balance of the final account £333,544plus vat (after retention being deducted) will be payable on the next monthly valuation in January 2025. Mr Ellison reminded members that the original budget for the project was £9.457m, adding that the final amount is £890k higher than this. The Chair praised Mr Ellison's work in achieving settlement of the account.

9. AOB

The Chair noted that the meeting was Ms Beecroft's final one prior to her retirement. Members thanked Ms Beecroft for her outstanding work during her 18 years at the University.

Action	Completed