



Written response by the Welsh Government to the report of the Culture, Communications, Welsh Language, Sport and International Relations (CCWLSIR) Committee on the 2025-26 Draft Budget

Chapter 2: Culture, Communication and Sport

Summary

This report sets out the Welsh Government response to the Culture, Communications, Welsh Language, Sport, and International Relations (CCWLSIR) Committee's Report on the Scrutiny of the Welsh Government Draft Budget 2025-26.

It provides responses to recommendations 1-5 which fall under Chapter 2 – Culture, Communication and Sport section of the report.

A further two separate reports will be provided in relation to Chapter 3 – Welsh Language (recommendations 6-11) and Chapter 4 – International Relations (recommendations 12-20).

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1. Introduction

The Welsh Government Draft Budget for 2025-26 was published on 10 December 2024. It set out revenue and capital spending plans for the period April 2025 to March 2026.

As part of the budgetary process written evidence was provided by the Minister for Culture, Skills and Social Partnership to inform scrutiny of the Draft Budget 2025-26. This paper provided information to the Culture, Communications, Welsh Language, Sport and International Relations (CCWLSIR) Committee on budgets within the Culture, Heritage and Sport portfolio.

An oral evidence session was held on the 16 January where the CCWLSIR Committee took evidence from the Prif Weinidog, Cabinet Secretary for Finance and Welsh Language and Minister for Culture, Skills and Social Partnership

The Committee published its report on [Scrutiny of the Welsh Government Draft Budget 2025-26](#) on 3 February. We thank the Committee for the report.

The Welsh Government has considered the Committee's report and responds to recommendations 1-5 in relation to culture, communication and sport below. For each recommendation we have provided a written response and either decided to 'accept', 'accept in principle' or 'reject' each recommendation.

2. Recommendation 1

When responding to recommendation 1 of our January 2025 report 'A decade of cuts: the impact of funding reductions for culture and sport', the Welsh Government should confirm whether it shares our ambition for funding for culture and sport to be comparable (in terms of spending per head) with those of similar nations.

Response: Accept in principle

The culture, arts and sporting sectors make a vital contribution to our society, enriching our communities and inspiring future generations. Over the last few years, the Welsh Government has had to take difficult decisions to protect frontline services following years of challenging funding settlements from the UK Government.

The Welsh Government has noted the Committee's comparisons between Wales and other countries. However, it is important to note that the analysis of funding allocations in Wales compared to European countries is not a direct like-for-like comparison. The report itself includes a caveat that countries report figures in different ways.

On 20 February, the Welsh Government published its Final Budget for 2025-26 which included an additional £4.6 million revenue funding for arts, culture, creative industries, heritage and sport in Wales, bringing the total additional revenue investment for 2025-26 to £9.6 million. As part of our Draft Budget published in December, we had already provided an additional £5m revenue for arts, culture and sport as well as an additional £18.4m capital for the sector. Our additional revenue investment returns our stakeholders to their revenue budget positions in 2023-24 prior to the cuts that were implemented as part of the 2024-25 budget.

Whilst we have an ambition to enhance budgets for these sectors in future years, this will be dependent on many other factors. Some of these factors are outside our control, including the UK Government's Spending Review to be concluded later this year.

3. Recommendation 2

The Welsh Government should:

Confirm as a matter of urgency the timescales within which arm's length bodies in the culture, sport and historic environment sector will have clarity about whether they will be eligible for any UK or Welsh Government support to cover increased employer national insurance contributions;

Write to us within four weeks of the Welsh Government receiving confirmation of the support that will be provided by the UK Government to outline for each of the arm's-length bodies what proportion of the costs associated with the increase will be met by the UK or Welsh Governments, and what proportion will need to be met by each body from its revenue allocation.

Response: Accept

The UK Government has confirmed that it will provide funding to public sector employers to cover the increased costs of employer National Insurance contributions meeting the official ONS definition of a public sector employer. It has also confirmed the Welsh Government will be provided with a share of that funding to support the devolved public sector, but we have not yet had confirmation of how much additional funding Wales will receive. We expect to receive this additional funding in late spring and have sought clarity on the level of support that will be provided.

The Cabinet Secretary for Finance and the Welsh Language committed in the debate on the Draft Budget on 4th of February that once the UK Government makes money available to help with employer contributions, that funding will be passed on to those services immediately.

4. Recommendation 3

The Welsh Government should:

In its response to our report, provide an update on the review of the relationship between Cadw and the Royal Commission on the Ancient and Historical Monuments of Wales. This should include information about any emerging options, and the timescales within which a final decision and implementation are anticipated;

Commit to providing us on an annual basis with information about Cadw's operation, performance and spending.

Response: Accept

The review of the relationship between Cadw and the Royal Commission on the Ancient and Historical Monuments of Wales ("the Royal Commission") is proceeding well. This work is being progressed in social partnership. The Chief Executives and Chairs of both organisations, union representatives, and an independent expert are all part of the working group driving this work forward.

In January, workshops with external organisations were conducted to contribute views and test feasibility for the two main options – closer collaboration between the two organisations or a formal merger. The outcomes from these discussions will feed into my decision regarding the future relationship between the two organisations. An initial decision on the preferred option is expected in late spring. This timeline will allow for further detailed work to be undertaken before a final decision is made.

Cadw publishes an annual statement that includes information about Cadw's operation, performance and income and expenditure. Previous years are available on Cadw's website. [What we do | Cadw](#)). The report for 2023-2024 will be published shortly.

5. Recommendation 4

The Welsh Government should provide details about the process for accessing capital funding through the Wales Infrastructure Investment Strategy, including how projects are prioritised and what bids have been put forward (or are being prepared) for projects within the culture, sports and historic environment sector.

Response: Accept in principle

The Wales Infrastructure Investment Strategy is a 10-year cross-governmental infrastructure strategy designed to set a framework for all our infrastructure investments. It provides a framework for infrastructure investments across all Welsh Government departments, and sets the outcomes which investment should enable rather than specifying what those investments should be. A further series of plans – Infrastructure Finance Plans – are shorter term plans that underpin the WIIS to make the most effective investments to achieve the long-term outcomes of the WIIS.

We have now published two IFPs; the first with the Draft Budget 2022-23 which covered the Welsh Government’s budget settlement period from 2022-23 to 2024-25 and a second with the Draft Budget 2025-26, which is a 1-year plan in line with our budget settlement for 2025-26. The capital allocations set in the IFP, subject to the outcome of the Final Budget process, are then used by the portfolio ministers to invest in infrastructure over the period of the IFP, aligned to what was described in the Investment Areas.

These investments will include capital grants to third party organisations operating within the sectors covered by the portfolio minister’s remit. The process for how those third-party organisations apply for capital grants is therefore a matter for individual portfolio ministers.

Within the published capital budgets for 25-26 we will be considering investments in several areas within the culture portfolio including investment to support local museums, libraries, archives and theatres. Investment in the key larger scale priority projects are being considered such as the National Museum Cardiff, National Library and the redevelopment of the National Slate Museum. Similarly, there will be a focus on underpinning this activity

with capital investment to move forward the Priorities for Culture. Several of these projects span multiple years and will also need to be considered as part of future budget cycles.

6. Recommendation 5

In its response to our report, the Welsh Government should provide written responses to the questions posed in paragraph 45 of this report, covering areas we were unable to explore in detail during the evidence session. This includes matters relating to the publishing sector, the National Music Service, the broadcasting and communications advisory body, the allocation of funding transferred from the Broadcasting and Media BEL to the Creative Wales BEL, and funding for the National Contemporary Art Gallery.

Response: Accept with responses set out below

- a. **What funding has been allocated to the publishing sector, and whether the Minister is confident that the allocation will be sufficient to alleviate the pressures on a sector which recently described itself to us as being “at breaking point”**

Funding to the publishing sector via the Books Council of Wales grant has increased by £392,000 (this is made up of the £120,000 allocated at Draft Budget and the additional £272,000 allocated at Final Budget). While this represents a positive step in the right direction, we recognise challenges will remain within what continues to be a difficult position for the publishing sector in Wales. We remain committed to continued close working with the Books Council to identify the potential for additional support, to mitigate any further impact on the sector and to preserve this important industry, in the context of ongoing budgetary challenges.

- b. **What funding has been allocated to the National Music Service?**

From April 2002 up to 31 March 2025, the National Music Service is fully funded by the Welsh Government (funding from the Education Main Expenditure Group) via grant to the WLGA, which serves as the lead body for the Service. The total amount of funding over this period is £13 million (£4.5 million for both 2022-23 and 2023-24, and £4 million for 2024-25).

On future funding, the new Curriculum for Wales Grant Support Programme announced in December, is aimed at providing focused support to schools and

settings, from April 2025. This new strategic approach to grant-funded curriculum support prioritises the National Music Service for forward funding. The WLGA submitted an application for a new phase of the National Music Service programme under this grants scheme, and this will be appraised by the Welsh Government Education Directorate. Details on the specific grants and funding allocations awarded under the Curriculum for Wales Grant Support Programme are due to be made available in March.

- c. **What funding has been allocated to the establishment of a broadcasting and communications advisory body (as announced by the Welsh Government in March 2024), and within what timescales does the Welsh Government anticipate making further announcements about the body and its work?**

Funding to take forward the next steps, following the Written Statement has yet to be agreed. I will make an announcement on next steps in spring 2025.

- d. **How has the £1.1 million of revenue funding that has been transferred from the Broadcasting and Media BEL to the Creative Wales BEL been allocated?**

The allocation of the £1.1 million revenue funding transferred from the Broadcasting and Media BEL to the Creative Wales BEL has yet to be agreed.

- e. **What revenue and capital funding has been allocated to the National Contemporary Art Gallery in 2025-26, and according to the current plans, what are the ongoing funding requirements of this project, and how will they be met?**

The Welsh Government has recently received, and is considering, a revised proposal from the Celf partners, including a proposed funding model. As previously reported, this draws upon funding from a number of sources and aims to reduce reliance on core funding from the Welsh Government.

The partners have agreed that following the completion of the capital investment in the nine-gallery dispersed model, the administrative lead for the partnership will transfer from the Arts Council of Wales to Amgueddfa Cymru.

Future governance arrangements are currently being developed, with initial proposals having been discussed at the Project Board. A workshop with members of the Project Board is being planned to further flesh out and strengthen the current proposals.

No funding has been formally allocated to Celf at this point.