



Culture, Communications, Welsh Language, Sport, and International Relations Committee

Welsh Government Draft Budget 2025-26

16 January 2025

Culture, Sport and Heritage Budgets 2025-26

This paper provides information on the decisions taken in setting the Culture, Sport and Heritage Budgets within the Economy, Energy and Planning MEG for the 2025-26 Financial Year.

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1. Budget Overview

As part of the 2025-26 Draft Budget £5m revenue has been allocated to priorities in this area along with a further £18.4m in capital allocations.

1. Our **cultural, heritage and sport sectors**, particularly our arm's length bodies (ALBs) and Cadw, have been critical in supporting local, regional and national economies, communities and supporting our agenda to tackle inequalities, particularly racial inequalities and enabling greater access to communities across Wales. They provide great places for people to live, visit, work and study. Funding through our cultural and sporting bodies benefits the lives of children and young people, who are active consumers and contributors to arts, heritage and the cultural sector. Through this Draft Budget I have allocated an **additional £5m revenue and £18.4m capital** to culture, heritage and sport activities.
2. Of the additional revenue provided, **£3.8m** has been allocated to uplift revenue budgets across cultural, heritage and sport bodies allowing these organisations to manage inflationary cost pressures, make plans for a public sector pay award in 2025-26 and to contribute to the ongoing running costs of **Celf**. A further £1.2m revenue has been allocated to the Local Culture and Sport budget. An allocation of £0.2m of this represents a comparable uplift for local museums, archives and libraries development agency function delivered in-house by Culture Division, including the staff funded to deliver key activities and programmes.
3. The wider inflationary pressures which drive up costs for cultural, heritage and sport bodies also impact on the value of services, salaries and outputs supported by the grants Culture Division manages in its development agency role. The remaining **£1m** will be used to take forward actions under the **Priorities for Culture** (focusing on key areas highlighted in the consultation such as access to culture and collections, the cultural workforce and responding to the climate and nature emergencies, whilst delivering outcomes supporting the Prif Weinidog's Priorities), and to support delivery of Celf - National Contemporary Art Gallery for Wales at nine galleries. This restores part of the funding lost through the 2024-25 Final Budget which impacted our ability to take forward our Priorities for Culture in 2024-25. We will also continue to deliver our statutory and development agency functions and commitments to support an anti-racist Wales.
4. Within the additional **£18.4m capital allocation for culture, heritage and sport, £8.1m** will be allocated in 2025-26 to the cultural capital programme which significantly addresses geographic inequalities by enabling access to our national collection especially closer to where people live, work and visit. Widening access to, enjoyment and understanding of culture, sport and the historic environment for people of all backgrounds is a priority. Infrastructure investment promoting cultural activities will support mental health and well-being and ensure greater access for people across Wales closer to their homes.
5. The **cultural capital investment programme** includes major developments in north Wales including Theatr Clwyd in Mold, the Football Museum for Wales in Wrexham and the National Slate Museum in Llanberis, and across the country via Celf and the

Transformation Grants for local museums, libraries and archive services. These investments significantly increase the opportunities for people across Wales and help to support the Welsh language.

6. The allocation of an **additional £8.1m** will enable an increase in activity in the following areas:
 - To increase investment to support **Priorities for Culture** capital projects. This will be used to accelerate capital investment to protect the buildings and capital assets our local museums, archives and libraries rely on, in particular supporting decarbonisation by reducing energy consumption. The funding will also support digitisation, digital preservation, investment in capital assets needed to explore opportunities in Artificial Intelligence for our sectors and potentially digital support centres. Investment may include digital display equipment to allow the digitised national collection to be accessed from more venues locally for example through Celf ar y Cyd, as well as expanding the digital collection through the addition of locally held assets and provide funding for cultural venues to support the installation of credit card donation boxes to increase donations to support the sector. This will include funding to develop and commence implementation in 2025-26 of a records and digitisation programme. This will aim to improve standards of document preservation and access, along with developing solutions for future needs and reducing costs.
 - Increasing capital investment in **Amgueddfa Cymru** during 2025-26, to support the much needed and overdue capital investment in sites across the estate, including, but not limited to, the work required at National Museum Cardiff and for the National Slate Museum. Amgueddfa Cymru is one of our national treasures and this will show a real commitment from Welsh Government to help address the significant investment needed for redressing the lack of investment and making improvements across its sites. This will help ensure that the sites are safe to the public, that the national collections in Amgueddfa's care are safe, and that the historical sites and buildings across their estate are cared for using the appropriate skills and techniques.
7. The Wellbeing of Future Generations Act includes the goal to create a healthier Wales, and a society in which people's physical and mental well-being is maximised. Recognising the preventative power of sport and physical activity in relation to health and wellbeing, we will reinforce our Programme for Government commitment to use capital funding to invest in facilities, particularly focused in more disadvantaged areas. In doing so, we will promote equal access to sport and tackle inequality in all its forms. A further **£2m**, bringing the total investment to £10m, is being invested in sports facilities through **Sport Wales** in this budget.
8. In 2025-26, I have allocated a further **£6.3m** to **Cadw's** capital budget to invest in the historic environment that contributes strongly to the economic well-being of Wales and of its communities. The funding includes support for the second phase of the development of Caerphilly Castle as a world class heritage destination which is integral to **Caerphilly Town 2035** regeneration. The additional investment will also help to conserve Cadw's wider historic estate and the grant programme for wider historic sites at risk – allowing them to contribute to wider economic and social outcomes. Investment also supports the Priorities for Culture and the Tourism strategy **Welcome to Wales: priorities for the visitor economy 2020 to 2025**.

9. Various studies have shown that engaging with heritage, whether through visiting historic sites, volunteering, or participating in heritage-related activities, can have several positive impacts on both individual and community wellbeing. The capital investment will contribute to growing audiences and promoting wellbeing through widening access to, enjoyment and understanding of the historic environment for people of all backgrounds.
10. The table below provides high level information on the changes made through the 2025-26 Draft Budget. A breakdown at BEL level is provided at Annex A. Annex B includes explanations at BEL level.
11. 2025-26 baseline adjustments will baseline allocations due to be made at the Second Supplementary Budget of 2024-25 to provide additional financial support to meet the impacts of the 2024-25 pay award and the additional costs as a result of the changes to the SCAPE discount rates which have impacted unfunded public sector pension schemes since the change was enacted in April 2024. A baseline adjustment has also been made to Financial Transaction Capital budgets to budget for the repayments due on outstanding loans in 2025-26.

Culture, Heritage & Sport					
Budget Expenditure Line	2024-25 Final Budget Restated	2025-26 Baseline Adjustments*	2025-26 Revised Baseline	Changes Draft Budget 2025-26	2025-26 Draft Budget
	(A)	(B)	(C = A + B)	(D)	(E = C + D)
	£000s	£000s	£000s	£000s	£000s
Near Cash	111,816	1,071	112,887	4,999	117,886
Non Cash	10,162	0	10,162	2,028	12,190
Total Resource	121,978	1,071	123,049	7,027	130,076
Capital	55,366	0	55,366	18,421	73,787
FT Capital	-1,231	1,231	0	-500	-500
Total Capital	54,135	1,231	55,366	17,921	73,287
Total	176,113	2,302	178,415	24,948	203,363
AME	20,000	0	20,000	4,000	24,000

Value for Money

12. Clarity over how we use our resources effectively is central to delivering our priorities. Since being appointed the Minister for Culture, Skills and Social Partnership in September I am excited about the positive developments we have in progress and I am extremely passionate for the portfolio. This despite the challenging context of the past 12 months.
13. The policy areas within my portfolio reach across many aspects of government and have the potential to make profound and lasting change to the lives of people and communities across Wales. 'Culture', 'Heritage', 'Creative' and 'Sport' are essential components of our national life and are an integral part of our individual and collective identity and well-being. Museums, archives, libraries, theatres, music venues, sports clubs, and historic sites are often the focal point for many communities throughout Wales.
14. I want to be ambitious about ensuring people from more deprived communities have access to culture and to challenge our cultural institutions to ask what they are doing to achieve this. Arts, culture and creative industries broaden the mind and bring with them so many opportunities in life.

15. I am keen for the employment opportunities created by the huge growth in these sectors to be open to everyone.
 16. Since being appointed as Minister I have regularly stressed that every person in Wales has the right to access, create, participate in, and see themselves reflected in the cultural and sporting activity of our nation. We all recognise that these have been tough times and that years of austerity damaged our cultural as well as social fabric. As we build the foundations of recovery, we must remember the benefits of delivering growth should be done inclusively by ensuring that everyone can access and benefit from our wonderful cultural and sporting scene.
 17. Sectors within my portfolio make a significant contribution to wider social outcomes including community cohesion, mental health and wellbeing. I am very clear that my portfolio can contribute positively to the First Minister's four priorities. Examples include:
 - **Iechyd Da** - Alongside continued investment in sports facilities and improving access to sport, research shows that culture, the arts and our historic environment has a positive impact on people's health and well-being. The Culture and Sport ALBs, local sector museums, archives and libraries and Cadw deliver a range of activities to support positive mental health and wellbeing including Cadw's award-winning volunteering programme, as a partner in the Hapus project, social prescribing, Arts, Health and Wellbeing in Wales and House of Memories Cymru to support dementia. The Books Council of Wales supports the delivery of the Reading Well scheme and makes an important contribution to our health and wellbeing objectives. Creative Wales is working with priority sectors to improve health and wellbeing in creative workplaces, through the Wellbeing Facilitators project and the alignment of funding mechanisms to the Economic Contract wellbeing pillar.
 - **Green jobs and Growth** - Our ALBs play a vital leadership role in tackling all aspects of the climate and nature emergencies by helping the public engage through exhibitions and supporting our cultural organisations and sports clubs to become more energy efficient and enhance biodiversity. Cadw leads research into the impact of climate change on historic assets and is helping to develop National Occupational Standards, retrofit qualifications and training materials for those working in the renewable energy sector. Through its own work programmes and capital grants, Cadw provides work for skilled conservation practitioners. Creative Wales continues to work closely with key partners to deliver against the recommendations in the Screen New Deal Transformation Plan for Wales, to support a sustainable future for the Welsh production sector.
 - **Opportunity for every family** - Education is at the heart of the work our ALBs, local museums, libraries and archives undertake, both in terms of formal and informal lifelong learning. For example, Amgueddfa Cymru is the biggest delivery body of education outside the school system in Wales and alongside investment in the local library network, we also fund literacy schemes including the Summer Reading Challenge. On housing, the skills developed on Cadw capital projects are transferrable and can be applied to the thousands of traditional buildings which make up a high percentage of our national housing stock. In publishing, the Books Council's work on the promotion of reading and the provision of books and educational resources plays an important part in improving literary standards and educational attainment. Creative Wales is supporting a range of projects to develop skills and talent, in an inclusive, open and accessible way.
 - **Connecting Communities** - Some responses to the Priorities for Culture consultation stress the importance of transport in relation to access to culture – this will inform
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implementation. Cadw brings communities together by making its historic sites available free of charge for community events, many sites are located at the heart of communities and are therefore ideal locations for local events. Local libraries are now regarded as community hubs in many areas and are therefore crucial in bringing communities together. Creative Wales' support for the broadcasting and independent screen sector makes an important contribution to social cohesion and inclusion, connecting people from different backgrounds, as well as building a sense of national identity and belonging.

18. Once expenditure is planned in line with my priorities, I have well-established processes in place to ensure that resources are used effectively for the purposes intended. The governance and monitoring procedures in place reflect the nature of our relationships with delivery partners.
19. Key priorities for each ALB are set out in their remit letters, which they use as a basis for their operational plans and key performance indicators. I meet at least biannually with each of the organisations, and officials formally monitor progress against their operational plans at quarterly meetings and more regularly through close working relationships with the senior executive teams at the arm's length bodies. At the invitation of the bodies, officials also attend Board meetings as observers, allowing Welsh Government to maintain a good overview of potential issues. Monthly grant in aid claims are scrutinised to ensure that progress is being achieved against specified lines of expenditure.
20. Major projects and activity are monitored using Welsh Government's Business Information Report Tool. Each major project has governance arrangements in place related to the specific project. These are frequently reviewed to ensure they reflect the stage of the project. Major capital investments are supported by business cases which are scrutinised to ensure they are robust. This includes a range of Welsh Government officials and independent review via gateway reviews. Smaller capital and revenue grants and contracts are awarded based on either an open application process or a direct commission. They are monitored by officials throughout the project life cycle, with agreed deliverables and check in points.
21. An Evidence Plan presents the research, evaluation, and data collection projects that the Culture Division is either undertaking or committed to. It is updated yearly, based on discussions with staff and wider stakeholders, to ensure activity is supporting key divisional priorities and Programme for Government commitments.
22. For Cadw, all complex high value capital projects are subject to project governance, which includes key gateway decisions and major changes subject to assessment by the Cadw Capital Programme Board for approval. Individual projects must demonstrate value for money as well as deliver measurable benefits aligned with Cadw and Welsh Government objectives. Cadw is also supported by an independent Board with non-executive members which meets quarterly to scrutinise Cadw's performance against its business plan and financial reporting and provide challenge and advice.
23. There are processes in place for Creative Wales funding schemes, to assess applications against criteria covering economic impact as well as delivery against broader thematic priorities. Monitoring arrangements are in place, during delivery and post completion, to assess achievements against intended outputs. An independent evaluation of the Creative Wales production funding is underway to assess its impact. In addition, Creative Wales is in the process of commissioning an evaluation of its development funds across the screen, digital and music sectors and skills function.

Preventative Spend

24. I recognise the on-going need to make hard choices. The continuing pressure on public finances and on the level of funding available to this area, more specifically, mean I am under no illusions on the challenges we face.
25. These budget proposals reflect my continuing commitment to protect and prioritise investment that supports preventative measures as far as possible. The spending decisions have not only considered how best to meet the current demand for services but have also focused on supporting interventions that are able to prevent problems arising in the future. This preventative approach is an important part of our planning for public services, both now and in the future.
26. Heritage and culture contributes to individuals' and communities sense of belonging, cultural identity and social cohesion. Capital investment decisions recognise the connection with mental health and well-being and the positive contribution for health expenditure. For example, investment in Neath Abbey is in partnership with the local authority and intended to maximise the opportunities for community recreation and wellbeing. The Abbey has developed strong links with the schools through their Young Custodians programme.
27. Investment in Cadw's monuments includes measures to adapt to climate change and change the way greenspace is managed to improve biodiversity and help respond to the nature emergency.
28. From the outset of my Budget preparations, I have focused on how best to meet the growing needs of key service areas within my portfolio in the face of another challenging budget. Over successive years, prioritising preventative spending has been a way of avoiding more costly interventions at a future point and improving the quality of people's lives over the long term.

Health and wellbeing

29. The importance of culture to promoting positive wellbeing and physical health was dramatically underlined by the pandemic, and again this year in relation to the sector response to the rising costs of living. Culture and heritage provide an outlet for many during these difficult and uncertain times, and our sector always demonstrates innovative and creative responses to supporting individual and community well-being.
30. Some examples of how our sectors have delivered preventative policies and programmes in 2024-25 include:
 - Maintaining warm hubs in libraries, including beyond the initial funding period.
 - Providing books on prescription through the 'Reading Well' scheme.
 - Developing the House of Memories Cymru app which uses museum collections to support people living with dementia.
 - Undertaking a demonstrator project based on the 'Change Minds' methodology to engage people with poor mental health with archive collections
 - Supporting #Crowd Cymru project to enable remote volunteering opportunities

- Through our investment in sporting facilities, we are increasing participation rates in sport and using the preventative power of sport to support the health and wellbeing agenda
 - Continuing with the Arts Council of Wales partnership with Health Boards to provide a range of tailored programmes to support well-being.
 - Supporting the framework for Social Prescribing through tailored volunteer programmes.
 - Active participation and engagement in heritage programmes.
31. 2025-26 looks challenging in terms of the financial flexibility available to our sectors to support preventative activity outside of their core purposes, but the focus on well-being, and on delivering a number of Welsh Government policy priorities such as ArWAP, the LGBTQ+ Action Plan, the Age-Friendly Wales strategy, and tackling loneliness and isolation are already deeply embedded in day-to-day activity.
32. Examples of projects that we envisage will be funded directly in 2025-26 include extending the books on prescription offer in collaboration with Child and Adolescent Mental Health Services (CAHMS) and The Reading Agency, which will include a new booklist supporting perinatal and postnatal health and wellbeing. Evaluation of books on prescription is undertaken by the Reading Agency as part of the grant monitoring.
33. The Fusion programme in 2025-26 will engage with individuals and communities in areas of deprivation. The new Priorities for Culture will offer a fresh strategic lens for the Fusion programme's operational planning in 2025-26.
34. Sport can be a very effective preventative health tool, but greater cross-sector prioritisation is needed to create the long-term sustainable shifts in participation. The Healthy and Active Fund and Healthy Weight: Healthy Wales Delivery Plan are two recent examples of success in this area. We are also investing in facilities through our education and communities' budgets. Sport Wales will continue to invest funding and resource in the Welsh Government's 'Healthy Weight: Healthy Wales' delivery plan, including the delivery of the 60+ Active Leisure scheme.
35. The creative industries play an important role in supporting health and wellbeing and positive outcomes. The Books Council of Wales' Reading Well scheme and its work on the promotion of reading and the provision of books and educational resources plays an important part in improving literary standards and educational attainment. In the screen sector, Creative Wales' support for the broadcasting and independent sector makes an important contribution to social cohesion and inclusion, connecting people from different backgrounds, as well as building a sense of national identity and belonging. Creative Wales is working with priority sectors to improve health and wellbeing in creative workplaces, through the Wellbeing Facilitators project and the alignment of funding mechanisms to the Economic Contract wellbeing pillar, as well as supporting a range of projects to develop skills and talent, in an inclusive, open and accessible way.

Legislation

36. Assessing the costs of legislation and the impact on those it affects is an essential part of the policy development process. I recognise there cannot be a blank cheque for legislation and that every new commitment in this area will have to be paid for by a cutback somewhere else.
37. This is why every bill is subject to a robust assessment of costs and benefits, achieved through consultation and engagement with our stakeholders in the development of the regulatory impact assessments prepared for Government Bills. This is to ensure our decisions are informed by the people who will be affected by them.
38. Steps are being taken to improve the clarity and consistency of RIAs but changes to the bill during scrutiny and other factors will inevitably result in some variances between estimated costs at the published RIA stage and actual costs during implementation. In accordance with the commitment given by the Cabinet Secretary for Finance and Welsh Language to the Finance Committee, a table showing the cost of implementing legislation proposed by the Welsh Government is included in the Budget Narrative document published on 10 December. There are no implementation costs associated with any legislation in this area for 2025-26.

Financial context

39. Cadw significantly benefited from EU funding to develop visitor infrastructure of monuments in west and north Wales. Whilst Cadw is not able to benefit directly from the UK Government's Shared Prosperity Fund we continue to work closely with our partners. The opportunities to joint fund programmes and projects and lever external funding is becoming more important to achieve shared outcomes, for example, at Neath Abbey. The Transforming Towns Initiative has opened up opportunities for funding, either directly for heritage projects or for projects that compliment heritage initiatives – for example the Placemaking Plan [Caerphilly 2035](#) is being delivered alongside the capital investment at Caerphilly Castle.
40. Visitor numbers are key to the achievement of financial sustainability in Cadw. Compared to 2022, the volume of trips taken in Wales in 2023 was 3% lower, whilst expenditure was 7% higher. The decrease in annual trip volume for 2023 is driven by a sharp decrease in trips taken during the fourth quarter of the year. However, international tourism to Wales is forecast to return to pre-pandemic levels in 2025. Anecdotal evidence suggests amongst other factors, lower disposable income caused by the cost of living crisis and bad weather have affected performance across the UK.
41. The Creative Europe programme has been superseded by the Global Screen Fund (GSF) which has run since 2021, with a budget of circa £7m per annum. While a small number of Welsh businesses have benefited from this programme, the overall benefit to Wales is limited. The UK Global Screen Fund continues to provide updates on regional activity and awards and have also held briefing session in Wales, However the devolved nations have raised concerns about their limited involvement in the programme delivery. There has been no direct replacement to date for the Creative Europe cultural sub-programme and that the

Welsh Government continues to engage with Department for Culture, Media and Sport and other devolved nations to raise issues and identify options for support for the sector.

42. Sectors across the creative industries continue to be affected by increasing costs and decreasing budgets. This includes broadcasters and Film and TV productions concerned that increased costs and inflationary issues are adding to existing budget challenges and wider impacts on trainees on screen productions who are struggling with the cost of living. The publishing sector is also being affected by increasing costs related to energy prices and the cost of materials, as is the music sector, which is also being hit by reducing revenues linked to changing trends in audience behaviour and reduced rates relief for venues.
43. The latest Museum Spotlight Survey (2022) indicated that *museum visitor levels overall have recovered to 69% of pre Covid-19 levels. National Trust, independent and university museums are at over 80% recovery.* In 2023-24 there were 1.56m visits across all Amgueddfa Cymru sites, which exceeded their yearly target of 1.46m visitors and represents an increase of 260,000 from 22-23.
44. Energy costs continue to cause significant concern. Since the cost-of-living crisis started, officials have been made aware of impacts such as local museums reducing opening hours, closing throughout the winter period, significantly decreasing heating levels on site, and increasing charges for services.. Some museums are also looking at the potential for redundancies. Many are not recruiting to vacant posts, even senior and crucial posts in the organisation.
45. Concerns are being expressed regarding knock-on impacts on the mental health and well-being of volunteers, community participants and visitors (many of whom are vulnerable) not being able to spend time at the museum due to cold or the cost of travel.
46. In February 2024, the Welsh Government undertook an evaluation of the impact of the Cost of Living grant fund. The main purpose of the evaluation was to assess the impact of the Fund on grant recipients and to determine the continued impact of ongoing economic pressure and rising costs on the wider museum and library sector. The evaluation found that the majority of grant recipients felt that the grant support provided was sufficient to help them manage inflationary pressures. All grant recipients confirmed that their organisation or service was still operating, which suggests the overarching objective of the Fund to support eligible organisations over the grant period has been achieved.

Priorities for Culture

47. An extended public consultation exercise was undertaken during the summer of 2024 on the draft Priorities for Culture. We received 376 responses, with good representation from sector stakeholders, individuals and community representatives. The Summary of Responses report will be published shortly.
48. The consultation findings indicated majority support for all the published draft Priorities and supporting ambitions. The more detailed feedback is proving useful in determining where we would like to focus our initial efforts in 2025-26.
49. Responses suggested that draft ambition 19 relating to the workforce, and draft ambition 20, relating to sector decarbonisation and responding to the climate and nature emergencies were challenging. Collections care and access to collections and to cultural

services more broadly were other areas of concern. These findings will feed into operational planning and underpin our budget spend for 2025-26.

Arm's Length Bodies

50. Welsh Government ALBs have a responsibility to support the delivery of our priorities, as agreed in their remit letters, and contribute to the goals set out in the Well-being and Future Generations (Wales) Act 2015. The culture and sport ALB remit letters cover the current term of government, from 2021-2026. In them, I have outlined our priorities and commitments to the people of Wales and set out our 'shared goals' for each ALB to consider in delivering their objectives. Alongside these shared goals, the remit letters outline other areas where the individual ALBs can contribute to delivering the Programme for Government.
51. Officials have reviewed the expectations set out in the culture and sport ALBs' remit letters and, following discussions with the organisations themselves, concluded their remit letters contain sufficient flexibility for each ALB to continue to deliver to it within their own operational plans. The remit letters continue to aptly set out our broad expectations for this term of government and provides strategic context. However, in light of the budget reduction they each received in 2024-25 as well as the recent reduction in their staffing numbers, I fully appreciate that more realistic objectives need to be set in relation to what the ALBs are able to deliver. In July 2024, officials asked each of the culture and sport ALBs to prepare or review its operational plan for 2024-25, demonstrating how it would deliver against the areas outlined in their remit letter. In doing so, my officials asked the ALBs to consider the good progress already made during this term of government as well as their budget for 2024-25.
52. The proposed budget allocations for the culture ALBs outlined in the Draft Budget for 2025-26 are more positive than those included in the 2024-25 budget. However, I acknowledge the ongoing impact of the reductions made in 2024-25. Therefore, as the ALBs work on their operational plans for 2025-26, officials will continue to discuss with them realistic expectations for how they can deliver against their remit letters during the next financial year.

2. Cadw

As part of this Draft Budget, I have increased Cadw's revenue budget by £0.43m and have increased their capital budget by £6.3m.

53. Cadw is prioritising its statutory responsibilities undertaken on behalf of the Welsh Ministers to maintain, conserve and provide safe public access to the 131 historic Properties in Care. It is also prioritising its statutory regulatory role in the identification, designation and management of historic places of national importance so that they are provided with adequate protection for future generations. In 2025-26 the additional revenue of £0.43m will support pay, revenue generating activities for public engagement and inflationary pressures in maintaining and conserving the monuments.
54. In 2025-26, a further £6.3m capital above the baseline will enable investment in the historic environment for future generations, contributing to the economic well-being of Wales and of its communities. The funding includes support for the second phase of the development of Caerphilly Castle and investment in the ICT infrastructure at Cadw visitor centres and conservation depots. It will also help to conserve Cadw's wider historic estate and the grant programme for wider historic sites at risk in partnership with other heritage organisations – allowing them to contribute to wider economic and social outcomes. Investment also supports the Priorities for Culture and the Tourism strategy Welcome to Wales: priorities for the visitor economy 2020 to 2025.

Income Generation

55. Income generation is central to the financial sustainability of Cadw. The Draft Budget Plan in 2025-26 is predicated on an increased income target of 5% to achieve the target of £11.42m commercial income.
56. Alongside the revenue uplift, the income target will support many of the inflationary pressures that Cadw continues to face particularly on pay, public engagement and conservation to ensure our sites remain safe and well maintained to welcome visitors. However, the great majority of Cadw monuments will continue to be free.
57. Capital investment for conservation of monuments, health and safety measures and visitor facilities is an important priority in enhancing the Cadw offer and ability to generate income. The additional capital investment of £6.3m above the £10m baseline includes provision to continue to develop Caerphilly Castle as a world class heritage destination supporting the Caerphilly Town 2035 regeneration. This will contribute to growing audiences and promoting wellbeing through widening access to, enjoyment and understanding of the historic environment for people of all backgrounds.

Historic Assets

58. For 2025-26 the budget to support historic assets makes provision for existing grant projects, pipeline projects in development and special grants to respond to significant conservation concerns at high profile industrial heritage assets. There are more than 30,000 listed buildings and 4,200 scheduled monuments in Wales, the majority of which are in private ownership. These heritage assets range from prehistoric monuments to 20th century buildings all of which play a role in defining our cities, towns, villages and landscapes today. They are also an important legacy for future generations.
59. The listing of a building or the scheduling of a monument brings no automatic entitlement to grant assistance. As with any building, the maintenance liability is a matter for the owner. However, it is recognised that sometimes conservation interventions are needed to ensure that assets can be protected and maintained for the benefit of communities today and in the future. Cadw undertakes surveys to identify the state of conservation of designated historic assets from which it identifies monuments and buildings at highest risk. This is used to inform Cadw grant schemes to support conservation of historic assets at risk. The schemes target different types of assets and are based on selection criteria, value for money judgements against submission of costed estimates by the applicant, and expected outcomes, all assessed by Cadw's Inspectors.
60. To support historic asset owners Cadw has published an extensive range of guidance and signposting to available grant funding which can be downloaded without charge from the Cadw website. The grant funding is provided through the following capital grant schemes:
- **Historic Buildings Capital Grants** - for the repair of listed buildings at risk or in a vulnerable condition.
 - **Historic Buildings Maintenance and Repair Grants** – for small scale maintenance and repairs.
 - **Urgent Works for Buildings at Risk** – Grants for local authorities to meet the costs of preparing and serving Urgent Works Notices to secure the condition of at risk and vulnerable listed buildings.
 - **Historic Monument Grants** – to support owners of monuments in repair works and the conservation of sites ranging in dates from the Neolithic to buildings of the industrial revolution.

3. Amgueddfa Cymru and National Library of Wales

I have increased the revenue budgets of each of these organisations in 2025-26, £0.9m to Amgueddfa Cymru and £0.4m to National Library of Wales. Capital allocations of £5m and £2m have also been made to Amgueddfa Cymru and the National Library of Wales respectively along with additional capital for specific projects.

Amgueddfa Cymru

61. Whilst I appreciate that this remains a challenging time for culture sector in Wales, I anticipate that the increase to its revenue Grant in Aid in 2025-26 will help Amgueddfa Cymru to provide its workforce with an appropriate, consolidated pay increase, maintain staffing levels and retain specialist skills required to care for our national collections and help deliver Programme for Government commitments.
62. Free entry for national museums remains my policy to encourage a diverse range of visitors. Whilst this limits Amgueddfa Cymru's options to raise income, it sets annual income generation targets, and it continues to test a combination of options for further income-generation opportunities as well as developing its new income generation strategy.
63. I acknowledge the challenges that Amgueddfa Cymru colleagues are facing in caring for historic buildings and keeping our national collections safe. My officials have worked with them to prioritise maintenance requirements. In addition to maintaining the level of capital Grant in Aid funding at £5m, I am making additional funding available to Amgueddfa Cymru via the Local Culture and Sport budget to support capital works at National Museum Cardiff, St Fagans Castle, the National Waterfront Museum and for the redevelopment of the National Slate Museum.

National Library of Wales

64. The increase to its revenue Grant in Aid in 2025-26 will help the National Library to provide its workforce with an appropriate, consolidated pay increase. The Library does well in attracting charitable donations and bequests but finds the commercial income generation target challenging, with less on-site options for generating revenue when compared to Amgueddfa Cymru for example. It is not appropriate for the Library to charge for the majority of its services and it has limited means of generating additional funds except via donations, commercial activity or for project activities. Despite this, it has established a directorate to lead on fundraising and is developed a new fundraising strategy, which will include its income generation targets.

65. Thanks to the additional capital funding I have provided in 2024-25, repair work to the roof of the National Library is on track and will be completed in March 2025. The National Library's capital Grant in Aid for 2025-26 remains at £2m with additional funding also being made available from the Local Culture and Sport budget to allow the National Library to complete the urgent repairs needed to two of its bookstacks with potential for some further capital support for the Library.
66. The Royal Commission on the Ancient and Historical Monuments in Wales has also faced significant challenges following the reduction in its revenue budget allocation in 2024-25. The 3% uplift to the Royal Commission on the Ancient and Historical Monuments of Wales' revenue funding will help it retain its specialist staff and continue the important work it does on behalf of the people of Wales. Its capital funding allocation has been maintained at £50k with potential for additional capital support for specific projects from the Local Culture and Sport budget. The Royal Commission generates some commercial income e.g. through providing services and publishing books.
67. A review of the Royal Commission's relationship with Cadw is currently underway. I have committed to updating the Senedd on this in Spring 2025.

National Botanic Gardens of Wales

68. The National Botanic Gardens of Wales is not an ALB but receives a project grant on an annual basis. It will have an equivalent uplift in its revenue allocation and have its capital allocation maintained. This is designed to help it to meet staffing and inflationary pressures.

4. Libraries, Archives and Museums

Libraries', Archives and Museums' Strategies

69. The draft budget total allocations for Support for Local Culture and Sport are £7.88m revenue and £32.8m capital, excluding support for the ALBs and the National Botanic Gardens of Wales specified in the respective budget lines.
70. Public libraries are also a statutory requirement under the 1964 Public Library and Museums Act and Ministers have a responsibility to 'superintend' public library provision. Within Wales, this duty is fulfilled through the Welsh Public Library Standards (WPLS, or the Standards) and we will continue to uphold this responsibility with an updated framework of reporting. For archives there are statutory responsibilities in relation to provision for local government records and for Places of Deposit under the Public Records Act 1958. We administer the UK Cultural Property Schemes, including Acceptance in Lieu, and the Government Indemnity Scheme and fund the Portable Antiquities Scheme in Wales. Ensuring the discharge of these statutory requirements is a key activity within the budget allocation.
71. My primary priority is taking forward the Cultural Priorities. This is expected to include work to improve physical access and representation of diverse communities in our local sectors' displays and collections, utilising local collections for health and wellbeing and for schools' engagement, improving collections care and supporting the good governance and resilience of organisations. The dispersed network of galleries being delivered through Celf – The National Contemporary Art Gallery for Wales, will play an important role in taking this forward. I will invest in digital collections building and skills-raising to enhance resilience, access to collections through digitisation, and to increase engagement. Celf ar y Cyd provides a clear example of how access to digitised works can be improved and will continue to grow. In addition, intend to establish a new scheme to identify and recognise nationally significant items held in local museum collections for the first time.
72. This funding enables us to support local museums, archives and libraries in line with our responsibilities as the development agency for those sectors in Wales. We will work strategically with key sector support bodies to build capacity and resilience of the sectors, ensuring that statutory obligations are met, and professional standards maintained for the benefit of users. We support collaborative initiatives to provide efficiency, value for money, service resilience and ensuring equality of access to collections across the sectors. We will continue to support the sector to put in place the infrastructure to support the delivery of digital services.
73. Through funding partnerships with our key sector support bodies, training and workforce development and discrete projects and programmes, we will ensure the management, preservation, protection, accessibility of and engagement with both physical and digital assets within archives, museums and library collections.
74. Within the library sector, we will continue to support digital access to electronic resources through the National Digital Library Service. We will continue to support and develop access via public libraries to the Darllen Yr Well / Reading Well, which supports mental health and wellbeing. We will establish a new scheme to support

children's literacy and reading for pleasure through engagement with primary schools in public libraries, alongside continued promotion for the Summer Reading Challenge.

75. I intend to continue the Capital Transformation Grants programme to fund capital developments and improvements, including digital projects, to support decarbonisation and those to promote equalities. I also intend to fund further rounds of the Collections Management Capital Improvement Grants to enable local museums and archives improve their collections storage.

Review of Local Museums

76. The Expert Review is now almost ten years old. The Welsh Government's support of the local museums sector reflects the current financial and social environment in which both Government and museums now work, rather than solely seeking to implement the Review's recommendations.
77. Viability of many of the Review's recommendations hinged around implementation of the creation of three regional bodies recommendation '*to provide operational direction, management and support to locally delivered museums*' to improve service quality and delivery. This was a matter for Local Authority Members and Chief Executives across Wales to decide and in 2015 was not a priority for senior officials or elected members. Estimations of funding required to set up and then run regional bodies indicate significant cost implications for Welsh Government and local authorities. At the current time, recognising the immense financial pressures faced by the public sector, it has not been possible to progress this recommendation.
78. As we progress to the implementation phase of the new Priorities for Culture, there is an opportunity to consider the best options for ongoing support for local museums. In 2025-26, work will be undertaken that supports several of the Review's recommendations. Through the Culture Division's remit as museum sector development agency in Wales and its partnerships with key sector support organisations, strategic interventions and activity will be coordinated across local museums.
79. Using the Museums Accreditation Scheme as a framework, funding and opportunities to take part in programmes will be provided, focussed on improving collections care and visitor and user experiences. I will do this via provision of capital grant schemes, procurements and funding to sector support organisations such as Association of Independent Museums, Art UK, Group for Education in Museums and Kids in Museums. Work will focus on improving access both on-site and on-line, representation of diverse communities in displays and collections, collections care.
80. Building on the exploratory work undertaken over the last three years, I will establish a new scheme to recognise nationally significant items held in local museum collections. Funding will be made available to not only create and administer the scheme but also to build capacity for museums to undertake significance reviews on their collections, using the Welsh Government [Collections significance assessment: toolkit for Welsh museums](#).
[GOV.WALES](#).
81. The Welsh Government will continue to support the local museum sector through offering a high-quality workforce development programme, including training, advice and support, access to networks and grants to attend conferences via funding provided to the Federation of Museums and Art Galleries of Wales.
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5. Arts and Arts Council of Wales

Through this Draft Budget I have increased the Arts Council of Wales' revenue budget by £1.095m to £31.588m.

Arts Council of Wales

82. Welsh Government funding for the arts is channelled through the Arts Council of Wales (ACW), who operate under the arms-length funding principle, within the strategic framework we provide.
83. The Draft Budget revenue allocation for ACW in 2025-26 is £31.588m, there has been an increase of £1.095m compared to the Final Budget in 2024-25 (adjusted baseline).
84. The Welsh Government recognises the challenges currently facing the arts sector in Wales, including due to budget pressures. As the development agency for the arts sectors in Wales, ACW distributes over 90% of its annual funding to the arts sector through multiyear funding and project support. Allocations made to ACW directly supports the arts sectors as well as impacting people's access to the arts across Wales.
85. ACW's core capital budget for financial year 2025-26 is maintained at £400,000. In addition, I am proposing an allocation for an Arts Sector Strategic Capital Investment with ACW through the Support for Local Culture and Sport budget, as well as for the National Contemporary Art Gallery. This proposal will be developed further with ACW. Funding to support the redevelopment of Theatr Clwyd will continue to be made through ACW.

Access to the arts

86. ACW supports arts activity based in every local authority across Wales and the allocations in 2025-26 will continue to support and promote the vital contribution that the arts make to Wales. Increasing and diversifying levels of access and participation in the arts continues to be a priority in the Government's Remit letter to ACW. ACW uses the majority of its Grant in Aid to core fund strategic arts organisations, and we expect them to continue to prioritise access and engagement work.
87. The Welsh Government is pleased that following ACW's Investment Review process for 2024-25, 81 organisations are now receiving multi-year funding via ACW, including 23 new organisations, which has led to a more diverse cohort of organisations supported.
88. ACW also continues to deliver its Widening Engagement Action Plan in collaboration Amgueddfa Cymru, which aims to widen engagement and access to the arts to people across Wales, with particular focus on semi-rural poverty, deaf and disabled people and Black, Asian and Minority Ethnic people.

89. Investment in major culture capital projects, especially Theatr Clwyd and the National Contemporary Art Gallery, is designed to tackle inequalities and provide better access, including particularly in north and mid Wales.

Income Generation

90. In addition to funding streams from the Welsh Government, ACW receives and distributes funding from the National Lottery and from charitable trusts.
91. All ACW grant applications for both multi-year and project funding require a budget from applicant organisations and individuals, and this is reviewed as part of the assessment process. ACW expects organisations to evidence how they have raised a proportion of the funding, and assessment of this forms part of the decision-making process. Applicants for multi-year funding are required to provide targeted audience and participant numbers as part of their annual survey returns. Anyone applying for single-year project funding is required to provide this information as part of the application process for Lottery funding. These figures are confirmed through the completion reports that are submitted by the grant recipient at the end of their projects.
92. ACW's Create Programme offers the opportunity for any organisation to apply for business development support and is open for applications all year round. Applications to Create often focus on how an organisation operates including how its financial model works and how it could be improved. In addition, through ACW's capital programme, venues are able to apply for funding for improved facilities and offer to increase performances and audience numbers.
93. ACW has recently published its commissioned [Economic Impact Assessment Report](#) conducted by independent research specialists, Deyton Bell. This report demonstrates that the funding it distributes on behalf of Welsh Government brings substantial economic benefit to the whole of Wales, giving a return of £2.51 back to the economy (as at 2023-24) for every £1 of public funding received by ACW. The report shows over the last decade, employment in the arts, culture and creative industries in Wales has increased by 28% - from 28,900 in 2014 to the currently reported level of 36,960. The arts and culture industry in Wales had a turnover of £1.64b in 2023-24.
94. ACW collaborates and partners with multiple organisations whose goals align with theirs. These relationships may be governed by Memorandums of Understanding (MOUs), Partnership Agreements, or Collaboration Agreements, which in turn, provide increased financial resources / opportunities and income generation for arts organisations and creative individuals, including National Contemporary Art Galleries - CELF and the Creative Nature Fellowships with Natural Resource Wales.
95. As stewards of public funds, ACW recognises its responsibility to deliver tangible and meaningful benefits to both the Sector and the public. The arts play a fundamental role in enhancing the quality of life for individuals, fostering social cohesion, and driving economic growth.

6. Media and Broadcasting

In 2025-26 Creative Wales' total budget allocation is £6.536 revenue and £7m capital.

Creative Wales will support its priority sectors through a range of funding mechanisms to drive increased growth in the creative industries, support the development of skills, promote diversity and equality, remove barriers to entry and take a lead role in marketing and promoting the creative industries in Wales to the world.

Creative Wales

96. The focus of my investment is on the priority sectors of screen (Film & TV), music, digital, including games and immersive and publishing alongside broadcasting and journalism commitments, as well as delivering on the Programme for Government commitments in improving skills for the industry.
97. Since the launch of Creative Wales in 2020, 51 productions have been supported (signed offer letters) with another two recommended by Panel (53 in 5 years). Since April 2024, I have invested in 11 capital projects totalling £5.8m from Creative Wales capital funding with over £79.4m in projected Welsh spend and creating 50 new jobs. The aim of the scheme is to support the growth of Wales as a destination for the production of world class content by supporting Wales-based production and games development companies who are looking to develop productions intended for international audiences, generating additional Welsh spend and creating jobs in Wales.
98. Working with Ffilm Cymru (FfC) £2m has been allocated to 9 projects from July 2022 to July 2024 and it is intended to extend the pilot with Ffilm Cymru to March 2025 in order to allow for appropriate scrutiny of the economic impact of the previously funded productions and to consider the most appropriate route to maximise the impact of the new IFTC for film production in Wales.
99. With the growth in productions looking to film in Wales, I also have a strategic priority to invest in studio infrastructure. Previous investments have been made in Aria Studios in North Wales in 2022 and also in Great Point Studios in 2023. Building work is yet to start but will see this site expanded to a total of 257,000 square feet.
100. We recently launched a funding scheme to support studios that are impacted by the Non-Domestic Rating Re-evaluation. The latest **UK Government NDR (Non-Domestic Rating) Revaluation** came into effect on 1 April 2023 and assigned revised business rates to reflect changes in rental market conditions. As a result of this change some sectors, including

studios, have seen significantly increased rates. This new fund means that Welsh Government support is available via Creative Wales to help mitigate the impact of these increases. The first grant award has been issued under this scheme and further awards are in progress.

- 101.I continue to provide funding to support the commercial music sector. The recent agreement to award £0.4m revenue funding to 11 innovative Music projects in 2024-25 takes Creative Wales total support for music venues and businesses to over £10 million since its inception in 2020. This is in addition to the £0.2m revenue via strategic support to programmes such as Focus Wales, PPL Momentum and Power up and Beacons programme delivery.
- 102.I continue to prioritise skills development in the sector in line with the Programme for Government Commitment, through the Creative Skills Action Plan and Creative Skills Fund. Round two of the Skills Fund was launched in Spring 2024 and supported a further 17 projects to the value of £1.5m of which £0.8m is legally committed in 2025-26 for the two-year programme which will have a particular focus on ensuring greater diversity and inclusion within the creative sectors in Wales.
- 103.This financial year (2024-25) 51 trainees to date have completed paid placements on Creative Wales funded productions with an additional 69 currently on placements.
- 104.In addition to this, Creative Wales worked in partnership with Sgil Cymru to secure £0.9m of funding from the British Film Institute (BFI) for the delivery of the Skills Cluster for Wales programme. This funding will be allocated directly from the BFI to Sgil Cymru to deliver the programme over the next two financial years. This partnership programme requires the match funding from Creative Wales of £0.15m in 2024-25 and 2025-26 which takes budget commitments on skills to over £1m per year.
- 105.Diversity and inclusivity is embedded in activity and the Creative Wales Non-Executive Board have set this as their number one priority. Creative Wales' ambitions for a more diverse and inclusive creative industries sector in Wales clearly align to the Programme for Government's commitments to maximise fairness for all, eliminate inequality and to celebrate diversity.

Media, journalism and broadcasting

- 106.In 2024-25, work is underway to support a second year of the Senedd reporter (£50,000). The budget is also funding the Wales Community Radio Network to deliver a £0.1m Community Radio Fund to support community radio stations across Wales.
- 107.A total of £3,555,350 has been awarded to the Books Council of Wales in 2024-25 to date to support the publishing sector in Wales. This includes annual revenue funding for the Welsh Language Digital News Service. To mitigate the impact of cuts to this budget, this also included an additional in-year allocation of £0.15m for Frankfurt and London Book Fairs.
- 108.Our work with the screen sector and broadcasters, including through our Memorandums of Understanding with the BBC and S4C has supported a suite of productions in 2024-25. The full list of productions supported to date is included in Annex C.

109. Given the importance of skills and talent development to the creative industries, in 2024-25 £0.5m of the broadcasting budget was also used to enhance the Creative Skills Fund. Of the 17 projects supported through the second round, five have a specific focus on improving accessibility in the screen sector.

110. The budget to support media, journalism and broadcasting for 2025-26, including for the Books Council of Wales will be agreed as part of the annual business planning process.

7. Support for film and television production

Through this Draft Budget we have increased the Creative Wales capital budget to £7m. This additional allocation, of £2m, will support further investment in productions, providing opportunities for Wales based crew and trainees, including freelancers, and support investment in our development funding programmes.

Pinewood Studios / Seren Studios

111. Pinewood / Seren Studios is now owned by Great Point Studios and is run as a private business. Therefore, I do not have information on latest revenue, projected revenue or occupancy rates.

Production

112. A full list of all projects supported is provided at Annex C. In summary, since 2020, £28m in production funding (which now also includes games investment as a result of amended criteria) has been provided to 51 projects, generating over £342m into the Welsh economy. On these funded productions, Creative Wales has supported a total of 364 paid placements.

Bad Wolf Studios

113. Total interest due on the loan arrangement is £1.064m and repayments commenced in 2020-21. Bad Wolf has repaid £875,174 of the interest loan and have a balance of £188,763. The latest financial detail is provided at Annex D.

Creative Wales

114. Production Funding continues to be the main mechanism for supporting screen activity in Wales with a new production funding model launched in May 2023. The aim of the scheme is to support the growth of Wales as a destination for the production of world class content. The funding supports Wales-based production and games development companies who are looking to develop productions intended for international audiences. It is also available to productions from outside of Wales that are seeking to use Wales as a location for filming. Whilst one of the main outputs continues to be the impact on the Welsh economy through spend on crew, facilities, locations etc, the fund also seeks to maximise the amount of training and skills development opportunities available on funded productions. The fund prioritises content that shows the best of Wales in Culture, language and geography, with this successfully being demonstrated by four of Creative Wales'

supported productions (Pren ar y Bryn/Tree on a Hill, Men-Up, Steeltown Murders, and Wolf) receiving the most Bafta Cymru nominations in 2024 and all of which showcased an authentic portrayal of Wales to network audiences. The Fund also prioritises the development of a sector that provides equal and diverse opportunities for a long term, skilled employment base and one that looks after the wellbeing of existing staff.

115. Also, in July 2022, Welsh Government entered into an agreement with Ffilm Cymru to administer the grant funding for feature films on our behalf. To date, £2m has been allocated to nine projects across the two-year agreement and work continues with the Ffilm Cymru team and project board on these projects.

Ffilm Cymru

116. Across the initial two-year programme, nine feature films have received production funding totalling £2m generating an expected boost to the Welsh economy of over £14.5m.

117. The first funded production, Timestalker, had its world premiere at SXSW in Austin, Texas in March 2024 and debuted to both critical and audience praise. The film was subsequently distributed into UK and Ireland cinemas by Vertigo in October and international sales are being handled by Hanway Films. Brides, a film co-produced by Cardiff-based ieie Productions was also chosen as one of the UK Great8 Showcase at Cannes in May 2024 and will begin a highly anticipated festival run in early-2025. In January and February 2024, The Man in My Basement, produced by Cardiff-based John Giwa-Amu of Good Gate Media, filmed in and around South Wales and starred Oscar-winning actor Willem Dafoe and Corey Hawkins. This film is currently in post-production and is intended for a 2025 festival run. Other productions currently work-in-progress include Mr Burton, a biopic of Richard Burton produced by Severn Screen and directed by Welsh director Marc Evans and Madfabulous, a period reimagining of the flamboyant life of Henry Paget, the 5th Marquess of Anglesey.

118. The SAG-AFTRA actors' strike of 2023 led to delays in principal photography for some of the funded productions, with some productions also collapsing and funding re-allocated to other projects. Due to the delays caused by the strikes, it was not possible to review the programme at the end of the pilot two-year period (April 2024) as not enough of the productions had progressed significantly enough to provide a balanced view of their economic impact and industry success. In addition, the UK Government launched the new UK Independent Film Tax Credit (IFTC) in April 2024 (subsequently approved by the new UK Government in October 2024) which led to a significant increase in the number of enquiries for film in Wales and included both Wales-made films and inward investment opportunities. As such, it is intended to extend the pilot with Ffilm Cymru to March 2025, in order to allow for appropriate scrutiny of the economic impact of the previously funded productions and to consider the most appropriate route to maximise the impact of the new IFTC for film production in Wales. It is intended that a new agreement will be in place for 2025-26.

8. Sport

In line with revenue allocations to the other arm's length bodies, I have provided a revenue uplift of 3% to Sport Wales. I have also increased the Sport Wales capital budget by £2m from £8m to £10m.

Sport Wales

119. Participation and engagement in sport is of importance to the Welsh nation. Participation, excellence, and spectating in sport generates great health benefits, binds communities, contributes to our sense of place in the world and plays an integral role in our economy.

120. A report published by Sheffield Hallam University, in September 2024, estimates sport in Wales is helping to deliver £1.9bn in Gross Value Added (GVA) for the Welsh economy, securing 38,345 full time equivalent jobs. When looking at the broader impact, including its indirect effect, those figures are calculated at £2.9bn and 58,997 jobs. As well as serving as an economic driver, sport is an impactful health prevention tool. A study, again by Sheffield Hallam University, in late 2023, reported a £621m health benefit through the prevention of over 113,000 cases of ill-health. It estimated the total social return on investment of sport to Wales to be £5.98bn annually, which means that for every £1 invested in sport there is a £4.44 return to the public and Government.

121. The Wellbeing of Future Generations Act includes the goal to create a healthier Wales, and a society in which people's physical and mental well-being is maximised. Recognising the preventative power of sport and physical activity in relation to health and wellbeing, I will reinforce our Programme for Government commitment to use capital funding to invest in facilities, particularly focused in more disadvantaged areas. In doing so, we will promote equal access to sport and tackle inequality in all its forms. A further £2m, bringing the total investment to £10m, is being invested in sports facilities through Sport Wales in this budget.

122. The £10m I am allocating to Sport Wales in the 2025-26 Draft Budget will be invested in existing and new sports facilities, including Artificial Grass Pitches, to create a modern sporting infrastructure that is financially and environmentally sustainable. The investment will safeguard local facilities, develop new and enhanced local community assets, and reduce the need for longer car journeys for families and individuals seeking to access sporting opportunities.

Prevention

123. Sport Wales recently held an event at the Senedd where Senedd Members and representatives from the sport and physical activity sector heard about the impact and role of sport on the preventative health agenda. The event was a catalyst for further discussions with National Governing Bodies, national Partners and key health organisations in the third sector on how sport and physical activity can be used to support health outcomes.

124. We will continue to work with our partners and stakeholders to understand how we can enhance the impact of sport and physical activity on the future health and wellbeing of our nation.

Other departmental funding

125. While Cabinet Secretaries and Ministers have specific portfolio responsibilities and Programme for Government commitments, we all share a collective responsibility for improving the lives of the people of Wales, including their health and wellbeing, and securing the wellbeing of future generations.

126. We will continue to explore opportunities to maximise the value of the investments we make across government, to promote equal access and opportunity for everyone to enjoy the benefits of a physically active lifestyle. We will build on existing relationships and seek out new collaborative opportunities to ensure the added benefits of sports participation are recognised more widely, and National Governing Bodies of Sport and other national partners have access to other funding streams to support their efforts to impact positively on the wider physical activity agenda.

127. The Welsh Government already provides specific funding streams aimed at health prevention through physical activity, including funding through our Healthy Weight Healthy Wales strategy, published in 2019. The strategy is a ten-year plan to prioritise early intervention and behaviour change at all levels, supporting preventative approaches to change our habits and promote healthy activity. It is a key commitment towards a cross-government approach to reducing obesity in Wales on a population scale and has been developed from evidence of what works.

128. Accompanying the strategy are a series of two-yearly delivery plans which span its lifetime. The sport and leisure sector have played a key role in delivering the objectives of the previous Healthy Weight Healthy Wales delivery plans, through schemes like FitFans and the 60+ Active Leisure Scheme.

129. The next delivery plan will continue to support programmes and interventions to encourage people to participate in physical activity. The plan will provide another opportunity for the sport and physical activity sector to engage in vital preventative approaches to reduce obesity and establish healthier lifestyle habits.

130. The Sustainable Communities for Learning and the Community Focused Schools programmes also support the drive to create modern and accessible facilities for culture and sport and there has been significant investment in these over recent years. We will continue to support the investment in school sports facilities through our Capital budget administered by Sport Wales, to ensure young people in communities across Wales have access to modern and motivational places to play sport and develop their sporting talent.

9. Programme for Government commitments

Progress towards the commitment to “push forward towards a million Welsh speakers, and enable our tourism, sports and arts industries to thrive”.

Black, Asian, and Minority Ethnic histories

131. The Culture, Heritage and Sport commitments in the Anti-racist Wales Action Plan (ArWAP), and associated specific Programme for Government commitments aim to make a measurable difference to the lives of Black, Asian and Minority Ethnic people. Our work has focused on widening access, participation, and engagement of Black, Asian, and Minority Ethnic people as well as building capacity and capability of our cultural and heritage sectors in tackling both institutional and systematic racism. Building capacity and capability has also extended to our grassroots organisations, supporting them in developing and strengthening grant application skills to access Welsh Government Culture grant funding. The funding enabled them to create, participate in, and develop cultural activities, reflecting the diverse cultural landscape of our communities. Through grant funding we supported more than 80 organisations, allocating just over £5m of capital and revenue funding for financial years 2023-25 to support our national, local, regional and grassroots cultural, heritage and sport organisations.

132. All projects receiving funding have a focus on co-production, demonstrating a commitment to placing lived experience at the centre of policy / service design, development, and delivery. We know that co-production with Black, Asian and Minority Ethnic people is not a matter for diversity and inclusion; it is a strategic imperative that leads to more equitable and culturally appropriate services and where our heritage offers a more balanced and authentic account of our past.

133. Significant strides have been made within the culture and heritage sectors delivering against our ArWAP goals and actions and related PfG commitments. The Arts Council of Wales and Amgueddfa Cymru published a joint Widening Engagement Action Plan 2022-25 | Arts Council of Wales, which is underpinned by work to address the current inequalities experienced by people, groups and communities, particularly those currently under-represented, in access to and participation in the arts. Whilst Cadw issued guidance for public bodies on public commemorations in Wales. This follows on from the monuments and street names audit that identified numerous examples of commemorations in public spaces that could be considered contentious.

Creative Industry Research and Development Fund

134. Creative Wales has facilitated a number of Research & Development (R&D) funding initiatives since inception. R&D was included as a key priority area as part of the development funding programme. 2021-22 Development funds have been fully allocated for

delivery throughout 2021-22 and 22-23 to the value of £1.1m to 51 creative companies. In July 2023, a second round of development funds was launched and 35 projects totalling over £0.980m for spend in 2023-24 and 2024-25. The TV and Digital Development Funding is designed to provide focused support to aid the growth of indigenous companies across TV and Digital, supporting companies to develop new products and IP and secure new business.

135. The £50m Media Cymru programme is funded through £22m from UK Research and Innovation's (UKRI) flagship Strength in Places Fund, £3m from Cardiff Capital Region, £0.5m from Welsh Government, through Creative Wales, and £23m match funding from industry and university partners. The Media Cymru programme, supported by Creative Wales, includes a work package to deliver a Wales wide R&D fund for the Creative Industries. This will be delivered between 2022 and 2026 and is delivering a range of R&D funding projects across Wales.

National Music Service

136. The National Music Service was established from 2022 and is supported by the **National Plan for Music Education** with ongoing funding from the Curriculum and Assessment budget in the Education MEG. In 2024-25, the Cabinet Secretary for Education is investing £4 million to deliver on this Programme for Government commitment. We want to see every child and young person from the age of 3 to 16 to benefit from opportunities to play a musical instrument, to sing, and to engage in music-making activities in schools and communities.

137. The Service, with the WLGA as its lead body, continues to support music education in schools through, for example, the 'First Experiences' programme in primary schools and 'Music Pathways' in secondary schools. This includes an important focus on engaging learners from low-income households and those with Additional Learning Needs. The 'First Experiences' programme has already engaged with over 75 per cent of primary schools in Wales. A detailed evaluation covering these initial years of the Service will be published later in 2025.

138. The Cabinet Secretary for Education has announced a new Curriculum for Wales grant support programme to provide focused support to schools and settings, from 1 April 2025. This new strategic approach to grant-funded curriculum support prioritises the National Music Service for forward funding.

139. Education officials are currently working with the WLGA on the development of options under the new grant support programme for a new full 3 financial year grant award. Further information on the specific grants and funding allocations awarded under the new programme, including for the National Music Service, will be announced by the Cabinet Secretary for Education in April 2025.

Invest in Theatres including Theatr Clwyd

140. The Welsh Government allocated £23.5m to support the redevelopment of Theatr Clwyd over the last three years between 2022-25.
141. Welsh Government funding of Theatr Clwyd represents a significant investment in the arts in Wales and recognition of the considerable social, cultural, and economic benefits Theatr Clwyd brings to Wales, particularly to communities in north-east Wales.
142. The Welsh Government remains fully committed to delivering the Theatr Clwyd capital project which is a key Programme for Government commitment.
143. In 2025-26, the Welsh Government has also made an allocation for an Arts Sector Strategic Capital Investment initiative with ACW through the Support for Local Culture and Sport budget which will enable necessary capital support to be made to arts organisations, including theatres.

Football Museum

144. In February 2023, a Welsh Government grant of £5.458m was announced for the Football Museum for Wales, to take it through content development and construction to delivery and opening (scheduled for March 2026). Last year the project team at Wrexham Museum secured funding from the National Lottery Heritage Fund, which together with funding from Wrexham County Borough Council, Welsh Government's Transforming Towns Fund, Wolfson Foundation and UK Shared Prosperity Fund has ensured the development of the museum and the associated redevelopment of the Wrexham Museum galleries is fully funded (£11.8m). The project completed a Gateway 3 assurance review as part of the Five Case Business Model, with a rating of amber-green and the Full Business Case was signed off in November 2024.
145. The Wrexham Museum building closed to the public and was handed over to contractors in July 2024. The development, building and fit out work will continue until the museum opens in 2026. While the main Welsh Government culture grant will end in March 2025, additional funding will be available in 2025-26 to ensure continuity of staffing in the key project posts of Football Curator, Engagement Officers, Project Manager.
146. Collecting and engagement activity will continue until opening, raising the profile of the project, and ensuring the objects and stories required for the museum are sourced, to tell diverse stories of the game, and that the grassroots and the international, the fan and the player stories are represented.

Celf - National Contemporary Art Gallery

147. The development of a National Contemporary Art Gallery for Wales is a commitment in our Programme for Government. It has three distinct elements:

- A dispersed network of nine galleries across Wales providing free access to the national collection, bringing contemporary art closer to communities.
- Host galleries which currently host the national collection of Welsh art i.e., National Museum, Cardiff and National Library of Wales, Aberystwyth.
- The online digital platform Celf ar y Cyd.

148.Plans for the anchor gallery have now been discontinued and the funding repurposed to meet the cost of emergency work required to protect and preserve Wales' national treasures, at the National Museum Cardiff and National Library in Aberystwyth (announced in July 2024).

149.Celf, the National Contemporary Art Gallery for Wales continues to receive investment across the nine sites around Wales. This work is being led by a collaboration between the Arts Council of Wales, Amgueddfa Cymru and the National Library of Wales in partnership with the nine galleries.

150.The geographically dispersed model will allow greater access to both contemporary art and the national collection by communities across Wales, bringing art closer to the people of Wales, in a far more equitable way.

151.Between 2017 and 2023, expenditure on the various elements of this programme totalled £1.76m, with £1.36m being capital expenditure. The updated grant award provides a further £6.3m to support the project through to its completion in March 2025. The three lead partners are working with the nine galleries in developing the requirements from April 2025 onwards, as the project enters its operational phase.

Media and journalism

152.The commitment to explore the creation of a shadow Broadcasting and Communications Authority for Wales was fulfilled in March 2024, when the Welsh Government responded to the Expert Panel to Explore the Establishment of a Shadow Broadcasting and Communication Authority for Wales' report. I am considering next steps following the publication of the Welsh Government's response and will provide an update in due course.

153.The Wales Public Interest Journalism Working Group has played an important role in helping to identify options to support actions to improve Welsh-based media and journalism, in the context of the challenges associated with government funding of journalistic content, due to matters of impartiality and editorial independence.

Broadcasting and communications

154.In 2024-25, Creative Wales has worked with broadcasting stakeholders including the UK Government Department for Culture, Media and Sport, Ofcom, public service broadcasters, Teledwyr Annibynnol Cymru and Pact to ensure Wales' needs are considered in the development of relevant regulation, policy and interventions. This has included continuing to press the case for a strong role in S4C Board appointments. The intention is for positive discussions to continue on this matter, with the new UK Government.