



FINANCE COMMITTEE

2 July 2025

Present: Mr David Buckley (Chair), Ms Lexie Baynes, Mr Guy Grainger, Dr Reinmar Hager, Ms Philippa Hird, Professor Duncan Ivison and Mr Paul Thwaite.

In attendance for all items: Matt Atkin (Director of Planning), Barra Mac Ruairi (Chief Property Officer), Carol Prokopyszyn (Chief Financial Officer), George Whalley (Deputy CFO) and Kate Brown (Governance Manager) (minutes).

In attendance for Item 3: John Holden (Associate Vice President Major Special Projects) and Tracey Tarbatt (Senior Estates Surveyor and Joint Interim Head of Estate and Space Management)

In attendance for Item 4: Simon Merrywest (Executive Director for the Student Experience)

In attendance for Item 11: John Holden (Associate Vice President Major Special Projects)

Apologies: Patrick Hackett (Registrar, Secretary and Chief Operating Officer),

1 Welcome and Declarations of Interest

Noted: There were no declarations in relation to the agenda.

2 Committee Business:

2.1 Minutes of the previous meeting: 30 April 2025

Received and Noted: the minutes of the previous meeting held on 30 April 2025.

Agreed: to approve the minutes of the previous meeting.

2.2 Matters Arising

Received and Noted: the actions list.

3 Sister JV Update

Received: an update on the Sister Joint Venture.

Noted:

- a) Progress since the last update included the opening of the Renold building providing co-working space for early stage companies with good occupancy so far with 90 of 125 desks occupied.

- b) Venture Café, based in Boston, USA, will be putting one of their UK centres in the building providing global connections for the companies within the building.
- c) The development of the residential aspects of the scheme (Plots H and F) continues to progress in line with plan, with the city's residential market remaining strong.
- d) Commercial development is more challenging. The major consideration is the development of Plot C (on the site of the former Barnes Wallis building) as the first new build commercial building. Market testing is also underway on the potential to bring forward the original part of the Sackville building as a 5* hotel.
- e) Challenges for the project included meeting the requirements of the Building Safety Act, increases in construction costs and weaker demand for commercial spaces.
- f) Members comments focused on:
 - i. The University's current exposure is entirely the land value with no cash exposure. However, this does mean it is off-balance sheet and therefore can be out of view in terms of the real impact. Members were content that there was currently no cash risk but suggested that there needed to be consideration of potential scenarios where a cash provision might be required in order to keep the project on track.
 - ii. The University's reputation also needs to be considered, as the University would not want a position where a commercial activity negatively impacted the University's reputation for innovation.
 - iii. There was concern that the issues with gaining commercial activity in Plot C may lead to pressures for the site to become wholly residential. While it was recognised the University has protections in place to avoid this, alternative options should be explored to guard against this.
 - iv. Whilst the Sackville hotel proposal will enhance the site, there was a question about the benefit to the University.
 - v. A broad overview of scenario planning was suggested to review impacts on finances, reputation and other potential risks for the University. The alignments between the University and the JV partner, Bruntwood SciTech, also needed to be carefully considered. At the moment they were considered well aligned but there was a concern that changes in personnel at the JV partner may impact on this.

Actions

- i) To conduct scenario planning to review impacts on finances, reputation and other potential risks for the University. **Associate Vice President Major Special Projects**
- ii) To consider a potential workshop session for the Board of Governors to provide an overview on the current status of the Sister JV and the scenario planning. **Associate Vice President Major Special Projects/ Governance Office**

4 Residences Redevelopment Programme Update

Received: an update on the Residences Redevelopment Programme.

Noted:

- i) A time lapse video of the Owens Park Tower demolition had created 0.5m impressions on social media over 5 days with positive interactions.
- ii) Work continues on-site on the Squirrels bar and The Limes. There were cost challenges with the Limes development and the University Executive were reviewing the approach.

[REDACTED]

Action: To conduct scenario planning to review impacts on finances, reputation and other potential risks for the University as well as the impact of any further delays.
Residences Redevelopment Programme Team.

[REDACTED]

5 May Management Accounts

Received: a report on the May 2025 management accounts.

Noted:

- a) The University continued to exceed budget and it was expected that it would exceed the prior year's results. [REDACTED]
- b) The Union Affairs Officer questioned the underspend on the carbon budget and it was clarified that this was being reviewed ahead of the development of the Infrastructure Strategy.

6 Annual Budget and Five Year Plan

Received: the Budget and Five Year Plan and a paper outlining the risks and scenario planning.

Noted:

- a) The University was starting in a good place in terms of its cash position but the wider context of issues within the sector was acknowledged. Therefore, it was important for the University to have a clear plan to move forward including controlling costs and increasing income, to allow it to respond to issues as they arise.
- b) As the Manchester 2035 strategy develops there will need to be investment made to support this, the Five Year Plan includes provision for increasing the generation of cash to support this investment.
- c) There was no provision for a growth in students on campus, recognising that the University already has a high proportion of international students. However, there would be a rebalance between postgraduate and undergraduate students. Price increases would also be deployed in appropriate markets
- d) Members comments focused on:
 - i. [REDACTED] It was reported that the focus was on redesigning how we work and deploying technology better to streamline process and enhance the experience for students and staff.
 - ii. The Students' Union were not comfortable with the plan increasing international student fees with the current experience. The proposal for higher fees was a combination between ensuring that the University was placed correctly within the market and charging a premium where appropriate. However, it was acknowledged that the experience needed to improve to support the higher level of fees. There was also concern from members on whether the market for international students would bear the price increases.
 - iii. The biggest risk is the government policy on immigration and international students.
 - iv. There needs to be an integrated approach to the student experience with investment in systems and processes to support teaching. Manchester Online will create the opportunity to rethink teaching methods across the board.
 - v. The University was good at cost control through savings from vacancies; however, this is not a strategic way to control costs. Targeted cost reduction had not been implemented previously and needed to be considered alongside redesign of systems and processes to be more efficient.
 - vi. Members considered it a transformational plan and supported the ambition whilst remaining cautious on the risks. A clear financial shock recovery plan was requested outlining potential mitigations against projected risks e.g. government policy changes, economic situation, etc. It was reported that the current recovery plan would be

reviewed over the summer with the revised version presented to Finance Committee for consideration before being presented to the Board.

- vii. There needed to be a joined up approach to the budget and plan with the major projects of the Sister JV and the Residences Redevelopment Programme to have a full view of the risks to and opportunities for the University

Action:

- i) To submit the cost plan for Professional Services to a future meeting for information. **CFO/ RSCOO**
- ii) To present the financial shock plan to a future meeting. **CFO/ RSCOO**

Agreed: to recommend approval of the Budget for 2025/26 and subsequent 5 Year Plan to Board of Governors.

7 Changes to Financial Reporting Standards & the Higher Education SORP 2025

Received and Noted: the overview on the amendments to the Financial Reporting Standard (FRS) and the new Statement of Recommended Practice for Further & Higher Education institutions (FEHE SORP), from 1st January 2026 resulting in first year adoption for the University within the 2026/27 financial year.

8 CFO Update

Received and Noted: the usual update from the CFO, including:

- Moodys credit rating
- University of Cambridge Banking Forum
- Gillies report into University of Dundee
- Annual Update on Public Procurement Regime status

Agreed: to recommend approval that the University remains categorised as outside the scope of the public sector procurement regime to Board of Governors.

9 Student Financial Context

Received: a report on international students, and their financial circumstances.

Noted:

- a) There was a low number of international students within University accommodation and there should be consideration between investing in residences and keeping prices low and whether this funding could be better spent on other forms of support for a wider range of students, e.g. bursaries etc. The University needs to challenge itself on where it spends its student experience funds to get the best value for all students.
- b) There was an ongoing issue with the delay in visas being issued leading to late arrivals. Whilst this was a government issue, the University could do more to support new international students when they do arrive e.g. through delaying Freshers week or additional events etc. to ensure they still received a comprehensive induction to the University.

10 Capital Programme Report

Received and Noted: an update on the capital programme projects within Finance Committee's purview.

11 Manchester Science Partnerships Annual Update

Received: the annual update on Manchester Science Partnerships (MSP).

Noted:

a) The University retains a 12.2% holding in MSP.

[REDACTED]

c) Progress this year included the development of the Greenheys Building as the new home for UK BioBank.

12 Dates of Future Meetings

Noted: The meeting dates for 2025/26 are:

24 September 2025, 1030-1300 online

05 November 2025, 1030-1300; joint meeting with ARC, 1300-1330 both online

04 February 2026, 1030-1300 in person

05 May 2026, 1030-1300 online

01 July 2026, 1030-1300 in person