

Professor Dame Julie Lydon
Chair, Commission for Tertiary Education and Research
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Llywodraeth Cymru
Welsh Government

06 March 2026

Dear Dame Professor Lydon,

Welsh Government's Financial Support for Medr, the Commission for Tertiary Education and Research: 2025-2026

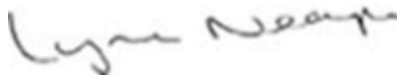
We wish to confirm additional capital funding of **£25,500,000** to Medr for 2025-26. This additional funding is included in Annex 1, along with the repurposed **£500,000** existing Medr implementation capital, resulting in a **£13,000,000** allocation for both the FE and HE sectors. This additional funding allocation means there is a revised total grant-in aid-budget of **£1,010,349,100** for the 2025-26 financial year, as set out in Annex 1.

The revised funding allocations in Annex 1 are provided for Medr to perform its functions held under relevant legislation, particularly the Tertiary Education and Research (Wales) Act 2022 as commenced. The funding is also provided to perform those functions it is exercising on behalf of the Welsh Ministers, as set out in the Agency Agreement between Medr and the Welsh Ministers made under section 83 of the Government of Wales Act 2006.

The funding will be monitored against delivery. In accordance with the Framework Document, timely forecasts and monitoring information should be provided to officials, including prompt notification of any expected overspends and underspends. Ministers may adjust the grant in-year accordingly if required through the supplementary budget process. We expect that Medr will commence delivery of its Strategic Plan as recently approved.

We look forward to our continued working with you and the Medr senior team.

Yours sincerely,

A handwritten signature in black ink that reads "Lynne Neagle". The script is cursive and somewhat informal.

Lynne Neagle AS/MS

Ysgrifennydd y Cabinet dros Addysg
Cabinet Secretary for Education

A handwritten signature in black ink that reads "V. Howells". The signature is written in a bold, cursive style with a long horizontal flourish underneath.

Vikki Howells AS/MS

Y Gweinidog Addysg Bellach ac Uwch
Minister for Further and Higher
Education

Annex 1 – Updated March 2026

The indicative resource and capital budget and grant-in-aid settlement are set out in the following table:

Budget area	Amount
Tertiary education - general	£804,081,000
Ringfenced items:	
14-16 Junior Apprenticeships	£600,000
Employability and enterprise in FE	£360,000
FE ALN	£3,900,000
FE colleges additional NIC costs	£8,068,000
FE colleges pay parity	£2,670,000
Sixth-forms additional NIC costs	£1,375,000
Sixth-form teachers' pay parity	£632,000
Medr staff additional NIC costs	£158,000
Medr 2025-26 Public Sector Pay Award	£66,420
Medical Undergraduate Tuition	£4,191,680
Culture - Performance-based music and drama conservatoire provision	£1,970,000
Apprenticeships	£143,277,000
Net revenue budget:	£971,349,100
Non-cash (depreciation)	£437,000
Resource budget	£971,786,100
Higher education capital	£10,000,000
Further education digital capital	£3,000,000
Medr implementation capital	£0
HE sector additional capital funding	£13,000,000
FE sector additional capital funding	£13,000,000
Capital budget	£39,000,000
Total resource and capital budget:	£1,010,786,100
<i>Grant in Aid adjustments:</i>	
<i>Less non-cash (depreciation)</i>	£437,000
Total Grant-in-Aid (Cash)	£1,010,349,100

Annex 2

Other Sources of Income

Under GOWA, the Welsh Government has a duty to report all other sources of income for all bodies within the central government boundary and to manage it within an overall income ambit control limit agreed by Senedd Cymru. To enable the Welsh Government to remain within this control total, the income which may be retained by Medr from other sources to fund activity during the year for revenue resource purposes is £50,000. This is not the tolerance limit for cash retained at the year end. Please inform your Partnership team if this income is expected to change during the financial year.

Terms and Conditions of Funding

The statement of priorities and framework document issued to the Commission for Tertiary Education and Research set out various operational requirements and refers to government guidance and policies with which the Commission for Tertiary Education and Research needs to comply, in addition to its own duties as responsibilities as a public institution in Wales.

Your Welsh Government partnership team is headed up by Claire Rowlands and your normal point of contact within the team is Craig Greenland:

craig.greenland@gov.wales.

A meeting with your partnership team will be arranged to agree appropriate oversight and monitoring arrangements.

Funding should be claimed in the manner agreed with the tertiary education funding team and funding claims should be submitted to Chris Williams:

chris.williams@gov.wales