

Annual Report and Accounts

2024-25



Noddir gan
Llywodraeth Cymru
Sponsored by
Welsh Government

Contents

Chair and Chief Executive's Overview

(Accounting Officer's statement on performance)

The creation of Medr marked the beginning of a new approach in Wales. We are committed to playing our part in creating a positive future for our people, our communities, our economy and our culture.



Professor Dame Julie Lydon
Chair



James Owen
Chief Executive

This report provides an overview of our purpose and ambitions, and updates on what we have been working to achieve. It also outlines the risks and challenges we, and the tertiary education and research sector, are navigating.

We set out our ambitious, long-term vision for the sector in our first Strategic Plan, published in March 2025. This followed extensive engagement and consultation with learners and stakeholders.

We look forward to working collaboratively with our partners to turn our shared ambitions into reality. In our first year of operation it will come as no surprise that delivering a smooth transition, while ensuring continuity of oversight of tertiary education, has been our overarching priority.

We understand the challenges the sector is contending with and we understand the fiscal context. We have therefore focused on putting in place the foundations to establish Medr as a highly effective organisation and trusted regulator.

Our workforce at Medr, supported by our trade union PCS, deserve special recognition here for the way they have embraced change while continuing to deliver for learners and the sector.

While our Strategic Plan was finalised towards the end of the reporting period, we have used the Foundation and Strategic Aims as the template for providing an overview of our performance in this report.

This helps demonstrate the breadth of activity undertaken during this transitional period. Over time, we will also focus on the impact of our delivery against agreed indicators, providing transparency on progress towards our long-term ambitions.

As we close on our first reporting period, we are incredibly proud to reflect on our achievements over a period of transition and transformational change. In our first eight months of operation, we invested over £686m in the sector; built relationships through meaningful engagement; and maintained regulatory oversight of tertiary education providers in Wales.

Our approach throughout this period has not been to overhaul existing systems or processes, but to learn, collaborate and involve everyone in shaping our future direction while setting high standards for ourselves in discharging our legal and financial responsibilities effectively. This approach is clearly reflected in our organisational values.

The foundations we have established put us in excellent shape to deliver the commitments in our Strategic Plan. We see the seeds of this in our work every day, remembering that behind every pound we spend, every policy we develop and every statistic we publish there is a learner.

We will continue to work collaboratively to deliver a more joined-up and inclusive sector; build relationships based on mutual respect and trust; and ensure the system meets the needs of our society and economy, not just now but for our future generations too. And, perhaps most importantly, we will continue to work tirelessly to help every learner find their path.

Professor Dame Julie Lydon and James Owen

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About Medr

Medr, Wales's Commission for Tertiary Education and Research, is the arm's-length body responsible for funding and regulating tertiary education and research from 1 August 2024. This includes further education, higher education, apprenticeships, school sixth forms, adult community learning, and government-funded research and innovation.

We are the first such organisation in the UK, and one of the first globally, to combine this cross-tertiary remit.



Tertiary Education Providers Funded and Regulated by Medr

9 **universities**
(including the Open University)

13 **further education colleges**

22 **local authorities**
with responsibility for sixth form and adult community learning provision



Medr funding to local authorities supports **133 school sixth forms**

4 **private apprenticeship training providers**

Our vision

We will work in close collaboration with our partners to enable a tertiary education and research system that is centred around the needs of learners, society and the economy with excellence, equality and engagement at its heart.

Our values

Our values help to shape the culture of our organisation:



Dysgu: *to learn; to teach; to educate*

We believe that learning is at the heart of everything we do.

We believe curiosity fuels innovation and helps expand our horizons.



Cydweithio: *to work together; to collaborate; to co-operate*

We can achieve far more together than we ever could alone.



Cynnwys pawb: *to include everyone; to involve everyone*

We are passionate about inclusion, seeking to create the right conditions for everyone to achieve their full potential.



Rhagori: *to exceed; to excel*

We have high aspirations for tertiary education and research in Wales and always set high standards for ourselves to be the best we can be.

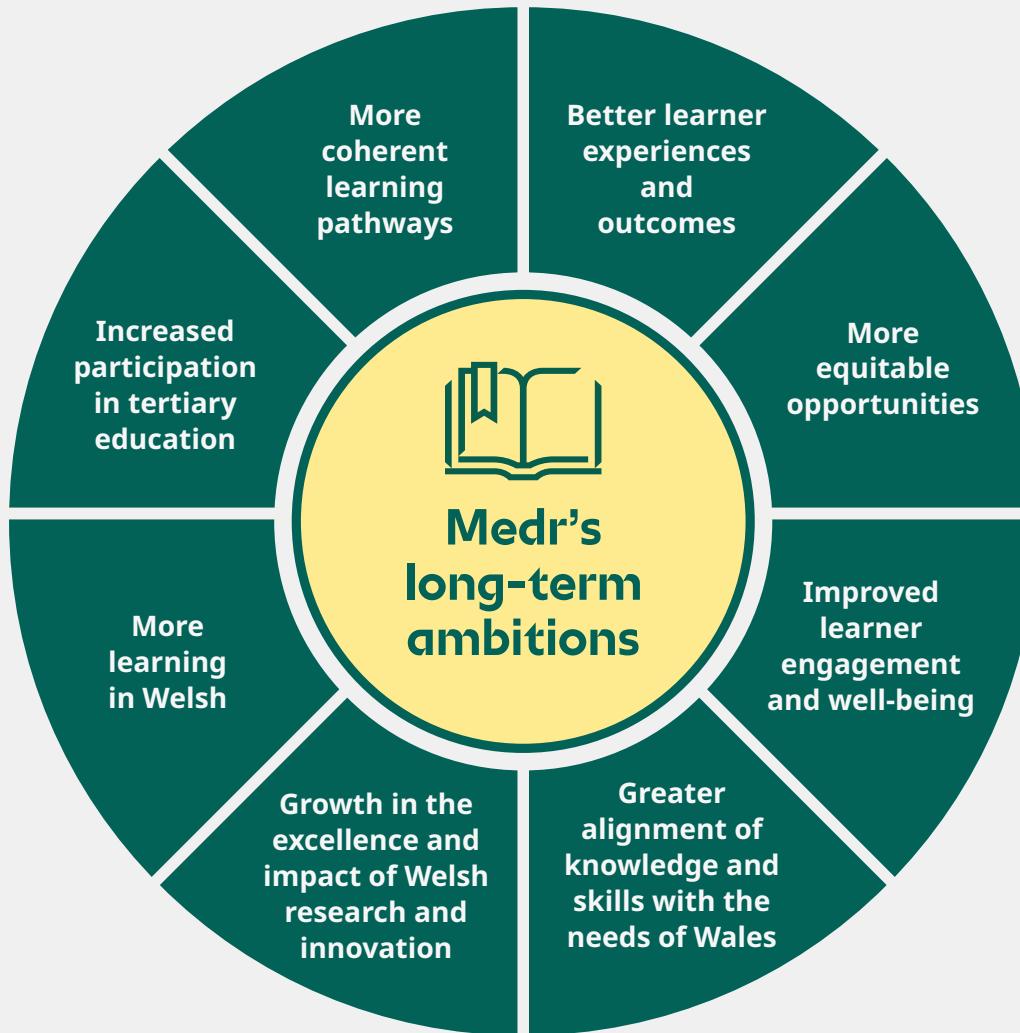
Performance Analysis

Alongside ensuring the smooth transition of a new organisation and remit, much of our work over the reporting period has centred around the development of a medium to long term strategy.

On 12 March 2025 we published our first Strategic Plan, taking account of the Welsh Government's statement of strategic priorities for tertiary education and research and innovation, as well as the eleven strategic duties set out in the [Tertiary Education and Research \(Wales\) Act 2022](#). Our Strategic Plan

sets out a foundation aim and five strategic aims (our well-being objectives) to be taken forward over the next five years as we deliver on our vision and long-term ambitions for tertiary education and research in Wales.

This reporting period has seen Medr set the foundations for delivery against the aims in our Strategic Plan. This section details some of these key activities and how they are enabling progress against our strategic commitments.



Case Study: Putting the learner voice at the heart of Medr's Strategic Plan

As a first step in ensuring learners are at the heart of everything we do, we commissioned a series of focus groups in autumn 2024 as part of our Strategic Plan consultation. Beaufort Research invited learners from across the tertiary sector to the groups to help shape the Plan and identify how learners thought Medr could make a difference.

The research aimed to:

- Understand what is important to learners on their pathway through the tertiary sector.
- Explore what mechanisms learners feel would be effective to ensure that Medr listens to the learner voice in all aspects of its work.
- Elicit feedback on Medr's draft strategic aims.
- Understand what changes learners would like to see as a result of Medr wider remit.



This research was a first step towards integrating the learner voice into Medr's planning and decision-making.

Six focus groups saw 47 learners from 17 tertiary education providers provide valuable insights, many of whom had representative roles such as course reps, students' union officers or student governors.

The focus groups illustrated the rich perspectives that can emerge from learner engagement, along with some of the challenges of creating messages that resonate with learners from diverse settings and backgrounds.

They welcomed the strong focus on learners' needs and experiences in the Strategic Plan,

and urged that the wording of the aims be simplified and streamlined in order to better resonate with learners.



Participants highlighted many examples of good practice in being listened to and involved in decision-making by their provider, and generally felt confident that their voices were being heard.



The research also highlighted the diversity of learners in the tertiary education sector and their many areas of interest, including:

- A perception that schools did not do enough to explain to learners the range of options available to them after they leave compulsory education.
- Concerns about the barriers to accessing and staying in tertiary education, including finance, awareness of options, and rurality.
- Inconsistencies in opportunities to develop Welsh language skills.
- Praise for the support available for mental health needs in tertiary education providers.

Our Strategic Plan makes a commitment to *create a learner voice forum to inform Medr's policy and decision making.*

Building on our initial work, we are working with partners including the National Union of Students (NUS) Cymru and the Learning and Work Institute to start creating a more sustainable structure that we can use to engage and consult with learners about what we do.

This is part of our wider programme of learner voice and engagement work, including creating a new statutory Learner Engagement Code to support learner involvement in decision-making across the tertiary sector.

“ Six focus groups saw 47 learners from 17 tertiary education providers provide valuable insights, many of whom had representative roles such as course reps, students' union officers or student governors.

Foundation Aim

To establish Medr as a highly-effective organisation and trusted regulator.



We became operational on 1 August 2024, bringing together functions from the Higher Education Funding Council for Wales (HEFCW) and the Welsh Government with staff transferring across from the legacy organisations.

Smooth transition

Medr's establishment, and the smooth transition of staff and functions, was supported by a small group of staff. Their work included the publication of our initial [Strategic Equality Plan](#), with our Board agreeing that we would work in the spirit of the socio-economic duty, demonstrating our commitment to

incorporate equality of opportunity in all we do as an organisation. Reporting against the Strategic Equality Plan is published separately in line with our statutory requirements.

Staff who transferred across did so either with the opportunity of moving to our terms and conditions of employment or remaining with their existing terms and conditions from the respective organisations. Those that remained on existing terms and conditions had some amendments to provide closer alignment and comparability to the two groups of staff transferring. At the time of becoming operational, we had 90 staff, in a proposed structure of approximately 170 staff.

Medr Structure 2024-25

Chair of the Board	Professor Dame Julie Lydon
Chief Executive	Simon Pirotte (until 31 July 2025)
Chief Operating Officer	James Owen
Executive Director of Policy	Rhian Edwards
Executive Director of Regulation and Funding	Bethan Owen (until 7 February – position vacant thereafter)
Director of Research, Innovation and Skills	Harriet Barnes
Director of Learner Experience	Kieron Rees (from 16 December 2024)
Director of Development, Investment and Performance	Geoff Hicks
Director of Regulation	Dr Ewen Brierley
Chief Financial Officer	Giles Cutler
Director of Statistics and Analysis	(Vacant)
Chief Digital Officer	(Vacant)

Funding

During the reporting period we were working to arrangements inherited from our predecessor bodies, the Welsh Government and HEFCW.

These include different arrangements for different parts of the tertiary sector, from large, formula-based annual funding allocations to smaller pots of funding for shorter term projects. As set out below, we have allocated significant funding to further education colleges, private training providers, higher education institutions and local authorities across Wales to deliver our priorities in line with our terms and conditions

of funding. Some of our funding is also provided to organisations that support the sector or give us assurance around the delivery of those priorities such as Estyn, Jisc, Learning and Work Institute, the Quality Assurance Agency and the Learned Society of Wales.

Through the development, testing and successful implementation of new IT and funding systems, we were able to efficiently continue to distribute funding to tertiary education providers without disruption.

Total Medr funding
£686m

Sector funding distribution 2024-25

Who gets the funding:



What is included in the funding allocated to our providers:

- Apprenticeships **£119m**
- Core further education funding (including further education provision and both additional learning support and additional learning needs funding) **£294m**
- Core higher education funding (including research and innovation funding) **£122m**
- Core local authority funding (including sixth form and adult community learning) **£78m**
- Strategic funding **£33m**
- Higher education capital funding **£31m**
- Other funding **£9m**

Figures rounded to the nearest whole £m.

In parallel to allocating funding for 2024-25, we finalised draft Medr budget allocations for 2025-26 with our Board, informed by the Welsh Government's own draft budget, published in late 2024. Following approval by the Senedd of the Welsh Government budget for 2025-26, the Welsh Government confirmed funding of £961.818m in line with funding methodologies and budget lines inherited from predecessor organisations. This was agreed in the context of smooth transition and not making significant changes to those methodologies.

Regulation

The scale of the tertiary education and research sector in Wales is significant, and one of our key responsibilities has been maintaining regulatory oversight of tertiary education providers. The total income of the higher education sector in 2023/24 was £1,980.1m and the total income of the further education sector was £761.4m. Providing regulatory oversight during a time of unprecedented financial challenges and scrutiny for tertiary education providers has required a hands-on approach from our staff. This has included a regular cycle of two-way engagement with senior members across all Welsh providers and finance directors. Responding to these challenges has helped us strengthen regulatory processes and increased the flow of information to our Board, the Welsh Government and other stakeholders.

We have also undertaken significant preparatory work on the development of a new regulatory system in Wales. In preparing for a new regulatory system, alongside our engagement with key stakeholders, we have formed a task and finish group of Board and external members to provide us with independent advice.

Social partnership in Medr

From the outset, the principles of social partnership have been central to our ways of working. PCS (the Public and Commercial Services Union) has been recognised as our trade union. A representative of our workforce, nominated by PCS, serves as an Associate Member on our Board. We also have Associate Board Members that represent both the academic and non-academic workforce in the tertiary education sector. These Associate Members are joined by another Associate Board Member that has been nominated by organisations recognised by Ministers to represent the interest of tertiary education learners in Wales. All Associate Board Members took up their positions on our Board in September 2024.

We have established a Social Partnership Forum and it met three times during the reporting period, in November, February and March.

Those meetings included discussions on:

- revisions to our structure,
- the development of a people survey across our organisation, and
- a social partnership agreement.

Ahead of Medr becoming operational, the Board was briefed by Welsh Government officials on the Social Partnership and Public Procurement (Wales) Act 2023, and separately our Chief Operating Officer attended Welsh Government social partnership training alongside PCS representation. Our Chief Operating Officer also attended the Social Partnership Council on 12 March 2025.

We were pleased to reach consensus with PCS on our well-being objectives (our strategic aims) and our Annual Report and Accounts.

Case Study: Working with an award-winning Welsh business to create sustainable office spaces

More than 130 pieces of office furniture were reused to furnish our new Cardiff headquarters.

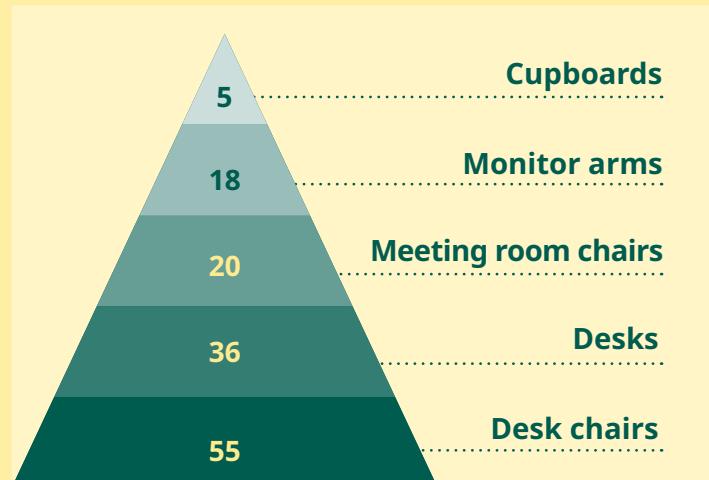
In April 2024, we moved into our new office in 2 Capital Quarter in Cardiff, just as we started to work on developing our Strategic Plan. The timing enabled us to ensure that transferring staff were able to collaborate before we became fully operational on 1 August.

The office space is let from Public Health Wales (PHW), which was reducing its floor space due to an increase in hybrid working.

PHW had left a considerable amount of excess furniture in the vacated area and, working together, we ensured that none of it went to landfill by re-purposing what we could for Medr's use and working with local organisations, including schools, to ensure what was left was all reused.

We worked with Bridgend-based furniture design company BOF to:

- co-design and create a fantastic, modern and bespoke office space which works for Medr.
- identify and repurpose furniture in order to reduce the environmental footprint, improve sustainability and drive down waste without compromising on quality.

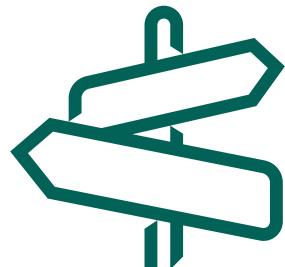


By working with BOF on extending the lifespan of 55 reupholstered desk chairs, 36 desks, 20 meeting room chairs and a whole host besides, we have reduced the need to buy more expensive furniture and mitigated the environmental impact associated with manufacturing and disposal. This also aligns with the Welsh Government's aims of prioritising resources for front line services, and contributes to helping achieve the aim of Net Zero Wales ambitions to become carbon neutral by 2050.

BOF's dedication to operating responsibly meant that it received a King's Award for Enterprise in the sustainable development category. This prestigious award recognised its ongoing commitment to sustainable practices and dedication to operating responsibly, and showed that we had partnered with a talented local company which is making a positive impact.

Strategic Aim 1

To focus the tertiary education sector around the needs of the learner.



The needs of learners are central to everything that we do. We have been very clear on this from the outset.

Mental health and well-being

In the 2024/25 academic year, we provided almost £7m to universities and further education colleges to support mental health and well-being. This has enabled an increase in direct support for learners through funding for provider well-being plans, while also delivering

national collaborative projects such as the Wales-wide mental health project that aims to improve how providers work together with the NHS to improve understanding and access to support. Our funding has also supported access to period products, recognising the additional cost to learners of period dignity.

Case Study: Expanding the mental health data project



The Cardiff University-led universities and colleges mental health data project is a collaborative partnership between education and health to improve support for students and learners who need additional mental health provision to succeed in their studies.

This Wales-wide project, which has been funded since 2019, has developed innovative processes to assess students' mental health needs consistently and more effectively, enabling educational support services and health services to understand clearly students' needs and direct them to the appropriate services.



Universities have worked closely with their local health boards to ensure that their data and other processes are aligned and to remove barriers to student mental health referrals.



The project has adapted its processes to meet the needs of learners in further education. It has provided opportunities for higher education and further education partnership working and sharing good practice across providers, as well as improving relationships between colleges and local health boards. Jointly providers have been identifying gaps in support for learners and students to improve provision and service support.

We also provided funding for a Welsh medium well-being and health online resource, called **myf.cymru**. Led by Bangor University in

partnership with Aberystwyth University and the University of Wales Trinity Saint David, the online well-being and health resources have been developed by students for Welsh speaking students wherever they study. The **myf.cymru** project also co-ordinates a HE/FE practitioners' network for Welsh speaking student support staff to promote Welsh medium student support and share best practice.

“We also provided **£50k in 2024/25** for a Welsh medium well-being and health online resource, called **myf.cymru**.

”

Learner voice

If learners are to be at the heart of the tertiary education system in Wales then their voice must inform decisions made across the system. Alongside having learner representative as an Associate Board Member, we have worked with learner representatives, tertiary sector providers and stakeholders to start the process of co-constructing Medr's Learner Engagement Code.

The Code will support and strengthen learners' involvement in decision-making, building on existing good practice and reflecting the diverse needs of learners in different settings. Starting from draft principles developed by

the Welsh Government and HEFCW, we have worked with the tertiary education sector to develop a learner-centred set of principles to set out how learners should expect to be engaged in their providers' decision-making processes. The Learner Engagement Code went out for consultation in autumn 2025 and will come into effect in August 2026. Alongside these developments we have set up a liaison group with NUS Cymru, and committed funding for the next three years for NUS Charity to support learner representation in further and higher education.

Equality of opportunity

We prioritise supporting all learners in Wales, providing nearly £17m through our Additional Learning Needs support funding to further education colleges. This funding allows institutions to implement the right support at the right time, removing significant barriers to learners achieving their full potential.

Over the 2024/25 academic year, nearly £22m of our funding supported Independent Living Skills (ILS) provision, benefitting 1,720 full-time learners. Alongside supporting the current provision, Medr has commissioned Estyn to undertake a thematic review into ILS to explore developments since the 2017 ILS

review and to help inform the direction for future policy in this area. We have engaged regularly with Estyn to provide information and share early insights to make the review, and any recommendations, as comprehensive and robust as possible.

We also recognise learners' access to education can be affected by financial considerations. We have therefore provided almost £7m in academic year 2024/25 to the thirteen further education colleges, the Open University and the National Centre for Learning Welsh to help remove financial barriers to education.

Learners by learning type and provider, academic year 2023/24

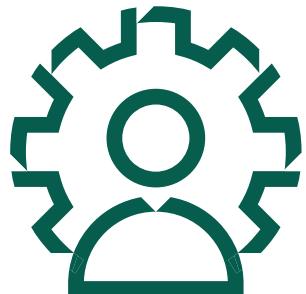
Total learners in tertiary education in Wales **330k**



Figures correct as of October 2025 and rounded to the nearest 1,000. Some learners may enrol at more than one type of provider. These learners are only counted once in the total figure.

Strategic Aim 2

To create a flexible and joined-up tertiary system where everyone can acquire the skills and knowledge they need for a changing economy and society.



Skills and employability

Establishing trusted partnerships and ways of working with other key stakeholders in Wales has been essential in harnessing a more joined-up tertiary system. We have worked closely with the Welsh Government to agree collaborative and inclusive ways of working which enable us to be responsive to skills priorities, including the transition to net zero, and connect us with areas of government responsible for major infrastructure and

investment projects. This will continue to enable us to understand the skills gaps and opportunities to which the tertiary sector will need to respond, while working with the Welsh Government to explore the implications of the creation of Skills England and strategies such as the UK Government's Modern Industrial Strategy 2025.

Case Study: Over 1000 Tata Steel employees supported through public skills funding

Over one thousand employees who faced uncertain futures as a result of Tata Steel UK's decision to cease blast furnace steel production at Port Talbot have been supported to develop new skills through an innovative programme of local learning.

The Personal Learning Account programme aims to help individuals to upskill or reskill in priority sectors, particularly those earning below the median gross annual figure for full-time adults working in Wales. By focusing on national priority sectors, the programme enhances participants' career and earnings

potential. The Tata Steel PLA removes some of the earning access requirements in order to make the support more tailored for the different needs of the workforce.

Funded initially by the Welsh Government and since August 2024 by Medr, the Personal Learning Account scheme has seen significant uptake, in many cases quickly equipping learners with the skills for alternative employment.

By targeting funding to meet the specific needs of those able to access it, colleges,

training providers and local businesses have worked together to provide many facing challenging futures with new skills and prospects.

Over the last academic year alone, the Tata Steel intervention has supported over 800 Tata workers to undertake 995 courses with a further 215 learners undertaking well over 300 courses supported over recent months.

Ben, a 40 year old father of two teenagers had been working at Tata for 24 years, and is one of the former employees to benefit from a Personal Learning Account. After identifying and completing multiple courses with the NPTC Group of Colleges, he has now found alternative employment.

Ben said: **"I picked the courses I did because they best suited me as a way of building on and reinforcing my experiences and Tata based training, which is not always officially accredited to external bodies. Having had limited success in the job market for the roles I was interested in, it's been a real eye-opener to see the impact the**

We have also agreed principles for partnership working with the Regional Skills Partnerships, which include us sitting on each of their Boards, and are working with them to identify how their close relationships with industry sectors and employers can be used to provide intelligence about the needs of the economy. We have met with all four Corporate Joint Committees to understand their priorities and explore how we can work together with them to support economic well-being.

We have also supported the Targeted Employability Support for Students scheme in higher education, and Employability and

accreditations I've obtained have had. I've since had interest from multiple companies and I've recently accepted a job on a major UK energy project not far from Port Talbot. I'm really enjoying it."

Minister for Further and Higher Education, Vikki Howells said: **"We made a commitment to the entire community in Port Talbot that they would not be left behind as a result of Tata Steel's decision to quickly change operations at the steelworks and these bespoke Personal Learning Accounts are an excellent example of how we, working with Medr and partners, are providing impactful interventions to re-skill and support people into alternative local employment. I'm very pleased to see Medr continue this intervention into 2026 and would encourage anyone eligible who has not yet accessed it to consider how it might be beneficial to them."**

Individuals can apply either directly to the colleges or through [Working Wales](#).

Enterprise Bureaus in further education colleges to provide focused support for learners, ensuring they have the skills they need to enter the labour market. Alongside this we continue to leverage our tertiary-wide remit to build networks enabling further education and higher education providers to more easily share best practice and learn from each other.

Digital learning

Through our grant funding, [Jisc](#), a digital, data and technology agency focused on tertiary education, research and innovation in the UK,

has continued to support providers across the higher education, further education and skills sectors to develop their capacity to deliver digital learning.

Activities this year have included:

- a study exploring the use of hybrid and blended delivery in further education, including thematic case studies;
- modules to support staff in understanding digital accessibility and digital well-being; and
- support for a Wales artificial intelligence (AI) community of practice to share experiences of using AI to enhance teaching and learning.

Apprenticeships

One of our primary contributions to skills acquisition in a changing economy is the work we have delivered on the apprenticeship programme in Wales. We have published a three-year programme of apprenticeship framework reviews, using the views of learners, providers and employers to update the requirements for apprenticeships so they reflect the current needs of the economy and provide clear pathways for learners to progress. Work is also underway on seven frameworks, including construction and digital technology. Working with the Welsh Government, a new framework library will be launched which provides better access to information about apprenticeship requirements for employers and providers.

Our remit has enabled us to integrate degree apprenticeships within the full apprenticeship programme, enabling a more joined-up tertiary system. We have also made additional budget available for Supported

Apprenticeships which provide additional support to disabled apprentices who require extra help in developing the skills they need.

Recognising the importance of promoting equality of opportunity across tertiary education, we have provided £246k in additional funding to employers to enable them to support disabled employees on to apprenticeships and have worked with our independent training providers to develop their action plans under the Anti-racist Wales Action Plan.

We have begun to scope the next apprenticeship programme, to be delivered from August 2027, engaging with employers, industry bodies, providers and learners to understand the lessons learned from the current programme and consider how the future programme can be designed to ensure it is able to meet the needs of Wales. This work is continuing through 2025-26, most notably through a formal consultation and the start of the new commissioning process.

Civic mission

One of our strategic duties is to promote civic mission as well as a duty to promote collaboration and coherence across the tertiary sector. Building on existing approaches to civic mission and community engagement across the sector, we have supported higher and further education providers to come together to form three Regional Civic Engagement Partnerships in North, Mid/West and South Wales. These partnerships have encouraged providers to come together to co-ordinate and align their civic engagement efforts, pool their resources and expertise, and work together with other civic organisations to develop a shared vision for civic engagement in their respective regions.

Strategic Aim 3

To ensure learners receive the highest-quality provision in a tertiary education sector that strives for continuous improvement.



Quality of education

A critical short-term component of this commitment has been to ensure that arrangements for the quality assurance of providers continue seamlessly, building on the strengths of the existing system. We have been working with Estyn and the Quality Assurance Agency for Higher Education (QAA) as key partners to support that work.

Alongside this we have worked collaboratively with key partners to develop principles and pillars for a draft Quality Framework for tertiary education in Wales and associated condition for quality.

We have liaised with sector groups to draft a new Quality Framework, including presentations and discussions with:

- Association of Directors of Education in Wales,
- the apprenticeship network,
- the Learning and Work Institute's adult learning network,
- Colegau Cymru's Curriculum and Quality Group, and
- Universities Wales's Learning and Teaching Network.

Feedback from these groups has informed the development of the framework ahead of consultation. The framework sets out proposals for assessing compliance and

is based on data, information (including complaints) and the outcomes of external quality assessment of providers.

To support the delivery of our work we have established a Quality Committee in line with our duties in the Tertiary Education and Research (Wales) Act 2022. Given the strategic importance of this Committee, it was set up in advance of our operation to ensure that it was able to advise the Board from the outset of its operations. Its first meeting was held in May 2024, and it has met frequently since then, providing oversight of our inherited quality duties and new arrangements for the oversight of the quality of the learner experience in Welsh tertiary education.

Professional learning

To enhance our oversight, we have continued to allocate dedicated funding to the further education sector to support professional learning for staff involved in delivering or supporting teaching and learning. We have also funded Colegau Cymru to pilot a reference group to support the further education sector to evaluate the impact of professional learning, share good practice, and agree common themes and priorities.

Social partnership in tertiary education

We have a strategic duty to promote collaboration between providers of tertiary

education and trade unions. In line with this, we have funded a series of social partnership pilots in further education colleges, providing consultancy support to help develop models of collaboration tailored to the individual institution's structure, needs and priorities. This year's pilots at Coleg y Cymoedd and

NPTC Group of Colleges are currently being completed and evaluated. This initial work will help to inform a wider programme of support for collaboration, to be made available to all tertiary sector providers with recognised trade unions.

Case Study: Joint working to develop tertiary-wide self-evaluation quality guidance

The Quality Assurance Agency for Higher Education (QAA) is the independent expert quality body for the UK's higher education sector. It carries out quality assessment reviews and develops guidance for providers on relevant issues.

Estyn is Wales's education and training inspectorate, and provides independent inspection and advice on quality and standards in education and training.

Drawing on the expertise of a cross-sector steering group, we have funded QAA and Estyn to work together on a project to develop and embed a culture of self-evaluation and continuous improvement for further and higher education institutions, apprenticeship providers, and adult learning partnerships.

This approach, supporting the alignment of processes while respecting sector diversity, will help to underpin our remit as the overarching regulator of tertiary education, and marks a significant milestone in the pursuit of continuous improvement in education.

By evaluating the strengths and weaknesses of current practices in tertiary education, the project aims to identify commonalities and differences and determine the extent to which processes can be aligned across the tertiary sector while still meeting individual needs.

The project also explores the approaches and strategies within tertiary education providers to develop and embed a culture of robust self-evaluation and continuous improvement.

In April 2026, we will publish the resulting guidance – combining the needs of different stakeholders, and streamlining processes for institutions.

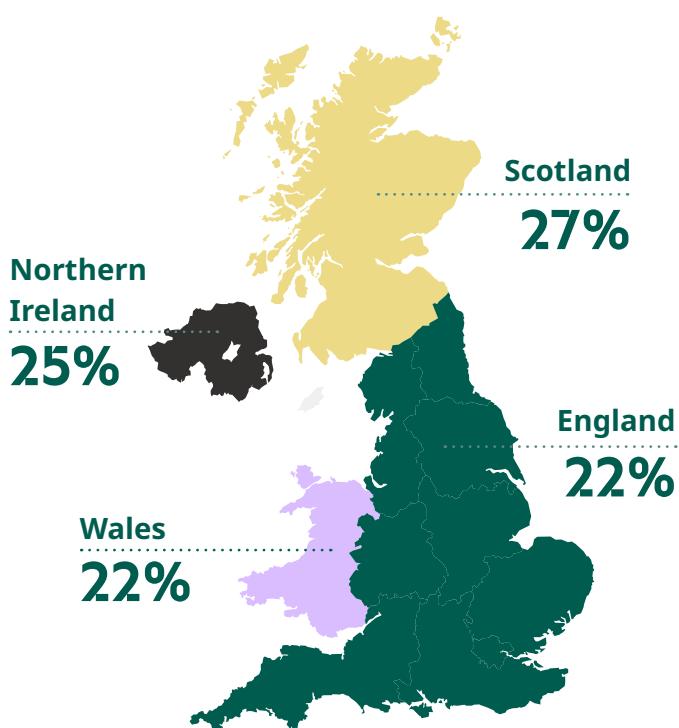
Strategic Aim 4

To grow internationally-acclaimed research and inspire innovation throughout the tertiary education sector.



We provide funding to support excellent research and innovation and for associated infrastructure. This enables institutions to maintain and develop a sustainable research base, underpinning their capacity to bid for funding from other sources. This funding is critical if research and innovation in Wales is going to contribute to the economy, society and culture of Wales, as well as have a global impact.

Welsh universities win research project funding from UK Research and Innovation (UKRI) – the UK's main competitive grant funder – at a success rate comparable to the other UK nations:



In 2023-24, there were 191 successful bids, and £168m invested in Wales, 3% of UKRI's competitive grant budget. Wales has particular strengths in arts, humanities and social sciences, areas which typically have smaller budgets, and has also secured at least 20 highly competitive Future Leaders Fellowships (as of March 2025), which provide long term investment to develop the next wave of world-class researchers and innovators.

The Research Wales Innovation Fund (RWIF) supported activities including strategic partnerships with industry, universities acting as conveners in their regions around economic development and societal challenges, support for entrepreneurial activity and graduate start ups, and enhanced capacity to support knowledge exchange and commercialisation.

In 2023/24 (the most recent available data), the income generated by universities from externally facing research and innovation activity as measured by the HE-BCI (Higher Education Business and Community Interaction) was £251m; this was a reduction of £25m compared to 2022/23, as a result of the loss of EU structural funds. Universities reported 113 spin-outs (up from 109 in 2022/23) and 1,273 graduate start ups.

The Wales Innovation Network (WIN), which we jointly fund with universities, published its first impact report from its first three years of operation. Projects supported by WIN have leveraged £38m in additional investment.

Our strategic partnership with the Learned Society of Wales has supported the ongoing development of the Early Career Researcher Network, round tables to inform policy making on artificial intelligence, medical technologies and disability, and the strengthening of relationships with equivalent national academies in Scotland and Ireland as a basis for collaborative activity.

Higher education research capital funding supported investment in facilities required for space research, high-performance computing, materials analysis and collaboration with industry related to antimicrobial resistance. Funding of £8.96m leveraged a further £8.3m from other sources.

Case Study: Developing positive research cultures

In support of our ambition to make Wales internationally recognised for research and innovation that delivers sustainable social, economic, cultural, and environmental benefits, Medr has launched the Wales Research Environment and Culture (WREC) fund.

This initiative provides dedicated support to Welsh universities to foster research environments rooted in integrity, inclusivity, well-being, and respect – key ingredients for attracting and retaining world-class researchers and innovators.

A healthy research culture is pivotal to fostering innovation, trust and long-term success in supporting excellent research.

Universities have embraced this approach, consistently identifying core values that guide their efforts:

- **Inclusivity** – emphasising the importance of creating environments where all staff, including underrepresented groups, feel valued and supported. This includes recognising the contributions made by professional services, technical staff and early career researchers (ECRs).

- **Collaboration** – encouraging interdisciplinary and cross-role partnership, as seen in initiatives like Cardiff University's research culture events and Swansea University's research culture cafes.
- **Equity and Fairness** – promoting fair research practices, responsible assessment, and equitable access to development opportunities.
- **Well-being** – supporting mental health and overall well-being of researchers, particularly postgraduate researchers and ECRs, through dedicated programmes and events.
- **Recognition and Reward** – celebrating diverse contributions to research through awards and public acknowledgements, such as those at Aberystwyth and Swansea Universities.
- **Openness and Integrity** – advancing responsible research through transparent practices, ethical governance, and open data initiatives.
- **Empowerment and Development** – investing in leadership, skills development, and career progression, especially for women and minority groups, as seen in Cardiff University's EMPOWER network and Bangor University's seedcorn projects.

Collectively, these efforts reflect a sector commitment to nurturing respectful and empowering research communities, underpinned by shared values of openness, inclusivity, and continuous development.

We have worked collaboratively with the other UK higher education funding bodies to continue to develop the Research Excellence Framework (REF) 2029, publishing guidance on open access and volume measures, and launching a pilot to test the People, Culture and Environment element. Recruitment to advisory and assessment panels to date include five individuals from Welsh universities. Our partnership working with Research England has enabled two Welsh universities to be included on the list of institutions who have adopted the best practice for spin-out deal terms recommended by the Independent Review of University Spin-out Companies.

The biannual meeting of the UKRI Science and Innovation Strategic Forum was hosted in Wales in October 2024, with presentations highlighting the diversity of Welsh research and its economic, social, cultural and environmental impact.

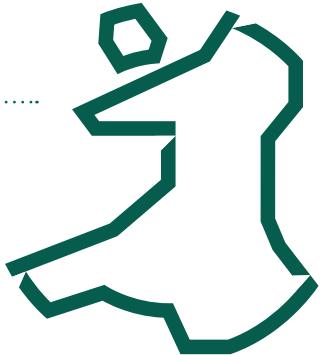
As part of our statutory duty we have worked with a group of experts to shape and form our Research and Innovation Committee. The Committee will provide advice on matters relating to, and oversight of policy development in relation to research and innovation. A workshop between our Research and Innovation Committee and representatives from across the tertiary education sector took place in March to explore lessons learnt from previous approaches to collaboration and opportunities for supporting tertiary engagement in research and innovation.

Our funding contributes towards the engagement of a Welsh Editor at The Conversation, a publisher of research-based news and analysis. In 2024, this resulted in 227 articles from 193 authors from Wales being published and reaching an audience of 5.2m people across the world. 63% of authors were subsequently contacted by the media, and 14% by policy makers.

As part of our statutory duty we have worked with a group of experts to shape and form our Research and Innovation Committee.

Strategic Aim 5

To encourage greater use of the Welsh language, increasing demand for and participation in learning and assessment through the medium of Welsh.



We have a significant role to play in supporting the Welsh Government's ambitions for the Welsh language. Their target is to reach a million Welsh speakers by 2050 and to double the percentage of people using Welsh daily over the same period.

We articulated that commitment in our response to the Welsh Government's proposed Welsh Language and Education Bill (now Act). In both our written evidence and oral evidence to the Children, Young People and Education Committee, we were clear that *"education as a whole (early years, compulsory, and tertiary education), has a significant role in supporting Government to meet this target and to ensure that the Welsh language thrives and Welsh-speaking communities are supported and strengthened."*

We also set out in our evidence that there needs to be strong working arrangements across the different organisations with responsibilities in this area across tertiary education. In that context we have been working with the Coleg Cymraeg Cenedlaethol (the Coleg), the National Centre for Learning Welsh and the Welsh Language Commissioner, recognising that each of these organisations have key responsibilities working with those that we fund and regulate.

The Coleg has been designated by Welsh Ministers to provide advice to us to help us deliver our duty to promote tertiary education through the medium of Welsh.

The Coleg has been designated by Welsh Ministers to provide advice to us to help us deliver our duty to promote tertiary education through the medium of Welsh.

Case Study: Promoting Welsh medium tertiary education through strategic collaboration

Medr is deeply committed to strengthening Welsh medium provision across the tertiary education sector.

Since our establishment, we have prioritised developing close working relationships with the Coleg Cymraeg Cenedlaethol (the Coleg) with the aim of increasing demand for, and participation in, learning and assessment through the medium of Welsh. This is in support of the Welsh Government's long-term strategy to reach one million Welsh speakers by the year 2050.

Indeed our collaboration with the Coleg stems back to before we were fully operational, recognising the importance of communicating how we work together to deliver our shared ambitions for Welsh medium tertiary education and the need to hit the ground running. This commitment was formally marked by the signing of a memorandum of understanding (our first such agreement as Medr) at the National Eisteddfod on 7 August 2024.

Following the signing of the memorandum, we sought informal advice from the Coleg on the development of our first Strategic Plan. This was supported by formal advice from the Coleg under its designated role, aligned to its vision that "all learners use, maintain and develop their Welsh language skills during their tertiary education or training".

Central to that advice was that Medr take a collaborative approach to develop a National Plan for the Welsh language. Medr has embraced this advice, embedding a commitment to delivering a National Plan for the Welsh language in our Strategic Plan, published in March 2025.

The development of the National Plan is a key founding commitment to enable us to deliver our broader strategic aim to "encourage greater use of the Welsh language, increasing demand for and participation in learning and assessment through the medium of Welsh."

“

Having a single strategic aim focused on the Welsh language reinforces the importance we as Medr place on the Welsh language.

“

In parallel, we have collaborated with the Coleg to shape our response to the Senedd's consultation on the Welsh Language Education Bill and have continued to engage with the Coleg on both strategic and operational matters across tertiary education in Wales.

Dr Ioan Matthews, Chief Executive of the Coleg Cymraeg Cenedlaethol: **"Achieving the Cymraeg 2050 targets to create a million Welsh speakers and doubling the daily use of the language poses a particular challenge for the tertiary sector. It is in this sector that the bilingual workforces of the future are being trained, from care workers to doctors, from teaching assistants to teachers, from vets to paramedics."**

"The Coleg is very pleased with the positive working relationship that has been established with Medr so far. We very much welcome Medr's commitment to developing a National Plan for the Welsh language and

we look forward to productive discussions over the next year. We are confident that the relationship between the Coleg and Medr will continue to evolve and that working together will lead to the realisation of the Coleg's vision which is that Welsh medium and bilingual provision is available to all who study and train in Wales, regardless of their Welsh language skills."

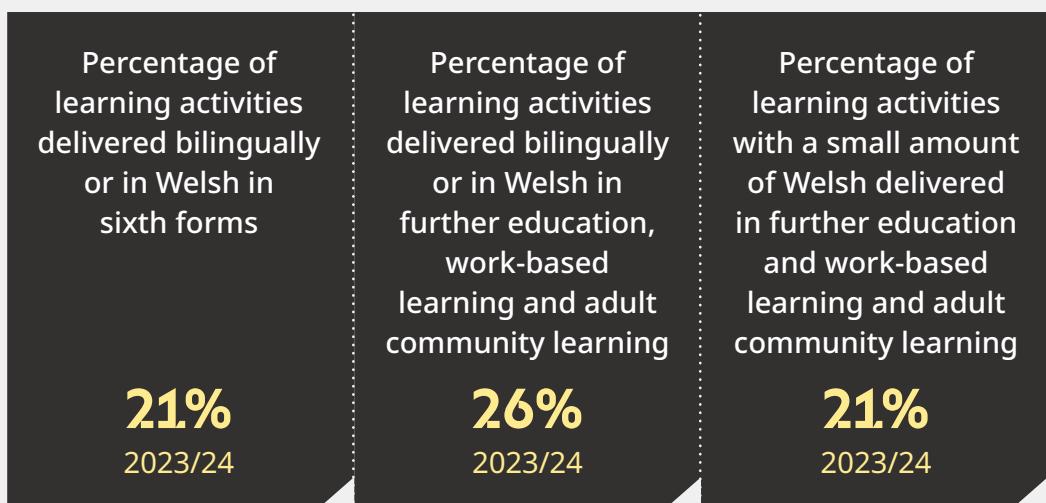
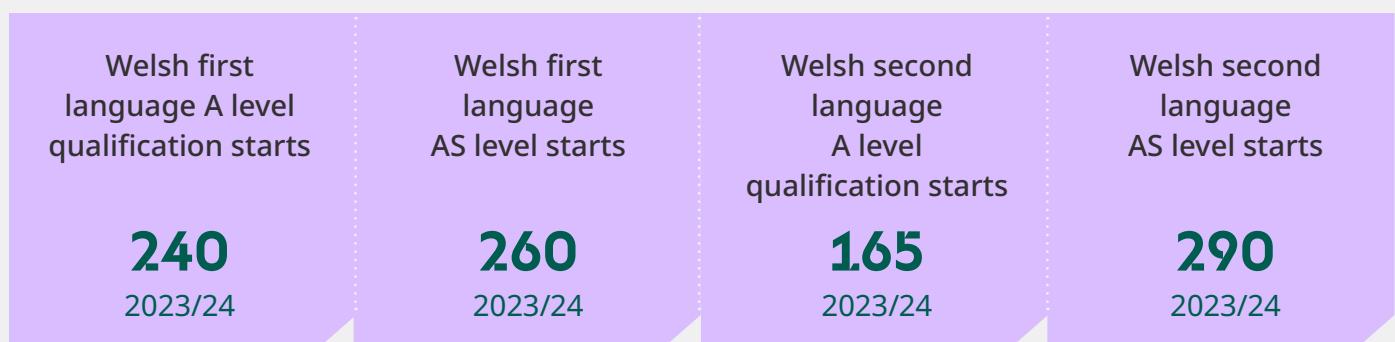
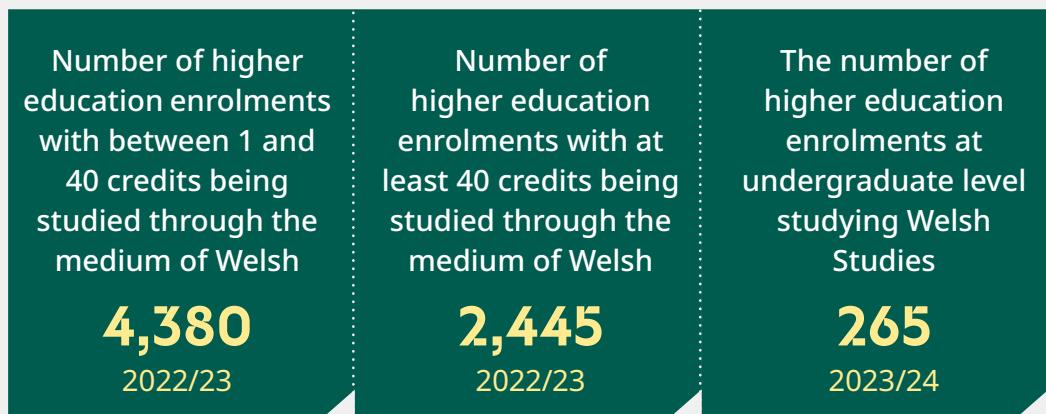
In December 2024 we welcomed the first formal piece of advice from the Coleg that set out its recommendation that we develop a National Plan for the Welsh language across the tertiary education sector.

The recommendation to develop a National Plan was supported with six supporting principles underneath a fundamental principle that: "Every learner should use, maintain and develop their Welsh language skills during their tertiary education or training, to enable them to use these skills in the workplace and in informal settings."

We have accepted the recommendation to develop a National Plan, working with a range of stakeholders, taking account of the Coleg's formal advice. We recognise that learners in Wales will be on different learning continuums but should equally all have the opportunity to study some or all parts of their tertiary education in Welsh should they choose. These opportunities must be promoted.

We have accepted the recommendation to develop a National Plan, working with a range of stakeholders, taking account of the Coleg's formal advice.

Welsh medium and Welsh as a subject in tertiary education – 2023/24



*Figures correct as of October 2025 and rounded.



Expected future developments

Since the close of the accounting year, we published our Operational Plan, setting out the key activities that we will undertake in 2025-26 that will contribute to the delivery of our Strategic Plan.

In future reporting this will include updates on:

- The development of the new regulatory framework that begins to provide a consistent look at tertiary education in Wales, informed by two significant consultations during 2025-26.
- A social partnership agreement between us and our recognised union, PCS.
- An analysis of historical, current and planned tertiary education provision to begin to understand gaps and duplication, and providers' responsiveness to learner and economic needs, while encouraging collaboration, through shared practice.
- Our initial funding policy and principles, as well as a review of Additional Learning Needs (ALN) funding in further education and apprenticeships.
- Developments to improve data across tertiary education, research and innovation in Wales.
- A common framework for health, mental health and well-being, supported by a regulatory condition to improve equality of opportunity and staff and student welfare.
- A scoping study to identify professional learning opportunities and needs across the whole of the tertiary sector, including opportunities for cross-sector collaboration and joint activities.
- Work to promote social partnership in the tertiary education sector.
- Scoping how we can best work with employers and their representative bodies.
- A National Plan for the Welsh language and an associated regulatory condition.

Financial Report

Establishment of Medr

Medr is a Welsh Government Sponsored Body. Medr became operational on 1 August 2024, with the commencement of Section 23 of the Tertiary Education and Research (Wales) Act 2022. Medr inherited functions, from the Higher Education Funding Council for Wales (HEFCW) and the Welsh Government with staff transferring across from the legacy organisations. A transfer order was put in place at midnight on 1 August 2024, which transferred staff, assets and liabilities from HEFCW and, where set out, the Welsh Government. Costs incurred by the Welsh Government or HEFCW for the establishment of Medr prior to 1 August 2024 have been recorded and accounted for by those organisations.

In line with the Government Financial Reporting Manual the transfer of functions from HEFCW and the Welsh Government to Medr is treated as transfer by absorption. The recorded amounts of net assets have been brought into the financial statements of Medr from 1 August 2024. Net asset carrying value has been recorded as a non-operating gain from the transfer of function, through net expenditure. Any revaluation reserves and accumulated depreciation has been transferred, with corresponding adjustments to the general fund reserve.

Due to the expanded functions conducted by Medr to those exercised by HEFCW and the Welsh Government, the additional disclosure of historical financial performance of the functions undertaken by HEFCW does not contribute to a useful understanding of the operational performance of Medr. HEFCW accounts for the period 1 April 2023 to 31 July 2024 are available in [English](#) and [Welsh](#).

Financial Overview

	8 months to 31 March 2025 £'000
Funding of tertiary education:	(686,427)
Medr operating expenditure	(6,821)
Interest	(23)
Income from activities	4,507
Grant-in-aid – funding from the Welsh Government	692,256
Increase/(decrease) in Taxpayers' Equity	3,492

Further analysis of the funding of tertiary education expenditure is shown in note 3 to the accounts on page 77.

Financial Analysis

Grant-in-aid funding from the Welsh Government amounted to £692.3m which was credited directly to the taxpayers' equity general reserve (see 'Statement of financial position' on page 71 and 'Statement of changes in taxpayers' equity' on page 73). The cumulative taxpayers' equity general fund as at 31 March 2025, after crediting the grant-in-aid referred to above, was £8.4m. The financial accounts will always record a net operating costs' result for the year because of the crediting of the Welsh Government funding received to the taxpayers' equity general reserve. Our activities are planned to ensure that our cash carry-forward at the financial year-end remains within the two per cent of total grant-in-aid for the year end or four per cent for the other months, as permitted by the Welsh Government.

Medr Operating Expenditure 2024-25

	8 months to 31 March 2025 £'000
Staff costs	5,456
Accommodation	151
Other	807
Total*	6,414

*Does not include depreciation or amortisation.

Financial Performance Indicators

Medr's cash balance as at 31 March was £7.8m which represented 1.1% of total grant in aid funds available and remained within the maximum of 2% of total funding for the year permitted by the Welsh Government, as set out in the Framework Document.

Medr's target is to pay suppliers of goods and services within five working days of receiving a valid invoice. We paid 72.5% of invoices within five working days, with an overall average payment time of 6 days.

Performance

I am satisfied this is an accurate report on our performance during the reporting period based on the assurances received from the former Chief Executive.

Going Concern

In the reporting period, the Welsh Government allocated funding to Medr on a financial year (FY) basis from 1 August 2024 to 31 March 2025. Most funding is provided to eligible institutions and providers on an academic year (AY) basis from 1 August to 31 July. Therefore, Medr has a requirement to meet the remaining AY 2024/25 (from 1 April to 31 July 2025) funding commitments placed on the Medr budget by previous Ministerial and Higher Education Funding Council for Wales (HEFCW) decisions. Medr will fund this through grant-in-aid from the Welsh Government. Following approval by the Senedd of the Welsh Government budget for 2025-26, the Welsh Government confirmed on 20 March 2025 that Medr's budget for FY 2025-26 would be £961.8m. Therefore, in accordance with the Financial Reporting Manual, it is appropriate for Medr to prepare its 2024-25 Annual Report and Accounts on going concern basis.

James Owen, Chief Executive

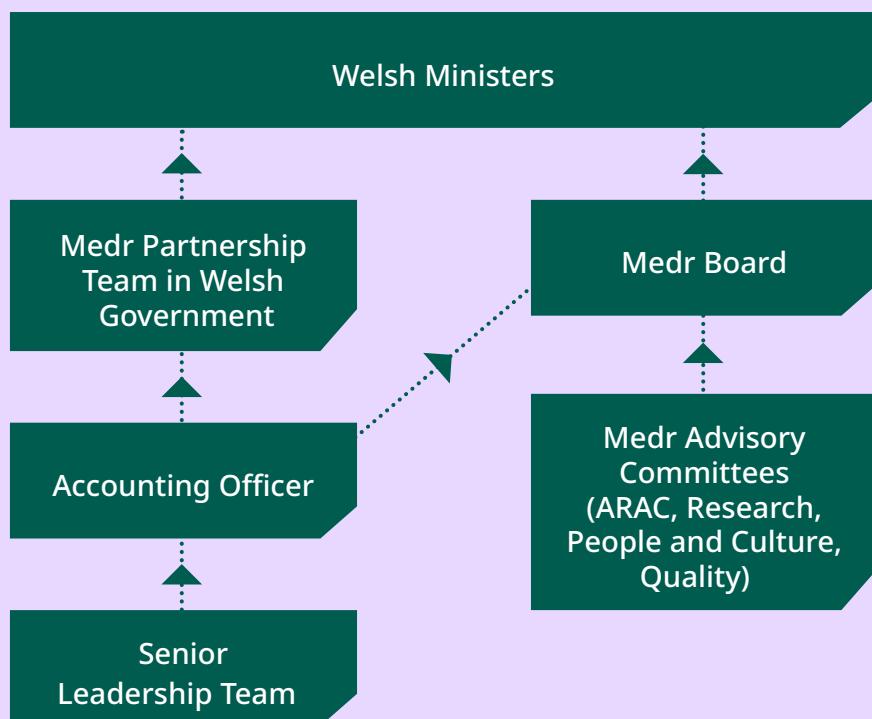
17 December 2025

Accountability Report

Corporate Governance Report

As Accounting Officer of Medr, I am accountable to the Permanent Secretary of the Welsh Government as its Principal Accounting Officer for the discharge of my responsibility to maintain sound systems of governance, risk management and internal control. These systems support the achievement of our strategic aims and statutory duties, while safeguarding the public funds and Medr assets for which I am personally responsible, in accordance with the responsibilities assigned to me in the Welsh Government guidance [Managing Welsh Public Money](#) and our Framework Document with the Welsh Government. I am responsible for ensuring that the public funds and assets assigned to Medr are used economically, efficiently and effectively. I also acknowledge my responsibilities in respect of the funds provided to Medr, which are allocated to tertiary education providers and others for education, research and innovation, training and associated purposes.

Our governance structure



Our Senior Leadership Team

Our Senior Leadership Team provide executive oversight and leadership in the delivery of Medr's Strategic Plan.

Name	Title
Simon Pirotte (until 31 July 2025)	Accounting Officer and Chief Executive
James Owen	Chief Operating Officer
Rhian Edwards	Executive Director of Policy
Bethan Owen (until 7 February – position vacant thereafter)	Executive Director of Regulation and Funding
Harriet Barnes	Director of Research, Innovation and Skills
Dr Ewen Brierley	Director of Regulation
Giles Cutler	Chief Financial Officer
Geoff Hicks	Director of Development, Investment and Performance
Kieron Rees (from 16 December 2024)	Director of Learner Experience
(Vacant)	Director of Statistics and Analysis
(Vacant)	Chief Digital Officer

Our Board

Our Board provides strategic leadership, promotes high standards of public finance, monitors performance against our Strategic Plan and ensures our activities are conducted efficiently and effectively in line with the requirements of arms-length bodies in Wales.

Our Board is made up of our Chair, Deputy Chair, and nine other ordinary members that were public appointments. The Chief Executive is also a member of the Board. The Chief Executive during this period was the first appointed to the position and was appointed by Welsh Ministers. We also have four associate Board members, representing our workforce, the Welsh tertiary education workforce and learners in Wales. No Board member left their post during the reporting period.

Our Board members are required to follow the ["Seven Principles of Public Life"](#) set out by the Committee on Standards in Public Life and comply with the [Code of Conduct for Board Members of Public Bodies 2019](#). Details of Board members declared interests are available at [Board and governance](#).

As at 31 March 2025 the following were Medr board members:

Board members

Name	Board Term of Office	Board Meeting Attendance
Professor Dame Julie Lydon Chair	First term, 16 January 2023 to 15 January 2028	6 of 6 meetings
Professor David Sweeney Deputy Chair	First term, 16 January 2023 to 15 January 2028	6 of 6 meetings
Simon Pirotte Chief Executive		6 of 6 meetings
Professor Aaqil Ahmed	First term, 1 September 2024 to 31 August 2027	6 of 6 meetings
Dr Gwenllian Lansdown Davies	First term, 4 September 2023 to 3 September 2026	4 of 6 meetings
James Davies	First term, 1 April 2024 to 31 March 2027	6 of 6 meetings
Cerys Furlong	First term, 4 September 2023 to 3 September 2026	3 of 6 meetings
Jeff Greenidge	First term, 1 September 2024 to 31 August 2027	6 of 6 meetings
Rob Humphreys	First term, 1 August 2024 to 31 July 2027	5 of 6 meetings

Name	Board Term of Office	Board Meeting Attendance
Stephen Marston	First term, 4 September 2023 to 3 September 2026	6 of 6 meetings
Professor Chris Millward	First term, 4 September 2023 to 3 September 2026	6 of 6 meetings
Jayne Woods	First term, 4 September 2023 to 3 September 2026	6 of 6 meetings

Associate Members¹

Name	Board Term of Office	Board Meeting Attendance
Dan Beard (representing the non-academic tertiary education workforce)	First term, 1 September 2024 to 31 August 2028	5 of 6 meetings
Estelle Hart (representing the academic tertiary education workforce)	First term, 1 September 2024 to 31 August 2028	3 of 6 meetings
Deio Owen (representing learners in tertiary education)	First term, 1 September 2024 to 31 August 2028	5 of 6 meetings
Orla Tarn (representing our staff)	First term, 9 September 2024 to 8 September 2027	4 of 6 meetings

Our staff attend Board meetings, as relevant to the agenda, but there are no observers.

During the reporting period our Board met six times and discussed a range of matters including:

- Establishment of governance structures and documentation.
- Risk management, risk appetite and corporate risk registers.
- Drafts and final versions of our Strategic Plan for submission to Welsh Ministers.
- Budget discussions informed by the publication of the Welsh Government's draft budget.
- Updates on risks to providers and the sector including updates on financial sustainability and provider restructuring.

¹ TERA sets out the role of associate Board members

- Documentation to be consulted on as part of the new regulatory system in Wales including those related to financial sustainability, governance, intervention and quality.
- Initial advice from the Coleg Cymraeg Cenedlaethol regarding our duties to encourage demand for, and participation in, Welsh tertiary education provided through the medium of Welsh.
- Updates from the Chief Executive at each meeting.
- Updates from Committee Chair's at each in person meeting along with minutes of Committee meetings where relevant.

Prior to 1 August, the Board also met to discuss the Strategic Plan, operational readiness and establishing governance structures.

The Board has also received regular briefing on policy areas to inform future Board meetings, to educate a new Board on the broad tertiary remit and current policy priorities in Wales.

Our Board is supported through advice from five advisory committees and a task and finish group.

Audit and Risk Assurance Committee (ARAC)

Medr Board Members of ARAC:

Name	Board Term of Office	Committee Meeting Attendance
Jayne Woods (Chair)	First term, 4 September 2023 to 3 September 2026	4 of 4 meetings
Jeff Greenidge (Deputy Chair)*	First term, 1 September 2024 to 31 August 2027	3 of 3 meetings
Rob Humphreys	First term, 1 August 2024 to 31 July 2027	3 of 4 meetings
Dr Gwenllian Lansdown Davies*	First term, 4 September 2023 to 3 September 2026	1 of 1 meetings

* Jeff Greenidge joined the ARAC from November 2024, replacing Dr Gwenllian Lansdown Davies who had stepped down to chair the Board's People and Culture Committee

Independent Members of ARAC*:

Name	Committee Term of Office	Committee Meeting Attendance
Andrew Lewis	First term, 13 May 2024 to 12 May 2027	3 of 4 meetings
Martin Lewis	First term, 13 May 2024 to 12 May 2027	4 of 4 meetings

* Our independent ARAC members were also previously independent members of HEFCW's ARAC to support the transition of duties from HEFCW to Medr.

Medr staff attend the Committee, as relevant to the agenda, and both internal and external audit observe the meetings.

The [role of our ARAC](#) is to review the comprehensiveness and reliability of assurance on governance, risk management, the control environment, and the integrity of the financial statements and the Annual Accounts. Our ARAC also oversees our external provider assurance work. During the reporting period the Committee met four times.

In this context, the ARAC during the reporting period, has:

- Discussed corporate risk as standing item, including a new risk management policy for Medr and discussion around risk appetite.
- Internal and external audit arrangements including plans for the period 1 August 2024 to 31 March 2025.
- Approval of internal audit charter, internal audit plan for 2024-25 and internal audit strategy.
- Agreed Medr financial policies including financial regulations, a Counter Fraud and Corruption policy, an internal scheme of delegation, procurement policy, and gifts hospitality, awards and fees.
- Risks to institutions in Wales, with a particular focus on financial sustainability and financial management risks in the context of provider restructuring.
- Draft Conditions for the new Regulatory System and the Statement of Intervention.
- Oversight of completion of HEFCW's final audited accounts for 2023-24, before their approval by the Board.
- Compliance with the framework document between Medr and the Welsh Government.
- Reporting on the Prevent Duty.
- At each of its meetings, the Committee received an update from the Chair on key matters discussed by the Medr Board at its most recent meeting. The Committee also received at each meeting an update from the Chief Executive on broader tertiary education developments within Wales.

People and Culture Committee

Medr Board members of the People and Culture Committee:

Name	Board Term of Office	Committee Meeting Attendance
Dr Gwenllian Lansdown Davies (Chair)	First term, 4 September 2023 to 3 September 2026	1 of 2 meetings
Professor Aaqil Ahmed	First term, 1 September 2024 to 31 August 2027	1 of 2 meetings
Cerys Furlong	First term, 4 September 2023 to 3 September 2026	2 of 2 meetings
Professor Dame Julie Lydon	First term, 16 January 2023 to 15 January 2028	2 of 2 meetings
Simon Pirotte (Chief Executive)	n/a	2 of 2 meetings
Orla Tarn	First term, 9 September 2024 to 8 September 2027	1 of 2 meetings

There were no independent members of the People and Culture Committee during 2024-25. Medr staff attend the Committee, as relevant to the agenda, but there are no observers.

The [role of our People and Culture Committee](#) is to oversee the strategy relating to people and organisational development, well-being, equality and diversity within Medr. During the reporting period the Committee met twice.

In this context, the People and Culture Committee, during the reporting period, has discussed:

- Remuneration of senior staff.
- Independent membership of the Committee.
- The needs around equality data.
- Staff survey questions.

Quality Committee

Medr Board members of Quality Committee:

Name	Board Term of Office	Committee meeting attendance
Stephen Marston (Chair)	First term, 4 September 2023 to 3 September 2026	4 of 4 meetings
Cerys Furlong	First term, 4 September 2023 to 3 September 2026	3 of 4 meetings
Professor Chris Millward	First term, 4 September 2023 to 3 September 2026	4 of 4 meetings

Independent members of Quality Committee:

Name	Committee Term of Office	Committee meeting attendance
Professor Janice Kay	8 May 2024 to 7 May 2027	3 of 4 meetings
Professor Clare Milsom	8 May 2024 to 7 May 2027	3 of 4 meetings
Bill Peaper	2 December 2024 to 1 December 2027	3 of 3 meetings
Deio Owen	In line with term as NUS Wales President	4 of 4 meetings
Karen Phillips	13 May 2024 to 12 May 2027	2 of 4 meetings
Professor Ian Robinson*	8 May 2024 to 7 May 2027	4 of 4 meetings
Andrew Thomas	8 May 2024 to 7 May 2027	2 of 4 meetings

* Professor Ian Robinson was previously an independent member of HEFCW's Quality Committee to support the transition of duties from HEFCW to Medr.

The Quality Committee is also attended by Medr staff, as relevant to the agenda, and observers from partner organisations, including Estyn, the Quality Assurance Agency and the Welsh Government. During the reporting period the Committee met four times.

The [role of our Quality Committee](#) is to advise our Board on the quality of all tertiary education funded or otherwise secured by Medr and on Medr's strategic duties as they relate to quality, in particular equality of opportunity, including participation, retention, and attainment of students from under-represented groups; and promoting tertiary education through the medium of Welsh.

In this context, the Quality Committee, during the reporting period, has discussed:

- The Quality Framework for tertiary education and associated regulatory condition.
- Ways for Estyn and the Quality Assurance Agency to work together.
- Partnership working in tertiary education including both validation and sub-contractual (franchise) arrangements.
- National Student Survey outcomes.
- Quality data for tertiary education providers.
- Initial considerations for a learner engagement code.
- Initial considerations for a learner protection regulatory condition.

Research and Innovation Committee

Medr Board members of the Research and Innovation Committee:

Name	Board Term of Office	Committee meeting attendance
Professor David Sweeney (Chair)	First term, 16 January 2023 to 15 January 2028	3 of 3 meetings
James Davies	First term, 1 April 2024 to 31 March 2027	2 of 3 meetings

Independent members of the Research and Innovation Committee:

Name	Committee Meeting Attendance
Professor Rick Delbridge	3 of 3 meetings
Professor Paul Spencer	3 of 3 meetings
Professor Ian Mabbett	1 of 2 meetings
Dr David Lewis	1 of 3 meetings
Yana Williams	3 of 3 meetings
Professor Reyer Zwiggelaar	1 of 2 meetings
Dr Emrys Evans	1 of 3 meetings
Professor Roger Whitaker	2 of 3 meetings
Professor Paul Boyle	0 of 3 meetings
Laura Gough	0 of 3 meetings
Sarah Cunningham	3 of 3 meetings

The role of our Research and Innovation Committee is to advise on matters relating to, and oversight of, policy development in relation to research and innovation. Terms of reference for the Committee were agreed at their March 2025 meeting ahead of approval by the Board. However, a group of Board members and relevant external members met three times to support the development of the Committee and our work in this area. The external members were largely drawn from HEFCW's Research Wales Committee to support a smooth transition of arrangements. Professors Ian Mabbett and Reyer Zwiggelaar stepped down from the Committee after the meeting in December 2024.

The Research and Innovation Committee is also attended by Medr staff, as relevant to the agenda, and observers from Welsh and UK Government, as well as partner and representative organisations, including UKRI and the Learned Society of Wales.

In this context, the following was discussed during the reporting period:

- Medr Strategic Plan.
- Future priorities for research, innovation and engagement in a tertiary context.
- The Research Excellence Framework including:
 - Advisory and assessment panel recruitment.
 - People, Culture and Environment pilot and indicators.
 - Contribution to Knowledge and Understanding (CKU) policy guidance.
 - Use of HESA data for volume measures.
- The next phase of the Wales Innovation Network.

Staff Member Appointment Committee

On 16 August, Public and Commercial Services Union (PCS), our recognised union was invited to nominate an eligible candidate for appointment as the Associate Board Member representing our staff for a period of up to three years. On 4 September, the Medr PCS Branch nominated Orla Tarn to that Associate Board position.

Medr's Staff Member Appointment Committee, which is made up of all ordinary members of the Board, approved the nomination on 9 September 2024. On this occasion approval was by correspondence to ensure that there was a decision in time for the first Board meeting after we became operational.

The Committee has not had any reason to meet at any further point in the reporting period.

Regulation Task and Finish Group

Medr has also formed a small task and finish group to support it with the development of the new regulatory system in Wales. This is not a formal committee but has been crucial to the governance oversight of this significant piece of work.

The group is Chaired by Professor Chris Millward and he has been joined on the group by another Board member Jayne Woods (the Chair of our ARAC). These Board members ensure alignment with the current regulatory oversight undertaken by the ARAC and the Quality Committee. Independent external support is provided to the group from Amanda Hughes, Professor Helen O'Sullivan and Jack Smith.

Legislative Powers

The Tertiary Education and Research (Wales) Act 2022 (the 2022 Act) gained royal assent on 8 September 2022. The 2022 Act provides Medr powers to fund and regulate tertiary education providers in Wales, to deliver our strategic priorities. Only some of the 2022 Act was in force during the reporting period, with Medr funding and regulating tertiary education through powers previously used by HEFCW and the Welsh Government. The 2022 Act is not intended to take

full effect until 2027/28 so transition arrangements will continue as the 2022 Act is periodically commenced. Powers inherited from HEFCW to fund and regulate higher education were enabled through transitory provisions that enabled modifications to existing legislation. During the reporting period Medr has been enabled to fund other parts of the tertiary education sector through an agency agreement under section 83 of the Government of Wales Act 2006.

Whistleblowing

Medr has established a whistleblowing policy and supporting procedures. These were scrutinised by the Audit and Risk Assurance Committee in November 2024. The policy and the procedures are in place to provide guidance to a member of staff of Medr or any contractor, supplier, temporary member of staff or secondee, to report any concerns, either within the workplace, or externally, about a danger, risk, malpractice or wrongdoing which affects others. The policy and procedures are available to all staff on the intranet. They all also form part of our Code of Conduct which all staff are required to adhere to. There have been no whistleblowing matters reported during the period covered by this Report.

Risk Management

Medr introduced a risk register before becoming operational to begin monitoring risks within the organisation. These risks were managed utilising a combination of existing methods inherited from HEFCW and the Welsh Government, both of which were based on the HM Treasury's Orange Book. A new risk management policy was approved by our Board in March 2025, which has also been drafted based on the HM Treasury's Orange Book and was scrutinised by our ARAC. As part of the approval of the risk management policy, was the approval of our risk appetite based on different categories of risk. The risk appetite was discussed by both the ARAC and the Board. Reflecting that we are a new organisation it has been agreed that we would review our risk appetite within 18 months.

Risks that have been managed during the reporting period and ahead of becoming operational, reported to our ARAC and Board primarily relate to Medr becoming operational, the significant change for staff and the transition to new arrangements for the funding and regulation of tertiary education and research in Wales.

We have agreed that avoidance of risk and uncertainty is the key objective in the area of cyber security. As a cloud-based organisation we follow National Cyber Security Centre guidance and other best practice. We achieved Cyber Essentials Plus accreditation on 26 March 2025.

Our ARAC and Board have also been discussing risks in the tertiary education sector, primarily relating to financial health. While these reflect risks to providers, we reflected how challenges to providers could reflect risks to us, if we were not delivering our oversight role effectively or risks to delivering our strategic ambitions. Controls to our processes were strengthened following these discussions.

Freedom of Information

Since Medr became formally operational from 1 August 2024, it received 12 Freedom of Information (FoI) requests up to the end of FY 2024-25. Medr responded to each of the requests within the 20 working days deadline required by the FoI Act.

Welsh language standards

We are not currently subject to Welsh language standards but have been in liaison with the Welsh Language Commissioner around the steps for us as an organisation. We are aware that we will come within scope of Welsh language standards (no. 6) and we have been operating on that basis, with a view to be compliant when the Standards take effect.

Governance effectiveness

Due to the short period of operations, no governance effectiveness review took place but an internal review of governance arrangements, informed by effectiveness reviews in Committees is due to take place during 2025-26.

An initial review of compliance with the [Framework Document](#), that is underpinned by the UK Corporate Governance Code, was undertaken and presented to the ARAC in March 2025. We identified no gaps in our existing processes and procedures, or in preparations in train, to indicate that we will not be able to demonstrate that we are addressing all the key requirements in the Framework Document.

There were no departures from the Framework Document.

Internal Controls

We operate a system of internal controls which is designed to: identify and prioritise the risks to the achievement of our policies and strategic objectives; evaluate the likelihood of those risks being realised and the impact should they be realised; and manage them effectively. This includes controls and assurance arrangements in relation to organisations in receipt of our funding and that we regulate.

We have inherited arrangements for the oversight of funding allocated to tertiary education providers from HEFCW and the Welsh Government. These arrangements include data and compliance returns by providers, these are in the context of established terms and conditions of funding, primarily for oversight of non-higher education provision and regulatory arrangements in place for higher education provision. Some of these processes have been strengthened during responding to the challenges in the tertiary education sector.

Key controls for our finance system were in place ahead of operation and have been strengthened through the approval of new financial policies during the reporting period.

The internal audit plans for 2024-25 were informed to give assurances around the controls that we have in place and key controls have been discussed at ARAC during the reporting period.

Internal Audit

Medr's Internal Audit Service is covered by a service level agreement with the Welsh Government's Internal Audit Service. Internal audit leads attend each ARAC and have access to all papers. Internal Audit provides assurance on governance, risk management and internal control within Medr. This assurance is provided by the Lead Internal Auditor to the Accounting Officer and, through ARAC, to the Board.

The Committee approved this year Medr's Internal Audit Charter, along with an Internal Audit Strategy and Plan for the year.

The following audits were planned for 2024-25 and they were all completed by June 2025, recognising the delay in commencing the planned activity and resource challenges during the reporting period:

- Strategy development.
- Payments system.
- Governance arrangements.
- Data.
- Cyber security.

The Head of Internal Audit's Annual Report and Opinion for 2024-25 was that the management can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. This was formally noted by Medr's Audit and Risk Assurance Committee on 3 September.

External Audit

Audit Wales is our external auditor and attend each of our ARAC meetings and have access to the papers.

During the reporting period we were subject to an examination by Audit Wales to assess the extent to which we have acted in accordance with the sustainable development principle when setting our well-being objectives. Our well-being objectives are our strategic aims in our published [Strategic Plan](#). A subsequent examination on the extent to which we have acted in accordance with the sustainable development principle when delivering our well-being objectives will also take place during 2025-26.

Reporting to the Welsh Government

We meet regularly with officials in the Welsh Government, our primary relationship is through our partnership team in the Tertiary Education Directorate but our contact with the Welsh Government spans multiple directorates. Our engagement with the Welsh Government is guided by a [Framework Document](#) and a complementary ways of working document. The Minister for Further and Higher Education has quarterly meetings with the Chair and the Chief Executive. These meetings during the reporting period discussed Medr's transition to becoming operational, the development of Medr's first Strategic Plan, Medr's response to key Welsh Government priorities, risks to Medr and risks to both the tertiary education sector and providers within that sector.

Providing data and analysis insights

Medr is listed as a producer of [official statistics](#) through the [Official Statistics \(Wales\) \(Amendment\) Order 2024](#). The [Code of Practice for Statistics](#) sets the standards that producers of official statistics should commit to. Our official statistics comply with the three pillars of the Code – trustworthiness, quality and value.

The Welsh Government continues to be the data controller and point of collection for the Lifelong Learning Wales Record (LLWR) and Post-16 Data Collection. Higher education data is collected on Medr's behalf by the Higher Education Statistics Agency (HESA). HESA and Medr are data controllers in common for the data.

Medr works closely with Welsh Government officials, HESA providers and other UK funders and regulators to ensure that the data collected is validated, accurate and timely.

Medr carries out a range of functions using this data including calculating and monitoring funding allocations, for policy purposes and for producing official statistics.

Our Board has considered data relating to the range of tertiary education provision in Wales and financial information. It is recognised that as a new organisation and a body that is taking on oversight of the broad tertiary education sector, that we have a significant piece of work to do in order for staff, our Board and stakeholders to receive tailored data and analysis to meet their needs and support their work.

We have set out in our Strategic Plan the following commitments to address those requirements:

- We will review and improve how we collect data from providers to ensure we have high-quality data to support decision making regarding regulation and policy and to reduce unnecessary burden.
- We will consult on performance indicators to promote continuous improvement.

- We will set ambitious targets for learner outcomes and experiences, acknowledging that measures of success and performance indicators will vary with learner circumstance, need and in differing parts of the sector.
- We will develop a social research function and work in line with the Government Social Research Code of Practice.

Conclusion

A system of internal control has been in place in the organisation for the eight months to 31 March 2025. I have reviewed the evidence and can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively.

Simon Pirotte

Chief Executive (until 31 July 2025)

Based on the above assurances from the former Chief Executive, which I have discussed with him, and from my own review of the matters required to be included within this Governance Statement, I am satisfied that for the eight months to 31 March 2025 and up to the date of approval of the accounts a sound governance framework and system of internal control were in place to support the delivery of Medr's strategic aims and statutory duties.

James Owen

Chief Executive (from 1 August 2025)

17 December 2025

Statement of Accounting Officer's Responsibilities

Under paragraph 15 of schedule 1 of the Tertiary Education and Research (Wales) Act 2022, Welsh Ministers, with the consent of the Treasury, have directed Medr to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Medr and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts;
- prepare the accounts on the going concern basis;
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer for the Welsh Ministers has designated the Chief Executive as Accounting Officer of Medr. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Medr's assets, are set out in the Accounting Officers' Memorandum published by the Welsh Government.

Accounting Officer's Statement

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Medr's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

James Owen, Chief Executive

17 December 2025

Remuneration and Staff Report

Only those sections in this report marked * are subject to audit.

Directors' remuneration policy and People and Culture Committee

The remuneration of the Chair and the Board Members was set by the Welsh Government and was governed by the Welsh Government's Scheme for Remunerating Chairs and Members of WGSBs and NHS Bodies, introduced on 1 April 2004.

In accordance with the Tertiary Education and Research (Wales) Act 2022, Welsh Ministers appointed Medr's first Chief Executive and set their remuneration. The set remuneration is not subject to performance-related awards nor pension contributions.

Remuneration was set in accordance with our approved pay and grading system. This applied to all staff appointments. Our overall levels of remuneration and annual pay remit, which apply to all staff including the Chief Operating Officer and Directors, were approved by the Welsh Government.

Medr became operational on 1 August 2024. Employees from the Higher Education Funding Council for Wales (HEFCW) and those in scope from the Welsh Government transferred over to Medr on 1 August 2024 and received confirmation letters of this change under Cabinet Office Statement of Practice on Staff Transfers in the Public Sector (COSoP). While it was believed that the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) did not apply legally to this transfer, it was agreed by all parties, as per COSoP that the principles of TUPE should be followed to ensure that those members of staff transferring are afforded the same employment protections and are treated no less favourably than had the TUPE Regulations applied.

Our Pay Remit is approved by the Welsh Government, and prior to submission is subject to agreement by our People and Culture Committee and our Board. For 2024-25 our People and Culture Committee and Board approved our pay remit submission in November 2024. The approved application was submitted to the Welsh Government later that month and approved by Ministers by the end of November 2024.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of Board members and senior management.

Board Members and senior employees single total figure of remuneration*

Board Members (including Chief Executive)

Name	Position	2024-25 Salary £'000	2024-25 pension benefits increase/ (decrease)	2024-25 Total £'000
Professor Dame Julie Lydon	Chair	5-10	N/A	5-10
Professor David Sweeney	Deputy Chair	0-5	N/A	0-5
Simon Pirotte (a)	Chief Executive	130-135	N/A	130-135
Professor Aaqil Ahmed	Board Member	0-5	N/A	0-5
Cerys Furlong	Board Member	0-5	N/A	0-5
Jeff Greenidge	Board Member	0-5	N/A	0-5
Rob Humphreys	Board Member	5-10	N/A	5-10
Dr Gwenllian Lansdown-Davies	Board Member	5-10	N/A	5-10
Stephen Marston	Board Member	5-10	N/A	5-10
Professor Chris Millward	Board Member	5-10	N/A	5-10
Jayne Woods	Board Member	5-10	N/A	5-10
James Davies	Board Member	0-5	N/A	0-5

(a) Simon Pirotte's comparable Full-Time Equivalent salary is £195,000-£200,000pa.

Senior employees (excluding Chief Executive)

Name	Position	2024-25 Salary £'000	2024-25 pension benefits increase/ (decrease)	2024-25 Total £'000	2024-25 FTE salary £'000
James Owen	Chief Operating Officer	75-80	123	200-205	115-120
Bethan Owen (b)	Executive Director of Regulation and Funding until 7 February 2025	65-70	49	115-120	110-115
Rhian Edwards	Executive Director of Policy	65-70	26	90-95	100-105
Giles Cutler (c)	Chief Financial Officer from 1 December 2024	25-30	11	35-40	80-85
Harriet Barnes	Director of Research, Innovation and Skills	55-60	22	75-80	80-85
Kieron Rees (d)	Director of Learner Experience from 16 December 2024	20-25	See (d) below	See (d) below	80-85
Geoff Hicks	Director of Development, Investment and Performance	50-55	20	70-75	75-80
Dr Ewen Brierley	Director of Regulation	55-60	35	90-95	80-85

Senior employees are defined as those who are part of the Senior Leadership Team.

There were no benefits in kind or bonus payments in 2024-25. The figures given are from 1 August 2024 to 31 March 2025, unless otherwise stated. Full-Time Equivalent salary figures for senior staff members are stated in the table above.

(b) Bethan Owen retired from Medr on 7 February 2025, whose full-time equivalent salary is £110,000-£115,000, comprising a salary of £105,000-£110,000 and a pensionable allowance of £0-£5,000. As of 31 March, Bethan Owen's position remains vacant.

(c) Giles Cutler was appointed as Chief Financial Officer after an externally competed appointment from 1 December 2024. Prior to his appointment Giles Cutler was on secondment as Chief Financial Officer from the Welsh Government. During this time, the Welsh Government was responsible for paying his salary with Medr reimbursing the Welsh Government for the full employment costs. Between August 2024 and November 2024 his gross salary was £25,000-£30,000.

(d) Kieron Rees was appointed as Director of Learner Experience after an externally competed appointment from 16 December 2024. Prior to the appointment the position was vacant. Kieron Rees has opted for a partnership pension account (an occupational defined contribution pension arrangement) which is part of the Legal & General Mastertrust. The pension disclosures for Kieron Rees are not available due to the delay in establishing the pension account. On 1 May 2025 Medr joined the partnership pension account. The partnership scheme had not been set up when the Commission for Tertiary Education and Research was established on 1 August 2024, as there were no scheme members until Kieron Rees joined in December 2024. Contributions totalling £2,608 until 31 March 2025 could not be paid over in the reporting year until the scheme set up was finalised in May 2025. The scheme is now set up and all contributions relating to 2024-25 reporting year have now been paid over together with the associated data (see also note 18 to the accounts).

Senior employees' pensions*

Name	Position	Accrued pension at pension age at 31/03/25 £'000	Real increase in pension & related lump sum at pension age £'000	CETV at 31/03/25 £'000	CETV at 31/03/25 £'000	Real increase in CETV £'000
Simon Pirotte	Chief Executive	N/A	N/A	N/A	N/A	N/A
James Owen	Chief Operating Officer	45-50	5-7.5	811	687	100
Bethan Owen	Executive Director of Regulation and Funding until 7 February 2025	60-65	2.5-5	1301	1241	46
Rhian Edwards	Executive Director of Policy	5-10	0-2.5	107	86	14

Name	Position	Accrued pension at pension age at 31/03/25 £'000	Real increase in pension & related lump sum at pension age £'000	CETV at 31/03/25 £'000	CETV at 31/03/25 £'000	Real increase in CETV £'000
Giles Cutler	Chief Financial Officer from 1 December 2024	20-25	0-2.5	419	409	6
Harriet Barnes	Director of Research, Innovation and Skills	5-10	0-2.5	88	72	12
Kieron Rees	Director of Learner Experience from 16 December 2024 (see (d) above and note 18 to the accounts)	See (d) above	See (d) above	See (d) above	See (d) above	See (d) above
Geoff Hicks	Director of Development, Investment and Performance	25-30	0-2.5	499	477	13
Dr Ewen Brierley	Director of Regulation	35-40	0-2.5	796	740	30

Salary and pension disclosures*

The Chief Executive was appointed by the Welsh Ministers on a fixed term appointment. All Directors have permanent contracts, requiring a notice period of three months. Other than the possibility of payment in lieu of notices, there are no explicit contractual provisions for compensation for early termination. The Chief Executive opted out of the Principal Civil Service Pension Scheme. Medr did not make any employer pension contributions to the Chief Executive's pension.

The Chair and Board members are not members of the Principal Civil Service Pension Scheme and do not receive any pension benefits paid for by Medr.

All salaries/remuneration stated are gross salaries/remuneration only as none of the Board members or senior staff received any other remuneration or benefits in kind, other than as disclosed.

Pensions

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – **classic, premium, and classic plus** provide benefits on a final salary basis, while **nuvos** provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and **alpha** are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the **partnership** pension account.

In **alpha**, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to **alpha** from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of **classic, premium, and classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. The pension figures in this report show pension earned in PCSPS or **alpha** – as appropriate. Where a member has benefits in both the PCSPS and **alpha**, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to **alpha**. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the "McCloud judgment").

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of **alpha** from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the **alpha** scheme for the period from 1 April 2015 to 31 March 2022.

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CTV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CTV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Broadly by analogy (BBA) pensions

A BBA pension arrangement entitles the recipient to benefits that are similar to those provided by the PCSPS classic scheme described above. Medr is responsible for funding pension benefits. The former Chair of HEFCW Council, Professor Sir Roger Williams holds a BBA pension.

Fair Pay disclosures*

	Full-time equivalent as at 31 March 2025 £
Band of highest paid member of staff (total remuneration**)	195,000-200,000
Median total remuneration**	50,018
Ratio	3.9:1
25th Percentile	38,030
Ratio	5.2:1
75th Percentile	55,019
Ratio	3.6:1

** For the purposes of calculating the 'highest paid member of staff' and the 'median total remuneration' above, 'total remuneration' consists of salary costs only. It does not include employer pension contributions or the annual 'pension benefits', shown above.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid senior employee in their organisation and the median, 25th and 75th percentile full time equivalent remuneration of the organisation's staff. Full-time equivalent as at 31 March 2025 remuneration ranged from £24,423 to £198,000.

In accordance with the Tertiary Education and Research (Wales) Act 2022, Welsh Ministers appointed Medr's first Chief Executive and set their remuneration. The set remuneration is not subject to performance-related awards nor pension contributions.

During the year to 31 March 2025, all staff excluding the Chief Executive and Chief Operating Officer received a 3% pay award and some staff also received annual increments, also excluding the Chief Executive and Chief Operating Officer.

Staff report

Staff numbers by category

	31 March 2025 Number
Senior Management	8
Policy	47
Regulation, Statistics, and Corporate Services**	58
	113

** Includes three members of staff supporting senior management.

	31 March 2025 Number
Staff with a permanent UK employment contract with us**	106
Other staff engaged on our objectives***	7
	113

** Includes Chief Executive as fixed term appointment longer than 12 months.

*** As at 31 March 2025, seven members of staff are on inward secondment from the Welsh Government, who remains responsible for paying their salary. Medr reimburses the Welsh Government for the full employment costs.

Staff costs

Analysis*

	8 months to 31 March 2025		
	Staff £'000	Board Incl. Chief Executive £'000	Total £'000
Wages and salaries	3,295	195	3,490
Social security costs**	379	23	402
Other pension costs	945	2	947
	4,619	220	4,839
Secondment costs into Medr	595		595
Temporary staff (on-payroll)	22		22
Total payroll costs	5,236	220	5,456

** Includes amounts payable for the Apprenticeship Levy.

For the eight months to 31 March 2025 our employer's contributions of £944,613 were payable in total to the PCSPS and CSOPS at one single rate of 28.97%.

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha”, are unfunded multi-employer defined benefit schemes, but Medr is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the scheme as at 31 March 2020. Details can be found on [gov.uk](https://www.gov.uk).

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during the period to be paid when the member retires and not the benefits paid during this period to existing pensioners.

A former Chair of HEFCW's Council receives pension benefits broadly by analogy (BBA) with the PCSPS. The BBA pension provision is unfunded, with benefits being paid as they fall due and guaranteed by Medr. This liability transferred to Medr upon dissolution of HEFCW. There is no fund and therefore no surplus or deficit or assets. The scheme liabilities for service are calculated by the Government Actuary's Department every two years and was performed at the end of 2024-25 and amounted to £17,000 on 31 March 2025, see note 12 to the accounts on page 83.

Staff numbers by gender

	At 31 March 2025 Number
Male:	
Directors	6
Staff	37
Female:	
Directors	2
Staff	66
Total	111

There is no clear guidance on how non-binary or trans employees are included in the gender pay gap calculations. This will be something that we continue to monitor to ensure we report under best practice arrangements. At present, the options are to either exclude non-binary or trans employees from the calculations, or to record them based on the information supplied to HM Revenue & Customs (HMRC) and right to work details such as passport information. For Medr, the decision has been taken to exclude any employees who do not identify as either male or female, until such time that clear guidance is provided or the gender pay gap reporting takes in to account different genders.

Sickness absence

	8 months to 31 March 2025
Sickness absence rate (%)	1.05%
Average working days lost	1.3
Number of working days lost	187.5
Approximate cost of working days lost	£39,677

The approximate cost of working days lost is based upon the salary of a middle management grade.



Consultancy expenditure

	8 months to 31 March 2025 £
Legal**	6,574
Strategy***	21,982

** Legal advice as part of implementation of TERA regarding designation of a quality body and S.83 agency arrangement with WG.

*** Advice provided on the development of Medr Strategic Priorities by an on-payroll fee paid officer.

Off-payroll engagement

There have been no payments off-payroll to employees or off-payroll temporary staff.

Exit packages

There were no exit packages during the year.

Staff policies and other issues

Employee engagement and trade union activity

Regular staff briefings take place within Medr via Teams to ensure that staff across Wales can join the meetings. Medr also issues weekly round-ups via all-staff email which contain news and updates.

Medr recognises PCS Union as its trade union for staff, and it is involved and consulted on a regular basis. A Social Partnership Forum has been established, through which PCS union staff representatives can raise staff issues and this Forum meets on a regular basis.

In 2025-26 we aim to open a people survey to gather staff views on Medr, its culture and ways of working. Questions will be based on some of those contained within the Civil Service People Survey. Actions arising from this survey will be analysed and reviewed by Senior Leadership Team, Social Partnership Forum, and People and Culture Committee.

Diversity and inclusion

Medr is committed to developing its policy and practice on diversity and inclusion, with an Equality Diversity and Inclusion policy and Dignity at Work policy in place, to ensure that all employees are treated fairly.

Our approach to recruitment has meant we are accredited as "Disability Confident", where we meet the five commitments regarding recruitment, training, retention, consultation and disability awareness. This accreditation was assessed in July 2024 and is valid until December 2026. In line with these commitments, any candidate declaring a disability, either internally or externally, would be offered an interview where they meet the minimum requirements.

Reasonable adjustments are also made for staff, where possible, due to illness or a protected characteristic. These arrangements are made in discussion between the employee, their line manager and a People and Culture colleague, or an employee returning to work following an absence. They may often also involve our third party occupational health provider for expert and impartial advice.

Gender pay gap

31 March 2025	
Median gender pay gap	+7.59%
Mean gender pay gap	+12.44%

Proportion of males and females in each quartile pay band:

Quartile		Number**	31 March 2025
Lower	M	8	30.77%
	F	18	69.23%
Lower middle	M	8	30.77%
	F	18	69.23%
Upper middle	M	11	42.31%
	F	15	57.69%
Upper	M	15	57.69%
	F	11	42.31%

** Does not include seven inward secondees.

There is no clear guidance on how non-binary or trans employees are included in the gender pay gap calculations. This will be something that we continue to monitor to ensure we report under best practice arrangements. At present, the options are to either exclude non-binary or trans employees from the calculations, or to record them based on the information supplied to HM Revenue & Customs (HMRC) and right to work details such as passport information. For Medr, the decision has been taken to exclude any employees who do not identify as either male or female, until such time that clear guidance is provided or the gender pay gap reporting takes in to account different genders.

Benchmark

Median gender pay gap	13.5%
Mean gender pay gap	12.9%

[ONS data](#) – public sector gender pay gap for all employee jobs, UK, 2024

NB: there are no bonus related statistics as Medr does not make bonus payments

Community and human rights matters

Medr offers five days paid leave per year for staff to volunteer and support local charities or community groups. This is encouraged on both an individual, team or cross-Medr basis.

Medr's Social Committee has hosted charity events, such as cake-baking sales, and colleagues undertake fund-raising events to support good causes, something that is supported within the organisation.

We embody the principles of Human Rights in our Equality, Diversity and Inclusion policy and practices and our policy on Dignity at Work aims to ensure that all employees' rights are respected.

Health and safety at work

Medr ensures that its duties with regard to health, safety and environmental matters are met, providing staff with safe working environments. In establishing Medr, it has undertaken building risk assessments, fire risk assessments and has also ensured that the headquarters in Cardiff has trained first aiders and fire wardens. As Medr are tenants of Public Health Wales (PHW) in Cardiff, a positive relationship has been established with frequent meetings between PHW facilities and our Office Manager.

The hubs at Aberystwyth, Llandudno Junction, Merthyr Tydfil and Swansea are based in Welsh Government buildings who are responsible for local health and safety matters and this is communicated to staff as part of their induction arrangements.

For Medr's Cardiff headquarters, all new employees are provided with a building induction within their first week, and arrangements are made clear on health and safety. This is replicated within hubs, and Welsh Government employees carry out this induction.

Staff development, support and well-being

Medr encourage staff to develop, learn and network in line with its core values. Employees are encouraged to take ownership of their development and Senior Leadership Team are operating an open approach to organising any learning or development needs as Medr grows as an organisation. This will be focused on heavily during 2025-26.

Medr operates frequent “Know your Medr” sessions for staff to learn from each other, and our staff development days focus on building shared knowledge and experience.

Employees have access to an Employee Assistance Programme, which provides access to advice and counselling 24 hours a day, 365 days a year. The resource is available via phone, website and as a mobile application, and promotes fitness, a healthy lifestyle and provides mental health support.

Medr operates a well-being hour, which allows staff to take one hour, pro-rata, per week, during the working day to undertake an activity that is of benefit to their health and well-being.

Alongside the above, there are many health and well-being based policies in place, such as flexible working, special leave, workplace adjustment passports, and many well-being resources on our intranet to support staff.

Accounting Officer handover statements

A system of internal control has been in place in the organisation for the eight months to 31 March 2025. I have reviewed the evidence and can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively.

Simon Pirotte, Chief Executive (until 31 July 2025)

Based on the above assurances from the former Chief Executive, which I have discussed with him, and from my own review of the matters required to be included within this Governance Statement, I am satisfied that for the eight months to 31 March 2025 and up to the date of approval of the accounts a sound governance framework and system of internal control were in place.

James Owen, Chief Executive (from 1 August 2025)

17 December 2025

The Certificate and report of the Auditor General for Wales to the Senedd.

Opinion on financial statements

I certify that I have audited the financial statements of Medr for the year ended 31 March 2025 under the provisions of section 139 of the Tertiary Education and Research (Wales) Act 2022.

The financial statements comprise the Statement of comprehensive net expenditure, Statement of financial position, Statement of cash flows, Statement of changes in taxpayers' equity and related notes, including the material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of Medr's affairs as at 31 March 2025 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with Welsh Ministers directions issued under the Tertiary Education and Research (Wales) Act 2022.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Medr is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report other than the financial statements, and my auditor's report thereon.

The Accounting Officer is responsible for the other information in the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Tertiary Education and Research (Wales) Act 2022.

In my opinion, based on the work undertaken in the course of my audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Welsh Ministers' directions made under the Tertiary Education and Research (Wales) Act 2022; and
- the information given in the Foreword, Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword, Performance Report and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit;
- proper accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;

- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing Medr's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Medr will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Tertiary Education and Research (Wales) Act 2022.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, Medr's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Medr's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following area: management override;
- Obtaining an understanding of Medr's framework of authority as well as other legal and regulatory frameworks that the Medr operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Medr;
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit and Risk Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Medr's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Adrian Crompton

Auditor General for Wales
1 Capital Quarter Tyndall
Street, Cardiff

The maintenance and integrity of Medr's website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Statement of comprehensive net expenditure

for the 8 months ended 31 March 2025

		2024 – 2025	
	Notes	8 months to 31 March 2025 £'000	
Expenditure			
Funding of tertiary education:			
Recurrent expenditure	3	650,425	
Capital expenditure	3	31,524	
Other purposes	3	4,478	
		686,427	
Medr operating expenditure:			
Staff costs			5,456
Depreciation	7	62	
Amortisation	8	212	
Depreciation right of use asset	13	133	
Other expenditures	6	958	
		6,821	
Total expenditure			(693,248)
Income			
Income from activities	2	4,506	
Net operating costs			(688,742)
IFRS 16 interest	14	(23)	
Net operating costs transferred to taxpayers' equity			(688,765)

The notes on pages 74 to 87 form part of these accounts. All activities are continuing. Details of staff costs are shown on page 59 as part of the Remuneration and Staff Report.

The Accounting Officer authorised these financial statements for issue on 17 December 2025.

Statement of financial position

as at 31 March 2025

	Notes	As at 31 March 2025 £'000
Non-current assets		
Property, plant and equipment	7	393
Intangible assets	8	741
Right of use asset	13	649
Total non-current assets		1,783
Current assets		
Trade and other receivables	9	273
Cash and cash equivalents	10	7,765
Total non-current assets		8,038
Total assets		9,821
Current liabilities		
Trade and other payables	11	(700)
Provisions for liabilities and charges within one year	12	(1)
Total non-current assets plus net current assets		9,120
Non-current liabilities		
Provisions for liabilities and charges after one year	12	(16)
IFRS 16 lease liability	14	(660)
Assets less liabilities		8,444
Taxpayers' equity		
General reserve		8,444

The notes on pages 74 to 87 form part of these accounts. The Accounting Officer authorised these financial statements for issue on 17 December 2025.

James Owen, Chief Executive
17 December 2025

Statement of cash flows

for the 8 months ended 31 March 2025

	Notes	8 months to 31 March 2025 £'000
Cash flows from operating activities		
Net operating costs before interest		(688,742)
Depreciation charges	7	62
Amortisation charges	8	212
Depreciation on right-of-use asset	13	133
Increase in trade and other receivables due within one year		(47)
Increase in trade and other payables		218
Movement in provisions		1
Net cash outflows from operating activities		(688,163)
Cash flows from returns on investments and servicing of finance		
IFRS 16 interest paid	14	(23)
Net cash flows from returns on investments and servicing of finance		(23)
Cash flows from investing activities		
Leasing of buildings	13	(782)
Purchase of intangible fixed assets	8	(80)
Net cash outflow from investing activities		(862)
Cash flows from financing activities		
IFRS 16 Lease Liability	14	660
Funding from the Welsh Government		692,256
Net cash flows from financing activities		692,916
Net increase in cash and cash equivalents		3,868
Cash and cash equivalents at beginning of period	10	3,897
Cash and cash equivalents at end of period	10	(7,765)
Net increase in cash		3,868

The notes on pages 74 to 87 form part of these accounts. The Accounting Officer authorised these financial statements for issue on 17 December 2025.

Statement of changes in taxpayers' equity for the 8 months ended 31 March 2025

	General Reserve 8 months to 31 March 2025 £'000
Balance at 1 August 2024	4,953
Changes in taxpayers' equity 2024-25	
Net operating costs	(688,765)
Total recognised income and expense for 2024-25	(688,765)
Funding from the Welsh Government	692,256
Balance at 31 March 2025	8,444

The notes on pages 74 to 87 form part of these accounts.

The Accounting Officer authorised these financial statements for issue on 17 December 2025.

Notes to the accounts

1. Statement of accounting policies

(a) Basis of accounting

These accounts are prepared in accordance with a direction issued by Welsh Ministers, with the consent of the Treasury, in exercise of the powers conferred by paragraph 15, Schedule 1 of the Tertiary Education and Research (Wales) Act 2022.

The accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM allows a choice of accounting policy, the accounting policy, which is judged to be most appropriate to our circumstances for the purpose of giving a true and fair view, has been selected. The policies adopted by us are described below. They have been applied consistently in dealing with items that are considered material to the accounts. There is no new accounting standards issued but not yet effective that would have a material effect on these financial statements had they been applied in this reporting period.

(b) Funding

Grant-in-aid is received from the Welsh Government to fund general revenue activities. This amount of grant-in-aid is regarded as financing and is credited to the general reserve on receipt.

(c) Grants payable

These accounts are prepared on a financial year basis to 31 March but grants payable are issued on an academic year basis to 31 July. Grants payable are recorded as expenditure in the period in which the recipient conducts the activity, which creates an entitlement. Those grants of a recurring nature, mainly the recurrent funding provided to further and higher education providers, are brought to account when paid. This treatment achieves in all material respects a match between grant funding brought to account and the pattern of financial activity at the further and higher education providers.

(d) Repayable grants

Repayable grants are funds allocated to providers on an individual basis to support the initial costs of specific projects, which are normally recovered via an adjustment to their future funding.

(e) Pension costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servants and Others Pension Scheme (CSOPS) arrangements. We recognise the expected cost of providing pensions on a systematic and

rational basis over the period during which we benefit from employees' services by payment to both pension scheme arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on both arrangements.

A former Chair of HEFCW is covered by a pension scheme that is analogous with the PCSPS. The liability has transferred to Medr as the successor organisation to HEFCW. We make payments to the former Chair as they are due. However, the expected cost of providing the pension is recognised through building up provision for the future liability calculated by using actuarially assessed assumptions.

(f) Property, plant, and equipment

Leasehold land and buildings are held at open market value for existing use, the exception is properties of a specialised nature held at depreciated replacement cost. Leasehold land and buildings are valued using professional valuations either every five years, or annually, with indices in intervening years for non-annual valuations.

Plant and equipment (which include information technology and fixtures and fittings), are valued at historical cost. As these asset classes have a short useful economic life, reliable revaluations of these assets could only be obtained at prohibitive cost. No significant estimation techniques are used in the valuation of these asset classes. The minimum level for capitalisation of individual assets is £5000.

Depreciation is calculated on a straight-line basis over the asset's estimated useful life, being a realistic reflection of the consumption of the asset (see below). A full year's depreciation is charged in the year of acquisition, with no charge in the year of disposal. Depreciation is provided at rates calculated to write-off the value of intangible assets and other property, plant, and equipment assets by equal instalments over their estimated useful lives.

Leasehold land & buildings – 5 to 15 years

Plant & Equipment – 5 years

Information technology – 3 years

Fixtures & fittings – 5 years

Any office alterations included within fixtures and fittings are amortised over the remaining period of the lease, from the date of purchase.

(g) Intangible fixed assets

Software licences costing more than £5,000 are capitalised.

Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life as shown below. A full year's amortisation is charged in the year of acquisition.

Software licences – 3 years

(h) Value Added Tax

Medr's activities are outside the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant, and equipment.

(i) International Financial Reporting Standards (IFRS) 16 Leases

IFRS 16 supersedes International Accounting Standard 17 Leases and is effective in the public sector from 1 April 2022. It provides a single lessee accounting model and requires a lessee to recognise right-of-use assets and liabilities for leases with a term of more than 12 months unless the underlying value is of low value.

(j) Financial instruments

Financial assets: Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Cash comprises cash at bank on instant access terms.

Financial liabilities: Trade payables are not interest-bearing and are stated at their nominal value.

(k) Segmental reporting

The FReM directs public bodies to meet the requirements of IFRS 8 to report information concerning operating segments where the criteria under IFRS 8 are met. We consider our activities contribute to a single mission operating within the same business environment and there are no separable operating segments. As a result, we do not report by operating segments.

(l) Staff costs and secondments

Any staff on secondment normally continue to be paid by us. The reimbursement of costs for seconded staff is netted off against staff costs in the note included within the Staff Report on page 59, which forms part of the Accountability Report.

(m) Transfer by absorption

Functions previously exercised by the Higher Education Funding Council for Wales (HEFCW) and the Welsh Government transferred to Medr on 1 August 2024. HEFCW was dissolved on 31 July 2024. In line with the FReM the transfer of functions from HEFCW and the Welsh Government to Medr is treated as transfer by absorption. The recorded amounts of net assets have been brought into the financial statements of Medr from 1 August 2024. Net asset carrying value has been recorded as a non-operating gain from the transfer of function, through net expenditure. Any revaluation reserves and accumulated depreciation has been transferred, with corresponding adjustments to the general fund reserve.

Due to the expanded functions conducted by Medr to those exercised by HEFCW and the Welsh Government, Medr judges that the additional disclosure of historical financial performance of the functions undertaken by HEFCW should be not provided as it does not contribute to a useful understanding of the operational performance of Medr. HEFCW accounts for the period 1 April 2023 to 31 July 2024 are available in [English](#) and [Welsh](#).

2. Income from activities

	8 months to 31 March 2025 £'000
Department of Science, Innovation and Technology – Research Capital Investment Fund	4,478
Prevent	28
	4,506

Prevent income is funding to support reporting on compliance with the Prevent Duty by higher education.

3. Funding of tertiary education

	8 months to 31 March 2025 £'000
Higher education core funding	121,966
Further education core funding	302,356
Local authority core funding	78,349
Strategic funding	33,576
Degree apprenticeship	8,354
Medical places	3,967
Ring fenced*	513
Capital	31,524
Apprenticeships	110,705
	691,310
Clawback**	(9,362)
Research Capital Investment Fund***	4,478
	686,427

- * Funding for junior apprenticeships.
- ** See Note 4.
- *** See Note 5. This is non grant-in-aid.

Medr inherited funding commitments from previous Ministerial and Higher Education Funding Council for Wales (HEFCW) decisions for the academic year (AY) 2024/25 (from 1 August 2024 to 31 July 2025).

4. Grants to providers

Included in these accounts are grants to tertiary education providers, which are subject to the recipients' external auditors' confirmation that they have been used for their intended purpose. The financial year of providers ends on 31 July, once we have received their audited accounts, we will review whether any adjustments to grants are necessary. The clawback for credit-based teaching funding and FE mainstream funding for 2022/23 resulted in a clawback of £9.362m. Any adjustment arising from the 2024/25 accounts and student numbers will be made by us in future years.

We confirm that grants we have received from the Welsh Government have been used for their approved purposes.

5. Expenditure for other purposes

	8 months to 31 March 2025 £'000
Research Capital Investment Fund*	
Swansea University	1,163
Cardiff University	2,339
University of South Wales	114
Bangor University	440
Aberystwyth University	361
Cardiff Metropolitan University	61
	4,478

* Non grant-in-aid funding.

6. Other expenditures

	8 months to 31 March 2025 £'000
Administration costs	
Accommodation costs	151
Office costs	41
Bought-in services	112
Auditors' remuneration	52
Board members' travel and subsistence costs	7
Board members' meeting costs	8
Staff travel and subsistence costs	39
Staff related expenditure on training, recruitment etc.	63
Information technology costs	485
Total	958

Our auditor during the period was the Auditor General for Wales.



7. Property, plant and equipment

	Information technology equipment as at 31 March 2025 £'000	Fixtures, fittings & equipment as at 31 March 2025 £'000	Total as at 31 March 2025 £'000
Cost			
At 1 August 2024	344	464	808
Additions	0	0	0
Re-instated asset	0	0	0
Disposals	(71)	(5)	(76)
At 31 March 2025	273	459	732
Depreciation	343	10	353
At 1 August 2024	1	61	62
Charged during period	0	0	0
Re-instated asset	0	0	0
Disposals	(71)	(5)	(76)
At 31 March 2025	273	66	339
Net book value at 31 March 2025	0	393	393
Net book value at 1 August 2024	1	454	455
Asset financing			
Owned assets			
Net book value at 31 March 2025	0	393	393

8. Intangible fixed assets

	Software licences as at 31 March 2025 £'000
Cost	
At 1 August 2024	894
Additions	80
Disposals	0
At 31 March 2025	973
Amortisation	
At 1 August 2024	21
Charged for the period	212
Released on disposal	0
At 31 March 2025	233
Net book value at 31 March 2025	741
Net book value at 1 August 2024	872

9. Trade receivables and other current assets

	As at 31 March 2025 £'000
Amounts falling due within one year	
Prepayments and accrued income	271
Other receivables	2
	273
Intra-government balances	
Other central government bodies	0
Balances with other government bodies	0
Balances with non-government bodies	273
	273

10. Cash and cash equivalents

	As at 31 March 2025 £'000
Cash held under Government Banking Service	
Balance at 1 August 2024	3,897
Net change in cash and cash equivalent balances	3,868
Balance 31 March 2025	7,765
Total cash and cash equivalents	7,765

The Government Banking Service (GBS) is a government-wide banking service provided by the Royal Bank of Scotland (RBS). We do not earn any interest on any balance held in GBS accounts.

Medr's opening cash balance was £3.897m provided by the HEFCW closing cash balance. This was transferred to Medr in accordance with the handover arrangements and following agreement by the Welsh Government. The Framework Document and Managing Welsh Public Money require Medr to minimise its cash holdings and not hold more at year end than 2% of total grant-in-aid available. Medr's closing cash balance was £7.765m, representing 1.12% of the total funds available.

11. Trade payables and other current liabilities

	As at 31 March 2025 £'000
Amounts falling due within one year	
Accruals	700
Other taxation and social security	0
Sundry creditors	0
	700
Intra-government balances	
Central government bodies	186
Other central government bodies	0
Balances with other government bodies	186
Balances with non-government bodies	514
	700

12. Provisions for liabilities and charges

	As at 31 March 2025 £'000
Broadly by analogy pension liability*	
Analysis of timing of liability	
Falling due within one year (2025-26)	1,360
Falling due between 2026-27 and 2030-31	6,798
Falling due between 2031-32 and 2039-40	8,842
	17,000

* See Staff costs note on page 59

13. Right-of-use assets

	Buildings as at 31 March 2025 £'000
Cost	
At 1 August 2024	0
IFRS 16 recognition of asset	783
Additions	0
Disposals	0
At 31 March 2025	783
Depreciation	
At 1 August 2024	0
Charged for the period	133
Released on disposal	0
At 31 March 2025	133
Net book value at 31 March 2025	650
Net book value at 1 August 2024	0

14. Lease liabilities

	Buildings as at 31 March 2025 £'000
Cost	
At 1 August 2024	0
IFRS 16 recognition of asset	783
Additions	0
Repaid in the year	(146)
Interest charged	23
At 31 March 2025	660
Analysis of timing of liability	
Falling due within one year	192
Falling due later than one year not later than five years	468
	660

15. Other financial commitments and contingent liabilities

	As at 31 March 2025 £'000
Not later than one year	393,941
Later than one year and not later than five years	41,111
	435,052

In the reporting period, the Welsh Government allocated funding to Medr on a financial year (FY) basis from 1 August 2024 to 31 March 2025. Medr has a requirement to meet the remaining academic year (AY) 2024/25 (from 1 April to 31 July 2025) funding commitments placed on the Medr budget by previous Ministerial and Higher Education Funding Council for Wales (HEFCW) decisions. In March 2025, Local Authorities were provided with details of allocations for the following 16 months, to the end of AY 2025/26. These, and any other commitments for FY 2025-26 or AY 2025/26 have been disclosed. Medr will fund these commitments through grant-in-aid from the Welsh Government. Following approval by the Senedd of the Welsh Government budget for 2025-26, the Welsh Government confirmed on 20 March 2025 that Medr's budget for FY 2025-26 would be £961.8m.

16. Related parties

Medr is a Welsh Government Sponsored Body. The Welsh Government is regarded as a related party. During the year, Medr had various material transactions with the Welsh Government, which was regarded as the parent Department.

During the year Medr, in the normal course of its business, entered the following transactions with the following organisations which are considered related parties:

Name	Relationship with related party
Professor Dame Julie Lydon Chair	Learned Society of Wales – Elected Fellow of the Society, Member of Scrutiny Committee for Industry, Commerce, the Arts & Professions
Professor David Sweeney CBE Board Member	The Conversation UK – Board or Advisory Board
Professor Aaqil Ahmed Board Member	Welsh Government – Senior Independent Panel Member
Cerys Furlong Board Member	Fitzalan High School (Funded through Cardiff County Council) – Volunteer Governor
Rob Humphreys CBE FLSW Board Member	Learned Society of Wales – Elected Fellow of the Society, Chair of Scrutiny Committee for Industry, Commerce, the Arts & Professions
James Davies Board Member	Swansea University – extended family Member on Board
Dr Gwenllian Lansdown Davies Board Member	Mudiad Meithrin – Chief Executive
Estelle Hart Associate Board Member	University and College Union Wales – Seat on the national executive committee and Chair
Deio Owen Associate Board Member	NUS Students' Union Charitable Services – Director and Trustee

The total amount of funding* received by each of the organisations listed above are as follows:

Related Party	8 months to 31 March 2025 £'000
The Conversation UK	38
Welsh Government	654
Cardiff County Council	11,940
Learned Society of Wales	237
Swansea University	29,352
University and College Union Wales	65
NUS Students' Union Charitable Services	77
Mudiad Meithrin*	0

* The amounts represent the total funding received by the organisations on a cash basis.

** Mudiad Meithrin do not receive Medr funding directly but could benefit from Medr funding of apprenticeships as they train and qualify individuals to work in Childcare and Early Years by offering a range of qualifications including apprenticeships.

During the year no Board Member or senior members of staff or other related parties has undertaken any material transactions with Medr.

Details of Board Members' declared interests are available at [Board and governance](#).

17. Financial instruments

IFRS 7 and International Accounting Standards (IAS) 32 and 39 require an organisation to present and disclose information on the possible impact of financial instruments on its financial position and performance, and on the extent of its risk exposure.

Liquidity risks – In the 8 months to 31 March 2025, £692.3m or 99.4% of our income was derived from the Welsh Government. The remaining income, £4.5m or 0.6% was derived from income from activities. We do not consider that our general activities are exposed to any significant liquidity risk, and we are satisfied that future income is sufficient to meet our commitments.

Interest rate risks – Cash balances that are drawn down from the Welsh Government to pay funding commitments and operating costs are held with the Government Banking Service. Medr is not exposed to significant interest rate risks.

Foreign currency risk – Our general activities are not exposed to any significant foreign exchange risks.

Cash flow risk – We are not exposed to any significant cash flow risks.

18. Events after the reporting period

On 5 June 2025 Medr announced that it had appointed James Owen, previously Medr's Chief Operating Officer, as its new Chief Executive. James Owen replaces outgoing Chief Executive Simon Pirotte. James Owen will take up the role from 1 August 2025 and has been appointed for an initial 5-year term.

On 1 May 2025 Medr joined the partnership pension account (an occupational defined contribution pension arrangement) which is part of the Legal & General Mastertrust. The Partnership scheme had not been set up when the Commission for Tertiary Education and Research was established on 1 August 2024, as there were no scheme members until December 2024. Contributions could not be paid over in the reporting year until the scheme set up was finalised in May 2025. The scheme is now set up and all contributions relating to 2024-25 reporting year have now been paid over together with the correct associated data. Legal & General have determined the member would have been £10.98 better off had the contributions been paid on time. As such, there is a small liability to Medr of £10.98. This realised liability will be included in the 2025/26 Accounts.

Medr

Y Comisiwn Addysg Drydyddol ac Ymchwil
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