

## Digital capital funding for further education institutions in 2026/27

**Date:** 14 May 2026

**Reference:** Medr/2026/18

**To:** Principals of directly-funded further education institutions

**Respond by:** 10 February 2027

**More information:** Rebecca Johnson | [digitallearning@medr.cymru](mailto:digitallearning@medr.cymru)

### Summary:

This document sets out digital capital funding allocations for further education institutions, provides guidance on the use of funding and sets out reporting and evidence requirements.

Funding allocations for each institution are set out in **Annex A**.

### Timelines for Year 1 (academic year 2026/27):

Timing	Milestone or action
c.18 December 2026	Interim capital payment (50% of allocation) will be processed during December
By 10 February 2027	Three-year digital capital investment plan required from each institution ( <b>Annex B</b> )
c.19 March 2027	Subject to the receipt of digital capital investment plans, the remaining 50% of capital allocation will be processed during March
By 21 July 2027	End-of-year expenditure reporting required ( <b>Annex C to be added in early 2027</b> )

## Introduction

1. The Welsh Government's funding settlement to Medr for 2025-26 included £3 million digital capital funding ringfenced for FE. This funding has been maintained for 2026-27 and, subject to confirmation in future budgets, this is expected to become ongoing funding.
2. This funding is intended to support FE institutions in developing longer-term and more strategic approaches to investment in digital equipment, devices and infrastructure (which are required to enable digital delivery) and to maintain robust and resilient digital services and systems. These aims are in line with the Vision and Aims of the Digital 2030 strategic framework for digital learning, which is due to be refreshed in the coming months.
3. We are asking each FE institution to develop and submit a three-year digital capital investment plan by 10 February 2027. Future allocations of digital capital funding up to and inclusive of academic year (AY) 2028/29 will be awarded on the basis of this plan.

## Allocations

4. The digital capital funding allocations for each institution (set out in **Annex A**) are for AY2026/27. Allocations have been based on FE Mainstream Funding Allocations (Full-time and Part-time for AY2026/27 without uplifts). A £30,000 base allocation was set for all institutions except Addysg Oedolion Cymru | Adult Learning Wales (due to the institution's smaller physical estates and reduced requirement for capital funding).
5. For planning purposes, institutions should note that (subject to the overall budget being maintained at £3 million) these allocations are expected to continue at the same level for the three-year period.

## Digital capital investment plans

6. Each FE institution listed in **Annex A** is required to develop and submit a three-year digital capital investment plan to [digitallearning@medr.cymru](mailto:digitallearning@medr.cymru) by 10 February 2027.
7. This plan should draw on timescales and key milestones identified in your institution's digital asset management plans and known cycles for replacement or upgrading of digital devices, digital equipment and/or digital infrastructure.
8. We expect that a large proportion of your digital capital expenditure will be possible to predict in advance. However, we appreciate that there is also a need to retain some flexibility for your institution to respond to emerging needs and changing requirements during the three-year period.
9. Up to 20% of your institution's capital allocation may be set aside for more reactive expenditure during the year; particularly under the 'teaching and learning experiences' and 'supporting innovation' categories. For this reactive expenditure,

you do not need to specify particular purchases in advance when developing your plan.

10. The rest of your institution's allocation should be assigned to planned expenditure.
11. If any significant innovation projects are planned during this period (which will require larger amounts of capital funding over and above the 20%), this should be identified in your institution's plan. We do not expect a detailed project plan, but please briefly outline your intentions and the main goals of your innovation project.
12. Plans should confirm how the investment will:
  - Align with the Digital 2030 Vision and Aims
  - Respond to learner needs and feedback from learners
  - Continue to embed social partnership and approaches to seeking feedback from staff (particularly around any workload impacts) and involving staff in digital decision making processes.

### Guidance on the use of digital capital funding

13. Guidance on eligible and ineligible expenditure is provided in this section. If you are unsure whether your proposed use of funding is eligible, please contact [digitallearning@medr.cymru](mailto:digitallearning@medr.cymru) for advice.
14. The funding allocated by Medr is made available under Section 97 of the *Tertiary Education and Research (Wales) Act 2022*, and is subject to the general conditions for the payment of funds set out in Medr's *Terms and Conditions of Grant 2026/2027*.
15. Eligible capital expenditure **may include**:

<b>C1</b>	<b>Digital devices and digital equipment</b>	<ul style="list-style-type: none"> <li>• Planned replacement of devices and/or equipment reaching end-of-life</li> <li>• Upgrading digital devices and/or equipment to ensure compatibility with changing requirements for core software, specialist and/or industry-standard software</li> <li>• Other planned investment requirements in line with digital asset management policies and plans</li> </ul>
<b>C2</b>	<b>Cybersecurity and digital resilience</b>	<ul style="list-style-type: none"> <li>• Maintaining cycles of capital investment in underpinning digital infrastructure which enables digital teaching and learning delivery</li> <li>• Improving connectivity speed, stability and reliability through upgrading WiFi access and network connections</li> <li>• Capital investment requirements associated with the secure storage of data</li> </ul>
<b>C3</b>	<b>Teaching and learning experiences</b>	<p>The purchase and/or upgrading of digital equipment:</p> <ul style="list-style-type: none"> <li>• For individuals with accessibility requirements and/or additional learning needs</li> <li>• To meet specialist industry requirements and prepare learners for future workplace expectations</li> </ul>

		<ul style="list-style-type: none"> <li>• To enhance the learning experience and facilitate use of digital technology in teaching and learning spaces</li> <li>• To produce high quality multimedia digital learning resources which will be classed as an institutional asset and suitable for use in more than one academic year</li> <li>• To integrate new technologies following previous piloting activity</li> </ul>
<b>C4</b>	<b>Supporting innovation</b>	<ul style="list-style-type: none"> <li>• To purchase digital equipment for piloting use in teaching and learning, and/or piloting new technologies</li> <li>• Fixed, non-refundable fees from an external supplier where the institution is investigating and/or piloting viable digital equipment and infrastructure solutions to feed into longer term planning</li> <li>• Direct 'one-off' costs for setting up significant changes to digital systems, platforms or technologies</li> <li>• Developing, testing and implementing ways of using data effectively to benefit learners and support teaching and learning</li> </ul>

16. Capital funding **must not** be used for:

- Non-capital expenditure outside the scope of accounting standards for fixed assets and your institution's capitalisation policy
- Non-capital recurrent costs; such as staff costs to fund permanent posts; ongoing licensing costs or subscriptions to access digital resources or software
- Training or events for staff or learners

### Monitoring and payment of funding

17. Payments will be scheduled in two equal instalments: during December 2026 and March 2027. Three-year capital investment plans are required by 10 February 2027; before the second instalment of funding is paid.
18. For the 2026/27 academic year, you will be required to provide expenditure information by 21 July 2027, confirming the actual amount of expenditure which your institution will incur by 31 July 2027. If this information confirms unspent capital funding, Medr officers will contact your institution's Finance Director to reclaim this amount. **Annex C** (end-of-year return template) will be added in early 2027.
19. For future years, we intend to develop a regular reporting cycle and evaluation framework in association with this ongoing funding. This work will be taken forward at an appropriate point in order to reflect:
- The refreshed Digital 2030 strategic framework for digital learning
  - Existing data and reporting requirements under Medr's new regulation arrangements (i.e. to avoid duplication)
  - Medr's new Learner Engagement Code

## Further information

20. Any queries regarding this publication should be directed to Rebecca Johnson ([digitallearning@medr.cymru](mailto:digitallearning@medr.cymru)).

**Medr/2026/18: Annex A**

**Digital capital funding for further education institutions: Allocations**

For planning purposes, this confirmed Year 1 (AY2026/27) allocation should also be used as indicative funding levels for Year 2 (AY2027/28) and Year 3 (AY2028/29).

<b>FE institution</b>	<b>Year 1 (AY2026/27) allocation</b>
Addysg Oedolion Cymru   Adult Learning Wales	£50,000
Bridgend College	£166,000
Cardiff and Vale College	£349,000
Coleg Cambria	£365,000
Coleg Gwent	£403,000
Coleg Sir Gâr	£205,000
Coleg y Cymoedd	£302,000
Gower College Swansea	£257,000
Grŵp Llandrillo Menai	£329,000
Grŵp NPTC Group	£231,000
The College Merthyr Tydfil	£116,000
Pembrokeshire College	£137,000
St David's Catholic Sixth Form College	£90,000
<b>Total</b>	<b>£3 million</b>

**Medr/2026/18: Annex B**

**Digital capital funding for further education institutions**

**Digital capital investment plan template**

<b>Funding recipient details:</b>	
<b>Institution:</b>	
<b>Contact for any queries:</b> <i>Name and email address</i>	

<b>Capital funding allocation:</b>	
<b>Year 1: AY2026/27 allocation</b> For planning purposes, this indicative amount should also be used for Year 2 (AY2027/28) and Year 3 (AY2028/29).	<b>£</b>

Please refer to the guidance on the use of this funding and requirements for this three-year investment plan when completing this template.

Completed plans must be submitted to [digitallearning@medr.cymru](mailto:digitallearning@medr.cymru) by 10 February 2027. This return is required before the second instalment of capital funding for AY2026/27 will be paid to your institution.

**Section 1: Strategic alignment**

Please briefly outline how the proposed expenditure set out in this plan supports the Digital 2030 Vision and Aims:

Please note which key internal plans or evidence sources have influenced your planned capital investment over this three year period (e.g. digital strategy; digital asset management plan; digital infrastructure investment cycles):

**Section 2: Approaches to learner and staff engagement**

Please briefly outline any key feedback from learners which has influenced your plans for capital expenditure during this period.

How will learners or learner representatives be involved in any piloting, testing, evaluating or supporting the rollout of new digital equipment, tools or systems intended for their use?

Please briefly outline how you will engage with trade union representatives and other staff on the workload implications, training or support requirements associated with introducing new digital equipment, tools or systems:

Please highlight any particular examples where staff or staff representatives will be involved in piloting or testing, and/or the co-creation of related policies associated with funded developments:

### Section 3: Intended use of capital funding

In this section, we are asking you to provide a brief outline of how your institution intends to use your capital funding in each year.

In our guidance, we noted that up to 20% of your institution’s allocation could be ‘automatically’ set aside for reactive expenditure. A line has been added for this purpose. If you do not wish to set funding aside for this purpose, please delete or overwrite the current text. If you wish to set aside a smaller percentage of your allocation, please adjust the percentage amount.

If you wish to set aside a larger percentage of your allocation for an anticipated innovation project, please include this as a row in the table for the relevant year, then provide a brief outline of your intentions in section 4.

#### Year 1: AY2026/27

Proposed use of funds (brief outline) <i>One project/activity or type of expenditure per row</i>	Relevant expenditure category (C1 to C4)	Estimated budget (for each row)	
		% of allocation	Approx. amount
		%	£
		%	£
		%	£
		%	£
		%	£
		%	£
		%	£
		%	£
Set aside for in-year reactive expenditure	N/A	20%	£
<b>Total</b> (note: total % should come to 100%)		<b>%</b>	<b>£</b>

*Please add extra rows if required*

For years 2 and 3, we anticipate that it should be possible to identify some key investment requirements in advance (based on established cycles for updating or replacing digital equipment and/or digital infrastructure components). However, we appreciate that priorities and costs can change over this length of time, so we will ask you to notify us of any significant changes in future reporting.

**Year 2: AY2027/28**

Proposed use of funds (brief outline) <i>One project/activity or type of expenditure per row</i>	Relevant expenditure category (C1 to C4)	Estimated budget (by row)	
		% of allocation	Approx. amount
			£
			£
			£
			£
			£
			£
			£
			£
			£
Set aside for in-year reactive expenditure	N/A	20%	£
<b>Total</b> (note: total % should come to 100%)		<b>%</b>	<b>£</b>

*Please add extra rows if required*

**Year 3: AY2028/29**

Proposed use of funds (brief outline) <i>One project/activity or type of expenditure per row</i>	Relevant expenditure category (C1 to C4)	Estimated budget (by row)	
		% of allocation	Approx. amount
			£
			£
			£
			£
			£
			£
			£
			£
			£
Set aside for in-year reactive expenditure	N/A	20%	£
<b>Total</b> (note: total % should come to 100%)		<b>%</b>	<b>£</b>

*Please add extra rows if required*

## Section 4: Planned innovation projects

***This section only needs to be completed if you have included planned innovation projects (over and above the 20% which can be set aside for reactive expenditure) in section 3.***

Please complete one set of boxes per project. If you have more than two projects during the three year period, please copy and paste the boxes as many times as required.

We are not asking for a lot of detail, as we appreciate that project planning may be in very early stages for years 2 and 3 in particular.

<b>Project title or subject:</b>	
<b>Timing (which year/s)</b>	
<b>Your intentions for this project:</b>	
<ul style="list-style-type: none"> <li>• What is the intended focus of your project? (e.g. what need or issue do you want to address; what tool or technology will you be exploring?)</li> <li>• Please briefly outline any main goals which have been identified in early project planning</li> </ul>	

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<b>Timing (which year/s)</b>	
<b>Your intentions for this project:</b>	
<ul style="list-style-type: none"> <li>• What is the intended focus of your project? (e.g. what need or issue do you want to address; what tool or technology will you be exploring?)</li> <li>• Please briefly outline any main goals which have been identified in early project planning</li> </ul>	

## Medr/2026/18: Annex C

**Digital capital funding for further education institutions:**

**End-of-year expenditure report template**

To be added in early 2027

# Medr

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Commission for Tertiary Education and Research

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