

# British Academy Response to the Welsh Government's Call for Evidence on the Future of Tertiary Education in Wales.

**March 2026**

## Background

The British Academy welcomes the opportunity to respond to this call for evidence as part of our commitment to championing and strengthening the SHAPE disciplines (Social Sciences, Humanities and Arts for People and the Economy) In Wales, as the UK's National Academy for the humanities and social sciences. The Academy has responded to questions on which it is best equipped to provide insights.

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# Participation

## 1. What further evidence is available regarding the backgrounds and pathways of young learners entering college on lower-level qualifications? Are these the right pathways for these learners?

Further education (FE) colleges play a vital role in providing routes for learners from all backgrounds to develop their skills and knowledge as they progress in their learning journey. They are particularly important as engines of social mobility, offering opportunities for those enrolling on lower-level qualifications, many of whom may have lower prior attainment or have faced other barriers to educational success, to progress in their post-16 education.

Yet the increasing numbers of young learners entering FE colleges to study lower-level qualifications may also reflect challenges earlier in the school system, including high failure rates in compulsory English and Maths GCSEs among disadvantaged young people. We share the Welsh Government's concerns about higher drop-out rates from lower-level qualifications offered through FE colleges. These trends, taken together, suggest that an increasing number of young people may be progressing into FE on lower-level routes not out of preference, but because earlier barriers reduce their access to level 3 pathways. We also recognise that the skill demands of its changing economy will require more young people in Wales to take on higher-level qualifications to adapt to a fast-changing modern labour market.<sup>1</sup>

We are aware that the increase in learners entering FE colleges on lower-level qualifications has coincided with a slight decline in uptake of level 3 qualifications, in particular A levels, which are a key route onto many higher-level qualifications.<sup>2</sup> These qualifications, which include many in the SHAPE disciplines, should be accessible to all learners regardless of background and individual characteristics, including gender. British Academy analysis of A level entries in Wales shows that from 2010 to 2025, total A level entries decreased by 14.8%. The data also shows the slightly lower take-up of A levels amongst Welsh boys. In 2025, boys comprised 43.1% of Welsh A level entries, compared with 46.3% in England. For SHAPE A levels, in 2025 Welsh boys made up just 32.5% of entries, while the equivalent figure for boys in England was 38.7%.<sup>3</sup>

While many vocational pathways can and do lead to higher education, A levels remain an essential part of the pipeline to university. The Academy is strongly supportive of learners having opportunities to combine A levels with classroom-based vocational qualifications and to keep their options open for as long as possible. It is therefore a concern that declining A level entries may lead to more Welsh learners missing out on the benefits of higher education study.<sup>4</sup>

We also note that a large proportion of learners in Wales enrolled on lower-level qualifications in FE colleges will be undertaking vocational training pathways. The Academy believes that advice and support for learners considering these options must also be improved.<sup>5</sup> If young people

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<sup>1</sup> The British Academy (2020), [\*Qualified for the Future: Quantifying demand for arts, humanities and social science skills\*](#), p. 8.

<sup>2</sup> Llywodraeth Cymru/Welsh Government (2026), [\*The Future of Tertiary Education in Wales\*](#), p. 16.

<sup>3</sup> The British Academy (2025), 'School Indicators', [Accessed March 2026].

<sup>4</sup> Prifysgolion Cymru/Universities Wales (2025), [\*Response to the Children, Young People and Education Committee on the Routes into post-16 education and training\*](#), p. 10.

<sup>5</sup> Blundell, R., Birkinshaw, J., Cowan, S., Denness, A., McNally, S., (2025) [\*A Joined Up Approach to Skills Policy\*](#), The British Academy, p. 13.

specialise too early in their educational journey, future options may be closed off to them. Given the widespread uncertainty over future skills needs, learners need to develop the skills to be adaptable and flexible in the face of labour market change. This requires access to a broad and balanced post-16 curriculum which allows learners to keep their options open. A narrower technical route will be appropriate only for the small minority of learners who are confident at age 16 about the specific career they wish to pursue.

All learners in Wales should have the opportunity to progress from completing lower-level qualifications onto higher-level qualifications, which offer better returns for learners and for the wider economy. As a result, the policy focus in the coming years must remain on supporting the retention of students entering FE through lower-level qualifications and ensuring that all young people receive high quality advice at each key 'decision point' in their education (post-14, post-16 and post-18). This advice must be grounded in robust evidence so that learners are aware of the full range of options available to them at the point of selection.

## 2. What more do we know about the proximate causes of the recent uplift in college enrolments? Do we expect it to continue?

No response provided.

## 3. What reasons might there be for higher levels of part-time and mature student higher education entry in Wales? Can/should Welsh Government seek to increase full-time higher education entry at 18 given higher rates of part-time and mature participation?

Welsh learners' relatively high participation in part-time and mature study is, to some extent, a system strength. Allowing learners to combine study with employment and caring responsibilities, and to scale learning up or down in response to personal circumstances, enables many more people to participate in higher education than might otherwise be able.

While there are clear benefits to part-time and mature study, higher rates of participation in these modes do not necessarily reflect wholly positive learner choices. In many cases, they reflect choices made by default, shaped by barriers to accessing other modes of learning or by weaker pathways into higher-level training after compulsory education. Learners often face constraints related to financial pressures, geographical distance, transport barriers, and caring responsibilities; these factors create stronger demand for more flexible modes of study and access to higher education under the age of 21.<sup>6</sup>

These patterns of participation, though positive for widening opportunities for mature and flexible learning, sit alongside comparatively lower rates of full-time higher education entry under age 21.<sup>7</sup> Relatively low rates of participation in full-time higher education present a long-term risk for Wales. Labour-market projections indicate that Wales will require 400,000 additional graduates by 2035 to meet skills needs in a rapidly evolving economy, particularly as technological change drives demand for higher-level qualifications across sectors.<sup>8</sup> Relatively higher rates of non-

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<sup>6</sup> Llywodraeth Cymru/Welsh Government (2026), [Research to inform the evaluation of the Diamond Reforms to student finance in Wales](#), p. 123.

<sup>7</sup> MillionPlus (2018), [Forgotten learners: building a system that works for mature learners](#), p. 25.

<sup>8</sup> Prifysgolion Cymru/Universities Wales (2023), [Demand for graduates in Wales set to soar by 2035](#) [Accessed March 2026].

completion among part-time and mature learners, as well the higher cost of supporting these students during their programmes of study, mean that relying primarily on more flexible forms of provision to meet Wales' skills needs would be a mistake. So too would withdrawing support for part-time study, or disincentivising mature participation. Both options would harm access to higher education without producing a direct increase in the number of full-time enrolments or enrolments under the age of 21. However, the Academy would like to reiterate the value of varied learner pathways other than full-time higher education.

The Academy believes the Welsh Government should pursue a dual strategy: retaining the strengths of Wales' mature and part-time participation model while also increasing full-time participation among young people, including under 21. Addressing the structural barriers that prevent young people from accessing full-time study – such as local subject availability, transport, and cost-of-living pressures – will be essential. Equally essential is sustained intervention to better support part-time and mature students to benefit from participation in HE as meaningfully as traditional students. For part-time students, this should include increases to means-tested maintenance loans and grants, as well as flexibility around modes of participation. Despite efforts by the Welsh Government to increase maintenance support for part-time learners following the Diamond Review, learners continue to report steep financial barriers. In some cases, perverse incentives remain for learners to reduce the number of modules per year in order to receive more maintenance funding per year, at the expense of their progression.<sup>9</sup>

Both approaches will be essential to ensure Wales' future workforce and citizens are equipped for the economic, social and cultural challenges of tomorrow. Without this, Wales risks constraining the future supply of graduates needed to meet the country's economic and civic ambitions.

4. The UK Government announced their ambition for two-thirds of young people to participate in level 4+ education or training by the age of 25, an increase from the current 50% participation rate. A sub-target was also introduced for at least 10% of young people to pursue higher technical education or apprenticeships by age 25 by 2040. Should Wales set a similar target to UK Government for level 4+ and/or apprenticeship participation?

The Academy would welcome a target for two-thirds of young people in Wales by 2040 to participate in level 4+ education and training by age 25, similar to the parallel target recently set by the UK Government. Higher level skills remain an economic, social and cultural imperative for growth at both regional and national levels, as well as providing resilience for a future workforce operating in a fast-changing labour market.<sup>10</sup> Setting a target that balances ambition with achievability would send a strong signal from government about the value of higher-level education and training for all young people. It would also signal the Welsh Government's

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<sup>9</sup> Llywodraeth Cymru/Welsh Government (2016), [\*The Review of Higher Education Funding and Student Finance Arrangements in Wales: Final Report\*](#), pp. 32-33; Llywodraeth Cymru/Welsh Government (2026), [\*Research to inform the evaluation of the Diamond Reforms to student finance in Wales\*](#), pp. 123-4; CFE Research and HESA (2019), [\*Understanding effective part-time provision for undergraduates from under-represented and disadvantaged backgrounds: A report for the Office for Students by CFE Research and HESA\*](#), pp. 1-2.

<sup>10</sup> The British Academy (2020), [\*Qualified for the Future: Quantifying demand for arts, humanities and social science skills\*](#), p. 8.

seriousness in addressing under-participation in higher level training compared to other parts of the UK, which – as the report accompanying this consultation highlights – remains a stubborn long-term trend.

We would particularly welcome a target that encourages wider participation in all forms of higher-level education and training, including level 4 and 5 qualifications, as well as level 6. There is a clear need for greater participation in vocational and higher technical training for young people in Wales; there is also a clear economic, social and cultural need for broad participation in higher education and ongoing demand for graduate skills. Degree-level study must remain a crucial part of Wales' tertiary landscape despite the steep financial challenges facing Welsh universities. The flexible and transferrable skills graduates develop, including through studying SHAPE disciplines, will be vital for Wales' future economy, as these skills underpin labour market resilience. This will matter even more as the Welsh economy seeks to harness productivity gains of AI – ensuring technology creates and augments good jobs rather than only automates them away.<sup>11</sup>

A target that encompasses all training at level 4 and above also sends an important signal about the value of flexibility across education and training routes. Enabling learners to move more easily between further and higher education – rather than limiting them to narrow pathways that do not support reskilling and progression to more advanced training – is in the best interests of learners and of Wales' future economy. British Academy research has found that studying SHAPE subjects provides graduates with resilience and the ability to shift and adapt to changing economic circumstances.<sup>12</sup>

The barriers to increasing level 4+ participation among young people are numerous and complex. As a result, any government target must be accompanied by a clear strategy to guide joined-up action between relevant public bodies, agencies, providers and third sector organisations. The target should also be accompanied by clear way-markers and check-in points prior to 2040 to monitor progress, identify challenges and allow for course correction. This will be particularly important to ensure continuity across successive parliaments and electoral cycles.

## 5. What implications do the trends outlined in post-16 participation and elsewhere in this paper have for Welsh-medium and bilingual tertiary education?

We have significant concerns about the pressures facing Welsh-medium and bilingual tertiary provision, set out in the report accompanying this consultation. The Academy strongly supports the preservation of the UK's indigenous languages, including Welsh, as part of a vibrant and sustainable educational ecosystem and as an important aspect of community cohesion and inclusion. Yet degree-level provision of Welsh and Celtic studies remains at risk due to course closures and the ongoing financial challenges facing Welsh higher education. Having fewer Welsh and Celtic studies graduates risks exacerbating teacher recruitment challenges in the school and tertiary systems, undermining strong Welsh-medium provision, and jeopardising research into Welsh language, culture and history within Welsh universities – research which is essential to sustaining, recognising and celebrating Wales' rich linguistic and cultural heritage.

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<sup>11</sup> Bocock, L., Scott, M., and Hillary, J. (2025), *The Skills Imperative 2035: Creating a system of lifelong learning to provide the essential skills for tomorrow's workforce*, Final report from The Skills Imperative 2035: Essential skills for tomorrow's workforce, NFER, p. 21.

<sup>12</sup> The British Academy (2020), *Qualified for the Future*, p. 18.

Taken together, these individual threats risk producing a self-reinforcing cycle of decline, in which challenges at one point in the pipeline continually weaken provision across the system.

Undergraduate programmes in Welsh language and literature, as well as other Celtic studies subjects, have seen a substantial decrease in cohort size over the past decade.<sup>13</sup> Since 2011/12, the number of learners enrolled on undergraduate degrees in Welsh and other Celtic studies (full-time and part-time) has decreased by 60%. In 2024/25, only 50 learners enrolled on these programmes.<sup>14</sup> This is despite the fact that more people than ever are learning Welsh, with enthusiasm for learning the language clearly high among the wider public.<sup>15</sup> As a result, these programmes remain highly vulnerable to closure in Welsh universities, with student demand and enrolment figures often informing decisions about programme viability at individual institutions.

However, low demand for undergraduate degrees in Welsh and Celtic studies does not occur in a vacuum – it is part of the cyclical decline in teacher recruitment and secondary qualification uptake and the broader ramifications that threats to degree provision have for bilingualism in Wales. This includes a direct negative impact on Welsh language and literature teacher recruitment, which remains a long-term problem in many Welsh schools and colleges.<sup>16</sup> This, in turn, affects the ability of schools across Wales to offer GCSEs in Welsh (first or second language, as well as Welsh literature) and equivalent A level qualifications. Entries for Welsh GCSEs and A levels have shown an overall decrease since 2014/15.<sup>17</sup> These threats to the pipeline of future Welsh learners may jeopardise Welsh Government plans for one million Welsh speakers by 2050 (Cymraeg 2050).

Declining undergraduate student numbers – and the subsequent vulnerability of courses and departments to closure – will also affect Welsh universities’ research activity, as will course closures in all disciplines. The vulnerability of Welsh departments risks the loss of world-leading specialist researchers and experts in Welsh language and literature, as well as the pipeline of the next generation of postgraduate researchers. Impact case studies from REF2021 show the powerful economic and societal benefit of Welsh departments’ research. Examples include:

- Swansea University: research to improve Welsh take-up in non-Welsh speaking areas through Welsh-language multi-purpose centres and social networks, leading to £2.25m investment from the Welsh Government and more than £1.3m benefit to local economies across Wales;<sup>18</sup>
- University of Wales Trinity Saint David: research leading to the digitisation of the Geiriadur Prifysgol Cymru, the historical Welsh language dictionary widely used for

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<sup>13</sup> The British Academy (2025), [Cold spots: Mapping SHAPE Provision in UK Higher Education](#), p. 35.

<sup>14</sup> British Academy analysis of HESA student record data for first-year first-degree UK-domiciled UG students at Welsh HEIs (full and part time), 2011/12 - 2024/25 from forthcoming publication.

<sup>15</sup> [Dysgucymraeg.cymru/learnwelsh.cymru](#) (2025), [More people than ever are learning Welsh](#), [Accessed March 2026].

<sup>16</sup> Cardiff Metropolitan University (2025), [A future teaching profession for Wales: recruitment, retention and professional progression](#).

<sup>17</sup> The British Academy (2025), [School Indicators](#), [Accessed March 2026].

<sup>18</sup> REF2021, [‘Reversing Language Shift in Wales: Influencing Government Funding and Language Policy, Increasing Social Networks for New Speakers of Welsh, Creating Wider Cultural-Economic Community Benefits.’](#) Impact Case Study Database [Accessed March 2026].

bilingual documentation in government, education, health, law and business, now funded by the Welsh Government and available as an app;<sup>19</sup>

- Bangor University: research promoting the Welsh heritage industry and tourism sector, contributing to a Visit Wales campaign promoting Welsh destinations to European consumers,<sup>20</sup> and advances in digital language technology for speech-to-text translation;<sup>21</sup>
- Cardiff University: research clarifying and strengthening Welsh Government and Welsh Language Commissioner responsibilities in Welsh language promotion, including streamlining promotion activities in local government settings;<sup>22</sup>

Provision in Welsh language and literature, in addition to Welsh-medium instruction in other disciplinary areas, must be seen as strategically essential to Wales' tertiary education system. Leaving the survival of Welsh and Celtic courses and departments wholly to student demand in the context of ongoing pipeline challenges will leave Wales' world-leading departments highly vulnerable to closure. In addition to reviewing the present funding model, the health of Welsh and Celtic studies programmes would be enhanced by close monitoring by sector regulators, the allocation of at-risk subject premium where appropriate to safeguard provision, and further exploration of opportunities for regional collaboration between providers to ensure learners across Wales do not lose access to these vital programmes.

## Demographics and lifelong learning

### 1. How are tertiary education providers planning and preparing for forthcoming demographic change in their localities? What challenges will this create?

Under the present funding and regulatory models in Welsh higher education, declining aggregate domestic student enrolments will exacerbate current financial pressures on providers. Without additional intervention and stewardship from government, this is likely to lead to further reductions in provision, increased course and departmental closures, and the emergence of additional subject 'cold spots'. These effects will be felt particularly acutely in the SHAPE disciplines, which continue to bear the brunt of current course closures.

The pressures on tertiary providers arising from a projected decrease in the 18-year-old population should not be underestimated. Wales operates a demand-led higher education system that is heavily reliant on loan-backed tuition fees. If aggregate domestic demand falls, competition for students+ will intensify, with significant financial consequences. The effects may be most pronounced at lower-tariff providers, many of which are already experiencing rising

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<sup>19</sup> REF2021, '[GPC: The authoritative dictionary of the Welsh language.](#)' Impact Case Study Database. [Accessed March 2026].

<sup>20</sup> REF2021, '[European Travellers to Wales: Enhancing Heritage; Inspiring Tourism; Enabling Engagement.](#)' Impact Case Study Database [Accessed March 2026].

<sup>21</sup> REF2021, '[Language technology for Welsh as a less-resourced language.](#)' Impact Case Study Database [Accessed March 2026].

<sup>22</sup> REF2021, '[Changing public policy and legal context of Language Commissioners and language regulation in Wales and Ireland.](#)' Impact Case Study Database [Accessed March 2026].

budget deficits.<sup>23</sup> These providers often act as regional anchor institutions – major employers, procurers and contributors to local networks of innovation and education. Any retrenchment in their capacity therefore has material implications for the local economies and communities.

The Academy continues to call for a review of higher education across the UK, including consideration of how far recruitment and competition for students should determine institutional financial health, given the implications for the whole UK economy.

## 2. What are the funding, legislative, and administrative barriers to increasing supply of, and demand for, flexible and accessible lifelong learning opportunities, both at lower levels (below level 3) and higher levels (above level 4)?

Financial support remains an important enabler – and, in many cases, a barrier – to increased participation in flexible learning opportunities. The majority of Welsh learners engaged in part-time study cite financial pressures as the most substantial challenge they face while studying (see discussion in ‘Participation, question 3’), while the COVID-19 pandemic highlighted the impact of a lack of broadband access on digital inclusion.<sup>24</sup> We also note recent Welsh Government analysis of progress towards the Diamond Review’s recommendations, which highlights ongoing barriers to participation in more flexible forms of learning. These include financial disincentives to faster progression, reduced eligibility for benefits and council tax discounts while studying, and negative experiences associated with being a ‘non-traditional’ learner in a system primarily focussed on, and funded through, tuition fee income from full-time degree-level provision.

Equally important to the success of any expansion in the provision of, and participation in, lifelong learning is the development of a coherent framework that makes progression through the tertiary system both legible and achievable for adult learners. In the absence of portable credit recognition, clear pathways between further and higher education are limited. Learners – particularly those returning to education after time away – face significant difficulties in navigating the system and understanding how their existing qualifications, skills, or prior learning can support progression to higher study.

## 3. What changes need to be made to ensure appropriate opportunities for adults to improve their foundational skills in literacy, numeracy and digital literacy alongside vocational skills and other learning?

No response given.

## 4. What lessons can be learned from the Personal Learning Account programme, and how can the successes of that policy be evaluated and expanded?

While the Academy has not produced work on the Personal Learning Account (PLA) programme to date, we note that the evident success of the PLA programme demonstrates that demand for flexible, funded learning opportunities among working adults in Wales is substantial. That

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<sup>23</sup> Bekhradnia, B, (2024), [Student Demand to 2035](#). Higher Education Policy Institute (HEPI), pp. 14-16.

<sup>24</sup> Ymchwil y Senedd/Senedd Research, (2020), [Coronavirus: digital inclusion](#), [Accessed March 2026].

demand has consistently exceeded available funding suggests that participation has been constrained by system capacity rather than by limited learner interest.<sup>25</sup>

In considering any future expansion, based on evidence from our wider policy work rather than any direct evaluation of the PLA programme, the Academy would recommend a reconsideration of how 'skills shortage areas' are defined and updated. While addressing immediate labour-market shortages is important, workforce resilience will depend on a broader range of capabilities, including those associated with SHAPE disciplines, such as languages, communication, analytical reasoning, and cultural competence. These skills support adaptability across sectors and are increasingly important in the context of technological change, globalisation, and evolving workforce needs. Ensuring that flexible learning provision reflects both immediate shortages and longer-term strategic skills needs will therefore be critical.<sup>26</sup>

## 5. What further education and training for adults aged 19 and over should be prioritised for inclusion in regulations to be made under section 94 of the Tertiary Education and Research Act?

*No response given.*

## Competition and collaboration

### 1. What are the current barriers to greater collaboration between tertiary education providers? What are the current enablers of effective collaborations?

Given the Academy's primary expertise is on higher education policy, our focus is on the main barriers to greater collaboration between higher education providers. However, we remain strongly supportive of increased collaboration between further and higher education providers to strengthen access to provision at levels 4-6, with Medr well-placed to encourage this.

The Academy continues to call for universities in all parts of the UK, including in Wales, to explore increasing collaboration where doing so would safeguard subject provision in regions at risk of becoming 'cold spots' due to course closures (see our response to 'Competition and collaboration', question 4). We recognise that increased collaboration is neither easy nor a complete solution to the challenges facing resilient subject provision in the sector, particularly without other meaningful changes in the present demand-led system. Yet increased collaboration could make a meaningful difference to safeguard subject provision in some circumstances. Examples of collaboration could include regional partnerships to deliver shared teaching, research and relevant services; co-developing digital resources; and expanding remote provision to support learners in remote and rural areas. Collaboration between providers – supported by stronger monitoring and a clear commitment from government and the regulator to safeguard vulnerable subjects – would help to protect learners' access to at-risk provision and sustain critical future-facing skills.

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<sup>25</sup> Llywodraeth Cymru/Welsh Government (2026), [The Future of Tertiary Education in Wales](#), p. 30.

<sup>26</sup> The British Academy (2017), [The Right Skills: Celebrating Skills in the Arts, Humanities and Social Sciences](#); Bocock, L., et al (2025) [The Skills Imperative 2035](#), NFER.

The main barrier to collaboration between higher education providers remains restrictions on certain horizontal agreements under competition law:

- Universities' status as 'undertakings' under competition law has historically limited the scope for collaborative action. This includes constraints on the extent to which providers in the same region may collaborate, even where doing so would ensure continued regional provision and would clearly be in learners' interests.<sup>27</sup>
- We welcome efforts by the Welsh Government, Medr and the UK government to work with the Competition and Markets Authority (CMA) regarding the legality of collaborative arrangements. Recent CMA guidance confirming that some forms of collaboration (e.g. shared library and database services, joint procurement of equipment, or arrangements for students and staff transfer when a course or department is at risk of closure) are unlikely to raise competition concerns – is a positive development.
- Nevertheless, significant legal barriers remain. The most recent CMA guidance, issued in January 2026, indicates that certain horizontal agreements, such as jointly running courses, may only be permissible 'where there are many providers offering a course nationally and the course tends to attract students from across the country who will have other good options'.<sup>28</sup> Jointly delivering courses to prevent the emergence of a regional 'cold spot', particularly between providers that primarily serve local students, may therefore not be permissible under current competition law. We strongly encourage the Welsh Government and Medr to work with the UK Government where matters fall under UK competition law, particularly where exemptions may be appropriate to address subject 'cold spots'.
- We recognise that the CMA has not prioritised enforcement where collaboration is clearly in learners' interests. However, as the consultation document notes, sector bodies and higher education competition-law experts continue to call for clearer government guidance on the extent to which collaborative action to safeguard provision is permissible, and, where necessary, for consideration of targeted exemptions from competition law in interests of learners.<sup>29</sup>

In addition, there remains a lack of meaningful incentives for providers to collaborate under the present funding and regulatory model:

- Under the current system, recruitment and competition for students remain powerful drivers of institutional behaviour and financial incentives. As pressures on student recruitment influence decisions on subject offerings, course closures and departmental consolidation, providers have limited incentive to collaborate with nearby institutions.
- Arrangements to safeguard institutional autonomy - including restrictions in the Tertiary Education and Research Act (2022) prohibiting or requiring the provision of certain courses at individual institutions by public bodies - have also had the secondary effect of restricting government and regulator ability to incentivise collaboration. Yet the Act also

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<sup>27</sup> Enser, J, (May 2025), '[Supporting higher education providers through beneficial collaborations](#)', Competition and Markets Authority (CMA) Blog, [Accessed March 2026].

<sup>28</sup> Competition and Markets Authority (CMA) (January 2026), '[Guidance: collaborating with other higher education providers](#)', [Accessed March 2026].

<sup>29</sup> Enser, '[Supporting higher education](#)'; KPMG and Mills & Reeve (July 2025), [Radical collaboration: A playbook](#), p. 39.

requires the Welsh regulator to promote equality of opportunity, widen participation among under-represented groups, and 'promote tertiary education and research in a way that contributes to the development of a sustainable and innovative economy in Wales' – all goals that are undermined by the current constraints on collaborative action to address growing subject 'cold spots'.

- Provider bodies continue to call for greater system-level stewardship from government to respond to the growing challenges posed by course closures and regional gaps in provision, indicating that the sector would welcome stronger incentives to collaborate to safeguard regional access and overall system health.<sup>30</sup>

We therefore encourage the Welsh Government, working closely with Medr, to incentivise providers to respond collaboratively and creatively to safeguard provision for learners, particularly in addressing the growing challenge of subject 'cold spots'. This may require a rebalancing of the current policy framework, with less emphasis on competition and greater scope for collaboration, supported by stronger strategic stewardship from government.

## 2. Are there further examples of schools and colleges collaborating to maintain a broad and accessible curriculum in post-16 education and to improve transition between pre- and post-16? Are there further examples of universities collaborating to deliver degree provision? Can this be further developed to safeguard at-risk subject areas?

The British Academy believes all learners should have access to a broad post-16 curriculum that provides opportunities to engage with a wide range of subjects across the SHAPE and STEM disciplines, and to develop skills that support their transition into further learning and work.<sup>31</sup> In that spirit, collaboration across the tertiary education system – spanning further and higher education providers and employers – plays an important role in ensuring a broad and accessible curriculum and should be strongly encouraged in Wales. We appreciate the useful examples of collaboration already highlighted by the Welsh Government. Given the Academy's UK-wide remit, we would also like to offer examples from elsewhere in the UK where collaboration across the tertiary system has worked successfully.

One example is the 'Languages for All' scheme.<sup>32</sup> This pilot project saw schools in the London Borough of Hounslow partner with the Department of Languages, Literatures and Culture at Royal Holloway, University of London, with the aim of encouraging school pupils to take up level 3 study in modern languages and, in the longer term, to increase numbers studying languages at degree level. Although still relatively new, the scheme has already contributed to doubling the number of students studying modern languages at A level across the participating schools.<sup>33</sup>

A more system-wide example can be found in Scotland, where articulation forms an integral part of the tertiary landscape. Articulation enables learners to progress directly from a Higher National Certificate or Diploma (HNC/D), post-school qualifications usually with a vocational element and

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<sup>30</sup> Llywodraeth Cymru/Welsh Government (2026), [The Future of Tertiary Education in Wales](#), p. 8.

<sup>31</sup> The Academy has previously made this case in an English context: see The British Academy (2024), [Subject choice trends in post-16 education in England](#).

<sup>32</sup> Languages for All, '[Our manifesto: languages open minds and open doors](#)', [Accessed March 2026].

<sup>33</sup> *Ibid.*

normally undertaken in an FE college, into the second year of a degree programme at a university, with credits transferring through the Scottish Credit Qualification Framework.

Articulation is regarded as contributing to the Scottish Government's goals around widening participation, opening up routes to university study for those who otherwise may not have attended, with rates of students from low income backgrounds at university increasing while articulation has been in place.<sup>34</sup> The University of Glasgow's HNC articulation programmes – developed with eight West of Scotland Colleges – support widening participation groups, including care-experienced and refugee or asylum seeker learners, enabling students to progress onto degree programmes across disciplines.<sup>35</sup>

As outlined elsewhere in our response ('Competition and collaboration', question 1, 4), there remains an urgent need for governments across the UK to provide greater clarity on the extent to which collaboration between providers is permissible. We welcome the Welsh Government's engagement with the Competition and Market Authority's recent clarification on this point.<sup>36</sup> We have previously called for governments across the UK to provide strategic oversight, working with regulators, to realise the potential benefits of collaboration and support providers in undertaking collaborative activities.

### 3. What are the benefits and disbenefits of the uncapped market for home undergraduates, both for students and for institutions? How does the higher education sector expect the market to develop over the coming decade, particularly when the number of 18-year-olds begins to decline?

The Academy remains concerned about the lack of sustainable subject-level provision across the UK, including in Welsh universities, under the present demand-led funding and regulatory system. The projected decrease in the number of 18-year-olds will exacerbate these challenges, as will earlier constraints in the education pipeline, including limited access to subjects such as modern languages in schools and colleges. The Academy continues to call for a comprehensive review of higher education funding across all UK higher education systems to address these pressures.

As the Academy has consistently argued, a wholly market-driven approach to higher education risks creating perverse incentives and encouraging short-term decisions over strategic stewardship. It assumes that patterns of student demand reflect autonomous consumer choice and that if students do not choose to study certain courses, institutions would withdraw provision. As a result, recruitment and competition for students have become the primary drivers of institutional decisions about course offerings, often at the expense of wider strategic considerations and the needs of the economy, society and culture. While course closures may be rational commercial decisions for individual institutions facing rising costs and financial pressures, their cumulative effect across the system is a shrinking and increasingly uneven landscape of provision – one that may no longer meet the needs of students, local communities, or the wider economy.

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<sup>34</sup> Lalley, C., & Adetutu, M. O. (2022) '[Higher education widening access initiatives—An estimation of wage returns from Scottish Articulation](#)'. *Higher Education Quarterly*, 76, p. 848.

<sup>35</sup> University of Glasgow, '[HNC articulation programmes](#)', [Accessed March 2026].

<sup>36</sup> Llywodraeth Cymru/Welsh Government (2026), '[The Future of Tertiary Education in Wales](#)', p. 33.

Market dynamics mean that courses in the SHAPE disciplines – particularly languages and other humanities subjects – are often among the first to be cut, despite the clear regional and national value of the skills they provide (please see our response to Competition and collaboration, question 4, for specific examples in Wales). These course closures contribute to growing regional ‘cold spots’ and a reduction in provision at lower-tariff levels, which is a critical access issue given the strong links between socioeconomic disadvantage and attainment. A reduction in the number of 18-year-olds will further reduce demand, exacerbating recruitment challenges and accelerating the contraction of course provision.

The Academy is also concerned that challenges earlier in the education pipeline will increasingly impact subject provision in this demand-led system, particularly when combined with demographic pressures. Students’ choices for higher education are shaped by a range of factors beyond their control, including the curricular options available to them earlier in their education. In the case of modern foreign languages (MFL) in Wales, falling undergraduate numbers reflect persistent challenges throughout the Welsh school system, including a decline in the number of schools offering languages and a decrease in entries at GCSE and A level in Wales.<sup>37</sup> Lack of MFL provision reflects a wider pipeline cycle: falling student demand and course closures lead to reduced MFL initial teaching training enrolment, which then contributes to fewer schools being able to offer languages due to workforce shortages. As of 2025, 27% of Welsh secondary schools reported MFL teacher recruitment difficulties, and further course closures in languages at Welsh universities risk exacerbating these shortages over the coming decade.<sup>38</sup> If the percentage share of entries for MFL at GCSE and A level remains low, the combined effect of demographic shrinkage with low take-up and/or provision of languages at GCSE and A level will threaten enrolment for MFL degrees, and exacerbate teacher shortages. As discussed in our response to ‘Participation’, question 5, Welsh language and literature face pressures across the tertiary system.

The Academy continues to call for a review of the higher education funding model, including in Wales. In the immediate-term, greater system stewardship from government is required, including a commitment from Medr to protect provision in strategically important subjects through the creation of an at-risk subject register and premium. Facilitating regional collaboration between providers to protect subject provision must also be part of the solution.

#### 4. Where are there risks of ‘higher education ‘cold spots’ in Wales? Are there particular subject areas at threat due to market competition and changing student preferences?

The Academy welcomes the Welsh Government’s recognition of the seriousness of growing regional ‘cold spots’ in subject provision in higher education. This is an area in which the British Academy has produced extensive research and analysis through its ongoing *Mapping SHAPE* project.<sup>39</sup> We are pleased that the Welsh Government’s analysis accompanying this consultation engages directly with this work and, crucially, draws attention to the connection between subject ‘cold spots’ and the challenges inherent in a demand-led system – an analysis that aligns with Medr’s recent review of subject provision. Medr’s review rightly identifies subject ‘cold spots’ as a

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<sup>37</sup> The British Academy (2025) [School Indicators](#), [Accessed March 2026].

<sup>38</sup> British Council (2025), [Languages Trends Wales 2025](#), p. 35.

<sup>39</sup> The British Academy (2025) [Mapping SHAPE Provision in UK Higher Education](#), [Accessed March 2026].

major challenge for widening participation, fair regional access, local skills needs and the overall health of Wales' higher education teaching and research ecosystem.

The risks posed by 'cold spots' to the future of teaching and research in Wales is acute. We would particularly highlight the following key findings from the Medr review, which align with the Academy's own research and should inform policy priorities:

- Growing subject 'cold spots' in Wales at undergraduate level in many humanities disciplines, particularly modern foreign languages (MFL). Loss of MFL provision presents a critical future skills issue for Wales, given languages' importance for economic growth, international business, diplomacy, cultural cohesion, research and soft power;<sup>40</sup>
- A growing concentration of SHAPE provision in South Wales, even when controlling for population density. This exacerbates regional inequality of access for learners outside Cardiff and other urban areas in South Wales;
- A high proportion of non-Welsh UK-domiciled students on many humanities and social sciences courses – including languages, History, English studies, Archaeology, Politics, Geography and Economics.<sup>41</sup> In several subjects, students from the rest of the UK make up more than 70% of full-time undergraduate enrolments. With participation trends in England, where most non-Welsh UK-domiciled students are from, moving towards greater local study,<sup>42</sup> reliance on students from the rest of the UK to sustain enrolments in Wales may prove unsustainable and further undermine provision.

We would also highlight additional findings from the Academy's ongoing *Mapping SHAPE* research that were not included in the Medr review: subjects and regions 'at risk' of becoming 'cold spots' if current enrolment trends continue. Subjects can be categorised as 'at risk' where they show significant decline in enrolments since 2011/12, mirroring earlier trends seen in disciplines – such as MFL – where significant cold spots now exist. Risk can also be identified where provision is becoming increasingly concentrated in higher-tariff providers in specific regions. For example:

- Subjects currently 'at risk' include English and History. Enrolments in English language and literature have decreased by 63% at Welsh universities since 2011/12; History has seen a 43% decline.<sup>43</sup>
- These subjects are not 'at risk' everywhere, but provision is uneven. Cardiff University is the only Welsh institution to have seen an increase in History enrolments since 2011/12 (a 64% rise), while all other Welsh providers offering History experienced a 63% overall decline. In English language and literature, Cardiff University saw a 23% decline in enrolments; all other Welsh universities saw a far steeper aggregate decline of 74% since 2011/12.<sup>44</sup>

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<sup>40</sup> Forsdick, C. (2023), '[The revival of language learning is key to a culturally and linguistically rich future](#)', The British Academy.

<sup>41</sup> Medr (2026) [Subjects of study – demand, provision and distribution of subject areas across higher education in Wales](#), p. 52

<sup>42</sup> UCAS (2025), '[More school leavers living at home for university and college study](#).' [Accessed March 2026].

<sup>43</sup> The British Academy analysis of HESA student record (first-year first-degree UK-domiciled FT and PT undergraduate students), 2014/15 – 2024/2025. Jisc 2026 (*forthcoming*).

<sup>44</sup> Ibid.

- The same pattern is evident in other SHAPE subjects. For instance, Economics provision appears stable across Wales (a 1% increase since 2011/12), but at provider-level only Cardiff University has grown provision (a 57% increase), while all other Welsh providers show an aggregate decline of 40%.<sup>45</sup>

The concentration of provision in these subjects at Cardiff University – a higher-tariff provider located at considerable distance from many Welsh learners – poses challenges for regional equality of access and for the sustainability of provision at other, lower-tariff institutions. Cuts to lower-tariff provision are particularly harmful because these institutions often serve less mobile, commuter and disadvantaged students. Given the strong links between prior attainment and socioeconomic background, reduction in lower-tariff provision directly constrain opportunities for disadvantaged learners across Wales.

We hope the Medr review, alongside the Academy’s ongoing analysis of provision in the SHAPE disciplines, will inform a shift towards greater strategic stewardship of subject provision by the Welsh Government in the interest of learners and Wales’ future economy. Once provision is lost, it is extremely difficult to rebuild; there is therefore a strong case for preventive action before it is too late. We also hope that Medr’s review will serve as an important model and prompt for other UK higher education bodies to take seriously the threats to sustainable subject provision posed by ongoing financial challenges and the current funding and regulatory model.

The Academy continues to undertake research in this area through its *Mapping SHAPE* project, including forthcoming research on regional staffing trends to better understand the changing landscape of teaching and research in Wales and across the UK. We remain ready to assist the Welsh Government and Medr in their efforts to understand and respond to changing trends in subject provision and the emergence of growing ‘cold spots’.

## Financial sustainability

1. What are the best examples of tertiary providers ensuring efficiency in the delivery of course provision while maintaining quality? And what are the challenges in doing this?

*No response given.*

2. Where are there opportunities for cost-savings in the delivery of tertiary education?

*No response given.*

3. What further evidence is available regarding the cost barriers to accessing tertiary education for learners and students?

The British Academy agrees with the Welsh Government that it is important to ensure that the cost of living is not a barrier to learners accessing tertiary education. We have significant concerns about the urgent cost of living challenges faced by students across all parts of the UK and across all disciplines. As outlined in the report accompanying this consultation, even though

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<sup>45</sup> Ibid.

maintenance support for students in Wales is greater as a proportion of living costs than any other UK nation, Welsh students are still facing increased cost of living pressures. The Academy looks forward to engaging with the results of the Welsh Government's forthcoming review of the student support elements of the Diamond Review, to address this.

The Academy's own work on 'cold spots' in provision, outlined further in our response to Competition and collaboration, question 4, has demonstrated the challenges facing disadvantaged students in terms of access to particular subjects in higher education. Many of these barriers are related to cost. Cost barriers contribute to the increasing trend in students studying close to their home address, and data suggests students from disadvantaged backgrounds are more likely to do so.<sup>46</sup> When there are fewer subjects available locally disadvantaged learners suffer reduced opportunity. The Academy recommends that in considering the impact of cost barriers, the Welsh Government should also consider how this affects subject availability, particularly in areas with high levels of socio-economic disadvantage.

We are currently finalising a resource which will present data on subject take-up across the UK alongside data on widening participation indicators, including the Welsh Indices of Multiple Deprivation (WIMD). This analysis will enable observers to monitor trends in the socio-economic background of learners undertaking specific subjects and how these have changed over time. The Academy continues to recommend a review of higher education funding in Wales that supports a system where learners across the country can access a wide range of subjects.

4. Where should Welsh Government prioritise direct (grant expenditure) and indirect (loan outlay) support for tertiary education? What evidence is available regarding the best social/economic and private/public returns on such investments?

*No response given.*

5. Where should Welsh Government prioritise future capital investments in tertiary education infrastructure and estates?

*No response given.*

## Communities and the economy

1. What elements of Longitudinal Education Outcomes (LEO) data should Welsh Government and Medr prioritise to better understand labour market outcomes from tertiary education?

The British Academy is aware that the Welsh Government has used LEO data, as part of its 'consistent performance measures for post-16 learning' data,<sup>47</sup> and recognises that it is important for policymakers, as well as learners, to have a clear understanding of the potential outcomes of a range of tertiary education courses. LEO data provides useful information as part of this picture. Previous British Academy research has drawn on LEO data and the UK-wide Labour

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<sup>46</sup> The British Academy (2025), *Cold spots: Mapping SHAPE Provision in UK Higher Education*, pp. 15-16.

<sup>47</sup> Medr, '[ta/Medr/18/2025: Consistent performance measures for post-16 learning: Learner destinations](#)', August 2021 to July 2023

Force Survey to understand the trajectories of SHAPE graduates in the UK labour market, including employment, mobility and earnings. This analysis provided valuable insights, including that SHAPE graduates have comparable positive outcomes to STEM graduates (83% in employment or further study ten years after graduates, compared to 86% of STEM graduates).<sup>48</sup>

However, LEO data suffer from several limitations well recognised in the higher education sector.<sup>49</sup> The Academy has consistently expressed reservations about an over-reliance on LEO data to measure the value of outcomes for graduates. LEO's focus on salary and employment activity should not be the only way governments and regulators conceptualise positive labour market outcomes, or the value of studying for a degree.<sup>50</sup>

These conceptual issues are in addition to the methodological limitations of LEO data. Firstly, LEO data does not include the number of hours worked and therefore cannot account for whether an individual is working full-time or part-time. This makes it harder to interpret earnings data, as those who either choose, or need, to work part-time are shown to have lower earnings with no additional context. As LEO relies on pay-as-you-earn data, it can also misrepresent the outcomes of self-employed workers.

There are also issues with LEO lacking contextualisation for regional wage disparities or differences in local labour markets. Individuals working in areas with lower average salaries will be shown to have 'worse' outcomes, even where outcomes reflect structural factors beyond the control of individual graduates or education providers.<sup>51</sup> Moreover, many working in vital public-service roles, such as teaching and nursing, receive lower average salaries than other 'graduate roles'. For these reasons, the Academy believes that LEO data should not be the sole evidence base used to understand labour market outcomes from tertiary education.

More fundamentally, relying too heavily on LEO data, with its focus limited to earnings and employment activity, fails to capture the breadth of what constitutes a "good" outcome of tertiary education for individuals or for society. We are pleased that the Welsh Government and Medr are looking to explore alternative sources of data and information to understand these questions (see our response to 'Communities and the economy', question 2).

In our response to Medr's consultation on its Strategic Plan, we welcomed the regulator's acknowledgement that 'excellent learner outcomes' should not be fixed and should instead reflect the diversity of both tertiary education and individual learner circumstances.<sup>52</sup> We believe that the Welsh Government and Medr have an exciting opportunity to develop new, diverse approaches to measuring learner outcomes that could be a model for other systems across the UK. We were disappointed to see in the Office for Students (OfS)' recent consultation on quality regulation in England, proposals to increase the use of LEO data in measuring teaching quality, despite the absence of a clear link between subsequent graduate earnings and teaching quality.<sup>53</sup> We also note separate challenges in applying LEO data to understand outcomes from other tertiary education courses, including vocational pathways.

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<sup>48</sup> The British Academy (2025), [Understanding SHAPE Graduates](#).

<sup>49</sup> Universities UK (2019), '[The Uses and Limitations of Longitudinal Educational Outcomes \(LEO\) data](#)'.

<sup>50</sup> The British Academy (2025), [Measuring SHAPE Graduate Outcomes](#).

<sup>51</sup> Ibid, p. 10.

<sup>52</sup> The British Academy (2025), [Response to Medr's consultation on a new regulatory system](#).

<sup>53</sup> The British Academy (2025), [Response to OfS Quality Regulation Consultation](#)

We would therefore recommend that, given the well-documented issues with LEO data,<sup>54</sup> the Welsh Government and Medr should exercise caution in using these data to understand labour market outcomes from tertiary education without sufficient additional context.

## 2. Aside from LEO, what other data and information should be better utilised to understand the labour market outcomes of tertiary education?

The British Academy agrees that a wide range of data and information is needed to improve our understanding of the labour market outcomes of tertiary education. LEO data, with its focus on the earnings and employment outcomes of individuals, cannot fully capture the wider, non-financial outcomes of tertiary education, which include individual and societal benefits.<sup>55</sup>

When considering the labour market outcomes of graduates, HESA's Graduate Outcomes Survey can play an important role. The Academy welcomes recent moves taken by HESA to improve the survey, including new questions on wellbeing, job satisfaction and social mobility.<sup>56</sup> These provides valuable insight into graduates' perceptions of their labour market outcomes, helping to balance data sources that focus only on earnings and employment. These measures can be used as a proxy for understanding job quality, which further contextualises LEO data. This more holistic approach to understanding graduate outcomes provides significant opportunities for understanding the full impact of tertiary study.

We would also encourage the Welsh Government to collect and utilise more information about the sector of employment that learners work in. The Academy's recent research has tracked the main employment sectors of SHAPE graduates across the UK.<sup>57</sup> We found that SHAPE graduates played a significant role in vital public services: in 2023, 77.7% of graduates working in education had studied SHAPE subjects, as well as 64% in public administration and 40.8% in health and social work.<sup>58</sup> SHAPE graduates are an integral part of the UK's public sector workforce. This is important for understanding the public impact of tertiary education. Sectoral data can also help contextualise graduate salaries. Individuals working in essential public services, such as nursing and teaching, may not earn the highest salaries but have a significant social impact and represent important graduate employment routes. Current reporting through SOC codes does not always make public service roles sufficiently visible. Exploring new ways to report this data could provide a clearer picture of where graduates are making a significant public contribution.

It is also important to understand the skills that are developed through tertiary education when considering labour market outcomes. Research from the British Academy and others has demonstrated that skills most likely to be in demand now and in the future, such as critical thinking and problem-solving, adaptability, and communication,<sup>59</sup> closely match the common set of core skills developed by graduates from SHAPE disciplines.<sup>60</sup> Mapping skills developed in different tertiary courses is challenging, but the potential benefits include a better understanding

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<sup>54</sup> Universities UK (2019) '[The Uses and Limitations of Longitudinal Educational Outcomes \(LEO\) data](#)'.

<sup>55</sup> The British Academy (2025), [Measuring SHAPE Graduate Outcomes](#), p 5.

<sup>56</sup> Nathwani, T. (2023), [The value of a non-financial job quality measure in exploring graduate outcomes - Summary](#), HESA.

<sup>57</sup> The British Academy (2025) [Understanding SHAPE Graduates](#).

<sup>58</sup> Ibid.

<sup>59</sup> Bocock, L., et al (2025) [The Skills Imperative 2035](#), NFER.

<sup>60</sup> The British Academy (2020) [Qualified for the Future](#).

of the skills learners develop from particular courses and how these align with future skills needs. These in-demand skills also provide learners with resilience when facing labour market changes, which LEO data is unable to capture. We would encourage the Welsh Government maintain dialogue with counterparts in other UK administrations as work progresses to better understand how to capture the applicability and resilience of skills over time.<sup>61</sup>

The British Academy has repeatedly called for a wider conversation on better understanding labour market outcomes, as well as the wider social and cultural outcomes of tertiary education. We encourage the Welsh Government to think beyond measures focused purely on earnings and employment activity and to consider metrics and evidence that reflect public value, job quality, and local impact. This will support a deeper and more holistic understanding of tertiary education outcomes. We look forward to future opportunities to engage with the Welsh Government and Medr on this issue.

### 3. How can Welsh Government support for research funding best leverage UK-wide funding and ‘crowd in’ private sector investment?

The Welsh Government and Medr could leverage UK-wide funding by investing in strategic areas that intersect across Welsh and UK-wide priorities. Investing in talent, opportunities and infrastructures in priority sectors, in line with the Innovation Strategy for Wales and the UK’s Modern Industrial Strategy, may enable the Welsh R&D system to build on existing strengths and leverage UKRI funding. This is likely to become increasingly important as UKRI aligns its funding streams to its new model and R&D priorities.

Analysis commissioned by the British Academy and the Academy for Social Sciences has demonstrated that SHAPE research is bolstering UK’s strengths in areas of competitive advantage.<sup>62</sup> This research also produced an interactive dashboard that allows users to explore 2021 REF impact case studies from the SHAPE disciplines and filter for Welsh institutions.<sup>63</sup> Tools like this can be used, alongside other evidence, to identify specific areas of research capacity and strength in Wales. Further research may also be warranted that focuses more specifically on competitive advantage in the Welsh research system and in the Welsh economy.

There is well-established evidence to suggest that public investment in R&D can increase the value of private sector R&D and lead to crowding-in of complementary private investment.<sup>64</sup> However, the policy environment needs a stable footing to do so; constant policy changes increase uncertainty for private investors and limit this crowding-in effect. This is a particular issue for UK industrial policy.<sup>65</sup> As such, the Welsh Government should target sustainable, long-term investment in existing research strengths to crowd in private sector investment.

Alongside stability in industrial policy, we highlight the importance of quality-related (QR) research funding as a core pillar of the research landscape, enabling ‘discovery’ research that

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<sup>61</sup> Skills England, [UK Standard Skills Classification Skills Explorer](#) [Accessed 11 March 2026].

<sup>62</sup> The British Academy & The Academy of Social Sciences (2024), [The SHAPE of Research Impact: key messages](#).

<sup>63</sup> The British Academy (2024), [‘The SHAPE of Research Impact’](#). [Accessed February 2026].

<sup>64</sup> Nightingale, P., Morgan Jones, M., Hopkins, E., and Cowan, S. (2025), [Generating coherent and effective R&D and innovation policies](#), The British Academy, p. 13.

<sup>65</sup> Ibid.

delivers medium- and long-term benefits.<sup>66</sup> Work from the Bennett Institute has demonstrated the ongoing value of QR funding in an English context.<sup>67</sup> Importantly, QR funding provides institutions the autonomy to make strategic decisions and set programmatic priorities, alongside covering a range of researcher costs. As a core component of the dual-funding system, ensuring the stable and predictable distribution of QR funding, rising in line with projected inflation, will allow Welsh institutions to leverage other capital funding schemes and competitively bid for UK-wide grants.<sup>68</sup>

The British Academy's Economic Strategy programme has also highlighted that innovation policy should support the entire innovation process and wider ecosystem.<sup>69</sup> As well as leveraging investment for curiosity-driven research and IS-8 sectors, the Welsh Government should continue to support knowledge-exchange partnerships between Higher Education and industry by protecting the Research Wales Innovation Fund (RWIF). An evaluation commissioned by UKRI found that the gap in knowledge-exchange funding between the closure of the Innovation and Engagement Fund in 2013/14 and the introduction of RWIF in 2020/21 significantly weakened Welsh institutions' capacity for knowledge exchange and undermined long-term industry partnerships.<sup>70</sup> As such, the Academy supports the use of RWIF to facilitate knowledge exchange with a range of regional actors, including industry partners and Wales' high proportion of SMEs.<sup>71</sup>

#### 4. Collaboration and specialisation of institutions may create efficiencies and stronger agglomeration effects for teaching, employment and RD&I. What evidence can be used to underpin this, and does it suggest what and how specialisation should take place? This could also create risks and challenges, what are they?

The Academy supports activity to facilitate greater collaboration between institutions to reduce the threat of 'cold spots' in higher education provision in Wales. Collaboration across institutions – including shared infrastructure and place-based investments – has the potential to create efficiencies and agglomeration effects for RD&I and the regional provision of teaching, as outlined in response to 'Competition and collaboration', question 1.

Concerns about the challenges facing higher education are increasingly evident. We believe that there is a need to reconsider how the system is funded, regulated and organised to ensure that it can continue to serve a public good. This requires a shift away from an emphasis on competition and towards greater collaboration between providers, with increased strategic oversight from government and regulators.<sup>72</sup> Greater regional collaboration can prevent further loss of provision, safeguard critical teaching and research staff, and help ensure the health and vibrancy of the

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<sup>66</sup> The British Academy (2025), '[British Academy response to Medr's consultation on a new regulatory system \(including conditions of registration and funding\)](#)'.

<sup>67</sup> Bennett School of Public Policy (2021), '[The Value of QR project](#)', [Accessed March 2026].

<sup>68</sup> The British Academy (2024), '[Recurrent Research Funding Across the United Kingdom](#)'.

<sup>69</sup> Nightingale, P., et al, (2025), '[Generating coherent and effective R&D and innovation policies](#)', *The British Academy*, pp. 15-16.

<sup>70</sup> PA Consulting (2024), '[Evaluation of the Higher Education Innovation Fund \(HEIF\) programme: 2008-2020](#)', pp. 13-14.

<sup>71</sup> The British Academy (2025), '[The British Academy's response to the Education Committee's call for evidence on Higher Education and Funding: Threat of Insolvency and International Students](#)'.

<sup>72</sup> *Ibid.*

SHAPE disciplines and of UK universities in the long-term. Our research into regional inequalities in subject provision makes the case for more long-term strategic stewardship from government, in dialogue with the sector, to protect fair regional access to teaching in SHAPE courses, rather than an approach which prioritises market demand and short-term priorities.<sup>73</sup>

Evidence also suggests that collaboration and clustering can yield benefits for innovation and place-based growth. The Cardiff Capital Region's Memorandum of Understanding with Cardiff University, Cardiff Metropolitan University, the University of South Wales, and regional further education colleges, for example, provides a framework for collaboration on economic growth, business engagement, and R&D across the region.<sup>74</sup> Likewise, many of Wales' recent innovation success stories result from collaboration between institutions, with the Cardiff Capital Region being the only UK region to have secured two UKRI Strength in Places Fund initiatives – CSconnected and Media Cymru.<sup>75</sup> Establishing frameworks for increased collaboration, like the Welsh Innovation Network, could help Welsh institutions be more competitive for UKRI funding that directly supports priority missions.

## 5. What opportunities and threats does AI pose to the future of tertiary education? What implications are emerging from its uses for providers and for Welsh Government policy?

The rapid advancement of AI poses significant opportunities and threats that will need to be addressed if we are to uphold, rather than undermine, teaching and research integrity, fairness and public trust in tertiary education.

The ongoing development of AI has implications for teaching and learning in tertiary education. Generative AI is already transforming many aspects of higher education teaching and learning. The British Academy's work with Skills England highlights the potentially negative impact of AI on assessment in particular, a common concern across the sector.<sup>76</sup> As the tertiary system regulator, we strongly recommend that Medr takes a proactive approach to monitoring both risks and opportunities inherent in AI use by students and teaching staff. This will be essential to ensure that Wales' tertiary system responsibly harnesses AI's benefits while maintaining the integrity of teaching and learning.

While generative AI may create opportunities across research, particularly in quantitative research, it also poses risks, particularly in the early stages of adoption. These include risks to research integrity and research quality. Recently, platinum open access research has become an industry gold standard; however, this must be balanced with the emerging implications of open access outputs being used to train AI Large Language Models. In turn, journals report increasingly dealing with an overload of poor quality, AI-generated articles.<sup>77</sup> While these concerns are not unique to Wales, they nevertheless have direct implications for quality, integrity and the long-term sustainability of Wales' research ecosystem.

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<sup>73</sup> British Academy (2025) [Mapping SHAPE Provision in UK Higher Education](#), [Accessed March 2026].

<sup>74</sup> Cardiff Capital Region (2024), '[Cardiff Capital Region joins forces with local universities and colleges for future collaboration](#)' [Accessed February 2026].

<sup>75</sup> *Ibid.*

<sup>76</sup> The British Academy (2025), [British Academy & Skills England Roundtable: Building a roadmap for AI skills policies in the UK](#).

<sup>77</sup> The British Academy (2024), '[Open Access and the REF: A British Academy position paper](#)'.

Before public generative AI tools are adopted or bespoke generative AI tools are created by higher education institutions, a systematic review into the impact of AI on teaching and research is needed. Such a review should also consider what accountable and transparent use of AI tools in research should involve, while taking into account the carbon-intensive nature of generative AI in light of the Welsh Government's aspirations for Net Zero.<sup>78</sup>

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<sup>78</sup> Luccioni, A., Jernite, Y., and Strubell, E. (2024), '[Power Hungry Processing: Watts Driving the Cost of AI Deployment?](#)', ACM FAccT '24, Brazil, p. 9.