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# **Welsh Government Draft Budget Proposals 2026-2027**

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

*October 2025*

**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 2027 as follows:

<b>Ambit</b>	<b>2026-2027</b>	
	<b>Resources (£000)</b>	<b>Accruing Resources (£000)</b>
Health and Social Care	13,759,141	151,548
Housing and Local Government	6,929,555	64,069
Education	3,777,926	766,421
Transport	1,508,214	20,280
Climate Change and Rural Affairs	920,399	117,417
Economy, Energy and Planning	890,384	62,592
Social Justice	162,946	1,073
Central Services and Administration	461,150	7,475
<b>Total</b>	<b>28,409,715</b>	<b>1,190,875</b>

3. Welsh Ministers propose to draw cash out of the Welsh Consolidated Fund for the financial year ending 31 March 2027 as follows:

	2026-2027 (£000)
<b>Net Resources Requirement</b>	28,409,715
<b>Adjustments:</b>	
Capital Charges	-612,286
Impairments	-1,004,373
Movements in Provisions	-136,472
Profit/Loss on sale of assets	0
Movements in stocks	0
Movements in debtors/creditors	0
Use of Provisions	0
Other	150,000
<b>Net Cash Requirement for issue from the Welsh Consolidated Fund</b>	<b>26,806,584</b>

4. Welsh Ministers propose to finance its expenditure for the financial year ending 31 March 2027 as follows:

	2026-2027 (£000)
<b>Block Grant (Departmental Expenditure Limit)</b>	23,120,746
<b>Annually Managed Expenditure</b>	1,825,112
<b>Devolved Financing:</b>	
Non Domestic Rates	1,178,000
Welsh Rate of Income Tax	3,926,538
Land Transaction Tax	400,671
Landfill Disposals Tax	34,458
Borrowing (net)	135,102
<b>Total financing for the Welsh Government <sup>Note</sup></b>	<b>30,620,627</b>

**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 2027 as follows:

	<b>2026-2027 (£000)</b>
Total borrowing outstanding as at 1 April (principal)	549,552
Proposed capital borrowing to be drawn in-year	150,000
Repayment of principal in-year	-14,898
<b>Aggregate capital borrowing outstanding as at 31 March</b>	<b>684,654</b>
Interest payments due in-year	24,310

<b>2026-2027 Repayment Schedule based on borrowing at the levels detailed above</b>			
	<b>Amounts falling due within 1 year (£000)</b>	<b>Amounts falling due within 1 – 5 years (£000)</b>	<b>Amounts falling due after 5 years (£000)</b>
Principal	14,898	79,394	594,884
Interest	24,310	121,127	314,018

**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 2026-27 will be repaid in 2051-52.