

Buffy Williams MS  
Chair, Children, Young People, and Education Committee,  
Senedd Cymru,  
Cardiff.  
CF99 1SN

Monday 8<sup>th</sup> September 2025

Dear Buffy Williams MS,

Thank you for your letter with additional questions relating to the Committee's inquiry into issues facing the Higher Education sector. Please take the below as a joint response from me and Pat Younge, Chair of Cardiff University's Council.

**Q1. "In light of the changes to the proposals, can you provide more information on the financial challenge and the targets or Key Performance Indicators you have set for the University's financial performance for each year to 2029-30. While you provided three examples during our session, we would also appreciate some specific information on the targets you have set for generating savings and any gaps as a result of the changes to the plans?"**

Financial challenges for the Welsh university sector continue. This year's confirmation and clearing (the process through which we fill places at undergraduate level) was extremely competitive. UK universities, including the majority of the Russell Group, competed to secure as many undergraduate home students as possible to compensate for ongoing significant declines in postgraduate international students. At the time of writing we are experiencing a 25% decline in visa applications from postgraduate international students compared with last year, and expect this position to worsen.

Further changes to immigration have been proposed in the UK Government's immigration white paper, including a proposed 6% levy on international student fees in England. This combined with the UK Government's Home Secretary's [recent announcements on international students](#) has continued to deter international students from choosing the UK.

The decline in international student numbers is critical given that inflation indexing of home tuition fees is not yet in place and cost recovery on our research is now down to around two-thirds. Meanwhile our operating costs continue to rise, for example the impact of the National Insurance increase.



We have sought to be responsible by addressing our financial challenges early, while we still have reserves we can draw upon. We have budgeted to draw down a further £28m of our reserves this year. The balance freely available to spend in July 2024 was £41m and this is budgeted to reduce to £15m by July 2026.

At our July meeting of University Council, Council formally adopted generation of 2-3% operating surplus as our medium term financial KPI. This level of operating surplus is common across the HE sector globally and will allow us to invest for the future. This investment includes investments in our student residences estate which will cost £500m over the next ten years, as well as wider investments in our teaching and research estate, digital transformation and the student experience. In an increasingly competitive environment it is critical that we retain excellent facilities to attract both students and research income.

We have run a deficit budget for every year since 2022/23. Council recently approved our 2025/26 budget and our financial targets for the next four years. This budget moves us towards our medium term aim of an operating surplus of 2-3%. We expect to have a deficit budget until 2028/29 as it will take us time to realise the savings from the actions we have taken, and to generate new streams of income. Council was clear that the University needs to be in surplus by the end of 2028/29.

## **Q2. “What is the timeline for realising these savings?”**

We began seeking savings in early 2024, reducing operating budgets across the university, putting in place strict staff recruitment controls, running voluntary severance programmes, pausing academic promotions and beginning a programme of estates disinvestment (most visibly the sale of McKenzie House but also properties on Park Place, Corbett Road and Maindy Road).

We were explicit at the time that this approach would not allow us to deliver on our new university strategy and would not solve the university’s overall financial challenge. The tightening of budgets year on year has negative implications for staff and student experience as we try to deliver the same amount of research and education with fewer resources and people.

Nonetheless, these efforts delivered savings that include:

- £3.9m of annual salary reduction relating to academic staff who were based in schools which were not ‘in-scope’ during the Our Academic Future process.
- £4.5m of annual salary reduction in professional services staff costs delivered through the voluntary severance programme.
- £15m out of our non-pay budget. These included cost controls to IT, maintenance, travel and external venue budgets.

In early 2025 we launched the Academic Futures consultation in order to establish our future academic footprint. This sought to achieve both financial and academic sustainability. The Our Academic Future business case delivers annual savings of £20m in gross savings (£14.1m in net) per annum by 2029/20. This comprises:

- £8.1m annual salary reduction from 83.3 FTE agreed via Voluntary Redundancy (VR) from staff based in the 'in-scope' Schools. These have already taken effect.
- £6.4m annual salary reduction from 67.9 FTE agreed via Voluntary Severance (VS) and other voluntary exits including natural turnover. These have already taken effect.

Combined this means that we have realised £14.5 million in gross savings through Academic Futures for 2026-27.

- A further £5.5m anticipated saving is projected from the 69.6 FTE further reductions planned to 2029/30. These will occur gradually between now and 2029/30.

**Q3. “During the session, you also indicated that there is scope for further savings, can you provide more detail on where you envisage these savings coming from?”**

The Our Academic Future process will not, and was never intended to, entirely resolve the financial challenges faced by the University. Complementary pieces of work are underway to this end; collectively, these projects will deliver a holistic transformation and return Cardiff University to a stable academic and financial footing.

Whilst Our Academic Future was a single process that examined the sustainability of our entire academic footprint, changes to our professional service will take place steadily, with different services being considered separately.

Ongoing projects will redefine our professional services to improve service provision and also reduce duplication and inefficiency. This includes bringing in standardised processes and ways of working, rather than multiple ways of achieving the same goal. This will be underpinned by digital transformation and investment.

We will further rationalise our estate, which will reduce energy and running costs and allow us to receive capital receipts where sale of buildings is deemed appropriate. For example, housing the new School of Global Humanities in a single building will allow us to save approximately £1.8 million per annum through vacating other properties.

**Q4. “What plans do you have to increase income generation, and how do these factor into the long term plans for the institution?”**

In addition to continuing to refresh our traditional academic portfolio in response to changing student demand, there are four significant areas of activity which will diversify our income stream and meet our strategic priorities as an institution to adapt to a changing world with changed patterns of student mobility, an ageing population, and an increasingly dynamic city region.

All of the following projects are still being shaped and we will be able to estimate the financial benefits of them as part of this work.

### *Transnational Education*

In common with many other UK universities, including our Russell Group peers, we will offer more of our programmes outside our traditional campus in Cardiff, building on long-standing international partnerships. The most significant of the new developments is the establishment of Cardiff University Kazakhstan. This branch campus will educate 2,500 students a year at maturity. We are also examining TNE opportunities elsewhere including Singapore, where we have an existing partnership with the Singapore Institute of Management, and China where we also have strong relationships with partner universities. These will provide new opportunities for Cardiff University to deliver research and education globally, raise the international reputation of the university, Cardiff and Wales more generally, and will generate new revenue streams that can cross-subsidise our other activities.

### *Flexible Lifelong Learning*

Our new university strategy commits us to further developing our lifelong learning offer, responding to shifting expectations and changing demographics, and also supporting the wider skills agenda of Welsh Government. Our ambition is to be 'flexible by default'. This will mean new approaches and delivery models that will offer what flexible learners want and need. For example, we envisage new flexible master's programmes, stackable micro-credentials (where learners can learn at their own pace and combine courses to achieve a larger award, e.g. a postgraduate certificate or diploma), as well as non-accredited short courses addressing employer needs. We are currently recruiting a new Director and will then establish a Programme Board to lead this work through new and expanded partnerships with industry and public sector organisations.

### *Commercialisation of research*

Recently we announced the launch of Draig Therapeutics, a spin-out based our world-leading research into new therapies for neuropsychiatric disorders. This included a £107 million investment from investors, the most significant commercial investment into Welsh research to date. This represents our potential to scale up commercialisation of our research and innovation. To this end, we have recently established Cardiff Innovations Ltd as a wholly owned subsidiary of Cardiff University. Cardiff Innovations will offer a highly visible and effective 'front door' allowing businesses, investors and collaborators with exciting innovation opportunities to work with us – extending our globally recognised research, expertise and advanced facilities. This model will enable us to reinvest from our successes and develop commercial expertise for decades to come, supporting the next generation of researchers and innovators from across Cardiff University.

### *Commercialisation of estate*

As noted in the Committee meeting, we are currently not well-established for hosting major conferences. Nor do we currently use our estate for wider revenue generating opportunities. We will appoint a Commercial Director on a fixed-term basis to deliver a

return on investment on our estate. Amongst other opportunities, we expect changes in use of the building currently used by the School of Music, and forthcoming investments in our Halls of Residence will see more of our facilities used by a wider range of people.

**Q5. “During the session you indicated “the majority of that stress-related data refers to personal stress, not workplace stress”. The UCU told us this was “ ... just not true ...” The external audit of Occupational Health and Safety, ISO45003 said that the data shows that work related stress and work related depression have remained “consistent” across 2024 and 2025. We also note that this audit said “The vast majority of CU clients contact Vivup whilst still in work. The level is higher than the Vivup average seen across all its clients”. In light of these findings, would you wish to clarify your evidence to us and provide evidence that supports it?”**

Our overarching Safety, Health, Environmental and Wellbeing (SHEW) management system provides a framework, based on continual improvement, for delivering SHEW. The management system is certified to:

- ISO 14001: 2015 - Environmental management systems
- ISO 45001: 2018 - Occupational health and safety management systems
- ISO 45003: 2021 - Occupational health and safety management - Psychological health and safety at work

Cardiff University is, as far as we are aware, the first higher education institution in the UK to be certified to all three of these management standards and as an early adopter of ISO 45003, was the first client of the external audit body to be certified to the standard. The University was recently recommended for continued certification to all three standards during the annual external surveillance audit conducted by NQA in May of this year.

The University is monitoring key data such as sickness absence, occupational health (OH) and Employee Assistance Programme (EAP) data to identify trends in mental health and specifically work-related stress to enable intervention where appropriate. During the last academic year the majority of the data has remained consistent:

- Sickness absence: This data shows that for the 12 months preceding the end of April 2025 the proportion of absence days caused by stress has decreased. In addition, the introduction of coding into the sickness absence notification form distinguishing personal and work-related stress at the beginning of last year reveals that during the last 12 months, 58.9% stress cases are personal and 41.1% are work-related. Sickness absence data is based on the category selected on the sickness absence notification form. This form is agreed by the staff member and their line manager. Part of the reason for differentiating between personal and work-related stress is that we have more opportunity to take action in relation to potential contributors to work-based stress than in relation to personal stress. Regardless of whether the stress is identified as

personal or work-related stress, there is no impact on the support colleagues can access. We take a holistic approach to supporting our staff.

- For OH: data from January to April 2025 (monthly monitoring was implemented in January in light of the Academic Futures consultation part of the Transformation programme) has been reviewed and compared to the same period in 2024. The data shows mental health appointments have remained consistent (169 appointments in 2024 vs 163 appointments in 2025). Further breakdown of the data shows work-related stress also remains consistent (47 appointments in 2024 vs 48 appointments in 2025), whereas Stress (non-work-related) (34 appointments in 2024 vs 26 appointments in 2025) slightly decreased. OH data is based on the category selected by the OH practitioner.
- The EAP data from 1 January to 31 March 2025 (as with OH data, monthly monitoring was implemented in January) shows that 28% of contacts to the EAP seeking counselling did so because of stress (non-work-related), whereas 10% of contacts seeking counselling did so because of work-related stress. In addition, the average wait time during this period, from first contact to first counselling session (when people's needs are explored in more depth) was 5.51 days and the average time from the first to the second counselling session was 11.62 days. EAP data is based on the category selected by the EAP staff.

Data provided by our EAP provider, Vivup, suggests that the majority of Cardiff University clients contacting Vivup do so whilst still in work. We encourage staff to use our mental health and wellbeing services, with a particular emphasis on early intervention. Our aim is to develop a culture where we promote the importance of mental health, and encourage staff to reach for help as soon as this is needed.

The Committee will be aware that the University and College Union (UCU) reported the University Executive Board to the Health and Safety Executive due in relation to the management of work-related stress, following a member survey they had undertaken. The HSE requested specific information in relation to what UCU highlighted. HSE have recently confirmed that they will not be taking any further action in relation to the concerns raised, providing a reminder of our ongoing responsibilities which we will of course adhere to. We take the wellbeing of our staff very seriously, and are committed to listening to their feedback and learning from their experiences, and will continue to work with our trade unions in the best interest of our staff.

Please feel free to contact me if I can be of any further assistance.

Yours sincerely,



Professor Wendy Larner  
President and Vice-Chancellor  
Cardiff University

## **Appendix 1 - Outline of the tiered staff wellbeing offer**

### Tier 1. Self-care support options – provided by staff wellbeing team or external services

- Personal wellbeing promotion plan for structuring self-care practice
- Building better habits training session (120 mins)
- Stoic self-care workshop (90 mins)
- Keep Safe suicide prevention training (3.5 hours)
- Managing stress training (5 hours)
- Building resilience training (3.5 hours per session, 3 sessions over 3 months)
- I-act positive mental health and wellbeing training for managers and non-managerial staff (3.5 hours)
- Bespoke training sessions upon request – e.g., vicarious trauma training for researchers
- An introduction to mindfulness workshop (90 mins)\*
- An introduction to sleep workshop (90 mins)\*
- An introduction to mental health and wellbeing workshop (90 mins)\*
- Five ways to wellbeing workshop (90mins)\*
- Lunchtime wellbeing sessions (12 x 30 min sessions over 3 months) covering wellbeing habits, managing change, managing stress and anxiety, the power of self-compassion, mindfulness for mental health, cultivating a positive mindset, kindness at work, movement for mental health, positive relationships at work, the power of breath, better sleep, and setting and achieving goals
- Nutritional support sessions (varying in length and offered throughout the year) covering mental health, menopause, neurodivergence, endometriosis, diabetes and happiness, etc.
- Positive (preventative) psychology sessions to aid self-care (3 x 60-minute recordings)
- Headspace wellbeing app (free access for 12 months for up to 1000 staff members and 5000 family and friends)
- Sleepstation sleep improvement programme (free access for up to 2500 staff members for 12 months)
- Leafyard mental health and wellbeing online platform (free access for up to 12 months for 100 staff members)
- Talklife Workplace (a global online peer support platform that is free for staff to access until 2026)

\*Denotes a training session that is provided on request when there is sufficient demand

## Tier 2. Non-clinical support options that transcend self-care

- Individual stress risk assessments – to enable line managers to assess the stress levels of individual team members and take steps to reduce stress where possible.
- Life coaching – Life coaches act as ‘thought partners’ in the resolution of issues that might be causing difficulties in the lives of clients. They do not offer therapy or counselling, only pragmatic, objective support. We offer at least three blocks of life coaching sessions per year. The latest block enables 30 staff members to access up to 3 sessions each at no charge to them. These are fully booked.
- Health coaching – Health coaches are life coaches who have received specific training to support clients in the resolution of health issues. These are low level issues responsive to lifestyle changes. We offer at least two blocks of health coaching sessions per year. The latest block enables 25 staff members to access up to 3 sessions each at no cost to them. These are fully booked.
- Dignity and Wellbeing Contacts are a group of 100 plus staff members who volunteer to support the wellbeing needs of colleagues – e.g., through 121 consultations, or through disseminating staff wellbeing support options in their schools/colleges. The D&WBC network is overseen by the staff wellbeing team.

## Tier 3. Clinical support options

- Employee Assistance Programme. The EAP service provided by Vivup offers a range of clinically validated self-care materials, a health self-assessment tool, access to a 24/7 telephone support line, and access to a range of structured counselling options (including ‘in the moment’ support) – assuming clients reach the clinical threshold for counselling. Initial access to the EAP service is usually by self-referral.
- Occupational health (OH) service provided by Insight. If a line manager is concerned about the physical or mental health of a team member – e.g., if the team member has been absent from work for some time due to ill health – they can refer their colleague to the OH service for a medical assessment and a recommended course of action. Access to the OH service is usually through line manager/HR referral.