UPDATE TO THE CHILDREN, YOUNG PEOPLE AND EDUCATION COMMITEE

23 May 2025

Our Academic Future consultation was launched on 28 January 2025. The consultation process remains ongoing and there will be subsequent changes. This information is correct as of 23 May 2025.

In 2024, Cardiff University launched its new, ambitious strategy to reposition itself in the face of existential challenges to the higher education sector. Building on our history, values, strengths, resources, and networks, and drawing on our academic and professional expertise, we developed 'Our future, together' which charts our course to 2035.

It defines our overall mission as co-creating and sharing new knowledge, to deliver a better world for future generations.

Through Y Sgwrs Fawr – The Big Conversation, we engaged with staff, students and wider stakeholders over the course of a full academic year and heard clearly that we needed to change.

This included a strong message that Cardiff University should be for Wales, not just in Wales, and our students were clear that student experience should be wider than taught content.

Our Academic Future consultation takes the strategy as its 'north star' and proposes that in the short-term Cardiff University becomes a slightly smaller, more focused university.

This strategic intent should be viewed in the context of a decade of sustained growth – and the proposals would still see Cardiff University offering more places to study than in the pre-pandemic years. As noted in our previous evidence, this will include 'holding tariff' more consistently and allowing us to improve the staff and student experience.

We also needed to ensure, at pace, the financial sustainability of the institution, for current and future generations. We had already taken a series of measures to control costs, including a recruitment freeze, two voluntary severance schemes, a thorough review of non-pay costs, and estates disinvestment before we launched Our Academic Future consultation.

Update on Our Academic Future consultation

At the beginning of Our Academic Future consultation period, Cardiff University committed to a transparent and genuine consultation process, including meaningful engagement with our trade unions.

The 90-day consultation period closed on 6 May. University Executive Board will be finalising Our Academic Future plan on 3 June.

This plan will be put to our University Council for approval on 17 June, showing how the plan will address the academic and financial sustainability of Cardiff University.

Our full timetable for the remainder of the consultation is attached (Appendix 1) and we will update the committee on the final decisions once they are agreed.

As part of our discussion with trade unions, we agreed to update staff and students where possible during April and May. In these announcements, we were able to:

- confirm that we are now seeking to reduce FTE headcount by 138 (reduced from the 400 originally proposed). This figure may reduce further as more people leave the university through voluntary means and we consider other alternative proposals as part of our ongoing consultation with staff and the unions.

- rule out compulsory redundancies in 2025 related to Our Academic Future or the wider transformation programme, in agreement with our trade unions.

- put on hold proposals to divest from nursing while we discuss alternative proposals with Welsh Government, HEIW and other partners. We are still awaiting agreement from Welsh Government and HEIW at the time of writing.

- accept alternative proposals from the Schools of Mathematics, Chemistry and Nursing which have lowered the headcount reduction proposed for those schools.

- continue to engage with staff working on a wide range of other proposals, particularly with our College of Arts, Humanities and Social Sciences and expect that a number of them will be accepted as part of our decision-making process.

- announce our proposals to develop transnational education (TNE) provision. The proposed entity in Kazakhstan has enabled us to lower the headcount reduction proposed for specific schools by 34 FTE.

- accept 133 voluntary departures through our voluntary severance and voluntary redundancy schemes, as well as through natural turnover of staff.

- reduce the staff in the “in-scope pool” of staff potentially facing redundancy to 418 people (360 FTE).

- confirm the exploration of foundation degrees in Nursing and Mathematics to further widen participation for the broadest possible range of talented candidates into Cardiff University.

Update on the implementation of our wider strategy

The purpose of the Our Academic Future programme (and related restructuring) is to create a sustainable foundation for the future of our teaching and research.

This in turn will enhance student and staff experience. Our aim is to establish a strong ‘academic footprint’ that will allow us to live within our means, reinvest in key areas that will allow for future success, and ensure that Cardiff University is effectively positioned to deliver on the needs of Wales in the future.

In our previous evidence to the committee, we noted the challenges Cardiff University has faced in league tables in recent years. Addressing this decline is a priority. For example, our placement in the QS World Rankings not only impacts our ability to recruit international staff and students, it has real-world impacts on all our students and alumni, whose job prospects are influenced on the ranking of their university. Our proposals to hold tariff and our strategic aim to invest in areas of teaching and research excellence are key to enhancing our league table position.

Our Academic Future consultation is also part of a wider repositioning of Cardiff University. In addition to the work on our future academic footprint, we have been 'fixing the fundamentals': in essence, re-organising our professional services and leadership activities to reduce duplication and complexity and simplify decision-making.

This will lead to a more efficient institution and a better staff and student experience. We are also investing in student hubs to improve significantly the ability for our students to access personalised education and student experience services in locations convenient to them.

We are moving at pace to develop new programmes and delivery methods to attract additional students to Cardiff. We have begun work to make our curriculum more innovative, including scoping a radically new interdisciplinary undergraduate 'Futures curriculum' based on experiential learning that will equip our students to be active, ethical and capable agents in a changing world.

We are providing opportunities for staff to experiment and innovate with new approaches to education and develop new collaborations across the University.

Following the commitment to lifelong learning signalled in our strategy, and in line with Medr and Welsh Government's ambitions for an enhanced lifelong learning offer across Wales, we have begun work to establishing a new Institute for Flexible Lifelong Learning.

Our aim is to develop a highly attractive portfolio of offerings including, for example, modularised master's programmes, stackable microcredentials and non-accredited short courses that will complement campus-based programmes and transnational education developments.

These changes will also allow us to better contribute to the skills base of Cardiff and Wales, and to respond to changes in the demand for education.

Update on the wider financial context

In our initial submission to the committee, Cardiff University highlighted the financial challenges facing the sector. These pressures have been known for some time, including the declining value of the Home tuition fee, the decision to cap fees for Welsh universities at £9000 (rather than £9250) for longer than in the rest of the UK, inflationary increases in overall costs, and signs of flatlining in UK undergraduate demand.

The dramatic decline in the number of international students (especially postgraduate taught international students) in recent years has been a tipping point for the sector. International income is typically 18-19% of Cardiff University's budget and cross-subsidises both teaching of domestic students and our research activity.

Many commentators have recognised the impact of these factors on UK universities. PwC noted that "universities are facing significant pressure given constraints on their ability to generate income, increasing investment requirements and an escalating cost base. This is placing strain on margins and driving greater reliance on cross-subsidisation, particularly from international student fee income, which has led to increasing concerns about over-reliance."[1] Recent budget submissions by Universities Wales identify the specific challenges in Wales, noting that participation rates are lower in Wales and that "the current financial position for universities is not sustainable."[2] The Chairs of Universities Wales also warned about the sustainability of the sector in multiple meetings with HEFCW and in a letter to Welsh Government in May 2023.

Since Cardiff University's announcement in January, a significant number of UK universities – including members of the Russell Group - have also announced they are having to reduce staff numbers in order to meet their financial challenges.

Our approach at Cardiff has been to move earlier than many other universities, and with more clarity in terms of our proposals, in order to ensure that we have solid foundations for our future. Due to the voluntary departures outlined above, and our ability to accept alternative proposals, the headcount reduction we are seeking to make has now decreased to 138 FTE, which is similar in proportional terms to other institutions.

In April, we received a regular update to our credit report from Moody's. Whilst this re-confirmed our A1 credit rating, this independent, expert analysis noted that we currently have a higher reliance on international students and a moderately weaker operating performance than some of our peers. It also stressed the importance of taking action, stating that "Cardiff [University]'s ratings could be downgraded if its cost reduction exercise is not successful in improving its operating performance and offsetting realised and projected falls in international students."[3]

Update on international trends

Figures released by the Home Office in February 2025 underline the recent challenges in international student recruitment. In 2024, there were 393,125 sponsored study visas granted to main applicants across the UK, 14% fewer than in 2023.[4]

Much of the increase in foreign students coming to the UK between 2019 and 2023 were from Indian and Nigerian nationals. However, the number of Indian nationals studying in the UK decreased by 36% between 2022 and 2024 and the number of Nigerian nationals decreased by 68% over the same period.

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[1] PricewaterhouseCoopers "UK Higher Education Financial Sustainability Report" (2024)
[2] Universities Wales and Chairs of Universities Wales, "Joint response to the Finance Committee of the Senedd's call for information on Welsh Government Draft budget proposals for 2025/26" (2025)
[3] https://www.moodys.com/research/docid--PR_505185
[4] Home Office "Why do people come to the UK? Study" (2025)

Cardiff University's own recruitment figures ahead of the 2025/26 academic year show a steep decline in applications from international students compared with the previous academic year.

In our initial response to the Committee we identified the following factors as key to the drop in student recruitment:

- The previous UK Government's rhetoric on international students has meant that the UK is now perceived as a considerably less welcoming destination for students and they are choosing other destinations which have more attractive visa regimes.

- Following the pandemic, patterns of international student mobility have changed, with more students choosing to study closer to home in countries like Malaysia and Singapore, which have ambitions to be global education hubs.

- The quality of universities worldwide is improving, meaning there are more options for students to remain in their home country.

- Cardiff University is struggling to compete with other, higher ranked and better recognised UK institutions, within a smaller pool of international applicants.

The proposals in the immigration white paper released on 12 May will further affect UK universities' recruitment. Changes such as the reduction the post-work study element from two years to 18 months means that we have less generous visa schemes than key competitors such as Canada and Australia.

We are concerned about the financial implications of any proposed levy on international student fees, should the Welsh Government follow the proposed course of action for English universities. This would have a significant impact on universities during a time of unprecedented financial difficulty. In the longer term, extending the standard qualifying period for permanent residence from five to ten years makes the UK less attractive than competitor nations, and will make it harder to attract the very best international staff. We would also note that international faculty density is a key factor in the QS World Ranking, so it can affect our ability to improve our international ranking scores. Moody's has declared that visa restriction proposals are "credit-negative" for universities.

The second element of this change in student mobility is an increased appetite for UK universities to be delivering education outside of the UK. Transnational education (TNE) is a long-established feature of the UK higher education system that is now gaining increasing attention given changing patterns of student mobility. It enables us to raise Cardiff University's global profile whilst also diversifying our income.

The most recent data from Universities UK[5] (based on HESA data) demonstrates that:

- In 2022–23 606,485 students across 228 countries took part in TNE provided by 173 UK HE institutions.

- Asia is the largest host region for UK TNE, accounting for over half of all TNE students (51.5%).

Cardiff University's strategy – *Our Future, together* – commits us to addressing the changes in international education by "establish[ing] a network of well-developed, reciprocal, transnational education partnerships across the globe.

Our venture in Kazakhstan is the first in a network of transnational education partnerships, with another to follow shortly in Singapore and scoping underway for various other regions.

Our activity in Kazakhstan will support jobs in Cardiff and develop a revenue stream for Cardiff University that can support the research and teaching activity in the institution in the future. It has enabled us to decrease the headcount reduction initially proposed in Our Academic Future by 34 FTE.

We are not making a capital investment in Kazakhstan. To date, the only money we have spent on this project has been on due diligence – which we've done robustly, using a variety of companies. While Kazakhstan is a relatively new country for UK universities to operate within, there is a burgeoning international education presence there (see appendix 2).

Competition Law

Since January, legal commentators have added to the discussion about the challenges competition law places on higher education providers.

Writing for Wonkhe, competition lawyer Kate Newman said that "collaboration efforts risk putting higher education institutions on the wrong side of the law" and that "a clear understanding of where the line is drawn between collaboration which promotes competition and delivers consumer/student benefits, and collaboration which reduces or distorts competition, is therefore important."[6]

Dr Paul Greatrix, former registrar of University of Nottingham, has also written an article outlining potential options for protecting courses which are at risk at a number of institutions. His preferred option is that "the Chair of Universities UK and other sector representatives could seek to have an open discussion with the relevant Secretaries of State to agree a period of understanding in relation to these matters meaning that no-one would be prosecuted for doing

[5] Statistics from Universities UK: https://www.universitiesuk.ac.uk/what-we-do/policy-and-research/publications/features/uk-higher-education-data-international/transnational-education-tne-data
[6] Newman, Kate "Competition Law is a constraint to collaboration in HE but need not be an impediment" (2025)

the right thing" [i.e. collaborate on course closures].[7] This echoes concerns made by the Chairs of Welsh Universities in 2023.

Cardiff University agrees with both Welsh Government and Medr that it is in the long-term interests of Wales to have a more differentiated and collaborative, rather than competitive, sector. We wish to support the Welsh Government's work to map the provision of what they consider to be strategically important subjects.

Clarifying and revising UK Competition Law to support collaboration between higher education providers would bolster the ability of the sector to deliver on this vision. We note the recent comments by Juliette Enser, Executive Director for Competition Enforcement, Competition and Markets Authority that they are "talking to stakeholders across the 4 nations of the UK to get an understanding of whether competition law concerns are preventing universities from working together in ways that could be good for the economy" and that they have been "investing less in helping those looking to push forward with beneficial collaborations."[8]

[7] Greatrix, Paul "Collaborating is in everyone's interest or rigging the market" (2025)
[8] Speech text available here: https://www.gov.uk/government/speeches/competition-enforcement-a-view-from-the-cma

Appendix 1:
Consultation timeline

Collective consultation via Trade Unions and engagement with staff, students and stakeholders continues throughout.

6 May - End of Phase 1 of consultation:
- Deadline for receipt of alternative proposals
- Collective and individual consultation on current proposals ends
- Application window for Voluntary redundancy closes

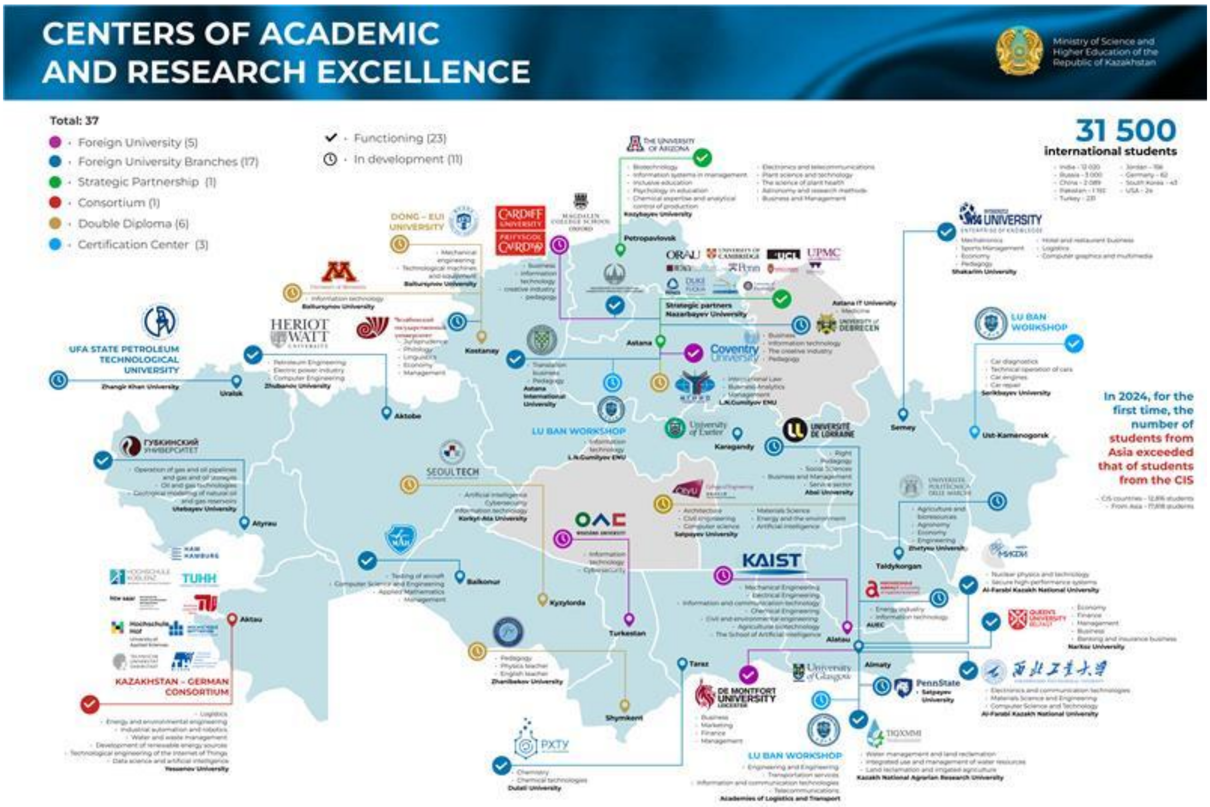
7 - 19 May - Review of alternative proposals:
- Enhanced Retirement Scheme 8 May-6 June
- Academic Futures Task & Finish group to review all proposals
- Modelling of credible proposals - UEB review of whether alternative proposals meet aims
- Engagement to inform final proposals

20 May - 3 June - Finalising proposals:
- Integrated Impact Assessment updated
- Final implementation plans developed
- Trade Unions consulted, and inform final implementation plans
- Clarification of any points of detail
- Business case to be agreed by UEB

4 June - 17 June - Decision making:
- Proposals and business case presented to Senate and to Finance and Resources Committee on 11 June
- Proposals and business case presented to Council on 17 June - final decision

18 June - 30 June - Defining next steps:
- Trade Union engagement
- Communications on decision / implementation plans
- Staff engagement on next steps
- Publication of detailed timetable for July-December 2025
- Arrangements put in place to support implementation

Appendix 2:



CENTERS OF ACADEMIC AND RESEARCH EXCELLENCE
Ministry of Science and Higher Education of the Republic of Kazakhstan
Total: 37
Foreign University (5)
Foreign University Branches (17)
Strategic Partnership (1)
Consortium (1)
Double Diploma (6)
Certification Center (3)
Functioning (23)
In development (11)
31 500
international students
In 2024, for the first time, the number of students from Asia exceeded that of students from the CIS
DONG - EUI UNIVERSITY
HERIOT WATT UNIVERSITY
UFA STATE PETROLEUM TECHNOLOGICAL UNIVERSITY
LU BAN WORKSHOP
SEOULTECH
KAIST
Coventry University
UNIVERSITÉ DE LORRAINE
DE MONTFORT UNIVERSITY LEICESTER
PennState
KAZAKHSTAN - GERMAN CONSORTIUM
TUHH