Welsh Government Draft Budget Proposals 2027-28

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

November 2026

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 2028 and 31 March 2029 as follows:

	2027-28		2028-29	
Ambit	**Resources (£000)**	**Accruing Resources (£000)**	**Resources (£000)**	**Accruing Resources (£000)**
Health and Care	13,685,284	111,222	14,075,500	111,222
Local Government, Housing and Planning	7,163,513	54,042	7,278,691	70,527
Education and the Welsh Language	4,064,014	860,192	4,044,690	848,532
Enterprise, Connectivity and Energy	2,257,839	72,795	2,205,191	68,335
Rural Resilience and Sustainability	917,748	136,117	926,148	135,643
Social Justice and Equality	599,831	73	710,883	71
Culture and Sport	201,864	11,697	206,864	11,697
Central Services and Administration	603,831	7,550	608,831	7,550
Total	**29,493,924**	**1,253,688**	**30,056,798**	**1,253,577**

3. Welsh Ministers propose to draw cash out of the Welsh Consolidated Fund for the financial year ending 31 March 2028 and 31 March 2029 as follows:

	2027-28 (£000)	**2028-29 (£000)**
Net Resources Requirement	29,493,924	30,056,798
Adjustments:		
Capital Charges	-957,312	-978,898
Impairments	-841,962	-982,935
Movements in Provisions	-130,705	-148,316
Profit/Loss on sale of assets	0	0
Movements in stocks	0	0
Movements in debtors/creditors	0	0
Use of Provisions	0	0
Other	150,000	150,000
Net Cash Requirement for issue from the Welsh Consolidated Fund	**27,713,945**	**28,096,649**

4. Welsh Ministers propose to finance its expenditure for the financial year ending 31 March 2028 and 31 March 2029 as follows:

	2027-28 (£000)	**2028-29 (£000)**
Block Grant (Departmental Expenditure Limit)	22,259,076	22,795,617
Annually Managed Expenditure	2,867,795	3,062,777
Devolved Financing:		
Non Domestic Rates	1,190,000	1,310,000
Welsh Rate of Income Tax	4,210,221	4,378,877
Land Transaction Tax	401,984	431,979
Landfill Disposals Tax	30,476	31,417
Borrowing (net)	150,283	149,643
Total financing for the Welsh Government [Note]	**31,109,835**	**32,160,310**

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 2028 and 31 March 2029 as follows:

	2027-28 (£000)	2028-29 (£000)
Total borrowing outstanding as at 1 April (principal)	676,426	826,709
Proposed capital borrowing to be drawn in-year	168,400	171,800
Repayment of principal in-year	-18,117	-22,157
Aggregate capital borrowing outstanding as at 31 March	**826,709**	**976,351**
Interest payments due in-year	31,896	40,606

2027-28 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	18,117	95,157	731,552
Interest	31,896	155,898	405,252

2028-29 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	22,157	114,014	862,337
Interest	40,606	189,074	484,877

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.