



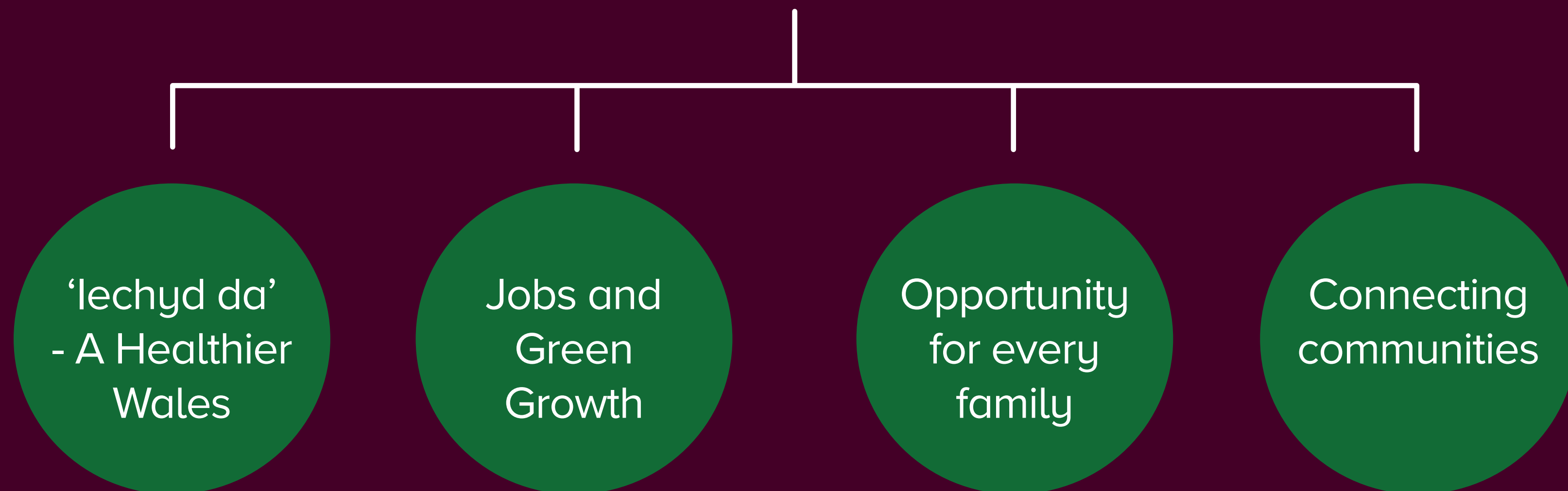
Llywodraeth Cymru
Welsh Government

2025-2026 Welsh Government Draft Budget Explainer

www.gov.wales/welsh-government-budgets

We have a budget of **£26bn**
for the year 1 April 2025 to
31 March 2026.

**Our spending plans are based on the key
priorities of our Prif Weinidog, Eluned Morgan MS.**

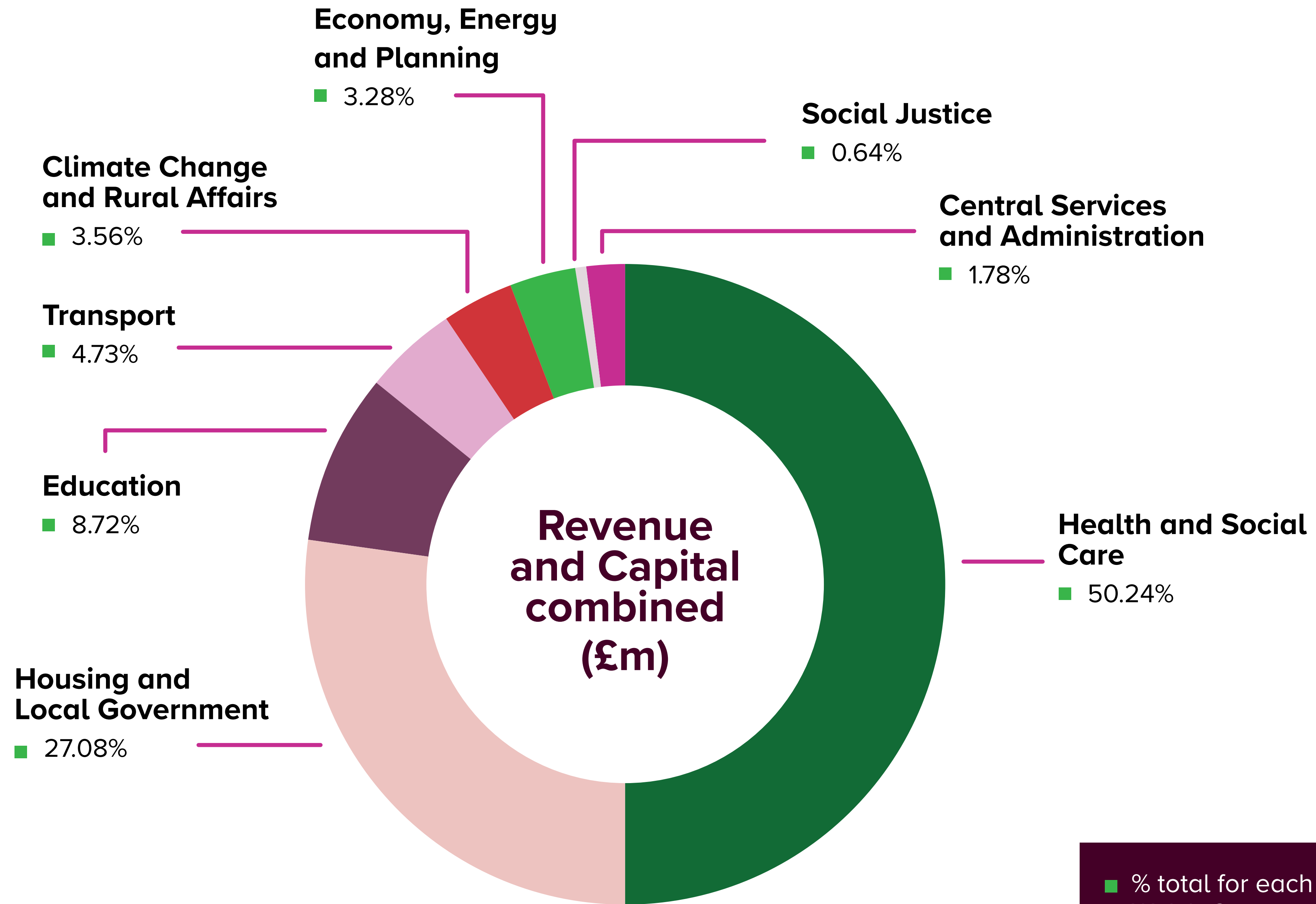


Areas of spending for each Cabinet Secretary	Revenue Funding (£m)	% Revenue	Capital Funding (£m)	% Capital	% Total Revenue and Capital
Health and Social Care	11,915	55.6	614	17.54	50.24
Housing and Local Government	5,475	25.5	1,278	36.49	27.08
Education	1,800	8.4	374	10.70	8.72
Transport	652	3.0	529	15.11	4.73
Climate Change and Rural Affairs	566	2.6	314	9.0	3.56
Economy, Energy and Planning	461	2.2	357	10.19	3.28
Social Justice	139	0.7	19	0.55	0.64
Central Services and Administration	429	2.0	16	0.45	1.78
	21,437	100	3,501	100	100

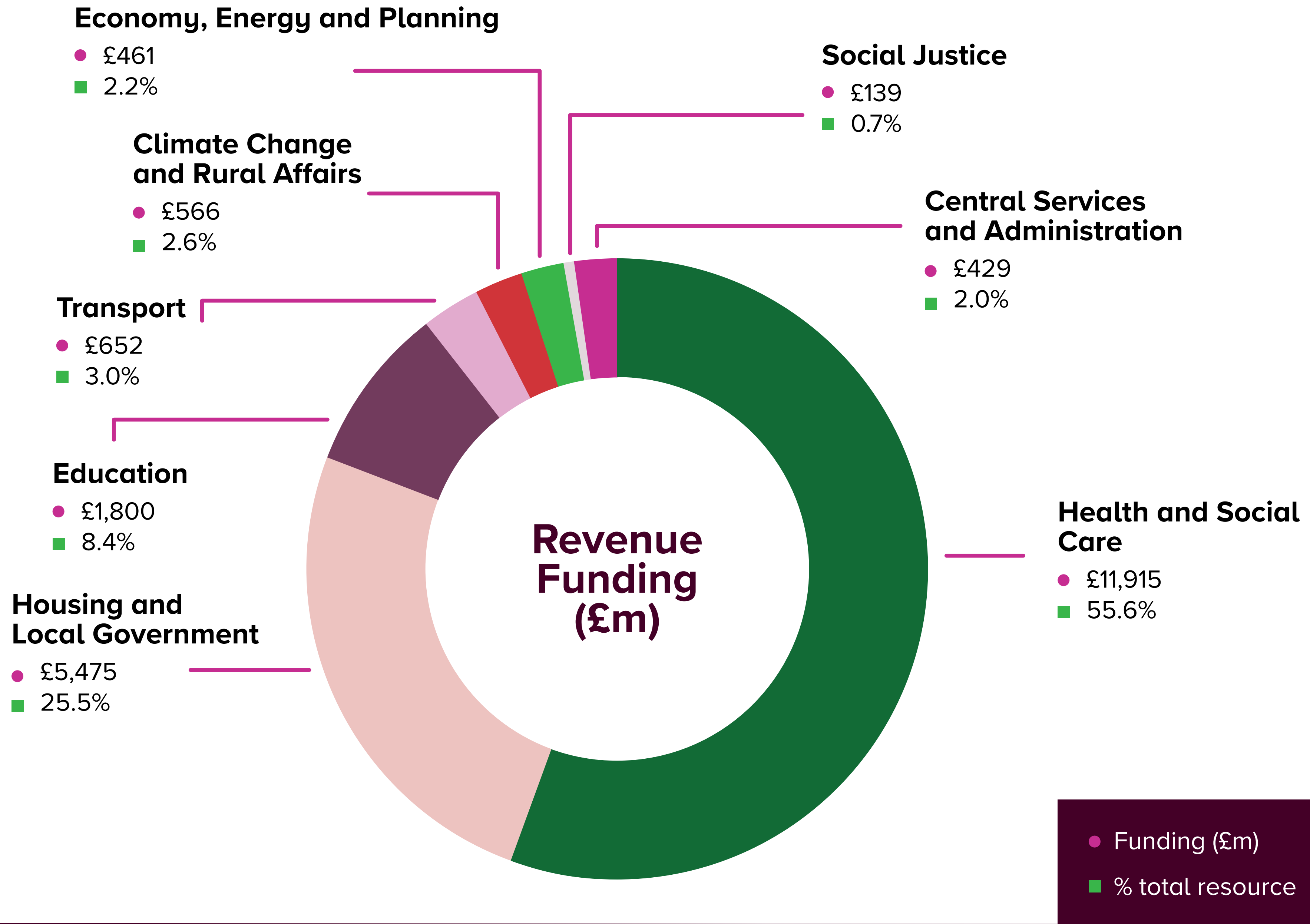


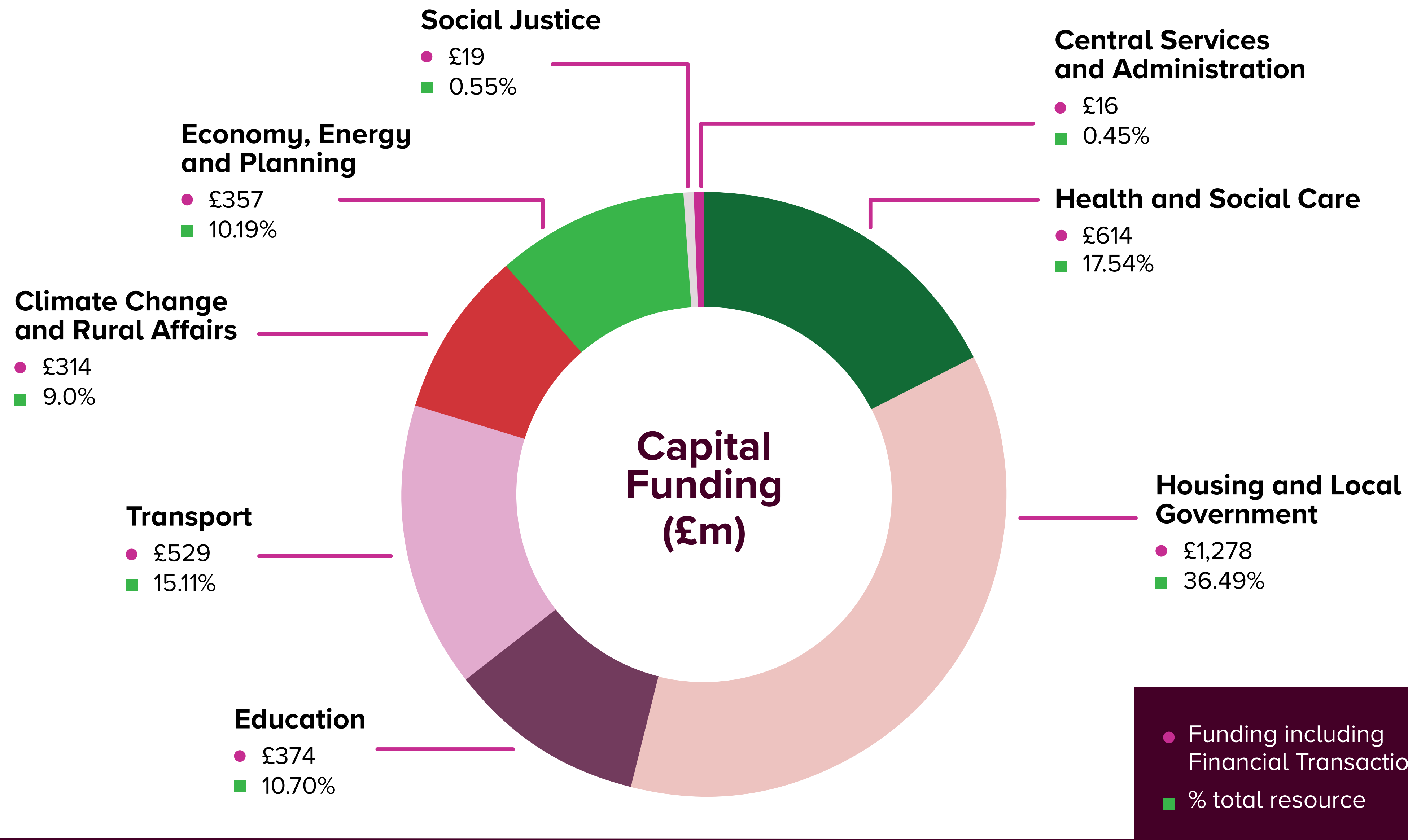
‘Revenue’ funding is money the Welsh Government uses to pay wages, to run schools and hospitals, to help businesses and charities that help people and care for our environment.

‘Capital’ funding is money the Welsh Government spends on buildings, houses, roads, energy projects like wind turbines, new hospitals and schools.



■ % total for each area of Welsh Government spending

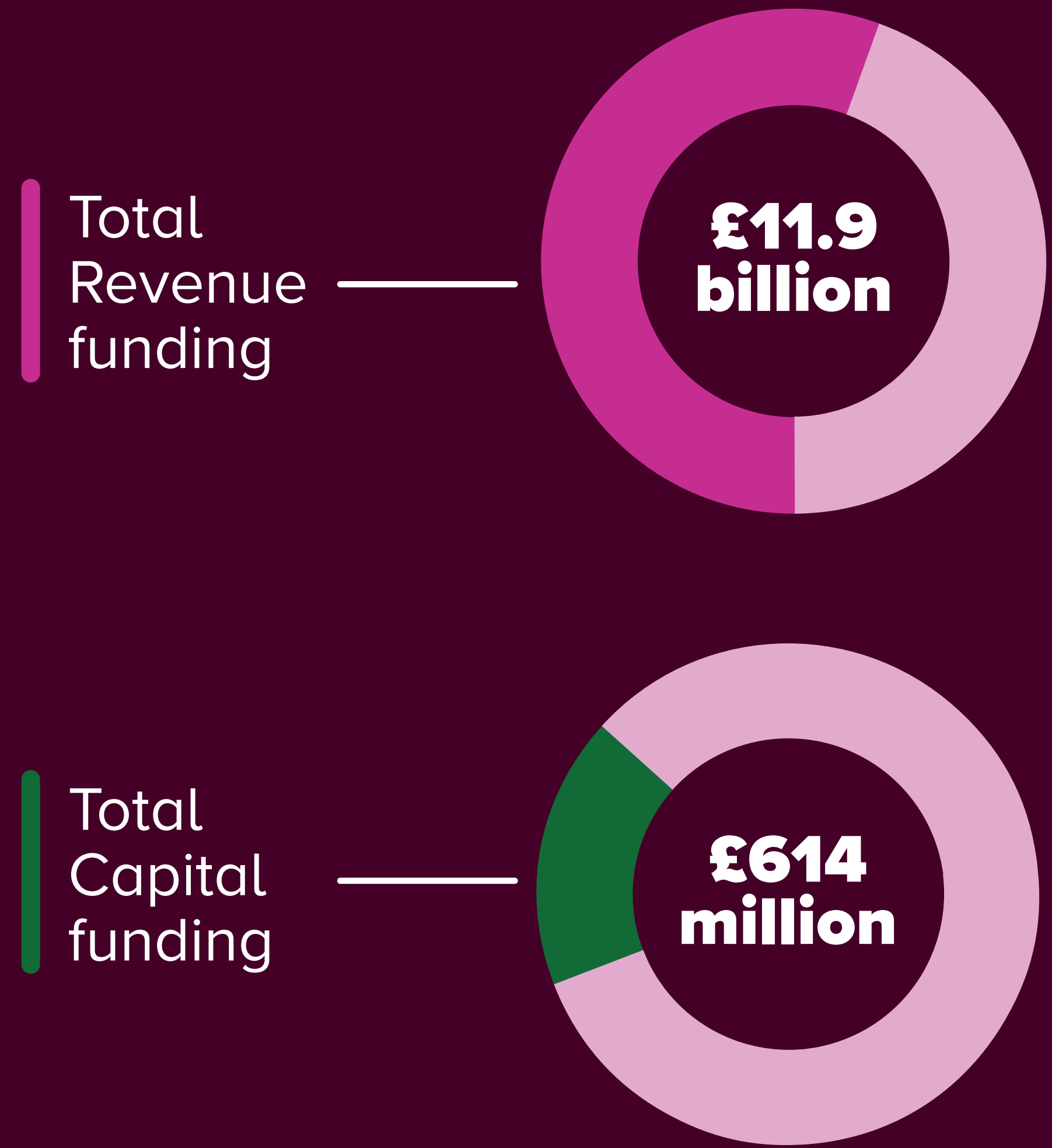






Health and Social Services

More than 55% of the Welsh Government's revenue budget is spent on health and social services. We are investing a further £435m in Health and Social Care in 2025-26, to help people live independent lives and to make hospital waiting times shorter. We're helping to support local authorities to pay the Real Living Wage to care workers. We are expanding the North Wales Medical School, introducing more medical and dental training places, improving services for women's health and investing in digital technology for the NHS.





Housing and Local Government

Our local authorities are under pressure due to high inflation, soaring energy bills and increased demand for services. We are giving them extra money to help them keep council tax bills and business rates bills as low as possible.

Welsh businesses will pay less than expected on business rates in 2025-26, with a 1% cap instead of 1.7%. Retail, leisure and hospitality businesses get 40% off, up to £110,000 per business.

We are providing more funding for local authorities to help protect frontline public services, including schools. We are building 20,000 social homes for rent by March 2026 and putting money into the Help to Buy scheme to help people own their homes. We're investing in adapting people's homes so that older people and disabled children and adults can live more comfortably.





Education

We are investing more money in schools this year to build a brighter future for pupils, to increase their attendance and achieve better results in schools. There will be extra support for teacher training, the new curriculum and for children. Eating properly is important for learning, we are spending more to ensure free school meals are provided to all children. More money is being provided to support students with additional learning needs. Money will be spent to improve school buildings.





Economy, Energy and Planning

We will help young people to improve their skills, to get jobs and increase their life chances. Our apprenticeship programme will create 100,000 apprenticeships by March 2026. We are supporting our heritage and culture with extra funding for sports facilities and for Cadw Wales. We are continuing to fund organisations that offer cultural and sports activities to people. We are putting more money into renewable energy projects to reduce the carbon emissions of homes and businesses. Our Green Business Loans will support small and medium-sized businesses to invest in being more energy efficient. We are continuing to fund our recycling efforts. To help the economy we are going to be speeding up planning decisions about new buildings. Natural Resources Wales will be given more money to help them make decisions more quickly about the use of land and about building things at sea.





Climate Change and Rural Affairs

In 2019 we declared a climate emergency. Together with our partners we support the people and communities of Wales in action on the climate and nature emergencies. We are working to prevent the risk of floods and improve water quality, and will provide support for nature restoration, farming, forestry and the timber industry. Protecting communities is a priority and we are spending more to make coal tips safe. We continue to work closely with the agricultural sector to develop the Sustainable Farming Scheme for our farmers. We are creating a National Forest for Wales.





Transport

Our public transport sector needs to be able to support people across Wales and help tackle climate change. We're putting more funding into bus networks and improving railway lines. We're creating a road improvement fund to help fix our road network and reduce and prevent potholes. We want to make it easier for people to choose ways to travel that are sustainable and environmentally friendly. We are investing in more places for people to charge electric cars and to make our streets safer.





Social Justice

We have increased funding for the Discretionary Assistance Fund, which provides emergency cash payments to people in greatest need. We are putting more money into tackling food poverty, child poverty and expanding the number of Warm Hubs to provide safe and warm places within local communities.

We are spending more to help stop domestic abuse and to provide victims with support and advice.

We are giving more money to tackle inequality and advance human rights.





Central Services and Administration

Funding to the Central Services and Administration budget pays for Welsh Government staff, IT and for the running of Welsh Government buildings. It also includes funding for the Welsh language. The budget for Cymraeg 2050 will go up in 2025-26 to support us to reach our target of a million Welsh speakers by 2050. Some of this funding will go to support the National Centre for Learning Welsh and the Coleg Cymraeg Cenedlaethol.



Things to note

To find out more about the **Welsh Government Draft Budget**
Click here: www.gov.wales/welsh-government-budgets

Tell us what you think of the **Draft Budget** by getting in touch
with the **Cabinet Secretary for Finance, Mark Drakeford MS**
Click here: www.gov.wales/writing-to-the-cabinet-secretary-for-finance-constitution-and-cabinet-office