

Terms and Conditions of Grant

**Further Education Institutions,
Local Authority Maintained Sixth Forms, and
Adult Community Learning**

Academic year 2026/27



Contents

1. Introduction and Scope.....	4
1.1 Introduction	4
1.2 Application of this document	5
1.3 General legal provisions	7
2. Legal Nature and Framework of the Grant.....	7
2.1 Nature of the grant funding and legal character.....	7
3. Medr's Role and Powers	8
3.1 Roles, rights and responsibilities of Medr	8
3.2 Payment of funds	9
3.3 Suspension, withholding, termination or recovery of funds.....	10
3.4 Variation of Terms and Conditions.....	10
4. Provider Responsibilities (Core Obligations).....	11
4.1 Responsibilities of the provider	11
4.2 Third party arrangements	13
5. Use of Funding and Permitted Purposes	14
5.1 Appropriate use of public funds (purposes)	14
5.2 Further education institutions specific purposes	15
5.3 Local authority specific purposes	17
6. Learner and Delivery Requirements	18
6.1 Learner-centred requirements	18
7. Governance, Management, and Organisation	20
7.1 Governance requirements	20
7.2 Estate and facilities management	21
7.3 Partnership and collaboration	21
8. Targets, Monitoring, and Performance	22
8.1 Specific funding clauses (targets)	22
8.2 Monitoring, performance and reporting requirements.....	23
9. Information, Data, and Assurance.....	24
9.1 Data requirements and information duties	24
9.2 Financial management and assurance requirements, and financial statements.....	26
10. Legal Declarations and Risk Events	27
10.1 Declarations.....	27
10.2 Notifiable events and their consequences	29
11. Formalities and Contract Mechanics	30

11.1. Giving notice	30
11.2. Acceptance of funding award	30
11.3. Signature of the Accountable Officer	32
11.4. Signature of the Chief Financial Officer	32
12. Annexes	33
A. Glossary	33

1. Introduction and Scope

1.1 Introduction

- 1.1.1 Medr's [Regulatory Framework](#) establishes the overarching conditions of funding, within which these Terms and Conditions of Grant operate. Together, they form a coherent system for funding, assurance, and accountability.
- 1.1.2 For the avoidance of doubt, references in this document to 'investment' describe Medr's strategic intent and desired outcomes. All payments, conditions, controls, and recovery arrangements operate strictly as 'grant funding' in accordance with these Terms and Conditions.
- 1.1.3 The Terms and Conditions of Grant set out the specific contractual and funding requirements applying to Medr funding. These conditions support Medr's strategic investment in tertiary education and training, ensuring that public funding is used effectively, lawfully, and in a way that delivers long-term value for learners, communities, and Wales. Nothing in this document shall be interpreted as overriding statutory requirements or the provider's governing instruments.
- 1.1.4 The award of funding is made by Medr in the exercise of its statutory funding powers under Part 3 of the [Tertiary Education and Research \(Wales\) Act 2022](#), including sections 85, 87, and functions transferred from the Welsh Ministers, and is subject to these Terms and Conditions. Since April 2026, Medr has funded further education and training, school sixth forms, and adult community learning under sections 97, 101, and 103 respectively.
- 1.1.5 Receipt of funding is conditional upon compliance with these Terms and Conditions, insofar as they are lawful and within the provider's statutory powers. References in this document to legislation (whether domestic or international) include that legislation as amended, extended, or re-enacted from time to time, where applicable.
- 1.1.6 Providers **must** ensure that the use of funding complies with applicable subsidy control requirements, including the [Subsidy Control Act 2022](#) and any relevant international obligations. Responsibility for assessing compliance, including any associated record-keeping or transparency obligations, rests with the provider unless Medr confirms otherwise in writing. This requirement applies only where subsidy control obligations are relevant to the provider and the funded activity.
- 1.1.7 Where questions arise regarding the interpretation of any provision of this document, Medr will seek to resolve them following engagement with the provider and, where appropriate, representative bodies. Any interpretation adopted by Medr shall be reasonable, proportionate, and consistent with public-law principles and applicable legislation.
- 1.1.8 References to Medr's opinion mean an opinion formed on the basis of relevant evidence, having regard to representations made by the provider where practicable.
- 1.1.9 To eliminate any uncertainty, if a term, concept, or regulatory mechanism is defined or clarified in Medr's Regulatory [Glossary](#), that document shall be considered the

authoritative source. These Terms and Conditions do not seek to restate, vary, or duplicate those definitions or explanations, but instead apply them for the purposes of grant funding.

1.2 Application of this document

1.2.1 These Terms and Conditions operate as part of Medr's wider regulatory framework. They give effect to Medr's approach to targeting public funding to deliver strategic investment through grant funding, using proportionate regulatory, monitoring, and assurance tools to protect learners and public funds and to support continuous improvement.

1.2.2 These Terms and Conditions apply to the following categories of providers receiving funding from Medr:

- (a) further education institutions (FEIs);
- (b) local authority maintained sixth forms (LAs); and
- (c) adult community learning (ACL) providers and partnerships.

1.2.3 These Terms and Conditions apply in respect of the academic year 2026/2027 and shall take effect on the date on which the provider signs the acceptance page evidencing agreement to the award of funding.

1.2.4 In these Terms and Conditions:

- (a) the term "**must**" denotes a mandatory requirement arising from statute, regulation, or a binding funding condition, with which providers are required to comply; and
- (b) the term "**should**" denotes a requirement or expectation that is strongly encouraged as a matter of good practice but is not legally binding.

Where the term "**must**" is used in relation to an action that is not imposed directly by statute or statutory guidance, it denotes a binding condition of grant only and does not purport to impose a freestanding legal duty.

Where the term "**should**" is used, Medr expects governing bodies (or their equivalents) to give due consideration to the guidance and to take it into account in the exercise of their functions.

1.2.5 The funding **must** be used solely for the purposes set out in these Terms and Conditions and any associated guidance issued by Medr. Subject to applicable law, funding that is materially misapplied or not used for the purposes for which it was awarded may be subject to recovery to the extent of that misapplication.

1.2.6 Guidance, frameworks, technical notes, instructions, or policies issued by Medr from time to time apply only to the extent that they are consistent with:

- (a) these Terms and Conditions;
- (b) the provider's statutory powers and duties; and
- (c) the provider's governing instruments and applicable legislation.

Guidance does not of itself create freestanding legal duties and operates solely as a condition of grant unless expressly issued under a specific statutory power. Where Medr proposes to introduce guidance that would materially alter funding requirements or impose new obligations beyond those set out in these Terms and Conditions, Medr will, where practicable, consult affected providers before implementation.

- 1.2.7 No amendment, guidance, framework, or instruction shall materially increase substantive obligations or financial exposure without express written confirmation that it constitutes a variation of grant conditions.
- 1.2.8 The [Medr's funding allocations for academic year 2026/27](#) publication sets out the overall funding allocation for Medr-funded tertiary education for the academic year (AY) 2026/27. Medr allocations which fall outside the current financial year are always subject to Welsh Government budgets, but we are keen to provide as firm a commitment as possible to providers beyond this financial year wherever possible. We have allocated with this commitment in mind for FY 2027-28.
- 1.2.9 Nothing in these Terms and Conditions, nor in any guidance, framework, correspondence, assurance activity, or course of dealing between Medr and the provider, shall be construed as giving rise to any legitimate expectation of continued funding, renewal of funding, or of any particular decision or treatment, save where such expectation arises from an express written representation made by Medr pursuant to a specific statutory power.
- 1.2.10 Medr is required, by [section 18](#) of the Tertiary Education and Research (Wales) Act 2022, to have regard to the importance of protecting the freedom within the law of tertiary education providers in Wales to conduct their day-to-day management in an effective and competent way.
- 1.2.11 Nothing in these Terms and Conditions, nor in any guidance, framework, correspondence, assurance activity, or course of dealing between Medr and the provider, shall override or be interpreted so as to conflict with:
- (a) primary or secondary legislation;
 - (b) the *Instrument and Articles of Government* of a further education institution, or the *Instrument of Government* of a maintained school;
 - (c) the statutory powers and duties of a local authority; or
 - (d) applicable charity law obligations.
- 1.2.12 Where any inconsistency arises, those instruments and duties shall prevail in the order listed above. These Terms and Conditions shall not be construed as extending, modifying, or duplicating statutory duties, nor as enabling Medr to direct matters beyond its lawful functions.
- 1.2.13 Nothing in these Terms and Conditions shall be construed as extending, modifying, or duplicating duties imposed by the [Learning and Skills \(Wales\) Measure 2009](#), or as enabling Medr to direct the content of the local curriculum beyond its statutory functions.
- 1.2.14 The provider may not assign, novate, or otherwise transfer or dispose of any rights, benefits, obligations, or duties arising under these Terms and Conditions without the prior written consent of Medr, except where such assignment occurs by operation of law.
- 1.2.15 These Terms and Conditions apply only to funding provided by Medr and do not govern the application of funds obtained from other sources. Medr encourages providers to maintain and develop additional sources of funding which are strategically aligned with the provider's mission, governing instruments, and

approved plans, and which support the sustainable and coherent delivery of its functions.

- 1.2.16 Where a dispute arises concerning the interpretation or application of these Terms and Conditions, Medr and the provider shall seek, in the first instance, to resolve the matter promptly and constructively through engagement at appropriate officer and senior levels. This process does not constitute arbitration or alternative dispute resolution and does not restrict or replace any rights of review, complaint, or challenge available under public-law or statute, including the right to seek judicial review where applicable.

1.3 General legal provisions

- 1.3.1 These Terms and Conditions, and any dispute or claim (including any non-contractual dispute or claim) arising out of or in connection with them, their formation, or their subject matter, shall be governed by and construed in accordance with the law of England and Wales, with particular regard to legislation and public-law principles applicable in Wales, and shall be subject to the jurisdiction of the courts of England and Wales.
- 1.3.2 If any provision of these Terms and Conditions is held to be or becomes invalid, unlawful, or unenforceable, that provision shall be severed and the validity, legality, and enforceability of the remaining provisions shall not be affected.
- 1.3.3 No failure or delay by Medr to exercise any power, right, or remedy under these Terms and Conditions shall constitute a waiver of that power, right, or remedy, nor shall it prevent its subsequent exercise or the exercise of any other power, right, or remedy. All powers, rights, and remedies provided under these Terms and Conditions are cumulative and in addition to those provided by law.
- 1.3.4 Any provision of these Terms and Conditions which by its nature is intended to apply after the expiry or final payment of funding shall continue in full force and effect, including (without limitation) provisions relating to audit, assurance, access to information, recovery of funds, record retention, and publication.

2. Legal Nature and Framework of the Grant

2.1 Nature of the grant funding and legal character

- 2.1.1 These Terms and Conditions constitute conditions attached to the award of a public-law grant and do not create a partnership, joint venture, agency, fiduciary, or employment relationship between Medr and the provider.
- 2.1.2 Nothing in these Terms and Conditions shall be construed as creating contractual rights or obligations between Medr and any third party, nor as conferring authority on the provider to bind Medr, the Welsh Government, or Welsh Ministers in any manner.

- 2.1.3 The provider acts at all times as an independent body, responsible for the lawful and proper use of the funding in accordance with its statutory powers, governing instruments, and applicable law.

3. Medr's Role and Powers

3.1 Roles, rights and responsibilities of Medr

- 3.1.1 Medr retains overall responsibility, in accordance with its statutory functions, for the allocation, monitoring, and oversight of post-16 grant funding provided to further education institutions, local authority maintained sixth forms, and adult community learning providers.
- 3.1.2 Medr has a range of statutory functions which may be exercised, amended, or supplemented from time to time. In exercising those functions, Medr is required to take into account all relevant considerations and to disregard irrelevant considerations. Nothing in, or arising under, these Terms and Conditions shall prejudice, fetter, or unlawfully constrain the exercise by Medr of its statutory functions, nor be interpreted as obliging Medr to exercise, or refrain from exercising, any function in a particular manner, save as required by law.
- 3.1.3 Medr's statutory intervention powers are exercised in accordance with the [Statement of Intervention Powers](#); this section applies those powers only for funding purposes.
- 3.1.4 As a Welsh Government Sponsored Body, Medr **must** be satisfied that the providers it funds have in place proportionate and effective arrangements for risk management, financial control, and governance, sufficient to safeguard public funds and to demonstrate value for money, having regard to the scale, nature, and risk profile of the funding provided.
- 3.1.5 In furtherance of its statutory functions, Medr may:
- (a) issue grant-related instructions and guidance relating to post-16 funding;
 - (b) require proportionate information, data, or assurance from providers for funding, monitoring, or statutory purposes;
 - (c) undertake monitoring, audit, and compliance activity, directly or through appointed agents; and
 - (d) propose amendments to grant conditions where necessary to reflect changes in legislation, statutory guidance, or funding policy.
- 3.1.6 Medr has a statutory responsibility to monitor and promote continuous improvement in the quality of tertiary education and training, as exercised through the [regulatory framework](#).
- 3.1.7 Nothing in these Terms and Conditions shall operate to transfer to Medr any ownership of, or interest in, intellectual property created by a provider in the course of delivering the funded purposes, save where expressly agreed in writing or required by law.
- 3.1.8 Subject to applicable law, the provider shall indemnify Medr against any liabilities, claims, proceedings, demands, losses, costs, and expenses reasonably incurred by

Medr arising directly out of a material failure by the provider to perform its obligations to a third party in connection with the funded purposes, except to the extent that such liabilities arise from the negligence or unlawful act or omission of Medr.

3.1.9 Nothing in these Terms and Conditions shall impose liability on Medr in respect of liabilities incurred by the provider to any third party (including, without limitation, employees, learners, contractors, or partners), save where such liability arises as a direct result of Medr's own unlawful act or omission.

3.1.10 Medr may propose amendments to these Terms and Conditions where required to reflect changes in legislation, statutory guidance, or funding policy. Any such amendment shall take effect only where confirmed in writing and accepted by the provider, except where a variation is strictly required by law or necessary to give direct effect to a statutory obligation.

3.2 Payment of funds

3.2.1 Medr makes no commitment to renew, extend, or continue funding beyond the term of this agreement. Medr shall not be liable for any costs or liabilities incurred by the provider in anticipation of, or following, the expiry of the funding period, nor for any additional costs incurred as a result of the funding ceasing.

3.2.2 Funding will be allocated to providers in accordance with provider profiles and funding methodologies published by Medr from time to time, as amended or updated in accordance with applicable policy and legislative requirements.

3.2.3 All payments of funding shall be made solely to the account notified to and approved by Medr. Payments will not be made to any other bank account without Medr's prior written agreement.

3.2.4 Subject to compliance with these Terms and Conditions, funding payments will normally be made monthly as follows:

- (a) on the 20th day of each calendar month;
- (b) on the 19th day of the calendar month where the 20th falls on a Saturday; or
- (c) on the next working day where the 20th falls on a Sunday or a bank holiday in Wales.

3.2.5 A detailed payment profile may be provided to the provider on request. Requests **must** be made in writing to InvestmentAndMonitoring@medr.cymru, and Medr will supply the profile within a reasonable timescale.

3.2.6 Continued payment of funding is conditional upon:

- (a) the provider's ongoing compliance with these Terms and Conditions;
- (b) compliance with the data and information requirements set out in the section '*9.1 Data requirements and information duties*'; and
- (c) evidence, reasonably satisfactory to Medr, that funded education and training provision is being delivered in accordance with the approved purposes.

3.2.7 The provider **must** notify Medr in advance of any proposed material change that may reasonably be expected to affect:

- (a) delivery of the funded purposes;
- (b) achievement of agreed targets or outcomes;
- (c) governance, financial sustainability, or risk profile.

Medr will act reasonably and proportionately in determining whether such changes require approval, variation of funding, or additional assurance.

3.3 Suspension, withholding, termination or recovery of funds

3.3.1 Medr may suspend, withhold, or recover funding where, including but not limited to, the following circumstances arise:

- (a) concerns regarding financial stewardship, governance, or solvency;
- (b) a breach of the terms and conditions of funding;
- (c) provision is inadequate, materially altered, or no longer aligned with the approved purpose;
- (d) funding is used, or is suspected to have been used, for non-permitted or ineligible purposes.

3.3.2 Medr may revise a provider's funding allocation where information or data used to calculate that allocation is subsequently amended or found to be inaccurate following internal or external audit, assurance, or validation processes, or where funding has been incorrectly claimed, received, or applied.

3.3.3 Where Medr adjusts a funding allocation, it may, at its discretion:

- (a) adjust future payments due to the provider; and/or
- (b) require repayment of all or part of the funding already paid.

3.3.4 Medr may require a provider to repay funding where the provider has received funding in excess of its entitlement, including but not limited to cases of over-claiming, misreporting, or error.

3.3.5 Medr may terminate funding where, including but not limited to, the following circumstances occur:

- (a) serious or persistent breaches of these Terms and Conditions;
- (b) the funded provision ceases, or is no longer being delivered as agreed;
- (c) significant financial irregularity, mismanagement, or misuse of public funds is identified.

3.3.6 Termination of funding may require the repayment of any unspent, improperly used, or otherwise recoverable funds, in accordance with these Terms and Conditions and applicable legislation.

3.4 Variation of Terms and Conditions

3.4.1 Medr may propose variations to these Terms and Conditions only where required to:

- (a) give effect to a change in legislation or statutory guidance;
- (b) comply with a binding ministerial direction; or
- (c) reflect an agreed change in funding policy or methodology.

Where practicable, Medr will consult affected providers before implementing any material variation.

- 3.4.2 Any variation which would materially increase a provider's substantive obligations or financial exposure shall take effect only where confirmed in writing by Medr and expressly accepted by the provider, unless the variation is strictly required by law.
- 3.4.3 Guidance, frameworks, instructions, or technical notes issued by Medr do not of themselves vary these Terms and Conditions and shall operate only as conditions of grant where consistent with them.

4. Provider Responsibilities (Core Obligations)

4.1 Responsibilities of the provider

- 4.1.1 Providers **must** take all reasonable and proportionate steps to prevent fraud, irregularity, misappropriation, error, or improper claims in relation to the funding.
- 4.1.2 Any material actual or suspected misuse of funds, fraud, or financial irregularity **must** be reported to Medr immediately upon identification.
- 4.1.3 Providers **must** manage, administer, and account for the funding in accordance with the principles set out in [Managing Welsh public money](#) as amended from time to time.
- 4.1.4 Following notification by Medr, the provider **must** provide such information, documents, records, opinions, confirmations, or assurances as Medr considers necessary or desirable in connection with the funding, including for assurance, audit, monitoring, or compliance purposes.
- 4.1.5 The provider **must** not use any part of the funding for any activity which, in Medr's reasonable opinion, could bring Medr, Welsh Government, or public funding into disrepute. This includes, but is not limited to:
- (a) party political activities or purposes, including activity which could reasonably be perceived as conferring political advantage during pre-election or election periods;
 - (b) the promotion of specific political, religious, or secular ideologies;
 - (c) gambling;
 - (d) pornography;
 - (e) the provision or promotion of sexual services; or
 - (f) any unlawful, unethical, or improper activity.
- 4.1.6 The provider **must**:
- (a) safeguard the funding against fraud and, in particular, fraud by its officers, employees, contractors, or agents, and notify Medr immediately where fraud is suspected, identified, or likely to occur, whether or not it directly relates to the funding. The provider **must** also participate in any fraud prevention or assurance initiatives reasonably required by Medr;
 - (b) maintain and apply effective policies and procedures to manage actual, potential, or perceived conflicts of interest in relation to the funding;
 - (c) comply with all applicable domestic and international laws, regulations, statutory requirements, and official guidance;

- (d) maintain appropriate and adequate insurance cover for risks arising from property, activities, or delivery of the funded purposes, and provide evidence of such insurance upon request by Medr;
- (e) operate robust financial management, risk management, and internal control systems when using any part of the funding;
- (f) maintain appropriate financial, risk, and due diligence arrangements where any part of the funding is used to provide grants to third parties or to procure goods or services;
- (g) cooperate fully with Medr, and any auditors, inspectors, or consultants appointed by Medr, for the purpose of monitoring compliance, assurance, evaluation, or investigation;
- (h) notify Medr immediately if any declaration made to Medr becomes inaccurate or would be inaccurate if repeated at any time;
- (i) notify Medr promptly of any funding received from other sources that could be considered as funding to support an individual learner for the same purposes and activities as Medr funding, including (but not limited to) funding from Welsh Government or other public bodies.

4.1.7 Where the provider purchases goods or services in delivery of the purposes, such procurement **must** be undertaken in a fair, transparent, competitive, proportionate, and sustainable manner, demonstrating that the provider has:

- (a) achieved value for money and best value in the use of public funds, having regard to economy, efficiency and effectiveness; and
- (b) complied with its conflict of interest policy at the relevant time.

4.1.8 Medr may request evidence from the provider to demonstrate compliance with paragraph 4.1.8. Such evidence may include, but is not limited to:

- (a) compliance with applicable procurement legislation, regulations, or guidance;
- (b) compliance with the provider's own procurement policies and procedures; and/or
- (c) The provider **must** supply such evidence promptly following Medr's written request.

4.1.9 Where the provider consists of two or more persons or bodies, their obligations and liabilities under these conditions shall be joint and several, and the default or breach by any one person or body shall be deemed to be a default or breach by all.

4.1.10 From the date these conditions are accepted by the provider until five years after the final payment of funding, Medr may publish details relating to the provider, the funding, and the funded purposes in promotional or public information materials. The provider agrees to cooperate reasonably with Medr to support the production of such materials.

4.1.11 Medr is committed to supporting the Welsh language and culture and the aims of [Cymraeg 2050](#). Providers are expected to support this commitment in the delivery of the funded purposes and ensure they meet the requirements set out in the regulatory condition for the Welsh language.

4.1.12 Where the funded purposes include or relate to the provision of services in Wales, such services **must** be provided in Welsh and English unless it would be unreasonable or disproportionate to do so. Services **must** be delivered in a manner

that does not treat the Welsh language less favourably than English, in accordance with the [Welsh Language \(Wales\) Measure 2011](#).

4.1.13 Where service delivery forms part of the funded purposes, the provider **must** act in accordance with the [Welsh Language \(Wales\) Measure 2011](#), any Welsh language standards applicable to the provider, and the objectives of [Cymraeg 2050](#). This includes taking appropriate steps, consistent with those standards and the nature of the funded activity, to promote and facilitate the use of the Welsh language within funded activities. This may include, where required by applicable Welsh language standards:

- (a) producing all written and digital materials bilingually;
- (b) providing bilingual signage;
- (c) delivering training sessions and public events bilingually; and
- (d) actively promoting and facilitating the use of the Welsh language within funded activities.

4.1.14 Nothing in these Terms and Conditions creates, varies, or replaces Welsh Language Standards imposed under the [Welsh Language \(Wales\) Measure 2011](#), compliance with which remains a matter of statute and enforcement by the Welsh Language Commissioner.

4.1.15 Where the provider is a local authority, funding allocated to schools **must** be distributed in accordance with [The School Funding, Budget Statements and Outturn Statements \(Wales\) Regulations 2026](#).

4.2 Third party arrangements

4.2.1 Providers **must** maintain appropriate systems and controls to ensure ongoing due diligence in respect of any funding used to provide grants to third parties or to procure goods or services, including assurance over delivery, financial probity, and risk management.

4.2.2 For the purposes of [section 109](#) of the Tertiary Education and Research (Wales) Act 2022, Medr hereby gives its consent for the providers to apply and make onward payments of any part of the funding to collaborating bodies where this is necessary or expedient for the delivery of the funded purposes. Such consent applies only where the collaborating body is engaged in the delivery of activities approved by Medr, the level of payment is proportionate to the role and contribution of that body, and appropriate due-diligence, contractual, and assurance arrangements are in place. Nothing in this paragraph alters the provider's accountability to Medr for the proper use of public funds or for compliance with these Terms and Conditions.

4.2.3 Where the provider delivers any part of the funded purposes through a third party, subcontractor, or delivery partner, the provider remains fully accountable to Medr for compliance with these Terms and Conditions. The provider **must** ensure that proportionate due diligence, contractual, and assurance arrangements are in place, including:

- (a) maintain a central register of subcontractor or delivery partners;
- (b) clear allocation of roles and responsibilities;
- (c) mechanisms to monitor quality, performance, and financial propriety; and
- (d) arrangements to address non-performance or non-compliance.

No subcontracting or third party delivery arrangement may operate so as to dilute the provider's accountability for the proper use of public funds or delivery of the funded purposes.

5. Use of Funding and Permitted Purposes

5.1 Appropriate use of public funds (purposes)

- 5.1.1 Funding **must** be used solely and exclusively for the purposes for which it is awarded and in accordance with these Terms and Conditions and all associated guidance issued by Medr. Statutory and regulatory duties apply independently.
- 5.1.2 The purpose of the funding is to support the delivery of post-16 education, primarily for learners ordinarily resident in, or served by, the locality of the provider.
- 5.1.3 The funding may be used only for the delivery of eligible provision and the provision of appropriate facilities for eligible learners, in accordance with Medr's funding powers under [section 97](#) of the Tertiary Education and Research (Wales) Act 2022 and as set out in the [Post-16 Funding Framework: Guidance](#), as amended from time to time.
- 5.1.4 The provider **must** ensure that robust arrangements are in place to:
- (a) verify the identity and eligibility of learners at enrolment, including confirmation of prior qualifications where relevant; and
 - (b) monitor and record learner attendance and participation in accordance with Medr requirements.
- 5.1.5 All funded provision **must** be consistent with:
- (a) the [Programmes Directory 2026/27](#);
 - (b) the [Post-16 Funding Framework: Guidance](#); and/or
 - (c) any other relevant guidance or qualifying instructions issued by Medr.
- Providers **must** notify Medr of any proposals to introduce new programme delivery. Approval **must** be obtained in writing from Medr (via InvestmentAndMonitoring@medr.cymru) before the commencement of delivery.
- 5.1.6 Funding **must** not be used for any of the following purposes, unless expressly authorised in writing by Medr:
- (a) legal fees incurred in connection with these terms and conditions;
 - (b) the education or support of learners below the age of 16 unless specifically permitted through guidance.
- 5.1.7 In exercising its functions and using the funding, the provider **must** have regard to the duties set out in the [Learning and Skills \(Wales\) Measure 2009](#), including the duty to plan, secure, and deliver a local curriculum offer that meets the reasonable needs of learners in the locality. The provider **must** take reasonable steps to collaborate with other relevant post-16 education and training providers to ensure that the local curriculum offer:
- (a) is coherent, complementary, and avoids unnecessary duplication of provision;
 - (b) spans a broad and balanced range of general and vocational learning; and

(c) supports progression, learner choice, and local skills needs.
Nothing in this clause requires the provider to act inconsistently with its governing instruments, statutory powers, or duties.

- 5.1.8 The provider **must** not use Medr funding to develop, support, or permit the development of provision that would materially undermine existing or planned provision delivered by another provider funded by Medr within the same locality.
- 5.1.9 Funding **must** not be used for, or to support the delivery of, higher education provision, including any provision funded through Medr higher education funding streams and/or through the receipt of higher education tuition fee income.
- 5.1.10 The provider's use of the funding **must** support and contribute to the achievement of the Welsh Government's well-being objectives, as set out in the Programme for Government, and **must** align with the sustainable development principle under the [Well-being of Future Generations \(Wales\) Act 2015](#). Providers **must** operate in a sustainable manner, adopting preventative, integrated, long-term, and collaborative approaches that involve people and reflect the diversity of Wales.

5.2 Further education institutions specific purposes

- 5.2.1 Estyn will undertake inspections of further education institutions at intervals determined by its statutory remit and will report on inspection outcomes, including any recommendations for improvement. The institution **must** prepare and implement an action plan to address all recommendations and provide assurance of progress, which will be subject to monitoring by Estyn and may be shared with Medr where appropriate.
- 5.2.2 Where Medr identifies concerns regarding an institution's performance through funding-related data or assurance activity, the institution **must** demonstrate, on request, how those concerns are being addressed through its existing quality assurance and improvement arrangements.
- 5.2.3 The institution **must**, upon request, provide Medr with a copy of its most recent self-assessment report and associated quality development or improvement plan.
- 5.2.4 Institutions **must** actively support the development of the Welsh language as a workplace and social skill and facilitate increased participation in education and training delivered wholly or partly through the medium of Welsh, in line with the objectives of [Cymraeg 2050](#). In doing so, institutions **must** contribute strategically to the development of post-compulsory education provision that supports progression and enables all learners, regardless of their current language proficiency, to develop and extend their Welsh-language skills.
- 5.2.5 Institutions **must** maintain an up-to-date Welsh-medium and bilingual provision strategy that:
- (a) specifically addresses learning delivered fully or partly through the medium of Welsh;
 - (b) enables learners to sustain and develop Welsh language skills; and
 - (c) demonstrates how the institution contributes to the delivery of [Cymraeg 2050](#).

- (d) Institutions **must** provide a copy of their most recent strategy to Medr upon request.

(d) is underpinned by an action plan as a minimum, sets out the requirements listed in paragraph 5.2.7(a)–(h) and includes measurable targets, timescales, responsibilities, and review arrangements.

5.2.6 Institutions **must** actively stimulate demand for Welsh-medium and bilingual provision by fostering a Welsh language positive ethos in both learning and social environments. Institutions **must** plan and take reasonable steps to achieve:

- (a) an increase in learners studying and being assessed through the medium of Welsh; and
- (b) increased use of Welsh by learners within the classroom and in wider social contexts.

5.2.7 The Coleg Cymraeg Cenedlaethol's [Welsh medium Action Plan for Further Education and Apprenticeships – Towards Cymraeg 2050](#) sets out strategic expectations for the expansion of Welsh-medium and bilingual post-16 education and training. Institutions are required to respond appropriately by developing provision in line with the Action Plan's objectives, including:

- (a) organisational targets for Welsh medium and bilingual learning and assessment that reflect local need and institutional priorities;
- (b) targets to ensure that at least 50% of learners holding a Welsh First Language GCSE undertake their learning bilingually or through the medium of Welsh (recorded as C1 or B1 in LLWR field LA26) in the following priority sectors:
 - Health and Social Care
 - Childcare
 - Public Services
 - Agriculture
 - Construction
 - Business
 - Sport and Leisure
 - Creative Industries
- (c) robust arrangements for recording learners' language preference, Welsh language competence, and Welsh medium or bilingual learning and assessment;
- (d) arrangements to ensure that all learners holding Welsh First or Second Language GCSE qualifications receive planned Welsh medium learning elements aligned to their proficiency level, supporting the Skills Development Model set out in the Action Plan;
- (e) arrangements for recruiting and/or developing staff capable of delivering learning and services through the medium of Welsh or bilingually;
- (f) partnership arrangements with employers and other stakeholders to support Welsh medium and bilingual learning and assessment;
- (g) defined objectives for the development of Welsh medium and bilingual teaching resources and activities; and
- (h) clear arrangements for marketing and promoting Welsh medium and bilingual provision.

- 5.2.8 Institutions **must** ensure the timely and accurate submission of learner activity data recorded under LLWR field LA26 in respect of learning delivered wholly or partly through the medium of Welsh, in accordance with Welsh Government guidance on the [Recording of Welsh-medium learning](#).
- 5.2.9 Institutions **must** also ensure the timely and accurate submission of data via LLWR field LP67, recording the highest level of Welsh-language qualification achieved by each learner prior to commencement of their learning programme.

5.3 Local authority specific purposes

- 5.3.1 Estyn does not inspect a school's sixth-form provision separately, nor does it reach judgements on sixth-form provision in isolation from the overall effectiveness of the school. Accordingly, inspection findings, outcomes, and judgements relating to follow-up actions for the whole school shall be taken to apply equally to the school's sixth-form provision. Following inspection, all schools are required to prepare a post-inspection action plan within twenty (20) working days of the publication of the inspection report, setting out how the school will address all recommendations made.
- 5.3.2 Local authorities have a statutory duty to monitor school performance and to intervene where there are concerns about standards. Where a local authority commissions a school improvement service to discharge all or part of its school improvement functions, that service will normally support, broker, and monitor improvement activity on behalf of the local authority, working in partnership with it. Where Estyn places a school in a statutory inspection category and identifies a need for Significant Improvement or Special Measures, the local authority and any commissioned school improvement service **must** work closely with the school to provide support in the development and implementation of the post-inspection action plan. Estyn will continue to monitor such schools until His Majesty's Chief Inspector of Education considers that the school no longer requires inclusion in a statutory category.
- 5.3.3 Local authorities and Welsh Ministers hold statutory powers of intervention in respect of schools causing concern. It is expected that local authorities will exercise these powers in the first instance, where necessary, in accordance with the [School Standards and Organisation \(Wales\) Act 2013](#) and Welsh Government's statutory guidance [Schools causing concern: statutory guidance for schools and local authorities](#).
- 5.3.4 For Adult Community Learning provision, where shortcomings are identified through Estyn inspection, the Adult Community Learning partnership **must** develop and implement a detailed action plan with clear objectives, measurable targets, and defined responsibilities to address those shortcomings. All partner organisations **must** engage fully in the preparation and delivery of the action plan. Where an overall inspection judgement is unsatisfactory, the action plan **must** be submitted to Medr for approval, and Medr will monitor its implementation until re-inspection.
- 5.3.5 Where Medr identifies concerns regarding an Adult Community Learning partnership's performance through the annual Learner Outcomes Report (LOR) or other monitoring or assurance activity, the partnership **must** demonstrate – through

its ongoing quality development and improvement processes – how those concerns are being addressed. The partnership may be required to provide Medr with evidence of corrective actions, including documentation demonstrating partner governance engagement and how identified issues are informing continuous improvement planning.

5.3.6 Adult Community Learning partnerships are not required to routinely submit an annual self-assessment report or quality development or improvement plan to Medr. This reflects Estyn's approach to self-assessment as an embedded, continuous quality-improvement process rather than a compliance exercise. However, partnerships **must** maintain robust self-assessment and quality development or improvement arrangements and **must**, upon request, provide Medr with a copy of their most recent self-assessment report and associated quality development or improvement plan.

5.3.7 Local authorities **must** not offer, nor permit schools to offer, any financial incentives designed to influence or encourage sixth-form learners to remain in school-based provision. Where such practice is identified, Medr will reclaim the relevant funding in full from the local authority. Any misuse of funding identified will be subject to recovery in accordance with these Terms and Conditions and intervention powers.

6. Learner and Delivery Requirements

6.1 Learner-centred requirements

6.1.1 Providers **must** ensure the delivery of funded provision in accordance with the approved purposes, having due regard to learner progression, achievement, and wellbeing.

6.1.2 Compliance with quality, learner engagement, and staff or learner welfare requirements is governed by the applicable regulatory conditions, including the [Quality Framework](#) and the [Learner Engagement Code](#). Nothing in these Terms and Conditions shall be interpreted as extending, modifying, duplicating, or supplementing those requirements. Those instruments shall remain the authoritative source of obligations relating to quality and learner engagement obligations, subject to applicable legislation.

6.1.3 Providers **must** support the learning entitlement of post-16 learners as defined in the [Learning and Skills \(Wales\) Measure 2009](#), including access to a broad range of courses that enable progression to further learning, training, or employment. Providers **must** ensure that information, advice, and guidance provided to learners fairly reflects the range of learning pathways available across the local area, including provision offered by other providers, in order to support informed choice.

6.1.4 Learner eligibility, programme requirements, funding eligibility, and minimum provision hours **should** fully comply with the [Post-16 Funding Framework: Guidance](#), the [Programmes Directory](#) and any associated guidance issued by Medr.

6.1.5 Providers **must**:

- (a) deliver only approved programmes and do so in accordance with awarding body requirements and published sector standards;
- (b) maintain appropriate and proportionate support for learners with Additional Learning Needs (ALN), in line with statutory duties; and
- (c) provide learners with access to impartial, timely, and appropriate information, advice, and guidance, including at key transition points, in accordance with Medr guidance.

6.1.6 Providers **must** ensure that appropriate initial assessment, guidance, and advice are offered at the point of recruitment, so that, as far as reasonably practicable, learners enrol on programmes that:

- (a) align with their individual aspirations, abilities, and career or progression plans; and
- (b) they are reasonably likely to engage with and successfully complete.

6.1.7 Providers **must** not:

- (a) charge tuition fees in respect of full-time or part-time education provided to eligible learners who are above compulsory school age but who have not attained the age of 19 on or before 31 August immediately preceding the start of the relevant academic year;
- (b) charge admission or enrolment fees to such learners that exceed the reasonable cost of services provided; or
- (c) charge tuition fees for learners undertaking Basic Skills, Essential Skills Wales, or ESOL qualifications up to and including Level 1.

6.1.8 Providers **must** produce and maintain an Individual Learning Agreement or Individual Learning Plan for all learners undertaking full-time programmes, setting out learning aims, support arrangements, and review processes.

6.1.9 Providers **must** participate fully in Medr-funded learner support schemes in accordance with the specific guidance issued annually by Medr, including compliance with eligibility, administration, and reporting requirements.

6.1.10 Providers **must** have a clearly articulated and regularly reviewed Essential Skills delivery strategy, which addresses learners' needs in:

- (a) communication (formerly literacy);
- (b) application of number (formerly numeracy); and
- (c) digital literacy (formerly ICT).

6.1.11 The Essential Skills strategy **should** include arrangements for undertaking Initial and Diagnostic Assessment (IA) in the relevant essential skills area for all learners accessing essential skills provision. Providers may use an essential skills diagnostic system of their choosing, provided it is fit for purpose and supports effective placement and progression.

6.1.12 Providers **must** have appropriate arrangements in place to meet the essential skills needs of learners requiring learning at Level 2 or below. This requirement may be met through:

- (a) direct delivery of essential skills qualifications or learning support; and/or
- (b) formal and documented arrangements with another provider capable of delivering the required learning or support.

Where learners are referred externally, providers **must** retain oversight of the referral process and learner outcomes.

- 6.1.13 Local authorities **must** ensure that all learners receiving sixth-form provision in their area are given access to:
- (a) independent and impartial careers advice through Careers Wales; and
 - (b) comprehensive information about all available post-16 pathways, including further education, higher education, and apprenticeships.
- 6.1.14 Local authorities **must** ensure that schools delivering sixth-form provision within their area provide appropriate learner support services. These services **must** include learning coaching, personal and wellbeing support, careers information, and advice and guidance to enable learners to make informed, realistic choices and achieve their potential. Local authorities **must** act in accordance with the [Learner Support Services Directions \(Wales\) 2011](#).

7. Governance, Management, and Organisation

7.1 Governance requirements

- 7.1.1 Governance requirements are governed by statute and the [Regulatory Framework](#); this section restates those expectations in full only insofar as necessary to establish grant accountability and shall not duplicate or expand regulatory governance requirements.
- 7.1.2 Ultimate responsibility for ensuring compliance with these grant conditions and all related guidance rests with the provider's governing body (or equivalent).
- 7.1.3 Governing bodies (or equivalent) **must** operate in accordance with recognised standards of good governance, including effective strategic oversight, financial stewardship, risk management, and the proper use of public funds.
- 7.1.4 The provider **must** designate an Accountable Officer with overall responsibility for the oversight of the funding and for ensuring compliance with these Terms and Conditions. The Accountable Officer may be required to appear before the Senedd Cymru's Public Accounts and Public Administration Committee, alongside the Chief Executive of Medr, on matters relating to grants awarded to the provider.
- 7.1.5 The Accountable Officer **must** ensure that the provider complies with these Terms and Conditions of Grant. Notwithstanding this designation, collective accountability for compliance remains with the provider's governing body (or equivalent).
- 7.1.6 Where appropriate, the Accountable Officer **must** advise the governing body (or equivalent) immediately if any proposed action, decision, or policy appears to be incompatible with these Terms and Conditions. If the governing body (or equivalent) nevertheless decides to proceed, the Accountable Officer **must** inform the Chief Executive of Medr in writing without delay.
- 7.1.7 The Accountable Officer **must** notify Medr immediately of any instances where conflicts of interest or whistleblowing matters have not been managed in

accordance with the provider's policies. Such information will be treated sensitively and confidentially and will not be shared beyond Medr without the provider's prior consent, except where disclosure is required by law.

- 7.1.8 Nothing in these Terms and Conditions requires an Accountable Officer to act in a manner that would conflict with their statutory, fiduciary, regulatory, or charity law duties. Where such a conflict arises, the Accountable Officer **must** act in accordance with those duties and notify Medr as soon as reasonably practicable.
- 7.1.9 Providers **must** have in place, implement, and keep under review equality policies covering employment, the engagement of volunteers, and the provision of services, in compliance with the [Equality Act 2010](#) and associated duties.
- 7.1.10 Providers **must** have regard to recognised good practice in pay and remuneration, including fairness, transparency, proportionality, the need to recruit and retain staff, and affordability within available resources, in accordance with the governance, regulatory, and pay frameworks applicable to their sector.
- 7.1.11 Providers **must** ensure transparency and accountability in relation to senior staff remuneration and **must** disclose information on senior salaries in line with the applicable financial reporting, audit, and accounting requirements of their sector.
- 7.1.12 Providers **must** comply with all legal and regulatory requirements relating to staff conduct and professional registration, including:
- (a) ensuring that all teaching and learning support staff are registered with the Education Workforce Council (EWC) prior to commencing employment;
 - (b) referring matters relating to professional misconduct, competence concerns, or relevant criminal convictions to the EWC where a member of staff has been dismissed, or would have been dismissed had they not resigned; and
 - (c) informing Medr in writing of any referrals to the EWC involving matters that could reasonably be regarded as involving fraud. For the purposes of this paragraph, fraud includes (but is not limited to) the inappropriate issuing of awards through misrepresentation of learner attainment, where this may constitute a gain to the institution and/or, depending on contractual terms, the individual concerned.

7.2 Estate and facilities management

- 7.2.1 Providers **must** ensure the effective, efficient, and prudent management of all estates and facilities used to deliver post-16 provision, including full compliance with all applicable health, safety, and wellbeing legislation and standards at all times.
- 7.2.2 Where appropriate, providers **must** keep their land and building assets under regular review, with a view to ensuring fitness for purpose, value for money, and the rationalisation or disposal of assets that are no longer required for the delivery of funded purposes.

7.3 Partnership and collaboration

- 7.3.1 Providers **must** establish and actively participate in effective collaboration arrangements with relevant partners, including:

- (a) schools;
- (b) further education institutions;
- (c) higher education institutions; and
- (d) local authorities,

where appropriate, to support effective learner progression and transitions and to minimise unnecessary duplication of provision.

- 7.3.2 Where the provider is subject to duties under the [Learning and Skills \(Wales\) Measure 2009](#), it should participate constructively in local partnership arrangements established to support curriculum planning, cooperation, and learner progression. Such participation **should** include engagement in agreed local planning processes, sharing relevant curriculum information, and contributing to joint solutions where gaps or inefficiencies in provision are identified.
- 7.3.3 All partnership-based provision should be underpinned by clear and documented agreements which define respective roles, responsibilities, quality assurance arrangements, governance structures, and lines of accountability.
- 7.3.4 Where a provider is a member of an Adult Community Learning partnership, Medr's accountability is to the named recipient of the grant, which remains responsible for compliance with these Terms and Conditions on behalf of the partnership. Partnership arrangements **must** clearly allocate roles, responsibilities, and assurance mechanisms, but shall not dilute the grant recipient's accountability to Medr.
- 7.3.5 Where the provider is a member of an Adult Community Learning partnership, it **must** provide Medr with copies of the most recent self-assessment reports and related quality documentation upon request.

8. Targets, Monitoring, and Performance

8.1 Specific funding clauses (targets)

- 8.1.1 Providers should comply with all programme-specific requirements set out in the [Post-16 Funding Framework: Guidance](#), the [Programmes Directory](#) and any associated guidance issued by Medr, as amended from time to time.
- 8.1.2 Further education institutions should achieve at least 97% of their part-time provision financial target. Delivery below this threshold will result in the full recovery of the shortfall.
- 8.1.3 Further education institutions may use up to 5% of their part-time provision allocation as a [Learner Engagement Activities Fund \(LEAF\)](#). A final report and end-of-year Statement of Expenditure **must** be submitted to Medr no later than one month after the relevant September LLWR freeze date, confirming whether and how the fund has been deployed.
- 8.1.4 Local authorities may retain up to 3% of the funding allocated for sixth-form provision for expenditure on central and administrative services within their education department.

- 8.1.5 Adult Community Learning providers may retain up to 3% of the funding provided under the Community Learning Grant for expenditure on central and administrative services.
- 8.1.6 Adult Community Learning providers may use up to 5% of the Community Learning Grant allocation as a [Learner Engagement Activities Fund \(LEAF\)](#). A final report and end-of-year Statement of Expenditure **must** be submitted to Medr no later than one month after the relevant September LLWR freeze date, setting out whether and how the fund has been used.
- 8.1.7 Where a funding stream is identified as transitional or subject to replacement, continuation beyond the current academic year is discretionary and subject to future funding decisions. No legitimate expectation of continuation or replacement funding is created by reference in these Terms and Conditions.
- 8.1.8 Recovery linked to delivery thresholds reflects over-funding against actual delivery, not penalty.

8.2 Monitoring, performance and reporting requirements

- 8.2.1 These Terms and Conditions set out monitoring, reporting, and assurance mechanisms equivalent to those established herein in the [Regulatory Framework](#). Monitoring approaches, frequency, and methodology shall be governed solely by the [Regulatory Framework](#), with these Terms and Conditions applying only to funding consequences.
- 8.2.2 The grant recipient **must** actively and continuously monitor the use and expenditure of the funding throughout the grant period to ensure full compliance with these Terms and Conditions and any associated guidance.
- 8.2.3 In determining funding-related monitoring and assurance activity, Medr will act proportionately and, where reasonably practicable, take account of assurance available through other statutory or regulatory processes.
- 8.2.4 Providers **must**:
- (a) submit to Medr such information, returns, documents, and reports as Medr may reasonably require from time to time to monitor compliance with these Terms and Conditions;
 - (b) engage constructively with Medr officials and any representatives appointed by Medr for assurance, monitoring, or review purposes; and
 - (c) ensure that the Accountable Officer (or such other person agreed by Medr), together with any other relevant individuals, attends meetings with Medr as reasonably required.
- 8.2.5 Where reasonably requested by Medr for assurance or monitoring purposes, the provider **must** be able to demonstrate how it has had regard to its duties under the [Learning and Skills \(Wales\) Measure 2009](#) in the planning and delivery of funded provision. Such evidence may include curriculum planning documentation, partnership agreements, or records of collaborative decision-making, but Medr will

not require the creation of new documents solely for this purpose where suitable evidence already exists.

8.2.6 As an ongoing requirement, providers **must**:

- (a) submit planning information in accordance with the data and reporting requirements set out in these Terms and Conditions and associated guidance (for e.g. the [Post-16 Funding Framework: Guidance](#)); and
- (b) for further education institutions and adult community learning providers, submit timely and accurate data via the Lifelong Learning Wales Record (LLWR) in accordance with LLWR guidance; or
- (c) for local authority-maintained school sixth forms, submit a full, accurate, and complete 2026/27 Post-16 Data Collection (P16DC) return no later than October 2027.

8.2.7 Providers **must** engage fully with Medr's monitoring and assurance activity, including (but not limited to) monitoring relating to:

- (a) the quality of provision;
- (b) performance against agreed indicators and targets; and
- (c) compliance with learner transition and data-sharing requirements.

8.2.8 Where concerns are identified, Medr may issue improvement notices and may require providers to take specified actions within defined timescales. Monitoring and escalation approaches follow the [Statement of Intervention Powers](#) and are applied proportionately for funding purposes.

9. Information, Data, and Assurance

9.1 Data requirements and information duties

9.1.1 Data, assurance, and information requirements set out here replicate those established under the [Regulatory Framework](#). These Terms and Conditions apply only to data requirements necessary for funding calculation and recovery.

9.1.2 The provider acknowledges that Medr, as an arm's-length body of the Welsh Government, is subject to the requirements of the:

- (a) Freedom of Information Act 2000 (FOIA);
- (b) Environmental Information Regulations 2004 (EIR);
- (c) Data Protection Act 2018 (DPA); and
- (d) UK General Data Protection Regulation (UK GDPR).

9.1.3 Medr shall determine, at its discretion and in accordance with applicable law:

- (a) whether any information obtained under or in connection with the funding is required to be disclosed under the FOIA or the EIR; and/or
- (b) whether any such information is exempt from disclosure.

9.1.4 Medr may share information and data submitted by providers with fraud prevention bodies and other relevant third parties for the purposes of preventing, detecting, or investigating fraud. Any personal data processed will be handled in accordance with the [Medr Privacy Notice](#) and applicable data protection legislation.

- 9.1.5 Providers **must** supply Medr, or any body acting on Medr's behalf, with timely, and accurate, complete, and reliable data relating to learners, learning programmes, delivery activity, outcomes, and awards, together with any other information required, in such form and within such timescales as Medr may reasonably require for funding calculation, monitoring, analysis, or reporting purposes.
- 9.1.6 Providers **should** participate in learner transition planning and data-sharing arrangements to support learner progression, in line with Medr expectations and Welsh Government guidance, including [Effective post-16 transitions and data sharing: a short guide for schools and post-16 learning providers](#).
- 9.1.7 Providers **must** submit data collected by them to Medr, or bodies acting on Medr's behalf, through the relevant data collections. At present, these include:
- (a) the [Post-16 Data Collection \(P16DC\)](#) for school sixth forms; and
 - (b) the [Lifelong Learning Wales Record \(LLWR\)](#) for further education institutions and adult community learning providers.
- 9.1.8 As submitted data will include personal data relating to learners, providers **must** ensure that, at the point of collection, learners are informed of:
- (a) the purposes for which their data is being collected;
 - (b) that their personal data will be submitted to Medr (or bodies acting on Medr's behalf) via the P16DC or LLWR systems; and
 - (c) where to access the most up-to-date [Data management information: privacy notice](#) or [Lifelong Learning Wales Record: privacy notice](#).
- Providers **must** ensure compliance with all relevant data protection obligations.
- 9.1.9 Data submitted by providers and used by Medr for funding and monitoring purposes is subject to validation, verification, and audit checks. Data definitions and requirements are set out in:
- (a) the [Post-16 Data Collection technical completion notes for local authorities and schools](#); and
 - (b) the [Lifelong Learning Wales Record user support manual for learning providers](#).
- 9.1.10 Providers **must** comply with the [Post-16 Funding Framework: Guidance](#), the [Programmes Directory](#), and either the [Reporting school and pupil information: regulations](#) or the [Post-16 Data Management Principles](#) (available through your LLWR-Inform login), as applicable.
- 9.1.11 Further education institutions and adult community learning providers **must** adhere to the *LLWR Data Management Principles*, available on [LLWR-Inform](#), which set expectations in respect of:
- (a) accuracy – ensuring that data values are correct, complete, and unambiguous;
 - (b) timeliness – ensuring submissions are made within required timescales;
 - (c) integrity – ensuring data accurately reflects delivery and learner outcomes;
 - (d) completeness – ensuring that all required datasets are submitted; and
 - (e) consistency – ensuring coherence across all submitted datasets.

9.1.12 Where funding has been paid on the basis of estimated or provisional data, Medr reserves the right to recover any overpayment identified once actual data has been submitted and validated.

9.1.13 The submission of inaccurate, incomplete, or late data may result in funding adjustments, the withholding or suspension of future payments, or recovery of funding, in accordance with these Terms and Conditions.

9.2 Financial management and assurance requirements, and financial statements

9.2.1 Medr **must** be satisfied that the provider's governing body (or equivalent) has established and maintains effective arrangements for internal control, including sound financial management, accounting, assurance, and risk-management systems. Those arrangements **must** be sufficient to enable the provider (including any subsidiaries or entities over which it exercises control or significant influence) to monitor and manage its financial sustainability, demonstrate that it can continue to operate as a going concern, and develop and implement long-term strategies based on reasonable and supportable assumptions. The arrangements **must** also be sufficient to ensure that funding awarded by Medr is used exclusively for the purposes for which it is awarded.

9.2.2 In their capacity as Accountable Officer, the Chief Executive of Medr may raise formal concerns with the provider's governing body (or equivalent) and/or its audit committee, where applicable, where material weaknesses or risks are identified in the provider's financial affairs, governance, or systems of internal control.

9.2.3 Local authorities **must** prepare their annual consolidated accounts in accordance with the Welsh Government Accounts Direction, issued under the [Government of Wales Act 2006](#), and in compliance with the:

- (a) [The School Funding, Budget Statements and Outturn Statements \(Wales\) Regulations 2026](#);
- (b) [Education \(Budget Statements\) \(Wales\) Regulations 2002](#); and
- (c) [Education \(Outturn Statements\) \(Wales\) Regulations 2003](#).¹

Accounts **must** be approved and signed in accordance with [The Accounts and Audit \(Wales\) Regulations 2014](#) and all other applicable local government accounting requirements.

9.2.4 Providers **must** ensure that risk management disclosures, going-concern assessments, governance statements, and related narrative disclosures are prepared and reported in accordance with the statutory financial reporting framework applicable to their sector, including inclusion within audited financial statements where required.

9.2.5 Where required by Medr, providers **must** publish copies of their consolidated financial statements on their website within the timescales specified by Medr, ensuring accessibility and transparency.

¹ These instruments will be replaced by the [School Funding, Budget Statements and Outturn Statements \(Wales\) Regulations 2026](#), with application to financial years from 1 April 2027 onwards.

- 9.2.6 The provider **must** retain these Terms and Conditions of Grant and all original records, documents, and evidence relating to the funding for either six (6) or ten (10) years from the date of the final payment, in accordance with the Welsh Government's [Retention and Disposal Schedule](#), and **must** make such records available upon request.
- 9.2.7 Providers **must** cooperate fully with Medr, Audit Wales, and any UK subsidy control or enforcement body, and **must** permit reasonable access to premises, records, systems, and personnel, as required by law, in connection with the receipt, use, audit, or investigation of Medr grant funding.
- 9.2.8 Under paragraph 17 of Schedule 8 to the [Government of Wales Act 2006](#), the Auditor General for Wales has statutory rights of access to documents, records, and information relating to the provider where such access is required for the exercise of the Auditor General's functions. The Auditor General, and those acting on their behalf, may require any person holding or controlling relevant documents to provide such assistance, explanations, and information as reasonably required, and may require attendance for that purpose. These rights may be exercised at all reasonable times.
- 9.2.9 Failure to comply with any lawful and reasonable request for information made by Medr, the Auditor General for Wales, or any other body exercising statutory audit or enforcement powers may constitute a breach of these Terms and Conditions and may result in remedial or enforcement action by Medr, including suspension, withholding, or recovery of funding, subject to applicable statutory requirements and procedures.

10. Legal Declarations and Risk Events

10.1 Declarations

The provider declares and warrants to Medr that:

- 10.1.1 It has full power, authority, and legal capacity to enter into and perform its obligations under these terms and conditions, and that all necessary corporate, regulatory, or other actions have been taken to authorise the execution, delivery, and performance of those obligations.
- 10.1.2 No limit on the provider's powers, capacity, or authority will be exceeded as a result of claiming or receiving the funding, or by the creation or grant of any security or undertaking contemplated by these Terms and Conditions.
- 10.1.3 The entry into, performance of, and compliance with these Terms and Conditions by the provider do not and will not:
- (a) contravene or conflict with its constitutional or governing documents;
 - (b) breach, conflict with, or constitute a default or termination event (however described) under any agreement, deed, or instrument binding on the provider or affecting any of its assets; or
 - (c) violate any applicable law, regulation, regulatory requirement, court order, or official direction.

- 10.1.4 No notifiable event has occurred or is continuing, and no event or circumstance exists which, with the giving of notice, the lapse of time, the making of any determination, or any combination thereof, would constitute a default or termination event (however described) under any agreement or instrument binding on the provider or affecting its assets, as a result of receiving or using the funding.
- 10.1.5 No litigation, arbitration, investigation, inquiry, or administrative or regulatory proceeding is current, pending, or, so far as the provider is aware, threatened, which could reasonably be expected to have a material adverse effect on the provider's ability to comply with or perform its obligations under these terms and conditions.
- 10.1.6 The provider has disclosed to Medr all material facts and circumstances which are necessary to enable Medr to obtain a true, fair, and accurate view of the provider's business, financial position, governance, and affairs (whether present or prospective), and which would reasonably be expected to be disclosed to any person considering providing funding to the provider.
- 10.1.7 All information supplied by or on behalf of the provider to Medr in connection with the funding, whether in written, electronic, or other form, was, at the time it was supplied (or at the date it was stated to be given, as applicable):
- (a) if factual, true, complete, and accurate in all material respects;
 - (b) if a financial projection, estimate, or forecast, prepared using reasonable care, on the basis of recent and reliable historical information, and reasonable assumptions;
 - (c) if an opinion, intention, or expectation, provided in good faith after due and careful consideration and based on reasonable grounds; and
 - (d) not misleading in any material respect, nor rendered misleading by the omission of material information,
- except to the extent subsequently amended, updated, or superseded by later information provided to Medr.
- 10.1.8 The provider has discussed and agreed, as part of the final delivery plan, performance targets and outcomes with Medr and confirms that, at the date of these declarations, such targets are reasonable, realistic, and achievable.
- 10.1.9 The provider has no conflicts of interest, whether actual, potential, or perceived, in relation to the funding, and has disclosed to Medr any matter which could give rise to such a conflict.
- 10.1.10 Acceptance and use of the funding will not result in duplicate or double funding in respect of the activities undertaken to deliver the purposes, including (but not limited to) funding received from any Welsh Government fund, scheme, or any other public or private funder.
- 10.1.11 Each declaration is made on the date of acceptance of these Terms and Conditions and shall be deemed to be repeated on each occasion funding is claimed or used, insofar as it remains true, accurate, and materially relevant at the time of repetition, having regard to the circumstances then prevailing.

10.2 Notifiable events and their consequences

- 10.2.1 The definitive and exhaustive list of Notifiable Events for the purposes of these Terms and Conditions is set out in the [Regulatory Framework](#) (Supplementary Detail: Reportable Events).
- 10.2.2 Internal governance, risk, or reporting frameworks operated by Medr or the provider **should** cross-refer to the [Regulatory Framework](#) (Supplementary Detail: Reportable Events) and **must** not duplicate or expand the list of Notifiable Events set out therein.
- 10.2.3 The provider **must** notify Medr immediately upon becoming aware that a notifiable event has occurred or is reasonably likely to occur, in accordance with the notification requirements and timescales set out in the [Regulatory Framework](#).
- 10.2.4 Medr reserves the right to notify the provider where Medr considers that a notifiable event has occurred or is likely to occur, whether or not the provider has made such notification.
- 10.2.5 Following notification or identification of a Notifiable Event, Medr will respond in accordance with these Terms and Conditions and, where relevant, the [Statement of Intervention Powers](#).
- 10.2.6 Medr shall be entitled to take any action within its legal powers and responsibilities where:
- (a) Medr is unable, despite reasonable efforts, to engage or discuss the notifiable event with the provider; or
 - (b) Medr has notified the provider that the notifiable event is not, in its opinion, capable of remedy; or
 - (c) no mutually acceptable course of action is agreed to address or remedy the notifiable event; or
 - (d) a course of action is agreed but the provider fails to implement it fully, within the required timescale, or in compliance with any conditions attached to it, to Medr's satisfaction; or
 - (e) the agreed course of action fails to remedy the notifiable event to Medr's satisfaction.
- 10.2.7 Where any of the circumstances set out in these Terms and Conditions arise, including those in paragraph 10.2.6, Medr may, at its discretion, exercised reasonably, proportionately, and in accordance with public-law principles, and by notice to the provider:
- (a) withdraw or terminate the award of funding; and/or
 - (b) require repayment of all or part of the funding paid; and/or
 - (c) suspend, withhold, or cease any further payments of funding; and/or
 - (d) impose additional or revised terms and conditions on any future payments of funding; and/or
 - (e) deduct any sums due to Medr from any current or future funding payable to the provider under these or any other arrangements; and/or
 - (f) exercise any other rights or remedies available to Medr in respect of the funding.

10.2.8 Any sums required to be repaid to Medr **must** be paid in full within twenty (20) business days of the date of Medr's written demand, unless otherwise agreed in writing by Medr, acting reasonably proportionately, and having regard to the provider's statutory functions and financial sustainability.

11. Formalities and Contract Mechanics

11.1 Giving notice

11.1.1 Any notice required under these Terms and Conditions **must** be given in writing. Notices **must** not be served solely by email; however, a scanned or PDF copy of a signed letter attached to an email shall be acceptable. All notices **must** clearly display the heading:
"Notice in relation to the award of funding for 2026/27 – [Provider name]".

11.1.2 Notices shall be served using the following contact details:
The provider: the Accounting Officer, at the **registered provider address**.
Medr: 2 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ, Wales and
investmentandmonitoring@medr.cymru

11.1.3 A notice shall be deemed to have been validly served:

- (a) by prepaid first-class post: on the second business day after posting;
- (b) by hand: upon delivery, or on the next business day if delivered after 4:00pm or on a weekend or public holiday;
- (c) by email attachment: at the time of transmission, or on the next business day if sent after 4:00pm or on a weekend or public holiday.

11.2 Acceptance of funding award

11.2.1 To accept the funding award, the provider **must** sign and return a copy of these Terms and Conditions to Medr within twenty-eight (28) days of the date of the accompanying letter or email. Failure to do so may result in delayed payments or withdrawal of the funding award.

11.2.2 Acceptance of the funding award and these Terms and Conditions ("Acceptance") shall occur on the earliest of the following events:

- (a) receipt by Medr of a duly completed and signed acceptance page executed by all required authorised signatories;
- (b) the submission by or on behalf of the provider of any funding claim, draw-down request, return, or data submission which relies upon the award of funding; or
- (c) the use, application, or expenditure of any part of the funding.

11.2.3 Where Acceptance occurs under paragraph 11.2.2(b) or 11.2.2(c), these Terms and Conditions shall be deemed to have been accepted in full, notwithstanding that the signed acceptance page has not yet been returned.

11.2.4 Acceptance of the funding award normally requires execution by two authorised signatories, being:

- (a) the Accountable Officer (or equivalent); and

(b) the Director of Finance (or equivalent).

Each signatory warrants that they are duly authorised to bind the provider for the purposes of accepting these Terms and Conditions.

11.2.5 Where the acceptance page is signed by only one required authorised signatory within the specified acceptance period, Medr may, acting reasonably and proportionately:

- (a) treat the acceptance as provisional pending receipt of the second authorised signature;
- (b) delay, suspend, or withhold payment of funding until proper execution is completed; or
- (c) waive the requirement for dual signature where Medr is satisfied that the signatory had appropriate authority and that no material governance or assurance risk arises.

11.2.6 Where a fully executed acceptance page is not received within the period specified by Medr, Medr may, without prejudice to any other rights or remedies:

- (a) delay or suspend payments;
- (b) impose reasonable administrative conditions on the release of funding; or
- (c) withdraw or revise the funding award,

unless Acceptance has already occurred in accordance with paragraph 11.2.2(b) or 11.2.2(c).

11.2.7 Acceptance of the funding award must be unconditional. Any purported acceptance which seeks to vary, exclude, qualify, or make conditional any provision of these Terms and Conditions shall be of no effect unless expressly agreed in writing by Medr.

11.2.8 The payment of funding, or any delay or failure by Medr to require execution of the acceptance page, shall not constitute a waiver of Medr's right to enforce these Terms and Conditions or be treated as acceptance of any variation, unless confirmed in writing.

11.2.9 Upon Acceptance, these Terms and Conditions shall apply to all funding paid or payable under the award for the relevant academic year, whether paid before or after the date on which the acceptance page is fully executed.

11.3 Signature of the Accountable Officer

- 11.3.1 The Accountable Officer of [Name of Provider] confirms that they are duly authorised to accept the funding award and that they have received, understood, and accepted the Terms and Conditions of Grant governing the payment of funds by Medr to the governing body (or equivalent) of [Name of Provider], from monies provided by the Welsh Cabinet Secretary for Education.

Signature

Name

Title

Date

11.4 Signature of the Chief Financial Officer

- 11.4.1 The chief financial officer of [Name of Provider] confirms that they are duly authorised to accept the funding award and that they have received, understood, and accepted the Terms and Conditions of Grant governing the payment of funds by Medr to the governing body (or equivalent) of [Name of Provider], from monies provided by the Welsh Cabinet Secretary for Education.

Signature

Name

Title

Date

12. Annexes

A. Glossary

This Annex sets out grant-specific definitions and interpretation provisions. Where a term is not defined in this Annex, it has the meaning given in Medr's Regulatory [Glossary](#).

Academic Year: Means the period commencing on **1 August** in one calendar year and ending on **31 July** in the following calendar year.

Account: Means the bank account opened and maintained by the provider with a UK-authorised clearing bank, held in the Provider's own name, over which the Provider has sole authority and signing rights, or such other bank account as Medr may approve in writing for the purposes of these Conditions from time to time.

Accountable Officer: Has the meaning given in the Regulatory Glossary.

Accounting Period: Means the financial period covered by the provider's audited annual financial statements, normally a twelve-month period running from 1 August to 31 July, unless otherwise required by statute or applicable accounting standards.

Assurance: Has the meaning given in the Regulatory Glossary.

Audit: Has the meaning given in the Regulatory Glossary.

Business Day: Means any day other than a Saturday, Sunday, Christmas Day, Good Friday, or a day which is a bank holiday in Wales under the Banking and Financial Dealings Act 1971.

Conditions: Means the Terms and Conditions set out in this document, together with any schedules, annexes, and related guidance issued by Medr and incorporated by reference.

Costs Incurred: Means expenditure relating to goods and/or services that have been received by the provider, whether or not payment has been made by the date of the relevant funding claim.

Costs Incurred and Paid: Means expenditure relating to goods and/or services that have been received by the Provider and paid for in full by the provider in cleared funds by the date of the relevant funding claim.

Eligible Provision: Means education or training provision that has been approved by Medr for funding purposes, as set out in the *Post-16 Funding Framework: Guidance*, the *Programmes Directory*, and any associated guidance.

Final Delivery Plan: Means the key planning document submitted by the provider which sets out the approved mainstream further education provision to be delivered during the relevant funding period.

Financial Position: Has the meaning given in the Regulatory Glossary.

Financial Sustainability: Has the meaning given in the Regulatory Glossary.

FRS: Means *Financial Reporting Standard applicable in the UK and Republic of Ireland*, as issued by the Financial Reporting Council.

Governing Body (or Equivalent): Has the meaning given in the Regulatory Glossary.

Grant: Means the funding awarded by Medr to the provider under these Terms and Conditions.

Insolvency: Has the meaning given in the Regulatory Glossary.

Learner: Has the meaning given in the Regulatory Glossary.

Monitoring: Has the meaning given in the Regulatory Glossary.

Month: Means a calendar month.

Notifiable Event: Has the meaning given in the Regulatory Glossary, as applied and limited by Annex B to these Terms and Conditions.

Personnel: Means the provider's officers, employees, governors, trustees, contractors, subcontractors, agents, suppliers, and any other persons engaged or appointed by the Provider in connection with the funded purposes.

Provider: Has the meaning given in the Regulatory Glossary.

[Name of Provider]: Means the specific named organisation to which the grant is awarded.

Risk: Has the meaning given in the Regulatory Glossary.

Serious Incident: Has the meaning given in the Regulatory Glossary.

Value for Money: Means the optimal combination of whole-life costs and quality (or fitness for purpose) to meet the relevant objectives, having regard to economy, efficiency and effectiveness.

We / Us / Our: Means Medr.

Financial References (Interpretation Clause): References to the *financial position*, *financial statements*, *financial commitments*, or *borrowing* of a provider shall, where applicable, be construed as references to the provider's position on a consolidated basis, including any subsidiary undertakings as defined in the Companies Act 2006, or otherwise on an entity-specific basis, prepared in accordance with UK generally accepted accounting practice and any applicable Medr or statutory accounting requirements.