

2026-27 Draft Budget Social Justice MEG

Explanations of movements at BEL level

This Annex provides an explanation of:

1. Changes made between the 2025-26 Final Budget and the First Supplementary Budget of 2025-26 published in June 2025. The tables below provide some narrative around the allocations made at the First Supplementary Budget of 2025-26, and
2. Changes made between the 2025-26 Final Budget and the Draft Budget for 2026-27. These include two types of changes:
 - **Baseline adjustments** made to the 2025-26 Final Budget. These are predominantly due to allocations made in respect of the 2025-26 pay award and to meet the costs associated with the change in national insurance. A baseline adjustment has also been made to the Advice Services BEL to transfer £4.320m back to reserves due to a one-off ring-fenced debt levy allocation in 2025-26 (which has then been subsequently replaced with a new ring-fenced allocation for 2026-27 of **£5.166m** from the UK Government from the Debt Levy as listed per the tables below), and
 - **Draft Budget allocations and transfers**; the descriptions of which are set out in the tables below.

Near-Cash

BEL	1089: Basic Income
Changes at the First Supplementary Budget 2025-26	One recurrent with impact on the budget baseline: Transfer in of £2k from Reserves to cover the rise in National Insurance Contributions (NICs) for programme funded WG staff.
Changes at Draft Budget 2026-27	The budget has been reduced by £1.205m from a baselined budget of £1.505m. Only £0.3m is required in 2026-27 to continue to make final payments to recipients of the Basic Income and to undertake an evaluation of the pilot.

BEL	1694: Financial Inclusion
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	Allocations totalling £681k A budget uplift of 2% (£801k). A reduction of £120k due to a one-off funding in 25-26 for research.

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BEL	1084: Digital Inclusion
Changes at the First Supplementary Budget 2025-26	<p>Transfers totalling £602k</p> <p>Two non-recurrent with no impact on the budget baseline.</p> <ol style="list-style-type: none"> 1. A transfer in of £500k from the Healthier Wales BEL (H&SC MEG) to support the Digital Communities Wales programme. 2. A transfer in of £100k from BEL 7060 Equality, Inclusion and Human Rights to BEL 1084 Digital Inclusion BEL to support the Digital Communities Wales programme. <p>One recurrent with impact on the budget baseline.</p> <ol style="list-style-type: none"> 3. A transfer in of £2k from Reserves to cover the rise in National Insurance Contributions (NICs) for programme funded WG staff.
Changes at Draft Budget 2026-27	<p>Allocations totalling £168k</p> <p>A budget uplift of 2% (£43k).</p> <p>An allocation of £125k will increase total funding to £2.299m (following a 2% uplift). Digital Inclusion activity was previously part funded by Health but this completes the work to fully fund core activity from this BEL.</p>

BEL	1086: Supporting Communities
Changes at the First Supplementary Budget 2025-26	<p>One recurrent with impact on the budget baseline:</p> <p>Transfer in of £2k from Reserves to cover the rise in National Insurance Contributions (NICs) for programme funded WG staff.</p>
Changes at Draft Budget 2026-27	<p>Reduction in funding -£140k</p> <p>A budget uplift of 2% (£155k).</p> <p>An additional allocation for implementation of the Child Poverty Strategy including £450k to increase funding for the Child Poverty grant.</p> <p>An additional £250k to continue to support the National Child Poverty Strategy Community of Practice (COP).</p> <p>A reduction of £995k that was one-off funding in 25-26.</p>

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BEL	662: Older People's Commissioner
Changes at the First Supplementary Budget 2025-26	One recurrent with impact on the budget baseline: Transfer in of £18k from Reserves to cover the rise in National Insurance Contributions (NICs) for public sector employers in Wales.
Changes at Draft Budget 2026-27	Allocations totalling £38k A budget uplift of 2% (£35k) A budget uplift of 0.2% for public sector pay (£3k).

BEL	480: Children's Commissioner
Changes at the First Supplementary Budget 2025-26	One recurrent with impact on the budget baseline: Transfer in of £24k from Reserves to cover the rise in National Insurance Contributions (NICs) for public sector employers in Wales.
Changes at Draft Budget 2026-27	Reduction in funding -£12k A budget uplift of 2% (£35k) A budget uplift of 0.2% for public sector pay (£3k). A reduction of £50k due to a one-off funding in 25-26 to support the Commissioner's participation as a core participant in the module on Children and Young People in the Covid Inquiry.

BEL	470: Public Appointments
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	A budget uplift of 2% (£3k).

BEL	6400: Future Generation's Commissioner
Changes at the First Supplementary Budget 2025-26	One recurrent with impact on the budget baseline: Transfer in of £21k from Reserves to cover the rise in National Insurance Contributions (NICs) for public sector employers in Wales.
Changes at Draft Budget 2026-27	Allocations totalling £37k A budget uplift of 2% (£34k) A budget uplift of 0.2% for public sector pay (£3k).

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BEL	1575: Public Service Boards
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	A budget uplift of 2% (£12k).

BEL	220: Citizens Voice Body
Changes at the First Supplementary Budget 2025-26	One recurrent with impact on the budget baseline: Transfer in of £96k from Reserves to cover the rise in National Insurance Contributions (NICs) for public sector employers in Wales.
Changes at Draft Budget 2026-27	Allocations totalling £171k A budget uplift of 2% (£161k). A budget uplift of 0.2% for public sector pay (£10k).

BEL	541: VAWDASV
Changes at the First Supplementary Budget 2025-26	One recurrent with impact on the budget baseline: Transfer in of £6k from Reserves to cover the rise in National Insurance Contributions (NICs) for programme funded WG staff.
Changes at Draft Budget 2026-27	Allocations totalling £725k A budget uplift of 2% (£187k). A budget uplift of 0.2% for public sector pay (£2k). An additional £536k revenue has been allocated to the VAWDASV budget, to support the delivery of Objective 6 in the VAWDASV National Strategy 2022-2026. As well as additional revenue funding to support the extension and additional support within the Live Fear Free contract and to support the delivery of Step-Up, Step-Down services and/or IDVA provision within regions.

BEL	7060: Equality, Inclusion and Human Rights
Changes at the First Supplementary Budget 2025-26	Transfers totalling -£73k One non-recurrent with no impact on the budget baseline.

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	<p>A transfer out of £100k from BEL 7060 Equality, Inclusion and Human Rights to BEL 1084 Digital Inclusion BEL to support the Digital Communities Wales programme.</p> <p>One recurrent with impact on the budget baseline:</p> <p>Transfer in of £27k from Reserves to cover the rise in National Insurance Contributions (NICs) for programme funded WG staff.</p>
Changes at Draft Budget 2026-27	<p>Allocations totalling £829k A budget uplift of 2% (£212k).</p> <p>A budget uplift of 0.2% for public sector pay (£3k).</p> <p>An allocation of £214k to fund the first-year costs of implementation of the British Sign Language (Wales) Bill.</p> <p>An allocation of £400k has been made to the Equality, Inclusion and Human Rights BEL to support delivery of the currently unfunded PfG commitment to create an Equalities Legal Service.</p>

BEL	7062: Cohesive Communities
Changes at the First Supplementary Budget 2025-26	<p>Transfers totalling -£187k</p> <p>One non-recurrent with no impact on the budget baseline.</p> <p>A MEG to MEG transfer out of £200k from BEL 7062 Cohesive Communities to BEL 4775 – Education MEG for the British Red Cross.</p> <p>One recurrent with impact on the budget baseline:</p> <p>Transfer in of £13k from Reserves to cover the rise in National Insurance Contributions (NICs) for programme funded WG staff.</p>
Changes at Draft Budget 2026-27	<p>Allocations totalling £200k A budget uplift of 2% (£198k).</p> <p>A budget uplift of 0.2% for public sector pay (£2k).</p>

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BEL	7063: Equality, Poverty & Children's Evidence & Support
Changes at the First Supplementary Budget 2025-26	One recurrent with impact on the budget baseline: Transfer in of £24k from Reserves to cover the rise in National Insurance Contributions (NICs) for programme funded WG staff.
Changes at Draft Budget 2026-27	Allocations totalling £44k A budget uplift of 2% (£41k). A budget uplift of 0.2% for public sector pay (£3k).

BEL	5334: Advice Services
Changes at the First Supplementary Budget 2025-26	Transfers totalling £2,372k Three non-recurrent transfers with no impact on the budget baseline. <ol style="list-style-type: none"> 1. A transfer in of £1,400k from reserves to be utilised through the Single Advice Fund regional and national services on the provision of income maximisation services in 2025-26 2. A transfer in of £125k from reserves to be used on the provision of debt related advice services 3. A transfer in of £846k from reserves in relation to the Welsh Government's share of the UK financial levy 2025 -26 One recurrent with impact on the budget baseline: A transfer in of £1k from Reserves to cover the rise in National Insurance Contributions (NICs) for programme funded WG staff.
Changes at Draft Budget 2026-27	Allocations totalling £5,868k A budget uplift of 2% (£202k). Specific ring-fenced allocation of £5,166k from the UK Government from the Debt Levy. An additional £500k revenue to continue to support the work on streamlining Welsh benefits will also make it easier for people to access the benefits they are entitled to.

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BEL	1695: Support for the Voluntary Sector
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	<p>Allocations totalling £387k A budget uplift of 2% (£198k).</p> <p>Additional FT capital to provide a further £1.530m loan to WCVA for the Community Asset Loan Fund. This creates a revenue requirement of £189k.</p>

BEL	830: Community Support and Safety
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	<p>Allocations totalling £270k A budget uplift of 2% (£320k).</p> <p>A reduction of £50k due to a one-off funding in 25-26 for evaluation.</p>

BEL	1267: Criminal Justice Delivery
Changes at the First Supplementary Budget 2025-26	<p>One recurrent with impact on the budget baseline:</p> <p>A transfer in of £2k from Reserves to cover the rise in National Insurance Contributions (NICs) for programme funded WG staff.</p>
Changes at Draft Budget 2026-27	<p>Allocations totalling £146k A budget uplift of 2% (£26k).</p> <p>An allocation of £120k to fund a pilot scheme in collaboration with Greater Change to explore a different approach to supporting those who are homeless or at risk of homelessness.</p>

BEL	1270: Fuel Poverty Programme
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	A budget uplift of 2% (£13k).

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Non-Cash

BEL	1084: Digital Inclusion
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	A transfer to reserves of £25k due to a reduction in non-cash required.

BEL	662: Older People's Commissioner
Changes at the First Supplementary Budget 2025-26	Transfer out of £20k to reserves for depreciation cover that is no longer needed in relation to the capital budget of £100k in 2024-25, which did not go ahead.
Changes at Draft Budget 2026-27	A transfer to reserves of £20k due to a reduction in non-cash required.

BEL	6400: Future Generations Commissioner
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	None

BEL	480: Children's Commissioner
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	None

BEL	220: Citizens Voice Body
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	None

BEL	7060: Equality, Inclusion and Human Rights
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	A transfer to reserves of £1k due to a reduction in non-cash required.

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Capital

BEL	1694: Financial Inclusion
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	Allocation of £358k This will create a capital funding programme for credit unions. Having dedicated capital funding will enable a more strategic, and fairer, approach to funding the sector - rather than a reactive approach to ad hoc bids which rely on in-year underspends elsewhere in the MEG.

BEL	1084: Digital Inclusion
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	None

BEL	1086: Supporting Communities
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	None

BEL	1088: Gypsy Traveller Sites
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	None

BEL	541: VAWDASV
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	None

BEL	1372: Community Facilities Programme
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	None

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FT Capital

BEL	1694: Financial Inclusion - repayments
Changes at the First Supplementary Budget 2025-26	Planned repayments of £10k relating to Financial Transaction Capital.
Changes at Draft Budget 2026-27	Planned repayments of £1.073m relating to Financial Transaction Capital.

BEL	1372: Community Facilities Programme (FT capital)
Changes at the First Supplementary Budget 2025-26	None
Changes at Draft Budget 2026-27	An allocation of £1.530m to support the WCVA's Community Asset Loan Fund.