



# Building ambition: priorities for the next UK Government to unlock Wales' potential

## Introduction

Wales is entering a time of great change. From our ageing population to the impact that new technology will have on the work force. From the need to address climate change to the importance of ensuring our economy makes communities in Wales feel better off.

Our universities can be at the forefront of tackling these challenges and supporting prosperity across Wales. Universities develop skills that support local businesses, deliver high impact research and innovation, and work as anchors in local economies. These benefits are felt across every part of Wales.

But universities are under considerable pressure. Whether it is the impact of inflation on our finances, uncertainty around international recruitment or the increased

demand for university services as public sector services reach capacity.

The political environment in the UK is complex, and while many of the areas that matter to universities are devolved, there are areas that remain reserved to UK Government such as migration and research council funding. There are also areas, such as qualifications and student support, where mutual recognition and working together is crucial in enabling people to pursue the opportunities that are best for their needs.

Below are four areas where we feel that the next UK Government can make a difference to Welsh universities and help us tackle the big challenges up ahead.

## Four nations working together

Universities operate in a complex political, regulatory and funding landscape. Some university funding areas are devolved to Welsh Government, others reserved to UK Government.

One of the biggest, most importance parts of our funding infrastructure, our student support system, is a devolved responsibility but subject to agreement between Welsh Government and the UK Treasury.

Then there are areas such as the Teachers' Pension Scheme and immigration which are UK Government responsibility but affect Welsh universities.

Beyond these direct impacts, there are often areas where decisions made in Wales or England require a response from the other. For example, when a decision affects the substantial number of students that move between England and Wales for study.

Given this complexity, we have benefited over the years from shared higher education assets and infrastructure. But these features, which supported the internationally-recognised UK higher education brand, have deteriorated over recent years.

A collaborative and productive relationship between the governments of the UK is essential to allow for long-term planning and investment.

### 1

The next UK Government should prioritise working with governments across the UK to identify a framework for meaningful four-nation working including transparent funding allocations.

The research and innovation that our universities deliver is funded with a mix of Welsh Government and UK Government investment. Given this, four-nation working is particularly important for ensuring the benefits of research and innovation can be felt across the UK. There is a need and opportunity to ensure a Welsh voice is heard in the UK-wide governance and organisation structures.

### 2

The next UK Government should consider how best to ensure Wales is reflected in the governance and organisational structures of UK research funders. This may include representation of Welsh research and innovation within governance structures and equitable relationships between UKRI and the four national funders.

## Putting place at the heart of policy

Universities in Wales are privileged to be an embedded part of their towns and cities and are conscious of the diverse strengths, needs and challenges of these places. Across Wales we see different needs, whether it is in the demand for skills, the specific research and innovation asks of local industry, or the implications of our diverse environments.

### 3

The next UK Government should put place at the heart of policy-making, ensuring decisions are informed by the impact they will have on the different communities across Wales and the UK more broadly.

One reason why place matters in policy is that excellent research is more evenly distributed across the UK than the funding that supports it. It is a complicated environment with many different funders and actors: from long-standing institutions such as research councils through to newer structures such as City and Growth Deals and Free Ports. There is scope to improve the way these different pieces fit together.

### 4

The next UK Government should explore, in partnership with devolved administrations, what mechanisms could be put in place to better coordinate research, innovation and skills activities across nations and regions. This would better align the various regional approaches already in place

Another important dimension for towns and cities across Wales is the role of long-term certainty in enabling universities and partners to make the most of opportunities and plan how to deliver the most benefit to our communities.

### 5

The next UK Government should review the long-term approach to regional funding including through vehicles such as City and Growth Deals.

## Investment in Wales

European Structural and Investment Funds played a crucial, foundational role in building the research, innovation and skills capacity across Wales. They enabled us to deliver cutting-edge innovation projects such as buildings that generate more energy than they use, creating more sustainable practices into manufacturing, supporting small businesses to collaborate with academics, and driving innovation in agricultural practices. Many of these projects worked regionally or nationally across Wales, drawing on strengths and expertise from multiple universities

The replacement UK Shared Prosperity funding has not been targeted at areas of real need or provided universities with the same opportunities to deliver transformational benefits. The way it is distributed makes it difficult to collaborate on a regional or national basis. The short-term nature of the funds also meant that the long-term planning previously enabled through Structural Funds was not possible.

### 6

The next UK Government should commit to devolving replacement funds, whether through the UKSPF or a different vehicle, of sufficient scale to secure the benefits previously achieved through structural funds.

## Wales and the World

Our universities are at the forefront of establishing Wales' place on the world-stage. Our universities are uniquely placed to strengthen Wales' position by supporting people from across the world to study in Wales, academics collaborating across borders, or universities building international partnerships.

There are many areas of UK Government responsibility that impact the ability of Welsh universities to deliver in this area.

### 7

The next UK Government should consider the specific Welsh population and workforce needs when making migration policy decisions.

### 8

The next UK Government should commit to entering the successor to the Horizon Europe research and innovation funding programme, FP10, and champion the UK being treated as an equal partner.