

Buffy Williams MS  
Welsh Parliament  
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15 May 2025

## Children, Young People and Education Committee: Response to request for information

Dear Buffy

Many thanks for your letter, and for the invitation to give evidence to the Committee. I welcome the spotlight on the financial challenges being experienced across the HE sector, and look forward to the session on 3<sup>rd</sup> July.

With regards to the information requested ahead of this session, I have set out some key headlines for Wrexham University under the categories set out in your letter:

1. An overview of your assessment of the financial challenges facing Wrexham University, with reference to key data that underpins this assessment (e.g. current and projected student numbers, take-up rates, levels of reserves, etc) for both the coming financial year and the longer-term picture:
  - Wrexham faces similar challenges as the rest of the sector with pay awards, NI increases and increases in pension contributions (particularly TPS at more than 28%, expected to increase to 35% in April 2027), creating the need to generate more income from tuition fee sources. This presents a fundamental challenge to the University.
  - The capping of Home Undergraduate fees has impacted negatively as the fee has remained flat whilst the costs associated with delivering a 21<sup>st</sup> century student experience has increased. Wrexham University has diversified its income streams in response.
  - The recent increase in tuition fees was welcome. However, this is more than offset by the increases in cost base associated with NI increases. Work on the five year forecast for the University indicates significant increases in the cost base through pay, NI, pensions and estates costs. The University will have to deliver growth and efficiencies to ensure financial sustainability.



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Rhowch wybod inni os hoffech chi dderbyn gohebiaeth yn y Gymraeg.  
Ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome correspondence in Welsh or English.  
Please let us know if you wish to receive correspondence in Welsh.  
Corresponding in Welsh will not lead to a delay.

- The University has experienced a drop in Home Undergraduate numbers which has impacted financially. Low participation rates in HE in Wales and an ageing population in North Wales further compound this. This has been offset through the HEIW contract and diversification. The University is also working in partnership to address the low participation issue.
  - International tuition fee income has reduced in 2024/25. Although the June 2025 intake numbers appear to be recovering, they are still lagging behind the level achieved in June 2023. The impact of this has meant a shortfall in the projected income this year; we are currently forecasting a break-even position against a predicted surplus of £1.9m. Student recruitment in the current academic year will also impact on next year's budget, meaning the University will be predicting a deficit next year. The size of this is still being quantified.
  - Full-time Home Undergraduate students (excluding our Health Education Improvement Wales (HEIW) programmes) have been steadily decreasing over the last 5 years. The University leadership team is reviewing the portfolio, aligning it with the needs of industry and local demands to address this.
  - Wrexham's cash position remains positive following the sale of assets that were not being utilised for teaching or research. This cash has been allocated to approved capital projects over the next 2-3 years. Potential future deficits will impact Wrexham's ability to fully execute those plans.
  - During the current budget-setting process the Executive Team are focused on:
    - Delivering efficiencies
    - Diversifying income streams
    - Reviewing the portfolio bringing forward a new refreshed portfolio aligned to skills requirements
    - Reviewing the estate needs and ensuring efficient use of the estate
2. Details of any specific policies at Welsh- or UK-government level that have significantly impacted on Wrexham University's ability to operate sustainably;
- As noted above, government legislation on immigration, National Insurance changes and tuition fee capping all contribute to the sector challenges (noting that the recent increase to the fee cap is to be welcomed).



- Wrexham City has a severe shortage of private rental housing available for students. While we do not point to specific policy, it is important to note that a lack of affordable housing limits our ability to recruit students from across Wales/the UK. This situation also impacts on our wider student experience; students are having to reside further away from campus, facing additional cost and time burdens.
3. The changes that have already been made in recent years by you or your predecessors to mitigate the impact of the financial challenges facing Wrexham University.
- Wrexham University has undertaken a number of restructures over recent years (most significantly in 2018) which has meant that many of the sector challenges have been successfully weathered due to a very lean operating model. However, there is need to ensure processes are more efficient and where possible digitised to enable this lean model to operate moving forward.
  - Previous sale of assets has contributed greatly to a positive University cash position, allowing for excess funds to be invested to earn interest to support the operating position. However, there are ongoing commitments required around condition work on the University estate which will place increasing demands on the Universities finances
  - Winning the HEIW contract to provide commissioned places in nursing and allied health has ensured that student numbers remain buoyant, although significant investment has been required for this programme, in both staffing and capital resources.

I trust this information is of use but should you have any further questions or require or more information prior to the 3<sup>rd</sup> July, please reach out to my office at [vc@wrexham.ac.uk](mailto:vc@wrexham.ac.uk)

Yours sincerely



Professor Joe Yates  
Vice Chancellor and CEO

