

Request for forecasts 2026

Date: 09 June 2026

Reference: Medr/2026/23

To: Heads of higher education institutions in Wales
Chief finance officers of higher education institutions in Wales

Respond by: 31 July 2026

More information: assurance@medr.cymru

Summary:

This circular requests higher education institutions to submit the following information:

- Part 1 - Financial forecasts to include:
 - estimates for the current year 2025/26 and financial forecasts for 2026/27 to 2029/30
 - Monthly cash flow forecasts for the 12 months to 31 July 2027
 - Accompanying narrative commentary
- Part 2 - Student numbers for the current year 2025/26 and forecasts for 2026/27 to 2029/30



Introduction

1. This circular requests higher education institutions to submit the following information:
 - Part 1 - Financial estimates for the current year 2025/26 and financial forecasts for 2026/27 to 2029/30
 - Accompanying narrative commentary
 - Monthly cash flow forecasts for the 12 months to 31 July 2027
 - Part 2 - Student numbers for the current year 2025/26 and forecasts for 2026/27 to 2029/30

More detailed notes of guidance are set out below. Non trivial changes with the circular and templates are denoted in purple.

Copies of the returns to be submitted are attached at the annexes to this circular, along with further technical information.

Please note that the excel workbooks for financial data (B1) and student numbers (C and E) are not attached to this circular. These documents are individually pre-populated for each institution and electronically circulated directly. Details of the contents of these templates is included in **Annex B3** and **Annex D** respectively.

Background and institutional strategic planning

2. We require institutions to submit financial and student number forecast information on an annual basis. This is to enable us to understand the past and expected future financial performance of institutions, and is also an important source of information to support fee and access plan submissions and strategic dialogue between Medr and the institutions. Existing fee and access plans end in 2026/27. Institutions should be working to full alignment with Medr's Equality of Opportunity condition from 2027/28.

Strategic context

3. In responding to this circular, institutions should take account of the various key circulars and other publications relating to higher education policy, strategy and funding developments in Wales. Key sources are included within **Annex A**, including links to the most recent publications available at time of issue.

Summary of information requirements

4. We are issuing individualised financial and student forecast data returns to each institution separately. These are sent, as appropriate, to directors of finance and data contacts as nominated by the head of the institution. All institutions should submit their completed returns by the dates indicated to the secure individual SharePoint folder supplied to each institution.

5. In addition to the specific purposes outlined above, all of the information requested through this circular will provide evidence to inform our provider risk assurance process.
6. Institutions should note that we will be seeking high level updates to financial and student forecasts in November 2026. This will be to inform our analysis of the financial implications of changes to the forecasts as a consequence of the updated student recruitment position for 2026/27.

Part 1 - Financial forecasts for the period 2025/26 to 2029/30

7. Our objectives in requesting financial forecasts are to enable us to:
 - monitor the financial health of institutions;
 - monitor whether institutions' forecasts take account of the prevailing higher education environment;
 - gain assurance that effective financial planning arrangements are in place;
 - ensure that governing bodies are appropriately engaged in the financial forecast and planning processes of the institution;
 - check that institutions' strategic and financial planning are integrated; and
 - produce information at summary level on the overall trends and financial health of the HE sector in Wales.
8. For the current submission we ask institutions to prepare five-year financial forecasts, covering the period to 2029/30. In order to minimise work load for institutions we have pre-populated the 2023/24 and 2024/25 actuals columns in the models where possible, to assist with identification of any trends in performance. We have also pre-populated the forecast for the year 2025/26 (as submitted to us in July 2025). We will expect financial forecasts to be based on relevant circulars on funding and student number allocations.
9. Financial forecast information should be submitted to us [to the secure individual SharePoint folder supplied to each institution](#) by **31 July 2026**.
10. In preparing the forecasts institutions should make reference to the planning assumptions outlined in **Annex A**.

Content of the financial forecasts

11. The form and content of the financial forecast models 2025/26 to 2029/30 is similar to that submitted by institutions in July 2025. Please note that completion of the five-year forecasts, the commentary and the monthly cash flow statement is compulsory and should reflect the requirements of the HEFCW Financial Management Code (FMC) (circular [HEFCW W17/16HE](#)) between Medr¹ and the institutions. The forecasts should be based on realistic assumptions. To aid comparability they should be consistent with any changes to accounting treatment and presentation and allocation in the last financial statements and HESA finance record. [Specifically the treatments contained within the 2019 FE / HE SORP should be followed.](#)

¹ Existing requirements in place under HEFCW, including the FMC, remain in place under Medr [until 1 August 2026, at which time they will be replaced by Medr's new regulatory framework, specifically the financial sustainability condition and supplementary detail, and relevant sections of the governance and management condition and supplementary detail](#)

Required returns

12. This circular references a number of documents for returning to Medr:
 - (i) The financial forecast template (**B1**). *This workbook is partially pre-completed and electronically provided directly to data contacts and finance directors at each institution.*
 - (ii) The financial forecast commentary (**Annex B2**) requests further narrative analysis of the tables in the forecast model.
 - (iii) Monthly cash flow projections for the 12 months to July 2027 are also required. *These may be in the internal format for the institution.*

Summaries of the requirements for each are given below. Guidance on completion of the main forecast (**B1**) is given in **Annex B3**.

Financial forecast template (B1)

13. We expect any growth over the 2025/26 recruitment figures to be fully explained, with robust supporting evidence provided.
14. The financial forecast includes a Medr 'downside' template for 2026/27. There remain significant uncertainties within the sector and wider economy, and this template provides assurance that your governing bodies have appropriately considered downside scenarios as well as providing us with data to assess risk to the sector:
 - (i) Adjustments should also be included in other areas of the forecast where such growth is not certain or where cost is predicated on student number growth, for example facilities and residences.
 - (ii) Costs are assumed at the level of your 2026/27 forecast. Mitigating actions required should be clearly detailed in the forecast narrative.
15. *A further 'own downside' tab has been included to enable institutions to reflect their own realistic downside modelling over the full forecast period.*
16. Detailed guidance on completion of the financial forecast template is given in **Annex B3**. Guidance on changes to the template are denoted in purple for ease of reference.

Financial forecasts commentary (Annex B2)

17. Institutions should provide a commentary on the **B1** financial forecasts using the proforma at **Annex B2**. This lists detailed requirements for information on a number of key aspects of the financial forecast, but the overall aim is for institutions to provide:
 - (i) assurance that the financial forecasts are derived from and are consistent with the institution's current strategic plan and financial strategy and that there is connectivity to recent financial performance as well as the latest intelligence that could affect forecasts such as student recruitment;

- (ii) additional supporting information on the key assumptions in the financial forecasts; and
- (iii) an explanation of important trends in the forecast numbers across the period, especially with respect to the key indicators such as liquidity, operating cash flow, operating surplus and cash generation.
- (iv) a narrative on contingency planning for the main challenges identified by the institution. This should include any impact on recruitment of both home and overseas students and returners, together with the financial consequences on tuition fees and related income streams for income, net operating cash flow and cash generation.
- (v) In the current climate we would expect the narrative to include consideration of the higher risk exposures to which the institution is exposed, due to the requirement to diversify income from full time UK undergraduate students, and any related additional cost sensitivity and other modelling of these risks.
- (vi) On the cost side we would expect the narrative to include consideration of the risk of inflationary pressures, both staff and non-staff, and the degree of sensitivity to these of the institution's plans.

Changes to the requirements from 2025 are highlighted in purple.

Monthly cash flow forecasts

18. We are requesting submission of monthly cash flow forecasts for the 12 months to July 2027. To facilitate this, we are not requiring a prescribed format for these returns. However we do require that:
 - a. the return is prepared in sufficient detail to clearly identify the main income and expenditure streams;
 - b. any anticipated utilisation or pay back of investments or borrowing facilities is clearly identified;
 - c. monthly net cash in / (out) flow is shown;
 - d. monthly opening and closing cash at bank balances are shown separately from use of short term investments / borrowing facilities; and
 - e. total liquid assets, and available borrowing facilities are shown on a monthly basis. Where appropriate any restricted cash should be clearly identified as distinct from free reserves.
 - f. Year-end cash balances should agree to the forecasts submitted.
19. While we will continue to monitor actual cash flows against these forecasts as part of our regular discussions with finance directors, it remains the responsibility of each institution's governing body to inform Medr of reportable events, including any forecast cash deficits.
20. The preparation of 12 months cash forecasts is a requirement of the Financial Management Code [para 83]. We would draw your attention to the paragraph:

The governing body must inform HEFCW² immediately if, at any point in the upcoming 12 months, negative net cash (as defined within FRS 102 S(7), including cash and cash equivalents) is forecast for more than 30 consecutive days.

From 1 August 2026 we refer providers to requirement 4, the equivalent requirement of Medr's [financial sustainability condition](#):

*The provider **will** notify Medr where adverse performance indicates increased pressure on financial sustainability. These indicators **may** include but not be restricted to:*

- *monthly cash forecasts indicating a decline in operational working capital to 30 days or below over a sustained period*
- *sustained and / or increasing use of bank facilities*
- *loss or reduction of significant income streams or other material unforecast adverse events*

² Now Medr

Part 2 - Student numbers for the current year 2025/26 and forecasts for 2026/27 to 2029/30

21. The information for student fee income forecasts is required separately at **Annex C**. The student number information in **Annex C** is populated automatically from the tables in **Annex E**, to aid reconciliation with student fees. Guidance for the student number forecast can be found at **Annex D**.
22. There is an integral relationship between an institution's assumptions about future changes to its student population and its financial forecasts. Therefore the student forecasts are important features underpinning an institution's strategic plan and financial forecasts.
23. Institutions are asked to submit, [to the secure individual SharePoint folder supplied to each institution](#), **by 31 July 2026** forecasts of all HE student numbers (Home fundable, Home non-fundable and Overseas) for the five years 2025/26 to 2029/30. This includes forecasts of transnational education (TNE) student numbers at EU and overseas (non-EU) campuses, to be included in Annex E, SPF3 and the related fees income to be included in tab Annex C2. **Annex D** contains information on the tables and guidance to assist the accurate completion of the returns.
24. [We will email partially pre-populated Annexes C and E to each institution individually. These tables contain validation and summary information.](#) Tables in tab Annexes C1 and C2 are included in the same workbook as tab Annex E, and credibility checks have been introduced to help check student number returns alongside fee income data. It is these tables that need to be completed and returned.
25. In addition to the forecasts, we are requesting information on student numbers for the current year 2025/26. This is to ensure that we can make comparisons of the most recent student population against the student fee income data returned in tab Annexes C1 and C2. We recognise that it will still include an element of estimation as the academic year will not have ended but will provide us with more accurate numbers to make a comparison with assumptions made in preparing the forecast fee income figures. For reference, figures from Table 1 of the 2025/26 higher education students early statistics (HESES) survey have been included as a supplementary table.
26. In general, the definitions contained in circular [Medr/2025/33](#), *Higher Education Students Early Statistics (HESES) survey 2025/26* and in the [HESA Aggregate Offshore record](#) should be used in compiling the student forecast information required by this circular. Details can be found in **Annex D**.
27. Assumptions should be consistent with those presented in **Annex A**, and any other relevant assumptions used in the preparation of the financial forecasts.
28. Further notes on completion of the tables can be found in **Annex D**.

Freedom of information

29. We will treat all information provided to us in this circular as confidential.

30. As a public authority Medr is subject to the Freedom of Information Act 2000. The Act gives a public right of access to any information held by a public authority. Information submitted to Medr may be disclosed on request under the terms of the Act. We have a responsibility to decide whether any responses should be made public or treated as confidential. We may refuse to disclose information in circumstances where disclosure of information would prejudice commercial interests or where information has been provided in confidence (for example, future financial projections). Further information about the Act, including the particular circumstances when information may be withheld, can be found at <https://ico.org.uk/> under Freedom of Information Act.

Further information

31. Any queries regarding this circular should be directed to assurance@medr.cymru.

Medr

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