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Cardiff University as an employee-owned resource for Wales

Cardiff UCU notes:

That the period since January 2025 has been very difficult for the university, collectively. We have all gone through long periods of huge insecurity, for the institution and for our own livelihoods. We have seen much change and upheaval impacting our practice and appreciated first-hand how old-fashioned, short-sighted managerial moves provide limited, if any, solution to the issues Cardiff University is facing.

That senior management in Cardiff and across the sector are invested in, and supportive of, a top-heavy model of Higher Education governance that repeatedly, and increasingly, fails staff, students, and the wider communities we serve.

That currently Cardiff University works as a business and a registered charity governed by Council and Senate. At present, the business entity and the charity establishment are deeply enmeshed and this does not favour transparency and might impact – not necessarily positively – on finances and management.

That the Welsh Government's 'social partnership' agenda indicates wider political will for greater employee involvement in running public sector organisations in Wales.

Cardiff UCU believes:

That an educational co-operative would be an innovative business model able to reinstate collective confidence, enshrine democracy and accountability into governance, and make the most of the expertise we hold (in house, for free). Furthermore, this might relieve university finances as a bonus through a reduction in management-related costs and the opportunity for staff to purchase shares.

That there are viable alternative models for running a large organisation which are efficient and effective. The co-operative model is a well-established and growing form of employee ownership that has been proven to work at scale (e.g. Co-op Group (UK), Credit Agricole (France), Mondragon (Spain)). Other forms of employee ownership (e.g. John Lewis (UK)) can also be effective, but the democratic foundations of co-operatives are often more robust.

Cardiff UCU resolves:

That Cardiff University UCU will establish a working group to explore ways to establish Cardiff University as an employee-owned business – a co-op with education as its core activity – as well as a charity and that Cardiff UCU Executive Committee would ask to meet with Council to discuss this governance model as part of the review of governance structures that is beginning currently.

This would entail the following three sequential steps:

1. Consult with UCU Head Office to explore the potential organisational benefits of a co-op for Cardiff University and to ascertain precedents in other UK HEIs;
2. Seek advice from Cwmpas and Employee Ownership Wales (this is mostly provided for free) as to the steps needed to establish the university as a co-op;
3. Secure relevant political and social support.

Were 1) to prove promising, as part of 2) above, in particular, we would seek advice from Cwmpas and EOW to:

a. Clarify the current and possible ownership structure for Cardiff University.
b. Review the current owners' expectations and openness towards establishing an employees' owned business.
c. Assess governance changes needed to make the option viable and meaningful.
d. Assess the readiness of management and employee teams.
e. Assess the business and forward prospects.
f. Identify the possible ownership options and the suitability of these given the above.
g. Produce a scenario plan to demonstrate how the preferred approach to Employee Ownership could work.

Further information about Employees' owned businesses

By 'Employees' owned businesses' we mean here a business that is 'significantly' owned by its employees; this might mean, for example, an employee share ownership of over 50%.

Most importantly, beyond ownership, the Nuttall Review of employee ownership (see here: https://assets.publishing.service.gov.uk/media/5a79ab1b40f0b63d72fc7918/12-933-sharing-success-nuttall-review-employee-ownership.pdf) defines employee ownership as *"a significant and meaningful stake in a business for all its employees… [which] goes beyond financial participation. The employees' stake must underpin organisational structures that ensure employee engagement. In this way employee ownership can be seen as a business model in its own right."*

There are some educational establishment co-operative precedents in the world, albeit few and far between, and Cardiff University could be well placed to be a first in Wales given Wales' long tradition of employees' owned businesses.

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In Wales there are three different types of employees' owned businesses and we would need to explore which model would better fit our outfit.

	Direct Employee Ownership Employees become individual owners of shares: using tax advantages share schemes.	**Indirect Employee Ownership** The Employee Ownership Trust (EOT) model: shares are held collectively on behalf of all employees.	**Hybrid Employee Ownership** A combination of both direct and collective share ownership
BENEFITS FOR STAFF	- Rewarding and motivating - Recruiting and retaining top talent	- Safeguarding jobs - Providing a say in governance - Income tax-free annual bonuses - Increased job satisfaction and purpose	- Job security - Opportunity to become business owner - Have more control - Enjoy increased rewards
BENEFITS FOR BUSINESS	- Increasing productivity - Reducing employment costs and improving cashflow	- Increases productivity, growth and resilience - Retains independence and agility - Boosts employee engagement	- Smooth transition of ownership - Increases productivity, growth and resilience - Boosts employee engagement

Source: Employee Ownership Wales (https://employeeownershipwales.co.uk/)