

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](#).

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Unit 33

The Enterprise Centre

Tondu, Bridgend

CF32 9BS

26 September 2025

MS Buffy Williams MS

Email Only

Submission: A call for information – Welsh Government Draft Budget proposals for 2026/27

The University and College Union (UCU Wales) 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. UCU Wales is a politically autonomous but integral part of UCU, the largest post-school union in the world. We welcome this opportunity to respond to the Committee's call for information.

HE in Wales – Narrative Evidence

Sector Strain – no End in Sight

In lieu of a foreword, we believe that Finance Committee should take stock of the industrial environment as it stands.

During and following the Pandemic, positive Barnett consequentials generated additional funding. Emphasizing the need for 'an equality-led recovery', the Welsh Government made funding available for school and college improvement through various 'reform and recovery' budget streams.

More recently, UK fiscal constraints have dampened the mood of decision makers, disrupting the coherence of Welsh Government's response to challenges emerging from the hysteresis of the pandemic and historical underfunding. Where previously we saw a system-wide vision, this has since been replaced by budgetary triage as government attempts to engage the isolated aspects of a much deeper structural problem.

UCU Cymru notes that Higher Education has suffered systematic failure and neglect which, combined with the recent hike in operating costs, risks bringing many Welsh institutions to their knees. With at least one Welsh institution having experienced severe liquidity issues, the recent increase in employers NI contributions can only exacerbate operating pressures. By way of example, Swansea University alone has forecast a need to make £24 million 'staff savings' by July 2026. This follows on from concurrent voluntary severance programs.

Nor can we ignore the role of corporate governance and its place in promoting short term and opportunistic planning. Whether through disadvantageous banking covenants or PFI, a number of institutions are experiencing the cumulative effects of past financial mistakes. Unsurprisingly, as the crisis deepens, executives increasingly respond with panicked, short-term fixes.

Against this background, UCU Cymru notes a variety of harmful effects which can only exacerbate inequalities by effectively excluding Welsh learners. As [reported](#) in February, Cardiff University is seeking to [raise](#) course entry tariffs and thereby 'lever' against a more 'reliable' and 'lucrative' student cohort. They hope that this, in turn, will enable the university to climb in the Russell Group League table, enabling the institution to capture a greater portion of the inherently risky international market (hence the decision to maintain high reserves as a 'cash cushion').

However, and for the most part, institutions are afflicted by very real financial shortfalls.

In summation, we would invite the committee to consider two overarching issues:

- Nowhere else in the Welsh public or not-for-profit sector, do we find a combination of job losses through voluntary severance, pay freezes and the very real risk of compulsory redundancy.
- In contrast to other bodies, universities are prevented from making a public case for more money on the basis that students will not apply to an institution if they think it is at risk.

Participation and Recruitment – More, Not Less

Some policy makers have suggested that a fall in overall learner demand necessitates a reduction in the Welsh sector's capacity.

Around 30% of Welsh young people attend a university anywhere in the UK. This compares to 40% in Northern Ireland and just under 50% in Greater London. A [report](#) by Universities UK (UUK) found that Wales will need an additional 402,825 graduates by 2035 to fill jobs. Given that the Welsh economy currently comprises a 51% graduate workforce, it is clear we are confronting a skills deficit which threatens to exacerbate regional inequalities and arrest the development of the Welsh 'missing middle' – socially rooted medium-sized SME's.

Viewed from this perspective, it becomes clear that the real emergency centres on failing aspiration as opposed to low demand.

UCU Cymru is working closely with Welsh Government and Medr to design a suite of practical measures designed to boost Welsh learner participation. Departing from the assumption that pupils will aspire to something that they frequently experience, many of our ideas involve developing meaningful relationships between universities, colleges and schools whilst ensuring that HE has a visible profile in all Welsh primary and secondary settings.

International Recruitment – a Question of Consent

UCU Cymru welcomes the massive cultural and intellectual contribution made by international students. Not only do they bring new wisdom to our campuses but also enrich Welsh communities.

Members of the Welsh Affairs Committee will be familiar with the fact that international recruitment not only subsidises research but also teaching in some institutions.

What has gone largely unnoticed is the degree to which localised low participation often coincides with resistance to migration and support for populist alternatives. The Brexit referendum demonstrated the extent to which consent can collapse when voters lived experiences contradict 'official arguments' pointing to widely distributed benefits

For this reason, boosting participation amongst home students becomes a fundamental guarantor of consent both for post-16 education and international study. By acknowledging that every Welsh child has the right to be enabled to study at a Welsh University or undertake a Welsh apprenticeship, we locate international applicants in a wider system that can benefit young people in every part of Wales, as well as the wider world.

Funding as 'the' Essential Lever

Whilst not immediately obvious, institutions will ultimately follow funding. To that extent, along with Medr, UK and Welsh Government exert real influence over institutional behaviours.

For instance, following the collapse of international recruitment, many universities sought to expand home places to make up revenue on scale. However, that expansion took place ostensibly in 'low-cost courses' giving rise to a temporary bubble. It is against this background that some HEI's now seek to 'de lever' the 'home market' and once again enter an inherently riskier home terrain.

Accepting that fees are politically capped, the cost of more expensive courses such as STEM need to cover. The alternative is to careen towards an acceleration in boom, bust merger and decline.

Assessing the Problem

We run a very real risk of creating HE blackspots which will force those Welsh learners who do win a place to study and (most likely) settle elsewhere. The subsequent

inability to reproduce a Welsh graduate workforce bodes disastrously both for economic development and many aspects of the Wales Program of Government.

With many experienced staff having already accepted early severance, some courses are now being planned by early career staff. Moreover, with courses cut to the bone, our members describe a concomitant impact on facilities, teaching quality and student experience.

Against a backdrop of uncertainty and political delay, some in Westminster suggest that universities should economise, collaborate or simply cut waste. Indeed, and in the absence of concerted Westminster action, the default sometimes seems to favour a lazy belief that universities will somehow adapt if subjected the requisite financial pressure.

2025 has already witnessed thousands of Welsh job losses through voluntary severance. With ballots in three institutions, compulsory redundancies have only been avoided through the threat of strike action, residual good faith and some considerable skill on the part of the Minister for Further and Higher education.

Moving into the new academic year, we can expect branch ballots across most Welsh institutions. Should university executives fail to rule out compulsory redundancies, strike action will likely commence in late autumn through to summer.

UCU Cymru's Asks

Whilst the additional £19.5 million found in underspends constituted the lower end of what was useful, the sector failed to heed the Minister for FE & HE's stated intent (i.e. to spend the additional money on existing projects in such a fashion as to relieve pressure on staff costs).

Following a broad discussion, UCU has identified a figure of £60 million. We believe that this sum would stabilise the sector and go a long way to relieving the pressures that we describe above.

To achieve this outcome, we would further request that the Minister and Cabinet Secretary express their intent to Medr in such a way as to ensure that the greater part of this sum is:

1: distributed on a 'needs basis'. This will avoid a perverse outcome in which a large cash-rich university receives a higher proportion on the basis of its size

2: allocated on the basis that institutions can evidence that additional funding has been used to relieve pressure on staff costs.

FE in Wales

As anchor institutions, FE colleges make a significant contribution to their local economies and communities. Institutions play a vital role in supporting growth and innovation as well as devising solutions to key challenges such as the climate crisis and boosting productivity.

Moreover, Welsh colleges continue to act as a leveling force. Whether it be a 14 year old young apprentice or a single mum accessing family learning, they transform lives by offering flexible access to vocational and academic pathways. Offering practical routes through study or apprenticeship, colleges boost participation in all areas of the sector and equip learners to engage in new industries.

All in all, collaborating with schools, business and universities, colleges constitute the backbone for essential and intermediate skill provision throughout Wales.

However, a succession of difficult budget settlements have driven management to cut back on professional services with lecturers picking up the burden of additional work.

As one member explains:

"As a manager of a faculty of approximately 450 students and 30 staff, the current budget allowance to run the faculty effectively is simply not sustainable. In the past 4 years, the faculty has grown in the number of students but the management team has been cut from 3 to 2 people. We also now do not have any faculty admin support. This has had a detrimental impact on the effective running of the area, on staff workload and support that can be offered to learners. As head of faculty, I am now essentially a head of year and the faculty secretary and this does not allow for me to think strategically in driving the area. I am simply firefighting on a daily basis."

Combined with extra challenges posed by the introduction of the ALN Act and longitudinal learner behaviour issues emanating from the Pandemic, many college lecturers are unable to recoup, recover or reflect. Practitioners are already working to the bone and supporting strained public services.

To put this into context, lecturers will frequently be asked to teach classes encompassing students with a range of challenges. Consequently, whilst it is possible to tailor pedagogy to a single discrete condition (such as ADHD or Autism), teaching across a range of needs is a far more sophisticated prospect. Whilst UCU Cymru welcomed the ALN Bill, we feel that its implementation has been dramatically under resourced. Taking little account of extant strains in other parts of NHS Wales, lecturers are being asked to deliver teaching which would entail the support of a multi-disciplinary team in health care settings.

Similarly, pastoral duties frequently include mental health and wellbeing interventions, income maximisation and other complex work that was traditionally undertaken by counsellors and social workers.

All of this impacts upon morale and retention. In the run-up to compiling this response another member pointed out:

"The inability of my college to offer any retention hours for staff to take on some responsibility due to budget constraints means that many of the processes that would drive the faculty in its efforts to raise standards cannot be completed effectively e.g. take responsibility for the tracking, monitoring and early interventions with students. The lack of these professional development opportunities is also having a detrimental impact on the retention of staff. Some of the best subject lecturers are now leaving the institution and at times, the profession to seek posts that offer

progression. We are losing excellent members of staff which of course results in a high turnover of teachers which directly impacts on the learners."

Clearly, the time has come to lift some of the load and restore teachers to a position in which they can actually teach.

Our members already go above and beyond. Compensating for overburdened public services, lecturers frequently find themselves supporting learner wellbeing and mental health. That said, staff cannot indefinitely pour from a glass half-empty.

As a baseline, UCU Cymru argues that Welsh Government needs to invest £30 million in colleges. This increase would go a long way towards making up on staff shortages and also redressing the additional pressures generated by the ALN Act. Moreover, additional academic and support staff will relieve the will relieve the unsustainable burden of pastoral duties.

In common with HE, we would strongly encourage the Minister/Cabinet Secretary to provide Medr with a strong lead. As far as possible the additional funding should be ringfenced for a stated purpose.

FE Pay Parity

The 2016 decision to link college lecturers pay to that of teachers has delivered discernible benefits across the sector.

Not only has it ensured a long period of relative industrial peace but has also offered stability in terms of mid- and long-term financial planning.

If we are to tackle recruitment bottlenecks whilst adapting to various sector reforms, it is essential that we attract and retain the brightest and the best. Consequently, government must resist any temptation to decouple the pay of teachers and lecturers.