

Professor Dame Julie Lydon
Chair, Medr
Capital Quarter No2
Tyndall Street
Butetown
Cardiff
CF10 4BZ
julie.lydon@medr.cymru



14 October 2025

Dear Professor Dame Lydon,

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

I am writing to remit additional funding of £1.97m in the current financial year from the Economy, Energy and Planning Main Expenditure Group to support performance-based music and drama conservatoire higher education provision.

Additional revenue funding is allocated as follows:

Activity	Funding
Funding to support performance-based music and drama conservatoire higher education provision	£1.970m
Total	£1.970m

The additional funding allocations mean there is a revised total grant-in aid-budget of **£977,391,000** 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.

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

Yours sincerely,

Jack Sergeant MS/AS
Minister for Culture, Skills and Social Partnership
Y Gweinidog Diwylliant, Sgiliau a Phartneriaeth Gymdeithasol

Annex 1 – Updated September 2025

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
Enterprise champions in FE	£360,000
FE ALN	£700,000
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
Apprenticeships	£145,247,000
Performance-based music and drama conservatoire provision	£1,970,000
Net revenue budget:	£963,891,000
Non-cash (depreciation)	£437,000
Resource budget	£964,328,000
Higher education capital	£10,000,000
Further education digital capital	£3,000,000
Medr implementation capital	£500,000
Capital budget	£13,500,000
Total resource and capital budget:	£977,828,000
<i>Grant in Aid adjustments:</i>	
<i>Less non-cash (depreciation)</i>	£437,000
Total Grant-in-Aid (Cash)	£977,391,000

Additional funding is anticipated to be allocated in year via the supplementary budget process and will be appropriately ring-fenced. Confirmation of this funding will be issued in funding letters.

- Medical education

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 David Morris:
david.morris007@gov.wales