Welsh Government Draft Budget Explainer 2027 to 2030

This Explainer covers the Draft Budget for 2027 to 2028, with spending plans to 2028 to 2029 for day-to-day costs and to 2029 to 2030 for buildings and infrastructure.

About this Budget

In May 2026, people in Wales voted for a new government and asked for things to be done differently. This is that government's first Budget. It pays for its plan for 2027 to 2030.

Money is tight. The UK Government gives the Welsh Government around 80% of its money and we raise some of our money in Wales through taxes which are devolved. Next year, that money will buy less than it does now. Money for big building projects, like hospitals and homes, is falling too.

That means hard choices.

The Welsh Government has:

checked more than 970 areas of spending

stopped doing some things

moved money to the things it plans to do for the people of Wales

The Budget Impact Statement, published with the Budget, explains who may be affected by the choices we have made.

This Budget plans for more than one year. It covers 2027 to 2028 and 2028 to 2029, and 3 years for building projects. This means hospitals, councils and schools can plan.

The Welsh Government will set out budgets for the rest of the term next year, after the UK Government's Spending Review.

Where the Welsh Government gets its money



Block Grant

£22.3bn (27-28) and £22.8bn (28-29)



Welsh Rates of Income Tax

£4.2bn (27-28) and £4.4bn (28-29)



Land Transaction Tax

£402m (27-28) and £432m (28-29)



Landfill Disposals Tax

£30m (27-28) and £31m (28-29)



Non-domestic Rates

£1.2bn (27-28) and £1.3bn (28-29)



Borrowing

£168m (27-28) and £172m (28-29)

Where the money is being spent

The Draft Budget totals more than £60 billion. This is the money the Welsh Government plans to spend in April 2027 to March 2029, and March 2030 for buildings and infrastructure.

Better health and care, and shorter waiting lists

The NHS will get an extra £500 million in 2027 to 2028, rising to an extra £700 million in 2028 to 2029. This will help the NHS treat more people and cut waiting lists.

There is also an extra £171 million for building projects over 3 years. This includes new centres for planned operations and treatments, so people wait less.

Helping with the cost of living

Childcare: The Welsh Government is continuing to roll out free childcare for all young children. When the offer is complete, every child from 9 months to 4 years old will get 20 hours of free childcare a week, for 48 weeks a year. This Budget pays for the next stage: £75 million in 2027 to 2028 and £186 million in 2028 to 2029.

Homes: £1.5 billion over 3 years will help build 20,000 more social homes by 2030. Social homes are rented at lower prices from local authorities or housing associations. The money will also help make homes cheaper to heat, for example by putting in better insulation to stop heat escaping.

Cynnal: £9.2 million over 2 years will pay for a pilot of Cynnal. A pilot is a small trial run before deciding whether to do something more widely. Cynnal is a weekly payment for families with young children who claim Universal Credit.

Income Tax: Rates in Wales are not changing. People in Wales pay the same Income Tax rates as people in England and Northern Ireland.

Good jobs and a stronger economy

The Welsh Government is setting up a Welsh Innovation and Development Agency to help businesses grow and create well-paid jobs. The Budget sets aside £22 million in 2027 to 2028 and £36 million in 2028 to 2029 to start this work.

This new agency's job will be to help Welsh businesses grow and support people to start new businesses. The target is to create 500 new businesses by 2036.

Raising standards in schools

Local authorities pay for services in your area. These include running schools, providing care for older people and children who need support as well as collecting bins, fixing roads, and running libraries and parks. In 2027 to 2028, every local authority will get at least 2.5% more money than this year.

Schools and Local Authorities will get £418 million for education, of this £128 million is for the Pupil Development Grant for pupils on low incomes. £37 million will be spent on supporting pupils with Additional Learning Needs. There is £20 million for helping schools with curriculum and assessment including literacy and numeracy.

We are investing £8.8 million over 2 years in Nofio Ysgol, the free school swimming programme.

Reducing child poverty

Reducing child poverty is one of the Welsh Government's main aims. Three things in this Budget support it:

free childcare, which helps parents to work and saves families money

the Cynnal pilot, which gives some families with young children a weekly payment

money for homes, which will help build more social homes and make homes cheaper to heat

Standing up for Wales

The Welsh Government argues for Wales to get a fairer share of funding from the UK government. It also wants more freedom to manage its own money, and more money to invest in railways.

The Budget includes £6.6 million to promote Wales to the world. It will also pay for major sporting events that inspire people. These include the Tour de France in Wales in 2027 and the men's football UEFA Euro 2028, with £21.7 million to help host them.

Better government

The Welsh Government is not judging this Budget on how much it spends, but on what changes for people. This applies to every investment in it.

One example is a new £25 million fund to help public services work better and make better use of public money. Other investments include £30 million for climate action, recycling and nature recovery, and £30 million for a national network of electric vehicle charge points.

How we will spend our money

	Total Resource and Capital		Capital only
	2027 to 2028	2028 to 2029	2029 to 2030
Health and Care	£13,121m	£13,300m	£674m
Local Government Housing and Planning	£7,214m	£7,331m	£1,448m
Education and the Welsh Language	£2,510m	£2,510m	£391m
Enterprise, Connectivity and Energy	£1,683m	£1,631m	£785m
Rural Resilience and Sustainability	£902m	£911m	£317m
Social Justice and Equality	£599m	£710m	£21m
Culture and Sport	£193m	£198m	£65m
Central Services and Administration	£614m	£628m	£20m

What happens next

This is a Draft Budget which lets people know how the Welsh Government would like to spend its money. The Budget will not be confirmed until the Senedd (the Welsh Parliament) vote to pass the Budget.

The Senedd will now look closely at the Draft Budget. Senedd committees will question the Cabinet Minister for Finance, Elin Jones MS and other Cabinet Ministers.

The Welsh Government plans to publish the Final Budget in spring 2027.

Members of the Senedd will then vote on it.

You can read the full Draft Budget documents at:

gov.wales/draft-budget-2027-2028

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