Medr
Y Comisiwn Addysg Drydyddol ac Ymchwil
Commission for Tertiary Education and Research

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Higher education capital funding 2025-26

Date: 30 September 2025
Reference: Medr/2025/18

To: Heads of higher education institutions

Respond by: **07 October 2025**
More information: Gareth Lanagan | Investmentandperformance@medr.cymru

Summary

This publication provides details of the basis on which Capital will be allocated to higher education institutions in Wales in 2025-26, the information required from institutions and our approach to monitoring. This funding relates to the 2025/26 academic year.

Rydym yn croesawu gohebiaeth yn y Gymraeg neu yn Saesneg
We welcome correspondence in Welsh and in English
Ni fydd gohebu yn Gymraeg yn arwain at oedi
Corresponding in Welsh will not lead to delays.

Noddir gan Lywodraeth Cymru
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Introduction

1. Welsh Government have indicated that £10m capital funding will be made available for allocation within the 2025-26 financial year. This funding will be allocated to support Medr's strategic priorities.

Basis of capital funding allocations

2. The capital funding will be allocated based on a formulaic approach. As the funding is to be used, at least in part, to support learning and teaching, the student experience and student facing infrastructure, the allocations have been determined based on student numbers. The number of students at an institution represents a reasonable proxy for the amount of estate and facilities required. This method is consistent with previous allocations of capital.

3. The student numbers used for the initial allocation are the HESA Student Record Full-Time Equivalents (FTEs) for all modes, levels and domiciles based on the 2023/24 academic year. This is the same basis on which the previous round of capital funding was allocated.

Application of a minimum funding allocation

4. In order to provide capital funding that will allow all institutions to invest in projects that will make a sustainable impact, a minimum allocation of £750,000 has been applied. Given its limited estate in Wales, the OU will have a minimum threshold set at 50% (£375,000) to contribute to projects that will benefit Welsh students.

5. The funding for institutions where the original allocation based on their student FTEs fell below this value has been increased to this amount and the FTEs for those institutions then removed from the calculation. The remaining balance of available funding has been apportioned between the other institutions based upon the remaining FTEs in the calculation.

6. The resulting allocations for each institution are provided in **Annex A**.

Submission of plans

7. Institutions will be required to provide their Capital investment plans for this funding, along with their Estate strategies, with details of how the investment plans align with their Estates strategies. If Estates strategies are in the process of being updated, a written update including estates priorities must be provided.

8. The Capital investment plans should include details of the institution's planned expenditure and how it will support Medr's strategic priorities. Net Zero and responding to the climate emergency remains a Welsh Government priority, so institutions should prioritise projects that address this issue directly. It is likely that such projects would also have broader benefits on other priority issues such as biodiversity. Institutions should also highlight how plans will improve the learning and teaching space and benefit the student experience.

9. Medr Officers will confirm that the Capital investment plans are appropriate and meet the necessary criteria.

10. We will continue to monitor HESA metrics via the published data releases and so institutions should continue to be mindful of the impact projects may have on them.

11. A pro forma for these plans is attached at **Annex B**.

12. Should we have any concerns on the appropriateness of any particular projects, we may require the funding to be redirected to more suitable ones. As such, we recommend that institutions provide plans in excess of their allocation to allow for flexibility.

13. Should an institution foresee being unable to spend their full allocation, they should notify Medr at the earliest opportunity and any residual funds will be reallocated to other institutions via the formulaic approach described previously.

Annual monitoring

14. A monitoring exercise will be undertaken in 2026 at a suitable date to ensure that the funding has been used as intended and to provide an update on the impact that the investment has had.

15. Institutions will be expected to provide a breakdown of the capital spend and detail any projects that the funding has contributed to.

16. Institutions will be requested to provide a qualitative summary of the positive impacts this funding has had/is having on Medr priorities and the criteria noted above.

Timetable

17. Providers will be requested to confirm their ability to spend their full allocation **by 07 October 2025**.

18. Medr will schedule payment of the allocated funds to institutions upon receipt of the above confirmation and in October 2025.

19. The annual monitoring process will take place in 2026 at a suitable date.

Further information

20. For further information, contact investmentandperformance@medr.cymru.

Annex A: Additional higher education capital funding modelling 2025/26

Institution	2023/24 Student FTE	Allocations pro rata to (£): FTE	Percentage allocated to each institution FTE
University of South Wales	19,177.00	1,528,197.07	15%
Aberystwyth University		750,000.00	8%
Bangor University		750,000.00	8%
Cardiff University	28,326.00	2,257,272.28	23%
University of Wales Trinity Saint David	11,755.00	936,744.88	9%
Swansea University	19,009.00	1,514,809.31	15%
Cardiff Metropolitan University	10,578.00	842,950.86	8%
Wrexham University		750,000.00	8%
Open University in Wales	8,408.00	670,025.60	7%
Total	**97,253.00**	**10,000,000.00**	**100%**

Source: HESA student record 2023/24

Student Numbers not used in calculation: HESA standard registration population, all modes, levels and domiciles.

FTE’s used in calculation: HESA Session Population, all modes, levels and domiciles.

Please note that rounding has been applied to FTE values following use in calculations.

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Medr/2025/18: Annex B

Plans for allocation of Capital funding 2025-26

This pro forma can be adapted to suit the individual plans submitted by each institution.

Institution:

Please describe your institution's plans for the use of the Capital funding 2025-26, by providing information below in respect of one or more projects that will support Medr's strategic priorities:

Project 1 –

Description of proposed use of funds	Indicative timelines and breakdown of expenditure
Total	

Project 2 –

Description of proposed use of funds	Indicative timelines and breakdown of expenditure
Total	

Project 3 –

Description of proposed use of funds	Indicative timelines and breakdown of expenditure
Total	

Project 4 –

Description of proposed use of funds	Indicative timelines and breakdown of expenditure
Total	

Please add additional projects as necessary.

Total all elements	**£**

Signed	
Dated	

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