

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Cyllideb Ddrafft Llywodraeth Cymru 2025-26](#).

This response was submitted to the [Finance Committee](#) consultation on the [Welsh Government Draft Budget 2025-26](#).

WGDB25-26(6)50: Ymateb gan: Undeb Prifysgol Choleg Cymru | Response from: University and College Union



Mr Peredur Owen Griffiths MS
Finance Committee Chair

Email Only

29 November 2024

Dear Peredur,

The University and College Union in Wales (UCU Cymru) represents almost 7,000 academics, lecturers, trainers, instructors, researchers, managers, administrators, computer staff, librarians, and postgraduates in universities, colleges, adult education, and training organisations across Wales.

As such we have access to the expertise and experience of our members and recognise our duty as a professional body and creative partner. We believe in the liberation of potential through education and training and are determined to pursue the academic and learner interest across a wide range of government policy.

We have prepared the following evidence in response to the Finance committees' consultation on the 2025/26 Wales Draft Budget.

1: HE Sector Finances – a State of Emergency

Having had sight of Universities Wales's written submission to the Draft Welsh Budget consultation, we have prepared our evidence to compliment key elements of their response. We take an opportunity to recommend Universities Wales excellent piece of work whilst, at the same time, exploring the scope of the funding issue and describing its immediate implications for university staff.

In short, UCU Cymru describes an immediate, industrial crisis which does not exist in any other part of the Welsh economy. Moreover, we further suggest that the competitive environment in which universities exist, place them at a marked political disadvantage when compared to directly

funded public services. Finally, we identify a sum of money which we believe could stabilise the sector in the short term whilst stressing the necessity of achieving far reaching UK University funding reform.

Every £1 of public money invested into universities across Wales generates over £13 in positive, economic impact. Institutions play a vital role in supporting growth and innovation in addition to devising solutions to key challenges such as the climate crisis and boosting productivity. Moreover, they bring prestige to our communities and anchor schools and local business.

Added to this, Welsh universities continue to act as a levelling force. Not only do they offer learners transformative life chances but also strengthen us culturally, increasing diversity and social cohesion.

Sadly, at a UK level, Higher Education has suffered at least eight years of systematic neglect which, combined with the recent hike in operating costs, risks bringing many Welsh institutions to their knees. With at least one Welsh institution suffering severe liquidity issues, the recent increase in employers NI contributions can only exacerbate operating pressures.

In contrast to health boards, schools and local authorities; given the nature of sector competition, a university is highly unlikely to advertise its financial difficulties. Indeed, the stock sector response to severe pressures involves generating an ever more positive stream of messages to evidence their net contribution. As things stand, it is our view that the Committee needs to interpret this not so much as a business case but as a plea for the continued existence of many Welsh universities.

After all, whether in terms of restructuring, voluntary severance, actual pay freezes or the very real risk of compulsory redundancy, it is the workforce and learners who bear the brunt. Across Wales, and following a series of voluntary severance schemes, various institutions are currently preparing to defer pay settlement in 2024/25. This compounds below-inflation awards for at least six consecutive years. Furthermore, Cardiff University has failed to rule out the prospect of compulsory redundancies, leaving staff facing an uncertain future.

Noting the severity of the crisis, UCU Cymru sees no other area of the Welsh public sector in which these conditions exist.

Our members already go above and beyond. Compensating for overburdened public services, they frequently find themselves supporting learner wellbeing and mental health. As it stands, UCU Cymru questions whether this can be sustained under current conditions.

Moreover, academics constitute a highly portable, transnational workforce. Whether in terms of research or teaching, many are considering leaving Wales if the position does not improve. **Furthermore, seeing little coherent action from the UK Government, UCU Cymru members will continue to hold their red line against compulsory redundancies. Without remedy, this will make prolonged industrial action all but inevitable in many Welsh institutions.**

UCU Cymru argues that any increase must be used to stabilise and grow the sector. We cannot use this funding to further enable voluntary severance, redundancy, imposed restructures or course closures. If cash is provided for voluntary severance, this needs to be separate and additional to the extra needed in the sector. We need to invest in growth - not decline.

Similarly, we see distinct divergences in institution's response to these pressures. In the first case, some Vice Chancellors move towards social partnership and engage with unions to innovate creative solutions. In the second, conditions of crisis embolden the executive. This weakens governance and undermines the solution focused methods of working which could otherwise mitigate against risk or business failure.

Ultimately, this process exposes the fallacy of subjecting universities to adverse financial pressures in the belief that it will somehow drive them towards sustainability.

The Welsh participation gap is a matter of record. We know that less Welsh young people go to any university when compared to those in other nations. Any serious attempt to address this will mean raising the profile of higher education in schools and colleges. Indeed, and in common with Manchester, Medr and the Welsh Government should be assisting the compulsory and tertiary sector to identify novel opportunities for visible collaboration in terms of pedagogy, curriculum and qualification reform.

Sadly, without immediate action, Medr will feel forced to cut additional projects back to the bare basics, arguably putting Wales behind the curve for a generation. Nor can we trust that falling participation will be addressed by an otherwise inevitable process of course closure, consolidations and mergers. Taking higher education 'further from home' can only exaggerate inequalities of access.

Finally, none of this considers the effects of an actual failure. With at least one smaller university at severe risk of insolvency, we invite the Committee to consider the economic and reputational devastation which would follow an orderly or disorderly collapse. Suffice to say that it would be at least as bad as Tata Steel and, in terms of its enduring regional and international impact, invariably somewhat worse.

It is within the Welsh Government's gift to prevent this. UCU Cymru estimates that an additional £60 million could stabilise the sector and, at the very least, offset the consequences of the National Insurance rise, rising energy prices as well as a drop in international recruitment. Additionally, whilst UCU Cymru opposes the fee regime, we acknowledge that were Welsh Government not to raise fees, this would place Welsh universities at a severe operational disadvantage.

UCU Cymru freely admits that our recommendation can only mitigate decline in the very short term. This is why it is vital that Welsh Government uses its influence with UK and devolved government(s) to drive a conversation around HE funding reform and a more equitable remedy to existing arrangements. Whilst outside the scope of this enquiry, every forecast suggests that our children are likely to work harder, for longer, paying more tax and under more precarious conditions to support an older and unhealthier population. It is thus clear that we cannot encumber this unfortunate generation with evermore debt. Rather, all beneficiaries must make a direct contribution.

2: FE Sector Finances – Under Stress

Since September 2022, the state of public finances has significantly worsened, with colleges facing a series of painful funding settlements between now and the end of the current Senedd term. Alongside these wider pressures on the annual funding settlement there are additional pressures from the cost of living and the lack of sufficient replacement funding Post-Brexit.

Added to this, the cost of additional learning

needs and qualification reform have not been adequately covered. Whilst UCU Cymru enthusiastically welcomes the move to foster equality and access, they will not work unless properly resourced.

Of greatest concern, many colleges have chosen to focus staff savings on professional services departments with lecturers being asked to pick up the additional work. UCU Cymru will push back against the normalisation of a toxic workload culture which undermines the needs of learner and professional development.

As a baseline, UCU Cymru argues that Welsh Government needs to invest in colleges. Anything other than a real term increase in budgets will prove to be a false economy. Moreover, the cost of this failure will most likely be carried by the most vulnerable.

The Welsh Government must ensure that the financial burden of otherwise necessary reforms is fully funded and that practitioners have the opportunity and time to undertake genuine professional learning. It is one thing to design a qualification but quite another to teach it. Lecturers need the space in their workload to develop pedagogies and hone their craft.

Finally, and in common with higher education, if cash is provided for voluntary severance, this needs to be separate and additional to the extra needed in the sector.

3: Social Partnership – Collaboration & Savings

As recently illustrated in further education, social partnership provides *the* opportunity to disinvest conflict whilst liberating innovation. UCU Cymru's successful pilot in Coleg Cambria clearly demonstrates how rapidly genuine partnership can move beyond essential 'bread & butter' matters, to creatively engage with the most challenging issues of our time.

Since its inception, the partnership has spawned a number of unique projects; most recently an action research study around how artificial intelligence might be used to ameliorate lecturer's workload.

In our response to 'Wales – a new Economic Mission' UCU Cymru argued that social partnership must be at the forefront of innovation. However, securing these gains requires some limited, up-front investment (remission & facility time) alongside the political will to establish conditions of trust from the top down. In that respect, it is significant that Coleg Cambria's partnership structure hinges upon the relationship between the union lead and college principal which are then replicated throughout the organisation by partnerships at a departmental level. Similarly, the separation between partnership and negotiating functions allows for deeper co-decision and agility.

Against the backdrop of bad fiscal weather, social partnership provides a unique opportunity not only to navigate the impact of underfunding but also co-create solutions to otherwise divisive problems (such as the introduction of novel technologies and achieving Net Zero).

Finally, it is worth noting social partnership's potential role in achieving cost savings as it matures. For example, in higher education, considerable funds have been directed to Advance HE in pursuit of a Race Equality Charter mark. However, most stakeholders agree that the projects have been under resourced and have achieved only limited bandwidth. The Anti Racist Plan mandates universities to work with trade unions. Had this actually occurred, we have little doubt that far greater systemic change

would have been achieved with a lot less cost attached. We contrast this to the excellent work which has occurred within social partnership in colleges.

Noting these advantages, UCU Cymru recommends that government maintains and intensifies its investment throughout 2025/26

Funding for Wellbeing – a case in point

UCU Cymru and Welsh Government have both recognised the crucial relationship between learner and staff mental health. Whilst there exists a great deal of academic material around this issue, the matter was best summed up by past NUS Wales President, Orla Tarn. Giving evidence to the Senedd CYPE Committee, they remarked, “staff cannot pour from a glass half empty”.

Since 2021, UCU Cymru has been working with Welsh Government and colleges to develop a network of wellbeing reps. Since then, the ‘Well Aware Project’ has gone from strength to strength. The project highlights the shared commitment to tackling workload and wellbeing challenges that are ever present in Further Education in Wales. The social partnership between Government, Trade Unions, employers, and employees is pivotal to the long-term success of Welsh FE. They are working tirelessly to support the development of a Welsh FE sector which provides an excellent learning experience for learners across Wales. A sector seeking to tackle the challenges of staff workload, to actively support wellbeing, to build meaningful and lasting social partnerships, and to provide a learning environment that meets the complex and changing needs of today’s learners.

Rather than outsourcing the issue of wellbeing to consultants or external organisations, ‘Well Aware’ constitutes an excellent example of sector collaboration and social partnership.