

Further education and higher education capital funding 2025-26

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To: Heads of higher education institutions
Principals of further education institutions

Respond by: No response required

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Summary:

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

Introduction

1. Welsh Government have announced an additional £26m capital funding will be made available for allocation within the 2025-26 financial year. The funding can be allocated to expenditure incurred in the 2025/26 academic year, as well as financial commitments entered into by 31 July 2026 supported by contracts or purchase orders. For colleges, the additional money will help with increased participation particularly in vocation courses for example by expanding workshop provision. Previous funding has been used by universities to support projects that reduce their operating costs and enhance student and staff facilities. Capital funding cannot be used to support staff costs directly. However, savings generated by capital investments may bring some revenue savings that ease cost pressures. This additional funding includes £13m for higher education institutions and £13m for further education institutions.

Basis of capital funding allocations

2. The capital funding is allocated based on a formulaic approach and the allocations have been determined based on:
 - i. **Higher education:** student numbers. The number of students at an institution represents a reasonable proxy for the amount of estate and facilities required. The student numbers used for the initial allocation are the HESA Student Record Full-Time Equivalents (FTEs) for all modes, levels and domiciles based on the 2023/24 academic year. A minimum allocation of £975,000 has been applied. Given its limited estate in Wales, the OU will have a minimum threshold set at 50% (£487,500) to contribute to projects that will benefit Welsh students. This is the same basis on which the £10m capital funding was allocated in October.
 - ii. **Further education:** 2025/26 total allocation. The initial full-time allocation for the 2025/26 academic year has been determined using learner headcount and programme value information taken from the latest LLWR data and informed by data from PLASC. The additional capital allocation has been distributed on a pro rata basis, aligned to each provider's share of the total allocation, based on learner headcount.

Allocations

3. The resulting allocations for each institution are provided in **Annex A** for further education and higher education institutions.

Confirmation of ability to spend

4. Given the limited timeframe to distribute this funding, in lieu of fully scoped plans we instead require institutions to confirm via email to investmentandmonitoring@medr.cymru that they are able to utilise their allocation against relevant projects in the 2025/26 academic year. Please note that these must

be developments within Wales (or in the case of digital, projects that will directly benefit Welsh students).

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

Guidance

6. Guidance will follow this publication outlining the eligible spend, as will a template to report on expenditure.

Annual monitoring

7. A monitoring exercise will be undertaken in 2026 at a suitable date to ensure that the funding has been used as intended and to provide an update on the impact that the investment has had.
8. Institutions will be expected to provide a breakdown of the capital spend and detail any projects that the funding has contributed to.

Timetable

9. Medr will schedule payment of the allocated funds to institutions upon receipt of the above confirmation and on 31 March 2026.
10. The annual monitoring process will take place in 2026 at a suitable date.

Further information

11. For further information, contact investmentandmonitoring@medr.cymru.

Medr/26/11: Annex A

Additional higher education capital funding modelling 2025/26

Institution	2023/24 Student FTE	Allocations pro rata to (£): FTE	Percentage allocated to each institution FTE
University of South Wales	19,177	£1,986,656.20	15%
Aberystwyth University		£975,000	8%
Bangor University		£975,000	8%
Cardiff University	28,326	£2,934,453.95	23%
University of Wales Trinity Saint David	11,755	£1,217,768.35	9%
Swansea University	19,009	£1,969,252.10	15%
Cardiff Metropolitan University	10,578	£1,095,836.12	8%
Wrexham University		£975,000	8%
Open University in Wales	8,408	£871,033.28	7%
Total	97,253.00	£13,000,000.00	100%

Source: HESA student record 2023/24

- Student Numbers not used in calculation: HESA standard registration population, all modes, levels and domiciles.
- FTE's used in calculation: HESA Session Population, all modes, levels and domiciles.
- Please note that rounding has been applied to FTE values following use in calculations.

Additional further education capital funding modelling 2025/26

Institution	2025/26 Allocation	Allocations pro rata to (£): FTE	Percentage allocated to each institution FTE
Bridgend College	21,257,267	£647,440.95	4.98%
Cardiff and Vale College	51,838,831	£1,578,875.68	12.15%
Coleg Cambria	51,831,161	£1,578,642.08	12.14%
Coleg Gwent	59,626,840	£1,816,078.14	13.97%
Coleg Sir Gâr	28,960,384	£882,057.82	6.79%
Coleg y Cymoedd	44,337,120	£1,350,393.11	10.39%
Gower College Swansea	36,295,608	£1,105,469.62	8.50%
Grŵp Llandrillo Menai	50,512,285	£1,538,472.55	11.83%
Grŵp NPTC Group	34,051,497	£1,037,119.85	7.98%
The College Merthyr Tydfil	13,503,613	£411,284.86	3.16%
Pembrokeshire College	16,837,610	£512,829.72	3.94%
St David's Catholic Sixth Form College	9,656,971	£294,126.17	2.26%
Adult Learning Wales (ALW)	8,116,566	£247,209.45	1.90%
Total	426,825,753	£13,000,000.00	100%

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