

# CONFIRMED

## LIVERPOOL HOPE UNIVERSITY

### Finance & General Purposes Committee: 20<sup>th</sup> March 2025

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

**By invitation:** Mr J. Ellison, Mr J. Leyshon, Dr L. Lightfoot, Ms C. McLean

**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 16<sup>th</sup> January 2025 were received. The minutes were **APPROVED** as a correct record.

#### 3. Matters Arising

Re Students' Union representation on the committee, Professor Ozanne confirmed that the University is in the process of pursuing this.

Re Merseyside Pension Fund, Ms McLean informed members that the University currently has five colleagues in the fund. Ms McLean added that one of these colleagues is retiring at the end of May 2025, leaving four colleagues in the fund. Ms McLean informed members that the University has informed these colleagues of its intentions and is currently running a consultation with them in relation to this. Ms McLean added that the University has run two presentation days in relation to the proposed change, and all four colleagues have attended. Ms McLean informed members that the four colleagues have been offered independent advice on the issue from Weightmans. Ms McLean informed members that colleagues willing to transfer will be moved across to the Greater Manchester Pension Fund, adding that they will have 12 months to transfer their benefits, or defer them. The Chair raised a scenario in which three colleagues were willing to transfer and one was not, asking whether the three willing colleagues would still be able to transfer. Ms McLean confirmed that this was the case. The Chair requested an update on this situation at the next meeting.

**ACTION: Ms McLean to provide update, as above.**

#### 4. Sector Update

Professor Ozanne informed members that due to current turbulence in the sector the Office for Students has asked a substantial number of universities to provide an interim update on their finances, adding that the University is currently preparing its response

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to this request. Professor Ozanne added that the University is currently conducting a line-by-line review of this year's budget in order to identify any potential efficiencies.

### 5. Financial Year ended 31st July 2025

#### (i) March Reforecast

Ms McLean informed members that the March Reforecast is still underway. The Chair requested that meeting timings be amended in future to allow time the March Reforecast to be completed in time for the spring meeting of the committee. Mr Leyshon undertook to look into this.

**ACTION: Mr Leyshon to look into meeting scheduling, as above.**

#### (ii) January 2025 Financial Performance Report

Members had received the January 2025 Financial Performance Report. Ms McLean reminded members that in June 2024 the University had presented a budget proposal to the committee asking them to recommend to Council that the University works to a maximum deficit budget for 2024/25 of £2.25 million. The first reforecast of the financial year was undertaken late November and finalised at the end of January 2025. The target deficit remains at £2.25 million however, there is a shift in operational deficit from £1.4 million to £2.875 million.

Ms McLean informed members that due to disappointing student recruitment figures and HEIF grant reduction the reforecast includes reductions in tuition fee income of £1.355 million and £195k for HEIF grant announcements. Ms McLean added that the University received £635k grant allocation for the set-up of Degree Apprenticeships with first cohorts scheduled for commencement in September 2025.

Ms McLean informed members that non-staff budgets have been cut by 10%, adding that the savings from these budget cuts amounted to £550k.

Ms McLean informed members that having set the target deficit for the year, the financial sustainability of the University remains a key strategic goal. Ms McLean assured members that the University will take the steps necessary to protect the financial position and has identified areas on how to ensure that it is delivered. Included within the reforecast is a staff savings target of £250k, project 2028 income target of £1,250k and a contingency/credit of capitalised assets of £453k.

Mr Dawe noted the report's recommendation that the University work to a maximum deficit budget for 2024/25 of £2.25 million and asked for confirmation that this was higher than predicted at the start of the year. Dr Lightfoot confirmed that this was the case, and assured members that a line-by-line review of the budget is currently in process.

#### (iii) Cash Position

Members had received the update on the cash position. Ms McLean informed members that at the start of the year the University had £21,654,694 (£29,100,566 2023/24) in cash and cash equivalents. Ms McLean added that the cash reserves had been built up to pay for construction of the i3 building, the final payment (certificate 29) to John Turner of £400,253 was paid in January 2025 with retention of £155k due for payment in June 2025. Ms

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McLean informed members that as at 28th February 2025 the cash position is £17,626,096.

### **6. Project 2028**

Members had received the update on Project 2028. Ms McLean reminded members that the University is currently working towards a maximum target deficit of £2.25 million, adding that this includes a target for project 2028 of £1.5 million. Re income from research, Ms McLean informed members that there are currently 30 live research projects with income circa £262k, £96k of which is already included within the budget. Ms McLean added that many of these research projects will have costs associated, will straddle the financial year, and income will need to be deferred to 2025/26. Professor Ozanne drew members' attention to the increase in numbers of Postgraduate students (February intake up to 50 students (15 in 2023-24).

Fr McCoy noted that the University's strategic plan predicts a 3% surplus by 2027-28 and asked whether this was a realistic target. Professor Ozanne responded that the University continues to work towards this target, adding that a number of processes and measures put in place by Ms Wilkinson (eg new admissions system) will show a benefit in the 2025-26 academic year.

### **7. Students' Union**

Members had received the Students' Union Financial Statements. Ms McLean informed members that the statements have been reviewed by the Students' Union's external auditors and will be uploaded to the Charities Commission ahead of the deadline on 30<sup>th</sup> April 2025. Fr McCoy noted the increase in block grant funding awarded to the Students' Union by the University and raised the issue of whether this was justifiable in light of cuts to budgets across the University (see 5(i), above).

### **8. Estates Developments**

Mr Ellison informed members that work on the i3 Building, and surrounding landscaping work, is nearing completion, with the defects-identification position ending on 29<sup>th</sup> May 2025. Mr Ellison informed members that Salix-funded work to replace the gas boiler at Gerard Manley Hopkins Hall will start over the summer, adding that the University's contribution to this is £345k (Salix contribution; £728,102). Mr Ellison informed members that the gas boiler at Gerard Manley Hopkins Hall constitutes 8% of the University's total gas consumption. Mr Ellison informed members that a major re-wire of Plas Caerdeon is being planned, along with replacement of the fire alarm system.

Re 2 Islington Square, Mr Ellison informed members that a decision on a way forward is urgently needed owing to the building's current state of repair; the building is suffering from significant water ingress leading to high levels of humidity and saturation of the building fabric. Significant dry rot is evident throughout the building and a dry rot fruiting body is visible affecting timbers built into the west gable. The lath and plaster ceilings have collapsed in a number of areas and the building is clad with an asbestos cement roof. Mr Ellison added that historic inappropriate roof repairs have also failed and the building now has visible holes within its roof, exacerbating the water ingress and consequential issues that this causes. Mr Ellison drew members' attention to the recommendation that the walls be supported by a temporary internal structure, which is currently being designed. Mr Ellison informed members that the programme outlined

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in the current draft allows the development to be 'paused' between phases if this is needed. Mr Ellison informed members that the draft plan would see the project completed by March 2028 at the earliest, for use by September 2028. Mr Ellison informed members that the current state of the building poses a risk to people walking past, and parking near to, it. Mr Ellison informed members that the draft plan will shortly be presented to UEB for approval. Mr Ellison added that work is ongoing to negotiate with the council re the purchase of Carver Street. Mr Ellison informed members that the University is looking into the possibility of securing third-party funding towards the works on the basis that renovating the building would benefit the community.

### **9. AOB**

(i) Merseyside Pension Fund

See item three, above.