

13 February 2026

Dear

ATISN 26621 Education funding

Thank you for your request which I received on 27 January. You asked for the following information:

1. Details of the education budget in Wales for the years 2024-25 and 2025-26;
2. How much was allocated to the Welsh Government from central government for education and how much was re-allocated to other areas as it was not “ring-fenced”; and
3. How much of the funding for education went directly to local authorities for schools versus how much was allocated by the Welsh Government for other activities related to education (for example administration and other centrally held costs).

The information you requested is outlined below.

1. Education budget in Wales for the years 2024-25 and 2025-26

The Welsh Government publishes its Main Expenditure Group (MEG) budgets annually prior to the start of the financial year through the draft and final budget process, with MEG budgets updated in-year as part of the supplementary budget process.

The Welsh Government published its [Second Supplementary Budget for 2024-25](#) on 18 February 2025, which provided detail on the Education Main Expenditure Group (MEG) budget for 2024-25. This confirmed a total resource and capital budget for the Education MEG of £2.666 billion for 2024-25.

The Welsh Government’s [First Supplementary Budget for 2025-26](#) was published on 17 June 2025, which confirmed a total resource and capital budget for the Education MEG of £2.460 billion for 2025-26. The Welsh Government’s Second Supplementary Budget for 2025-26 will be published on 24 February and will outline further budgetary changes for 2025-26 since publication of the first supplementary budget.

2. How much was allocated to the Welsh Government from central government for education and how much of that was re-allocated to other areas as it was not “ring-fenced”

There is no separate allocation from the UK Government that is designated specifically for education spending in Wales. The Welsh Government receives a block grant from the UK Government, which Welsh Ministers allocate across devolved responsibilities, including education.

Changes in funding to the UK Government’s Department for Education may result in Barnett consequentials for Wales. These are published by HM Treasury in the

annual *Block Grant Transparency* document, which provides full details of consequentials allocated to the Welsh Government. The most recent [Block Grant Transparency](#) document was published in October 2025.

However, consequentials are not ‘ring-fenced’ – they are included as part of the overall block grant and allocated in line with Welsh Government priorities. Decisions on spending by Welsh Ministers are based on all sources of income, including the block grant from the UK Government and anticipated tax revenues.

3. How much of the funding for education went directly to local authorities for schools versus how much was allocated by the Welsh Government for other activities related to education (for example administration of staff)

Firstly, the main source of funding the Welsh Government provides to local authorities for schools is through the Local Government settlement, which is funded through the Housing and Local Government MEG, rather than the Education MEG. For 2025-26, the Local Government settlement increased by 4.5%, which built on the increase of 3.3% in 2024-25. Further details on the Local Government settlement for 2024-25 and 2025-26 can be found on the Welsh Government [website](#).

The local government settlement is unhypothecated, meaning that it is for local authorities to determine how they allocate this funding to core services, including schools, according to local needs and priorities. Decisions on the level of funding available to schools and to other services are made by each authority as part of their overall budget and council tax setting. This is in line with the Welsh Government’s policy that local authorities are best placed to judge local needs and circumstances and to fund schools accordingly.

The settlement formula assesses local authorities’ relative need to spend known as ‘Standard Spending Assessments’ (SSAs) across notional areas known as Indicator Based Assessments (IBAs). Of over £8.3 billion allocated through these [SSAs in 2025-26](#), around £3.3 billion was distributed according to indicators relating to school services and £42m to other education. This mechanism is used to distribute the funding between the 22 local authorities and is not an expected or minimum funding level.

Secondly, local authorities and schools receive specific hypothecated grant funding through the Education MEG budget for pre-16 education. This funding is primarily provided through the Local Authority Education Grant (LAEG), which provides funding for school improvement and raising standards, equity in education, education reform initiatives and supporting the Welsh Language. In 2025-26, over £402m is being provided through the LAEG to support local authorities, schools and settings. This was a 5.5% increase on the funding allocated in 2024-25. In addition, funding is also provided to local authorities and schools for demand led schemes, including Universal Primary Free School Meals Provision and School Essentials Grant, providing further funding of over £120m in 2025-26 for other education. Further detail on grant funding to local authorities and schools is provided as part of the Local Government settlement [tables](#).

The Education MEG is providing revenue funding of over £0.8 billion to Medr in 2025-26. Medr was established in August 2024 and is responsible for regulating and funding most tertiary education provision in Wales. This includes funding to support core local authority sixth form funding for the provision of full-time education across 133 school sixth forms in Wales. Further details on this funding allocated through Medr is provided in [Medr's Funding Allocations for 2025/26](#).

The remainder of the Education MEG covers other activities such as the Curriculum for Wales grants programme, post-16 student support grants, student loans administration, education infrastructure and funding to Arm's Length Bodies (including Dysgu, Adnodd, EWC, Qualifications Wales and Estyn). Administrative staff costs account for less than 1% of the Education MEG's budget, with core Welsh Government staff funded from the Welsh Government's running costs budget (Central Services and Administration MEG).

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at:

Information Rights Unit,
Welsh Government,
Cathays Park,
Cardiff,
CF10 3NQ

or Email: Freedom.ofinformation@gov.wales

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely