

Report to the Welsh Government on South-East Wales HE Provision

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11 July 2012

1. This paper summarises the work I have undertaken to advise the Welsh Government with regards to the restructuring of higher education provision in SE Wales. I was appointed in February 2012, with the remit to “to support officials in evaluating the options, and related evidence, for creating a single post-92 Higher Education (HE) institution in South East Wales”.
2. My work has consisted of both the detailed examination of the written evidence base, and a series of extensive discussions with the key stakeholders in the HE sector in SE Wales. By definition much of my discussions will have to remain confidential because I spent a lot of time evaluating options put forward by various interested parties. However, my core conclusions are, I believe, supported by both the available evidence and by the vast majority of all I have spoken to.
3. My initial weeks were spent reading the extensive documentary evidence focussing on the last decade’s attempts to re-configure higher education provision in Wales. I must say that the paperwork painted a story of missed opportunities, and a lack of strategic thinking that I am convinced has held back opportunities for the people of Wales, and for the institutions themselves. There has been a history of ‘maybes’ and ‘perhapses’, and attempt after attempt to achieve a sensible, and evidence-based, reconfiguration of the three institutions involved (I shall use the shortened names Glamorgan, Newport and CMU throughout, though of course I realise that these are not the full names, and in one case the name has recently changed).
4. Specifically, I examined the paperwork produced by the Bull/Cooke review in 2005 and the Hopkin review in 2008. (I also noted the report of the Wales Audit Office in January 2009). The main piece of recent evidence I examined was the confidential advice provided by HEFCW in June 2011. This report, like the previous Bull/Cooke

review, showed, convincingly in my view, that the evidence clearly supported the need for a merger of Glamorgan, Newport and CMU: paragraphs 1.7.5. and 8.3.5. of that report were absolutely clear in their recommendation that the three merged to form a single post-92 institution 'appropriate to the population of SE Wales'.

5. The 2011 HEFCW Report contained impressive and detailed evidence supporting the contention, which had been core to the Bull/Cooke review (though disputed by the Hopkin review), that as currently configured the three institutions were not reaching their potential in terms of performance. Although each institution has significant strengths, they do not achieve separately what they could achieve together. Their turnovers total about £272m, which is roughly the same as the university of which I am Vice-Chancellor. As Bull and Cooke phrased it, there is a danger of a 'spiral of decline' affecting Welsh institutions, and one of my conclusions is that this spiral will become a reality unless a single university is created in SE Wales. Whilst the Hopkin review did not support that interpretation in 2008, the evidence presented by HEFCW in 2011 suggests that that decline is now a reality, certainly in comparison to developments in comparable English institutions. Together, Glamorgan, Newport and CMU could be as strong as the University of the West of England (which ranks 62nd in the Times Good University Guide)
6. This is absolutely not to say that the institutions are weak: it is more the case that they are small, dangerously so in two of the three cases. I did of course read the responses of the institutions to the HEFCW report, but I did not, in all honesty, find any vision in those responses that gave me confidence that the 'spiral' could be avoided. But, to repeat, each of the institutions has strengths, and none faces immediate financial collapse; but in two of the cases (Newport and CMU) my judgement is that they cannot survive in the medium term without merger.
7. Finally, in terms of examining the evidence base, I read all the documents sent to me by interested parties, notably a series of proposals for an alternative way forward put forward by CMU in May 2012. Whilst these proposals, essentially for more coordinated collaboration, were innovative and thoughtful, I concluded that they did not deal with the underlying problems that in my view inevitably face CMU specifically, and SE Wales generally. They do not add value, and do not address the structural issues that lie at the heart of the problem.
8. I undertook a series of meetings with all interested parties. I met with:
 - The Minister for Education and Skills
 - Higher Education Wales (two meetings and two phone calls)
 - National Union of Students Wales

- CMU Students Union
- Vice Chancellor Glamorgan (two meetings and one phone call)
- Vice Chancellor Newport
- Vice Chancellor CMU (three meetings and two phone calls)
- Acting Vice Chancellor Newport
- Chair of Governors Glamorgan
- Chair of Governors Newport (three meetings and one phone call)
- Chair of Governors CMU (one meeting and one phone call)
- Unison Representatives from Glamorgan, CMU and Newport, and the regional officer
- UCU Representatives from Glamorgan, CMU and Newport, and the regional officer
- Chief Executive HEFCW (two phone calls)
- Governing Body Newport

9. In total I estimate that I have held over 50 meetings or phone conversations with stakeholders. This has been literally invaluable in helping me understand the issues from all points of view. I am very grateful not only for the time stakeholders spent giving me their views, but also for the professional and constructive ways in which they worked with me.

10. As is now public knowledge, the result of my attempts to mediate a solution have only been partially successful to date, and I feel a real sense of disappointment that I have not achieved the result that I believe the evidence strongly suggests is needed. Newport and Glamorgan are committed to merge to form a new institution (provisionally called The University of South Wales, with the brand identifier of :Glamorgan and :Newport to be attached to preserve the very different and equally valued missions of each institution) from the summer of 2013. The leaderships of both institutions are to be warmly congratulated for seeing things strategically, and for thinking of wider interests other than their own current tactical preferences. I do not underestimate the difficulties that they will face in bringing the two parts together, but I am absolutely convinced that they have the political will to succeed. In this light I strongly support the use of additional government funding to support this merger.

11. Turning to CMU, I must start by recording the fact that they are a strong institution at the present, ranking higher in the key league tables than either of the other two institutions (78th as against 95th and 108th in the 2013 Good University Guide). They

are well led, and financially sound, though they do have a relatively narrow subject base. I can well see why they think they can continue as they are. But that is not my conclusion, because I do not think that staying as they are is a viable option, especially given the funding drivers introduced by HEFCW this year. On neither of the key drivers do they score well, and thus I think the overwhelming logic of the evidence indicates that their sustainability is seriously in doubt over the medium term. There are two additional points worth making: first, they are more dependent than is the norm on international students, and I worry that the likely uncertainty concerning their future might affect international recruitment. Second, they have had a sizeable drop in applications overall this year, and I suspect that this could be due to a kind of planning blight, especially if they become embroiled in a dispute over their future.

12. My core conclusion regarding CMU is that they are being tactical not strategic. The future they face looks, at best, to be one of trying to compete with a new, larger, better-funded post-92 competitor on their doorstep, whilst suffering from continual reductions in their funding as the widening participation and research drivers of the funding model cut into their budget. That is without any further intervention by the Minister. I say none of this with any pleasure whatsoever: I have had hours of discussion with their Vice Chancellor, whom I admire and respect. I think the difference between his (and most of his Board's) view of the future and mine is that he judges that CMU can withstand the (inevitable, in my judgement) reductions in their HEFCW funding, as the strategic priorities of the government have real effects on funding outcomes. I do not think that this is a sustainable option. At the same time, CMU will need to hold on to its international student numbers.
13. But the most significant point about CMU is not what I think. After all, I have only a fraction of the detailed knowledge that the senior team at CMU have. But what has absolutely astounded me is the consensus from everyone outside CMU (and both union reps I spoke to inside CMU) that a merger of the three institutions is necessary. I must not break the confidentiality of the conversations I had, but I can say unequivocally that everyone was convinced by both the 'spiral of decline' argument and by the need for a three-way merger to serve the needs of SE Wales. This was decisively the view of HEW, who were exceptionally clear as to why the merger was a necessary, if not a sufficient, condition for the regeneration of the SE Wales City region. The Chair and Director of HEW made a powerfully strategic case for a three institution merger, and I must comment that their analysis fitted exactly with all the evidence I read from the Bull/Cooke, Hopkin and HEFCW reviews. Their vision genuinely impressed me.

14. Equally, the trade unions were strategic, and, though of course they were concerned about job security, I was very impressed by their commitment to achieving what was right for the people of SE Wales. They were ready and willing to undergo change, and could not see how any of the institutions standing alone would help Wales. The NUS (though not the CMU student union) also strongly favoured a three-way merger, precisely because they felt it would be of most use to future generations of student in Wales.
15. Therefore, I feel that despite the announcement from the CMU Governors on 9 July that they did not wish to engage in merger talks as part of the new Glamorgan-Newport process, I would appeal to them to think again. I would be willing to meet with them to discuss future funding scenarios, not because I think I can change their minds, but because I do want to have the chance to put to them the arguments about the future strategic direction of their institution.
16. In my view, Wales needs one successful Russell Group university and one successful post-1992 university in SE Wales. The needs of the country and the city-region mean that the current structure of institutions is sub-optimal. I came into this process with a genuinely open mind, but as I have read every single bit of available evidence, and as I have discussed future needs and options with stakeholders, I have come to the firm conclusion that CMU will find it increasingly difficult to prosper if HEFCW and the government merely keep to their current funding priorities. The sadness is that for a decade analysis after analysis has warned of a spiral of decline. I accept that so far CMU has done well in comparative terms, and the staff and leadership of the institution deserve credit for what they have achieved. But looking ahead, unless the government back-tracks on its stated commitments and priorities, and unless HEFCW alters its funding model, I fear that CMU faces fiscal attrition on a year-by-year basis. The signs are already clear in terms of its 2012 applications. I say none of this as criticism of the CMU leadership who have produced in many ways the strongest institution of the three in SE Wales; I say it only because of the disjuncture between the current configuration and the stated policies of the elected government, and because of the direction of travel of HEFCW funding priorities.
17. For a decade the institutions of SE Wales have promised to think about merger, but have until 2012 ended up deciding that the time is not quite right. In my judgement, the leadership and strategic vision of Glamorgan and Newport is a game-changer. Their announcement changes everything and the genie cannot be put back in the bottle; nor is the status quo for CMU any longer a possibility. In my view the right solution is, as most independent reports have concluded, a three-way merger. I am sorry that I have not been able to bring that merger about, but it remains the way

forward for SE Wales, and I hope that further discussions with the CMU leadership might persuade them to join the Newport-Glamorgan discussions whilst they still have the bargaining power of their currently strong position. But the fact of a Glamorgan-Newport merger changes everything, and that is the new reality that I hope the CMU leadership will factor in to their thinking in the coming months.