



Welsh Government draft budget proposals 2017/18

Cardiff University response to the Welsh Assembly Finance Committee

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Cardiff University is deeply committed to working with the Welsh Government to contribute to social justice and to improve the prosperity of the Welsh economy, tackling barriers to growth.

There are difficult decisions about where to invest public funds. Investment in universities can reap rewards for Wales. The value of the education we offer, as well as our research and development capacity, leverages investment into Wales (an independent report by London Economics (October 2015)¹ found that Cardiff University contributes £2.7bn annually to the UK economy, generating more than £6 for every £1 we spend).

Investment in universities also contributes to the Welsh Government's aim of improving the quality of information available to inform policy with evidence.

Q1. What, in your opinion, has been the impact of the Welsh Government's 2016-17 budget?

We are grateful that the committee was able to work with Welsh Government to reduce the 2016/17 budget cuts from originally planned levels. We understand the pressure on public funding and are actively working to grow our income from non-public funding sources whilst controlling our costs. We want to harness our strengths to do well for Wales and financial resilience is a key guiding principle for what we do. Reductions to public funding for Welsh higher education are happening at a time where institutions in England who we compete with for talent have the ability to increase their income in ways not available to us, whilst funding for more expensive subjects - including Medicine and Dentistry and innovation funding have been protected.

Therefore it would be helpful if the Committee could consider working with Welsh Government to reflect on how Welsh universities can be supported to compete on equal terms with other UK universities. This will enable Welsh universities to continue to attract the best qualified students with the ability to succeed, and to continue to deliver internationally excellent research and innovation that has real benefits for Wales.

¹ [Economic and social impact of Cardiff University, London Economics, October 2015](#)

Q2. What expectations do you have of the 2017-18 draft budget proposals?

The 2016/17 budget has enabled us to continue to invest in education and research that will benefit Wales, and have global impact. Sustainable investment into Welsh Universities, whether through direct public funding or a policy environment which enables us to strengthen our financial resilience and compete for talent are key ingredients for us to be able to continue to deliver the public and economic benefits to Wales.

Q4. The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on the areas identified below?

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- Preparation for the UK to leave the EU

We are committed to working in partnership with the Assembly, with Welsh Government and other partners to navigate the best course for Wales as Britain exits the EU. Though the UK's exit from the EU will bring challenges, we are committed to seeking opportunities in the new world context. We want to continue to form productive collaborations across Europe and across the world. Working with Welsh Government, we would like to identify how investment in research and innovation can continue most effectively.

Uncertainty presents the biggest risk to Universities, because this creates instability in investment. We welcome the UK Chancellor's reassurance on Structural Funds and Horizon 2020 projects and the work WEFO are doing to secure funding. Any further assurances Welsh Government can give would help further strengthen confidence in continued investment.

The other area we would like to work on with the Welsh and UK Governments is securing greater certainty for our staff and students from the EU. The main areas of uncertainty in this context remain clarity on access to financial support and fees for EU students and clarity around immigration rules for both students and staff. A drop in student recruitment from the EU would have a financial impact and would change the diversity of our student body. Many of our high performing research teams are strengthened by an environment which promotes international mobility.