
Welsh Government Draft Budget Proposals 2025-26

Laid before Senedd Cymru by the Cabinet Secretary for Finance and Welsh Language in accordance with Standing Order 20.7 and 20.7A

December 2024

Draft Budget Proposals

1. These proposals are laid in accordance with Standing Order 20.7 and 20.7A. They are intended to be read alongside the supporting tables detailing the MEG allocations which have been published in accordance with Standing Order 20.7B.
2. Welsh Ministers propose to use resources (including accruing resources) during the financial year ending 31 March 2026 as follows:

Ambit	2025-26	
	Resources (£000)	Accruing Resources (£000)
Health and Social Care	13,131,501	149,432
Housing and Local Government	6,682,366	96,223
Education	3,691,958	676,177
Transport	1,398,653	0
Climate Change and Rural Affairs	891,218	145,602
Economy, Energy and Planning	865,282	80,776
Social Justice	159,121	39
Central Services and Administration	446,212	9,093
Total	27,266,311	1,157,342

3. Welsh Ministers propose to draw cash out of the Welsh Consolidated Fund for the financial year ending 31 March 2026 as follows:

	2025-26 (£000)
Net Resources Requirement	27,266,311
Adjustments:	
Capital Charges	-605,876
Impairments	-809,214
Movements in Provisions	-152,381
Profit/Loss on sale of assets	0
Movements in stocks	0
Movements in debtors/creditors	0
Use of Provisions	0
Other	590,000
Net Cash Requirement for issue from the Welsh Consolidated Fund	26,288,840

4. Welsh Ministers propose to finance its expenditure for the financial year ending 31 March 2026 as follows:

	2025-26 (£000)
Block Grant (Departmental Expenditure Limit)	22,079,352
Annually Managed Expenditure	1,646,068
Devolved Financing:	
Non Domestic Rates	1,078,000
Welsh Rate of Income Tax	3,602,716
Land Transaction Tax	337,829
Landfill Disposals Tax	32,441
Borrowing (net)	137,002
Total financing for the Welsh Government ^{Note}	28,913,408

Note: Includes financing for expenditure outside Ambits, e.g. unallocated provisions.

5. Welsh Ministers propose borrowing for capital purposes for the financial year ending 31 March 2026 as follows:

	2025-26 (£000)
Total borrowing outstanding as at 1 April (principal)	480,155
Proposed capital borrowing to be drawn in-year	150,000
Repayment of principal in-year	-12,998
Aggregate capital borrowing outstanding as at 31 March	617,157
Interest payments due in-year	19,946

2025-26 Repayment Schedule based on borrowing at the levels detailed above			
	Amounts falling due within 1 year (£000)	Amounts falling due within 1 – 5 years (£000)	Amounts falling due after 5 years (£000)
Principal	19,946	102,149	266,699
Interest	12,998	71,349	545,808

Notes:

1. Direct borrowing for capital purposes comprises funds borrowed under s122A of Government of Wales Act 2006 (as amended) and previous loans from the National Loans Fund by the former Development Board for Rural Wales and the Mid Wales Development Corporation.
2. Loans taken out by the former Development Board for Rural Wales and Mid Wales Development Corporation are due to be repaid by 2042.
3. Capital borrowing under the s122A of Government of Wales Act 2006 (as amended) is assumed to be on a 25 year term, so borrowing in 2025-26 will be repaid in 2050-51.