Professor Dame Julie Lydon
Chair, Commission for Tertiary Education and Research
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Llywodraeth Cymru
Welsh Government

Our Ref: MA/AB/2254/26

26 October 2026

Dear Professor Dame Julie Lydon,

Welsh Government's Financial Support for Medr, the Commission for Tertiary Education and Research: 2026-2027

Following the laying of the School Teachers' Pay and Conditions (No 2) (Wales) Order 2026, we wish to confirm additional funding streams to Medr for 2026-27.

Additional revenue funding is allocated as follows:

Activity	**Funding**
FE colleges pay parity	£864,017
Sixth-forms teachers' pay parity	£220,865
Total	£1,084,882

The additional revenue funding cannot be distributed to the sector by Medr until the School Teachers' Pay and Conditions (No 2) (Wales) Order 2026 has come into force.

This letter also corrects a rounding error in a previous funding letter in relation to medical education. This amount is updated in Annex 1 to **£4,681,484**.

The revised funding allocations in Annex 1 are provided for Medr to perform its functions held under relevant legislation, particularly the Tertiary Education and Research (Wales) Act 2022 as commenced. The funding is also provided to perform those functions it is exercising on behalf of the Welsh Ministers, as set out in the Agency Agreement between Medr and the Welsh Ministers made under section 83 of the Government of Wales Act 2006.

The additional funding allocations mean there is a revised total grant-in aid-budget of **£1,032,380,474** for the 2026-27 financial year, as set out in Annex 1

The funding will be monitored against delivery. In accordance with the Framework Document, timely forecasts and monitoring information should be provided to officials, including prompt notification of any expected overspends and underspends. Ministers may adjust the grant in-year accordingly if required through the supplementary budget process.

We expect Medr to continue delivery of its Strategic Plan, as approved by Welsh Ministers, and acknowledge the publication of a refreshed Operational Plan for the period commencing 1 April 2026.

We look forward to working with you and the Medr senior team.

Yours sincerely,





Anna Brychan AS/MS
Gweinidog Cabinet dros Addysg a'r Gymraeg
Cabinet Minister for Education and the Welsh Language

Cefin Campbell AS/MS
Dirprwy Weinidog dros Sgiliau ac Addysg Drydyddol
Deputy Minister for Skills and Tertiary Education

Annex 1 – Updated October 2026

The indicative resource and capital budget and grant-in-aid settlement are set out in the following table:

Budget area	**Amount**
Tertiary education - general	£848,687,000
Ringfenced items:	
14-16 Junior Apprenticeships	£1,000,000
14-16 Junior Apprenticeships additional support	135,000
Employability and enterprise	£360,000
Estyn	£2,056,000
REACH	£400,000
Medical Undergraduate tuition	£4,681,000
Medical Undergraduate tuition - rounding correction	£484
FE colleges pay parity	£864,017
Sixth-form teachers' pay parity	£220,865
Culture - Performance-based music and drama conservatoire provision	£1,970,000
Apprenticeships	£150,535,000
Net revenue budget:	**£1,010,909,366**
Non-cash (depreciation)	£437,000
Resource budget	**£1,011,346,366**
Higher education capital	£10,000,000
Further education digital capital	£3,000,000
Medr implementation capital	£500,000
Higher Education Research Capital (August 2026)	£3,985,554
Higher Education Research Capital (December 2026/January 2027)	£3,985,554
Capital budget	**£21,471,108**
Total resource and capital budget:	**£1,032,817,474**
Grant in Aid adjustments:	
Less non-cash (depreciation)	£437,000
Total Grant-in-Aid (Cash)	**£1,032,380,474**

Annex 2

Other Sources of Income

Under GOWA, the Welsh Government has a duty to report all other sources of income for all bodies within the central government boundary and to manage it within an overall income ambit control limit agreed by Senedd Cymru. To enable the Welsh Government to remain within this control total, the income which may be retained by Medr from other sources to fund activity during the year for revenue resource purposes is £50,000. This is not the tolerance limit for cash retained at the year end. Please inform your Partnership team if this income is expected to change during the financial year.

Terms and Conditions of Funding

The statement of priorities and framework document issued to the Commission for Tertiary Education and Research set out various operational requirements and refers to government guidance and policies with which the Commission for Tertiary Education and Research needs to comply, in addition to its own duties as responsibilities as a public institution in Wales.

Your Welsh Government partnership team is headed up by Claire Rowlands and your normal point of contact within the team is Craig Greenland: craig.greenland@gov.wales.

A meeting with your partnership team will be arranged to agree appropriate oversight and monitoring arrangements.

Funding should be claimed in the manner agreed with the tertiary education funding team and funding claims should be submitted to Lisa Drury-Lawson: lisa.drury@gov.wales