



Llywodraeth Cymru
Welsh Government

Draft Budget 2018–19

A New Budget for Wales

This is a New Budget for Wales. It marks another milestone in Wales' devolution journey as we prepare to take on tax-raising powers from April 2018, when land transaction tax and landfill disposals tax come into force, replacing stamp duty land tax and landfill tax, respectively.

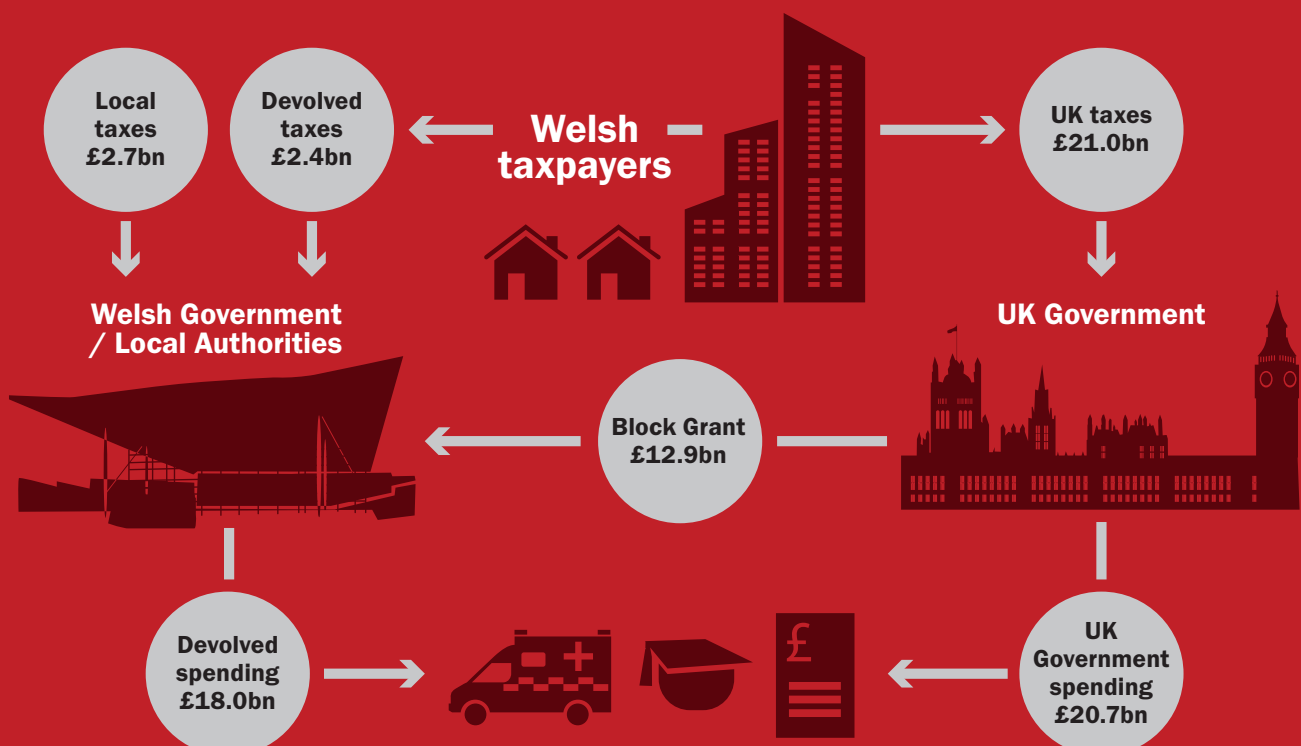
This Budget, as well as setting out how the government will spend its revenue and capital, is the first to outline how the money raised from these two new taxes will be used to support public services, such as our NHS, schools and social services.

The draft Budget is being published at a time when the amount of money available to Wales continues to fall. By the end of this decade, the money available to spend on public services in Wales will have fallen by 7% in real terms. This means we will have £1.2bn less to spend on vital public services. We also face the added uncertainty about what impact leaving the EU will have on our future budgets and the threat of another round of spending cuts to come from the UK Government in 2019–20.

How Wales is funded?

The majority of funding for Wales comes from the UK Government. However, by April 2019,

about £5bn will be raised through taxes set in Wales, including Welsh rates of income tax.



Figures relate to projections for 2019-20. Devolved spending only includes spending financed by tax revenues and the block grant.

The Budget process

As a result of the changes to the Budget, the National Assembly has introduced a new two-stage process for the publication and scrutiny of the Budget.

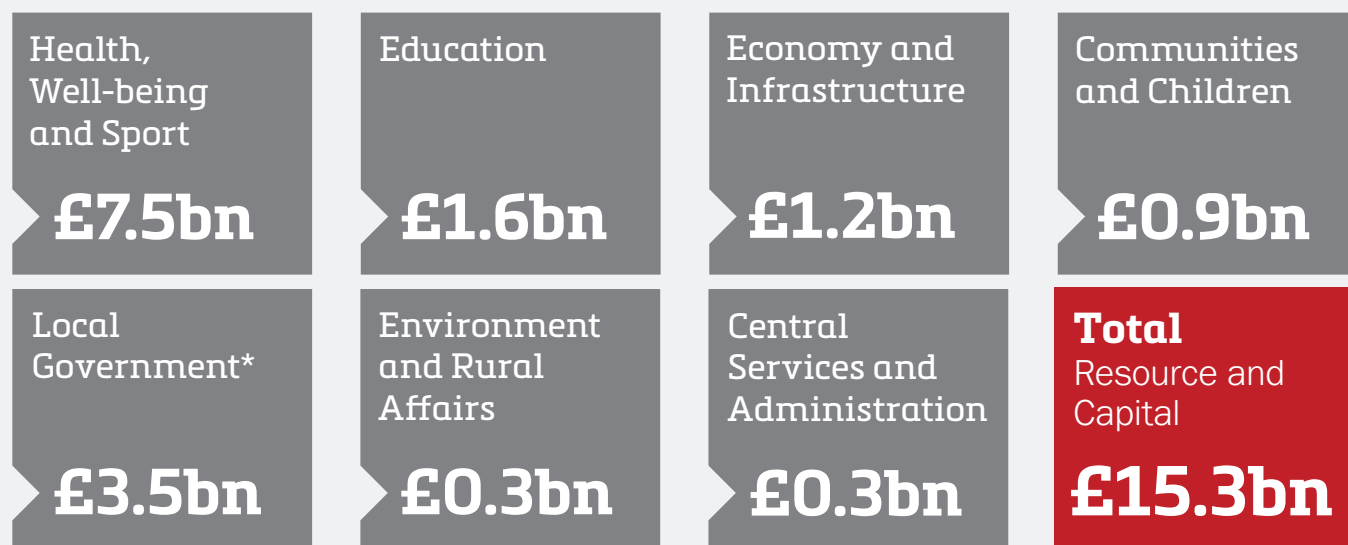
The first stage – the outline draft Budget – shows where the money comes from and how it is allocated between the different ministerial portfolios. The detailed spending plans will be published a few weeks later. These will show how we are supporting the delivery of our programme

for government, *Taking Wales Forward*, and our national strategy *Prosperity for All*.

The 2018–19 draft Budget includes revenue spending plans for two years and capital spending plans for three years.

By April 2019, some £5bn for Welsh public services will be raised by taxes set in Wales – either by the Welsh Government or by local authorities.

How are we spending our budget in 2018–19?



* Includes schools funding and excludes £1bn non-domestic rates income.

The Welsh Government's revenue plans include:

- An additional £230m in 2018–19 and £220m in 2019–20 for NHS Wales
- Protection for social care and education
- No cuts to the Supporting People grant – an additional £10m will be allocated in each year to maintain 2017-18 levels
- Investing £70m over two years for the flagship childcare offer
- An extra £10m to tackle homelessness in each year

Capital plans over the three years include:

- Releasing £340m, as part of our £1.4bn investment, towards the flagship commitment to build 20,000 affordable homes
- £50m to develop a new rail station and park and ride facility in Llanwern
- An extra £40m to accelerate our 21st Century Schools and Education programme
- An extra £90m for the NHS Wales capital programme
- Capital funding will be ear-marked in reserves to buy new rolling stock for the new Wales and Borders franchise and the South Wales Metro, subject to the outcome of the procurement process

To find out more about A New Budget for Wales visit our website:

gov.wales 