



Llywodraeth Cymru
Welsh Government

Wales Budget 2023–2024

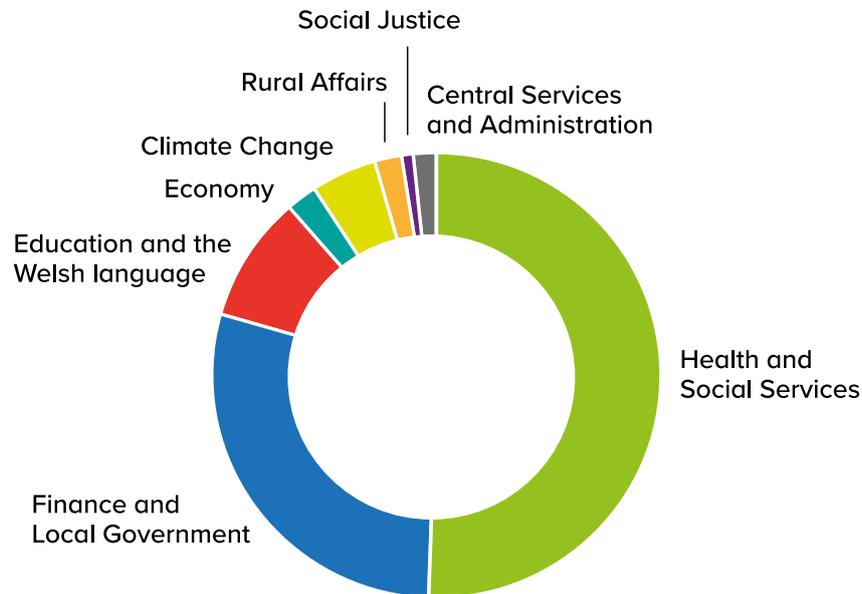


How does the Welsh Government spend your money?

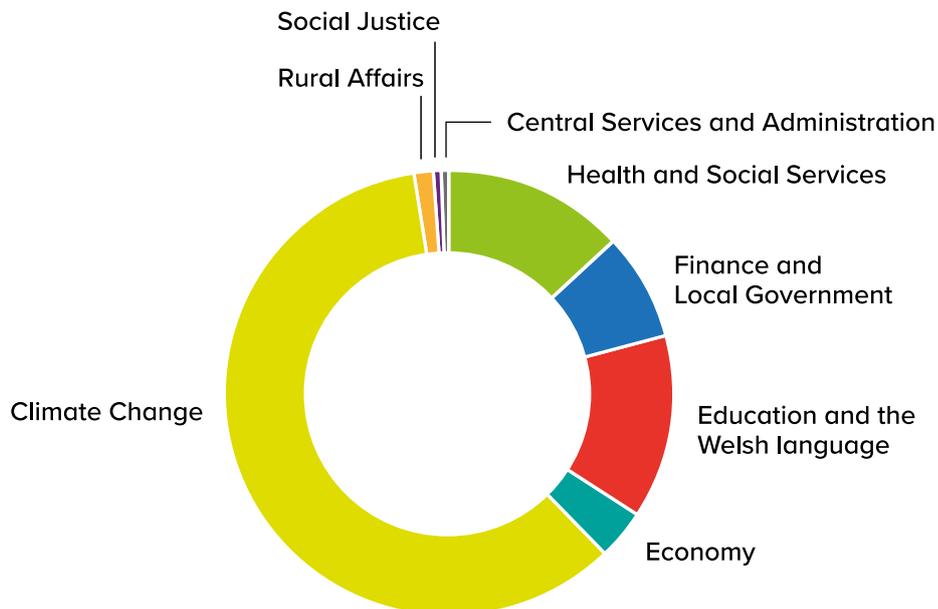
- Wales has its own government. Welsh Ministers decide where funding should be allocated and how it should be used, based on local needs.
- The Finance Minister, Rebecca Evans, sets out these decisions in the Budget.
- The money spent in Wales is raised in taxes from people and businesses.
- Some of these taxes are raised by the Welsh Government: 18p in every £1 we spend in Wales comes from Welsh taxes.
- The other taxes are raised by the UK Government and apply to the whole of the UK, including Wales.
- The Welsh Government has a budget of £20bn for the year 1 April 2023 to 31 March 2024.
- This is used to deliver vital public services in Wales and to support citizens, communities and business.
- Last year, the Finance Minister set out our spending plans over a three-year period from 1 April 2022 to 31 March 2025 in the Welsh Spending Review.
- In this year's budget, we are updating those plans – we have received some extra funding from the UK Government but it is not enough to meet the significant pressures we are facing.
- Inflation is at a 40-year high. This means that we get less for our money than we used to – everything we buy and the cost of running services – has increased sharply. Energy prices are also very high at the moment.
- All this has made the 2023-24 budget process very difficult. It means Ministers have had to take some very tough choices.

How are we planning to spend the money for Wales over the next year?

Total revenue funding



Total capital funding



Capital and Revenue are words you'll hear as we talk about the Welsh Government Budget

'Revenue' funding is money we can use to pay people's wages and run schools and hospitals or to help businesses and charities that help people or look after our environment.

'Capital' funding is money we can use to spend on buildings, houses, roads, energy projects like wind turbines, new hospitals and schools.

Health and Social Services

Total revenue funding – £10.1 billion

Total capital funding – £375 million

The Health and Social Services budget funds the NHS in Wales.

It pays the wages of the doctors, nurses and dentists who look after us; it pays for the running of our hospitals and health centres; for the medicines we take and supports the programmes and schemes which help to keep us healthy and well.

Just over half of the Welsh budget is spent on health and social services and the majority of this goes directly to fund the NHS. We continue to invest in the NHS to protect frontline services and to ensure everyone can receive care when they need it, including reducing the waiting times backlog which built up during the pandemic.

This funding will also help to improve social care in Wales. Social care plays a vital role in supporting people in Wales – helping them to live full and independent lives – and it also supports the wider NHS. We are investing to ensure people who work in social care are paid the Real Living Wage – this makes sure people are paid fairly for the job they do, which in turn will help to support recruitment in this vital sector.

Our capital investments will ensure the NHS has the best possible facilities in hospitals and local communities. We are also investing in digital technology for the NHS. Unfortunately, the record-high levels of inflation will have an impact on our capital plans.

Finance and Local Government

Total revenue funding – £5.8 billion*

Total capital funding – £224 million

Funding for local authorities supports schools, social services, housing and a wide range of other local services which we all rely on.

Local authorities are facing significant pressures caused by high inflation, soaring energy bills and increased demand for services. They have also been at the forefront of the delivery of services and support to the thousands of people who have sought sanctuary and safety in Wales from the ongoing conflict in Ukraine.

We are providing additional funding for local authorities to help protect frontline public services, including schools, and to pay social care staff the Real Living Wage.

Businesses are under pressure too. To help businesses through this cost-of-living crisis, we are providing a number of relief schemes to help them pay their rates bills, supporting them through the recession.

** This includes the money we receive as a result of non-domestic rates. This is a tax collected from businesses in your area and across Wales. The money is used by local authorities to spend on important services in your community.*

Education and the Welsh language

Total revenue funding – £1.8 billion

Total capital funding – £373 million

Education is key to helping every child reach their full potential.

Unfortunately, the pandemic disrupted many children's education – we don't want the cost-of-living crisis to do the same.

Schools are directly funded by local authorities but the Welsh Government's education budget also supports spending in and on schools, on teachers and wider education programmes, including free school meals, the roll out of the new curriculum, teacher training and support to help learners recover post-pandemic.

Economy

Total revenue funding – £436 million

Total capital funding – £106 million

Our Economy budget helps fund a wide range of programmes which support businesses and people – especially young people – to improve their skills; to get jobs and increase everyone's life chances.

This is very important as the UK economy is in recession.

It also supports Wales' rich heritage and culture. Like all other parts of the public sector that deliver services, the bodies that deliver culture and sports services are under pressure. We are spending what money we can to help these organisations continue to deliver services to people into the future.

Climate Change

Total revenue funding – £948 million

Total capital funding – £1.7 billion

We are facing a climate and nature emergency.

When we set out our three-year spending plans, we took radical action to put us in the best place to respond to these emergencies and put them at the heart of our spending plans. We looked at how we spend our capital budgets over the next 10 years as we invest in infrastructure, such as new schools and hospitals, and how we travel.

We did this to ensure we can meet our target of reaching Net Zero by 2050. Our three-year spending plans also include investing in our natural environment by creating a National Forest for Wales, which stretch the from north to south.

We have not reduced our ambitions. This budget includes additional funding for public transport to make sure the sector remains sustainable, capable of supporting people and making its contribution to tackling climate change.

Rural Affairs

Total revenue funding – £399 million

Total capital funding – £37 million

Our agricultural sector is undergoing significant change following the UK's decision to leave the European Union.

We are working closely with the sector as we develop the Sustainable Farming Scheme – the main source of future government support for farmers in Wales. We have protected the majority of the funding to the Rural Affairs portfolio.

Social Justice

Total revenue funding – £142 million

Total capital funding – £18 million

As the cost-of-living crisis deepens, we have prioritised funding where we can to support people in the greatest need.

We have provided additional funding to the Discretionary Assistance Fund, which provides emergency cash payments to people. We also continue to support our radical Basic Income pilot and other programmes which celebrate diversity and recognise Wales' rich voices and communities.

Central Services and Administration

Total revenue funding – £331 million

Total capital funding – £10 million

Together with other organisations, which provide public services in Wales, we need to make sure the Welsh Government is ready for the future.

Funding to the Central Services and Administration budget pays for Welsh Government staff, IT and for the running of Welsh Government buildings. Like all other public services, this budget faces significant pressures from inflation and high energy costs.

We are making some additional funding available to enable the Welsh Government to meet its commitments to work openly and transparently with the UK Covid-19 Inquiry to ensure decisions made during the pandemic are properly scrutinised.

To find out more about how we spend this money visit our website

<https://gov.wales/welsh-government-budgets> where you'll find each area organised by topic.

We want to know what you think about how money is spent in Wales. Write to the Minister in the area you are interested in and tell them what you think we should be spending the money on.

Here's a link showing what each Minister is in charge of. Click on their name to find out:

<https://gov.wales/cabinet-members-and-ministers>

Here's a link to the Ministers' email addresses:

<https://gov.wales/contacting-welsh-government-ministers>