Y Comisiwn Addysg Drydyddol ac Ymchwil
Commission for Tertiary Education and Research

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Higher education capital funding 2026/27

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To:	Heads of higher education institutions
Respond by:	No response required
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Summary:

This publication provides details of the basis on which capital will be allocated to higher education institutions in Wales in 2026/27 and our approach to monitoring. This funding relates to the 2026/27 academic year.

Introduction

1. Welsh Government have indicated that £10m capital funding will be made available for allocation within the 2026-27 financial year. This funding will be allocated to support Medr's strategic priorities.

Basis of capital funding allocations

2. The capital funding will be allocated based on a formulaic approach. As the funding is to be used, at least in part, to support learning and teaching, the student experience and student facing infrastructure, the allocations have been determined based on student numbers. The number of students at an institution represents a reasonable proxy for the amount of estate and facilities required. This method is consistent with previous allocations of capital.

3. 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 2024/25 academic year. This is the same basis on which the previous round of capital funding was allocated.

Application of a minimum funding allocation

4. In order to provide capital funding that will allow all institutions to invest in projects that will make a sustainable impact, a minimum allocation of £750,000 has been applied. Given its limited estate in Wales, the OU will have a minimum threshold set at 50% (£375,000) to contribute to projects that will benefit Welsh students.

5. The funding for institutions where the original allocation based on their student FTEs fell below this value has been increased to this amount and the FTEs for those institutions then removed from the calculation. The remaining balance of available funding has been apportioned between the other institutions based upon the remaining FTEs in the calculation.

6. The resulting allocations for each institution are provided in **Annex A**.

Planning and monitoring

7. Institutions will not be required to submit plans to Medr regarding information about the project(s) that utilises the investment.

8. Medr expects the below criteria to be met by the projects that have utilised the Capital Investment.

   a) **Strategic alignment**
   The project(s) must align clearly with at least one of [Medr's strategic aims] and supports relevant regional or national priorities.

   b) **Student benefit and voice**
   The project(s) must benefit students in improving student experience,

outcomes, wellbeing, or participation. The institution must engage with the student voice to develop the project(s) collaboratively.

c) **Long-term sustainability and impact**
The investment must deliver lasting value, including future adaptability, efficient use of resources, contribution to net zero where relevant, and benefits that can be sustained over time.

9. We will continue to monitor HESA metrics via the published data releases and so institutions should continue to be mindful of the impact projects may have on them.

10. If an institution foresees being unable to spend 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.

11. A monitoring exercise will be undertaken in 2027 to ensure that the funding has been used as intended and to provide an update on the impact that the investment has had. As part of Medr's ongoing engagement with institutions, discussions will take place in January to review projects funded in the previous academic year, consider progress against projects being delivered in the current academic year, and provide updates on potential future funding opportunities where available.

12. As part of the monitoring exercises, institutions will be expected to provide a breakdown of the capital expenditure and details of the projects that the funding has contributed. Institutions will also be expected to provide a qualitative summary of the outcomes and positive impacts this investment has had, including how the investment has supported Medr strategic priorities and the criteria outlined above.

Timetable

13. Medr will schedule payment of the allocated funds to institutions in October 2026.

14. Institution engagements will take place in January 2027 to discuss progress with projects, review any actual or anticipated underspend and discuss the impacts of previous years invested projects. Engagements will be through the submission of forms, meetings either online or in person where Medr and institution think is necessary.

15. A final evaluation return will be requested from institution in July 2027, providing a summary of expenditure, project delivery and outcomes achieved.

Further information

16. For further information, contact InvestmentAndMonitoring@medr.cymru.

Annex A: Additional higher education capital funding modelling 2026/27

Institution	2024/25 Student FTE	Allocations pro rata to (£): FTE	Percentage allocated to each institution FTE
University of South Wales	16,494	1,361,238.90	17.56%
Aberystwyth University		750,000.00	0.00%
Bangor University		750,000.00	0.00%
Cardiff University	28,020	2,312,472.05	29.84%
University of Wales Trinity Saint David	12,557	1,036,320.90	13.37%
Swansea University	17,166	1,416,698.6	18.28%
Cardiff Metropolitan University	11,032	910,463.66	11.75%
Wrexham University		750,000.00	0.00%
Open University in Wales	8,637	712,805.89	9.20%
Total	**93,906**	**10,000,000.00**	**100%**

Source: HESA student record 2024/25

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.

Medr

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