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Llywodraeth Cymru
Welsh Government

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Andrew RT Davies MS
Chair
Economy, Trade and Rural Affairs Committee

31 October 2025

Dear Andrew,

Thank you for your letter dated 20 August on the scrutiny of the Welsh Government's 2026-27 Draft Budget which Stage 2 will be published on 3 November.

The enclosed paper provides detail on the Economy, Energy and Planning plans set out in draft budget and information on the specific areas requested by the Committee.

I look forward to providing an update to the Committee at our oral evidence session on 26 November 2025.

Yours sincerely,

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Economy, Trade and Rural Affairs Committee

Evidence Paper on Draft Budget 2026-27 – Economy, Energy and Planning Main Expenditure Group (MEG)

26/11/2025

This paper provides information on the Economy, Energy and Planning budget proposals, specifically the Employability, Apprenticeships, Social Partnership and Skills budgets as outlined in the 2026-27 Draft Budget, published as part of stage 2 on 3 November. It also provides an update on specific areas of interest to the Committee.

As part of this budget, we have invested in skills programmes which support our commitments to build on the success of the Wales Union Learning Fund; support the Wales TUC proposals for union members to become Green Representatives in the workplace and strengthen Regional Skills Partnerships. It facilitates a direct response to assist the growth of individual businesses through workforce development and provides sector-based, employer-led and wider solutions to respond to identified skills needs

The employability programmes budget delivers programmes to equip people into with the skills and experience they need to enter, sustain and return to employment in a digital and net zero economy. Secure, well-paid, and sustainable employment offers both a route out of poverty and protection against it, not just for the individual, but also for their dependants and indeed their wider community. Communities for Work Plus (CfW+), Jobs Growth Wales Plus

(JGW+) and ReAct+ supported over 20,000 individuals in some of our most deprived communities through 2024-25.

As we move forward the Employability Support Programme (ESP) aims to deliver a new employability support offer for Wales from 2027 that ensures that we put the person at the centre of the offer and is flexible enough in an ever-changing labour market. The scope of the programme includes CfW+, JGW+, ReAct+ and the devolution of non-JCP employment support funding.

Aligned to the First Minister's priorities on providing an opportunity to every family, we continue to invest in our support for our Careers Wales service. Through professional, impartial careers guidance and employability support, Careers Wales and their Working Wales service support and guide individuals to become aware, be inspired, and to succeed from primary school and throughout adulthood, with their career pathways and journeys. Careers Wales now offers every young person a careers guidance interview before they leave key stage 4 education to ensure they are aware of all their available future options.

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TRANSPARENCY OF BUDGET PRESENTATION

The table below provides an overview of the indicative plans for the Apprenticeship, Employability and Skills and Social Partnership plans as published in the Draft Budget 2026-27. This confirms an increase in fiscal resource (revenue) of £5.080m for these budget lines compared to the 2026-27 revised baseline. Non fiscal resource (non-cash), Capital and AME budgets remain unchanged.

Budget Expenditure Line		Plans as per 2025-26 Final Budget Restated February 2025	Baseline Adjustments for 2026-27	2026-27 Revised Baseline	Changes	2026-27 Draft Budget October 2025
		£000s	£000s	£000s	£000s	£000s
REVENUE						
Apprenticeships		143,902	4	143,906	2,386	146,292
Action:	Apprenticeships	143,902	4	143,906	2,386	146,292
Employability Including Young Persons Guarantee		109,857	800	110,657	2,683	113,340
Employability Including Young Persons Guarantee – Non-cash		2,330	0	2,330	0	2,330
Action:	Employability Including Young Person Guarantee	112,187	800	112,987	2,683	115,670
Social Partnerships		900	8	908	11	919
Action:	Social Partnership	900	8	908	11	919
Revenue	Total	256,989	812	257,801	5,080	262,881
CAPITAL						
Employability Including Young Persons Guarantee		2,000	0	2,000	0	2,000
Action:	Employability Including Young Persons Guarantee	2,000	0	2,000	0	2,000
Capital	Total	2,000	0	2,000	0	2,000
RESOURCE AME						
Action:	Employability Including Young Persons Guarantee - AME	12,000	0	0	0	12,000
Resource AME	Total	12,000	0	0	0	12,000

The baseline used for the 2026-27 Draft Budget is the 2025-26 Final Budget restated (February 2025) adjusted for recurring baseline adjustments for 2025-26 to support the 2025-26 public sector pay award and increases to fund the National Insurance contribution

costs. An inflationary uplift has then been applied to the Economy, Energy and Planning MEG, based on latest growth forecasts from the Office of Budget Responsibility. All changes are detailed above.

COMMENTARY ON ACTIONS & DETAIL OF BUDGET EXPENDITURE LINES (BEL) ALLOCATIONS

A breakdown of changes to the budgets relevant to the Committee for the Economy, Energy and Planning MEG by spending area, Action and BEL for 2026-27 is provided above. A commentary explaining the changes to each Action relevant to this Committee is also provided at **Annex A**. A transparent narrative explanation has been provided to explain increases and reductions, where not covered in the evidence paper.

SPECIFIC AREAS

This section provides an update on specific areas requested by the Committee.

SKILLS & EMPLOYABILITY

The total quantum of funding intended to be deployed on delivering the Young Person's Guarantee in 2026-27.

The Young Person's Guarantee (YPG) is the Welsh Government's principal Programme for Government commitment to provide those aged 16 to 24, living in Wales, with support to gain a place in education or training, help to get into work or support to pursue self-employment.

Since the launch of the Guarantee in November 2021, over 58,000 young people have started on employability and skills programmes alone. More than 8,500 young people have progressed into employment and more than 800 have started their own business.

The main employability and skills programmes and schemes identified within scope of the Young Person's Guarantee are as follows in Table 1:

Table 1: Key employability and skills programmes with YPG elements

Young Person's Guarantee		
Programme/project	Budget 2026-27	Comments
Jobs Growth Wales+	£34m	YPG Flagship programme supporting 16-19 year olds who are, or who are at risk of becoming, NEET

ReAct+	£7.095m	Supporting those affected by redundancy and barriers to employment. Budget supports all ages 20+
CfW+	£16.834m	Intensive community-based employability support. Budget supports all ages 16+
Inspiring Skills Excellence in Wales	£1.26m	Includes core activity as well as funding towards Wales competitors involvement in national and international competitions delivered by WorldSkills UK.
Youth Entrepreneurship	£1.39m	Key programme of delivery towards the self-employment commitment within the YPG
Careers Wales/Working Wales	£30.909m	Part of the Working Wales offer includes a gateway to YPG – providing impartial advice and guidance to support young people to make the right choice. Approximately 30% of the overall Careers budget is used to deliver Working Wales.

Funding to support the delivery of the Young Person's Guarantee in 2026-27 is included in both the Education and Economy, Energy and Planning MEGs, and includes the significant budget allocated to Medr. It should also be noted some programmes are demand led, available to all ages and some are funded over academic years rather than financial years.

The level of funding intended to be deployed to deliver Personal Learning Accounts in 2026-27.

Medr is now responsible for the budget allocations for Part Time Courses provided by Further Education Colleges, including Personal Learning Accounts (PLA). The policy responsibility for Medr and PLAs sits with the Minister for Further and Higher Education.

Detail of any specific skills and employability funding being offered to support those affected by Tata's decision to halt primary steel making in Port Talbot.

The planned budget for the ReAct+ programme in 2026-27 is £7.095m and we plan to have sufficient budget to manage any carry over of demand from those impacted by redundancies from Tata Steel UK and the supply chain into 2026-27.

CfW+ has a planned budget of £16.834m for 2026-27 and provides intensive employability support to people most disadvantaged in the labour market from a range of community venues.

Detail of any specific funding for sectors transitioning to net zero to upskill and reskill workers, including: details of funding for the Flexible Skills Programme and whether specific allocations are made to individual programmes.

As noted above, in 2026-27, the Welsh Government will provide £145.655m core funding to Medr which will cover a range of spending areas, one of which is part time course provision, which includes our flagship Personal Learning Account programme to help employed people upskill and reskill. Part of this programme includes a 'Green PLA' to meet net zero skills gaps in building services/construction, energy, manufacturing and engineering and wider. The wage cap has been removed for this element to allow more people to access these valuable net zero skills and qualifications.

The Welsh Government has operated a Flexible Skills Programme (FSP) since 2016. The FSP is a training grant, available to all employers in Wales that wish to purchase training courses to meet upskilling. The Welsh Government will contribute 50% towards the training costs. It includes specific programmes to support skills gaps in the Engineering and Manufacturing Sector as well as the development of skills to help address new Net Zero opportunities. In November 2024 we launched a new Forestry and Timber Skills fund within the FSP. It forms part of our efforts to future-proof the sectors workforce and provide a pathway to a career in forestry. We have invested £7.531m in this budget to support FSP.

Working with Scotland and Northern Ireland, we have a rolling review of the National Occupational Standards (NOS). When agreeing which NOS to review or develop each year, the three-nation commissioning group places a high priority on addressing the zero-carbon agenda.

A consolidated list of all employability programmes funded by the Skills BEL, including: the intended client base / beneficiaries of each programme; whether they are part of a larger 'umbrella' scheme (i.e. the Young Person's Guarantee); and a list detailing the main providers for each of the programmes including their 2026-27 contract values.

Table 1 above provides the details of the employability programmes under the YPG umbrella. The Employability programmes funded by the Employability including Young Person's Guarantee BEL 4464 include:

Jobs Growth Wales Plus (JGW+): £34m for 2026-27

Jobs Growth Wales+ launched in April 2022 and is a flagship programme under the Young Person's Guarantee. JGW+ provides a holistic, tailored package of support for young people who are, or who are at risk of becoming, NEET (Not in Employment, Education or Training). The programme focuses on 16–19-year-olds who are not yet job ready, helping them to reach that stage, as well as young people who need extra support to help them overcome barriers to employment and training. JGW+ is contracted by tender and the budget for 2026 – 27 will be allocated to providers as detailed below. The contracts have been issued to the following Contractors under a Framework agreement within each Regional Lot:

Region	Contractor
North Wales	Grŵp Llandrillo Menai (GLLM) Consortium
	Coleg Cambria
	ACT Ltd
South West & Mid Wales	Pembrokeshire College
	ITEC Training Solutions
	ACT Ltd
South Central Wales	ACT Ltd
	ITEC Training Solutions
South East Wales	ACT Ltd
	ITEC Training Solutions

ReAct+: £7.095m for 2026-27

ReAct+ is a grant funded programme that was launched on 6 June 2022. It offers individualised support to adults 20+ affected by redundancy. and supports ex-offenders serving their sentences in the community. The programme delivers vocational training grants to individuals, support for employers who recruit an eligible disabled person and support for training-related costs such as travel and childcare. The Welsh Government does not contract with any training providers and it is for participants to identify the most appropriate training provider once they have received impartial advice and guidance from a Working Wales adviser.

Communities for Work Plus (CfW+): £16.834m for 2026-27

CfW+ is a Welsh Government community-based Employability Programme. The Welsh Government does not contract with any training providers with funding flowing to Local Authorities who deliver the programme in line with their local needs. In January 2025 we

lowered the age range for those able to access the Communities for Work+ programme to allow local authorities to further support the young people.

Careers Wales/Working Wales: £30.909m for 2026-27

Working Wales delivered by Careers Wales is an effective gateway for employability support that is responsive to an individual's needs. Approximately 30% of the total Career Wales budget is allocated to Working Wales, who provide personalised impartial careers and employability advice, guidance and coaching service for those aged 16+ living in Wales, including those within the secure prison estate and seeking sanctuary. Working Wales will refer individuals onto appropriate existing employability programmes including JGW+, ReAct+, CfW+, and also support individuals into work, self-employment and apprenticeships.

Details of allocations to support economically inactive and disabled people into employment.

Economic Inactivity Trailblazer:

UK Government has provided up to £10m in 2025-26 for delivery of the Trailblazer with a further £10m earmarked for 2026-27. In 2025-26 a Memorandum of Understanding was put in place between WG and DWP for the use of this funding. Any funding received in 2026-27 will be considered for allocation as part of the normal in year supplementary budget process in 2026-27.

Our economic inactivity Trailblazer pilots, operating in Blaenau Gwent, Neath Port Talbot and Denbighshire are supporting economically inactive individuals with long-term health conditions, those who are disabled and/or those with caring responsibilities.

Communities for Work+: £16.834m for 2026-27

CfW+ mentors are based within community venues across Wales, providing intensive advice and guidance to help unemployed and economically inactive participants overcome barriers to employment.

ReAct+: £7.095m for 2026-27

Supports employers who recruit an eligible disabled person

JGW+: £34m for 2026-27

We continue to make sure the needs of disabled young people are met by providing funding to our contractors which enables them to put in place a range of additional support for learners via our Additional Learning Needs central fund. Contractors use this fund to address identified needs as well as for Supported Employment Job Coaches. These provide one to one support alongside the main programme.

The proportion of JGW+ learners who self-identified as being disabled and/or having a learning difficulty increased in 2024-2025 to 25.6% from 23.9% in 2023-2024. The positive

outcome rate has increased for disabled and/or learning difficulty learners between 2023-2024 and 2024-2025 from 57.9% to 62.3%. For learners without a disability and/or learning difficulty, the rate increased from 61.0% to 68.2%.

Details of funding allocated to the WorldSkills UK competition, including forecasts of remaining funds to spend in 2025.

Inspiring Skills Excellence in Wales (ISEiW): £1.26 million in 2026-27.

This budget supports **young people** in developing **world-class skills** through **skills competitions** and professional development. Around 1,400 young people participate each year in Wales based Skills Competitions. In November 2025 Wales will be hosting the UK National Finals for the first time and the finals for 2026 will also be hosted in Wales. Around 20% of the overall ISEiW budget allocation is specifically allocated for Wales competitors' involvement in national and international competitions delivered by WorldSkills UK and forecast spend for 2025-26 is c£0.25m, with a similar budget being planned for 2026-27 also.

Actual 2024-25 and forecast 2025-26 funding for the Creative Wales Skills Fund and how this is intended to be used

In 2024-25, a total of £1,117m was logged under the Skills Programme funding. Forecast for this year is £1.549m and broken down as follows

Creative Skills Fund (Year 2)	0.947
British Film Institute Sgil Cymru	0.150
Freelancer Project	0.075
Watch Africa	0.085
Factual Fast Track BBC	0.060
National Film and Television School (NFTS) Cymru	0.150
British Film Institute International Horizons (TRC)	0.034
Pact – Future Wales	0.033
Pro7ect	0.015
Total	1.549

WORK-BASED LEARNING

The actual 2024-25 and forecast 2025-26 outturn for the apprenticeship programme and how this relates to the achievement of Welsh Government's target.

The actual 2024-25 outturn for the Apprenticeship programme was £139.376m. The forecast outturn for this programme in 2025-26 is £143.906m.

Details of any transfers out of the 2026-27 Work-Based Learning Action to fund Degree Apprenticeships.

No transfers are being actioned as part of the draft budget 2026-27 to support Degree Apprenticeships. Now that Medr is in place, this funding is provided directly to Medr. However, it is anticipated that Medr will continue to offer an allocation from the funding it receives from the Apprenticeship budget to support Degree level apprenticeships.

Details of any funding utilised in 2025-26 and forecast to be used in 2026-27 to: develop new apprenticeship frameworks; and/or review existing apprenticeship frameworks.

Medr now have responsibility for the development of new and revised apprenticeship frameworks.

To ensure the apprenticeship offer remains current and relevant to the needs of employers in Wales, £0.200m has been allocated through Medr funding for 2025-26 from the Medr BEL within the Education MEG for Framework development and review. Medr have published their Framework review cycle for 2024-2027 which details the specific frameworks that are being developed for this financial year.

Details of all demand-management restrictions and actions to manage apprenticeship demand that are in-place or will be introduced for the apprenticeship programme during 2026-27.

Medr now have responsibility for the management of demand regarding provider delivery. Welsh Government officials meet Medr colleagues monthly to review spending profiles. Medr are developing their allocation policy for the next financial year to meet the Welsh Government's Apprenticeship Policy Statement. Medr will prioritise creating inclusive apprenticeships within Welsh Government priority sectors, explore opportunities for 16–24-year-olds and disadvantaged groups to take up an apprenticeship and ensure apprenticeships provide sufficient progression to improve labour market outcomes. Medr has developed a programme of work to review all apprenticeship frameworks to ensure they meet economy and learner needs. Medr have recently re-purposed £4m to the apprenticeship budget to support additional apprenticeship opportunities in 2025-26.

Details of any changes to the funding of apprenticeships in response to the Economy, Trade and Rural Affairs Committee's apprenticeships report.

We have fully considered the Committee's report and provided a detailed response. No funding changes were considered necessary in responding to the Committee's report.

Details of any specific purposes of the funding provided to Medr in their role of allocating funding for apprenticeships.

Medr are provided with a single budget to enable them to fulfil their role of allocating funding for apprenticeships. This is not ringfenced for specific purposes, though it is expected the funding will be utilised to meet Welsh Government priorities for Apprenticeships including funding of:

- Contract allocations for apprenticeship training providers
- Shared and supported shared apprenticeships
- Employer Incentive Scheme
- Framework reviews
- ALN

REGIONAL SKILLS PARTNERSHIPS / EMPLOYER ENGAGEMENT

Details of the funding to be provided to each Regional Skills Partnership and for what purpose.

We are continuing to work with four Regional Skills Partnerships (RSPs) to identify regional and sub-regional skills priorities. RSPs are a pivotal component of the regional skills landscape, providing labour market intelligence to Welsh Government. They work closely with employers to identify employment and skills priorities.

RSPs are focusing on green skills during 2025-26, to align with the Cabinet's priority of "Jobs and Green Growth". This involves working closely with their employer networks to identify regional and national green skills needs and expand opportunities for net zero skills, informed by labour market intelligence. They are providing insight to Careers Wales advisors and post-16 providers to enhance net zero knowledge and understanding. RSPs continue to work in partnership with Medr to set green skills and other sector priorities for further education and apprenticeship delivery. RSPs are undertaking an 'Occupational Trends Exercise' to drive investment in new and refreshed suites of NOS to reflect the needs of net zero skills.

In addition, RSPs are working on the Welsh review of AI, supporting the AI skills working group.

In 2026-27 we are maintaining our investment in Regional Skills Partnerships, and we will continue to invest £0.290m per RSP per annum, a total amount of £1.16m per annum.

Details of Welsh Government's allocations to Careers Wales and how this is aimed at delivering desired outcomes for skills.

We have invested £30.909m in the draft budget 2026-27 to support Careers Wales/Working Wales. Careers Wales is our national all age impartial, professional careers information, advice and guidance service for Wales. By offering professional careers guidance we are continuing to help young people and adults understand the skills required in our current and future labour market and aiding them in gaining and maintaining the skills needed for today and in the future to meet employer demands.

Careers Wales work with all secondary schools, special schools, PRUs and colleges supporting young people to become more effective at planning and managing their careers in an ever changing and complex job market. They provide one to one career guidance interviews and group sessions to help learners learn more about their career options, understand how their choices can impact their future career and how to take their next steps. They work with thousands of businesses across Wales to facilitate bringing schools and employers together with the aim of informing, inspiring and motivating young people about their career opportunities. This includes offering several tailored work experience placements to young people that are at high risk of disengaging with education. They also support schools to deliver the Careers and Work-Related Experience element of the new curriculum.

Their Working Wales service provides professional, personalised impartial careers and employability advice, support and guidance, for those aged 16+ living in Wales, including those within the secure prison estate and seeking sanctuary. Working Wales will refer individuals onto existing national and local employability programmes including JGW+, ReAct+, CfW+ and Traineeships as appropriate, and support individuals into work, self-employment and apprenticeships, supporting each individual to become aware of their options and help them to make an informed choice on the right pathway for them.

SOCIAL PARTNERSHIP AND FAIR WORK

Details of allocations relating to the implementation of the Social Partnership and Public Procurement (Wales) Act, and whether these have changed from those predicted in the Regulatory Impact Assessment published to inform scrutiny of the Bill.

We have allocated £0. 919m in the draft budget 2026-27 in the Social Partnership BEL to support a wide range of initiatives to promote and embed social partnership, fair work and socially responsible procurement. we are providing support to public bodies and other social partners on the new duties set out in the Act, as well as supporting staffing costs within the Welsh Government, including secondments to strengthen our own social partnership arrangements,

Most of the costs in the Regulatory Impact Assessment result from staff time within Welsh Public Bodies to support the social partnership structures and introduction of the new duties, and it is part of the roles of those staff.

We have continued to prioritise funding for activities that will ensure effective implementation of the Social Partnership and Public Procurement (Wales) Act, including the development of guidance and advice on the procurement duties; support for the Social Partnership Council, the roll-out of training and engagement sessions on social partnership and the development of case studies, tools and resources, so that the legislation can begin making a real difference.

The provisions in part 3 of the Act which relate to socially responsible procurement have not yet come into force. We expect Welsh Contracting Authorities, generally, to accommodate any additional administrative demands and associated cost pressures within their allocated budgets and resources. However, the Regulatory Impact Assessment published alongside the Act identified additional costs that would be placed on many Contracting Authorities relating to the more detailed contract management duties for major construction contracts. Contracting Authorities may seek to meet these additional costs in their negotiations with their funding departments.

Details of how allocations in the Draft Budget will support fair work initiatives and support increased payment of the Real Living Wage.

£0.060m from the Social Partnership BEL in financial year 2025-26 has been allocated to grant fund Cynnal Cymru as the Real Living Wage accredited partner in Wales. This funding will be maintained in 2026-27. This funding will boost their capacity and supports their ability to engage employers, increase the number of accredited employers in Wales and promote the overall benefits of the Real Living Wage

Details of any allocations made to support the implementation of the Remote Working strategy.

There is no dedicated allocation in the 2026-27 draft budget to support the remote working strategy. We have established a network of remote working hubs, published remote working guidance and case studies, and we are monitoring the 30% target.

SUMMARY

The Employability, Apprenticeships, Social Partnership and Skills Draft Budget allocations for 2026-27 is presented to the Committee for consideration.

ANNEX A – ACTION LEVEL COMMENTARY FOR THE BELS RELEVANT TO THE COMMITTEE.

Resource

Apprenticeships Action

There has been an increase of £2.4m in this draft budget compared to the revised baseline 2026-27 to the Apprenticeships action's budget. The budget for 2026-27 stands at £146.3m. The increase is predominantly related to additional funding to support the pressure created by funding additional starts in 2025-26.

Apprenticeships BEL

The revenue budget supports the delivery of the apprenticeship programme. Apprenticeships is an employed status programme which provides transferable, upskilling training via a network of Further Education and private training providers. Apprenticeships is an all-age programme which prioritises learners between the ages of 16 and 24, those new to employment and delivery in those sectors which most benefit the Welsh economy such as STEM, health and social care and supports our net-zero ambitions.

Employment and Skills Action

There has been a net increase to the action of £2.683m for 2026-27, taking the total funding for the action to £115.7m, when compared to the 2026-27 revised baseline. This increase relates to an additional £2m to support the additional demand in the Jobs Growth Wales plus programme, £0.590m and £0.093m to support the next round of the public sector pay awards and National Insurance costs for Careers Wales and Welsh Government programme staff respectively.

Employability Including Young Person's Guarantee BEL

The Employability programmes budget delivers programmes to equip people with what they need to enter, sustain and return to employment in an ever-changing labour market, ensuring employability support is in place so people can thrive and reach their potential in a digital and net zero economy. The programmes deliver the Young Person's Guarantee PFG commitment providing those aged 16-24 with support to access work, education, training, or self-employment and delivers against the First Minister's priorities for Jobs and Green growth and an opportunity for every family. Secure, well-paid, and sustainable employment offers both a route out of poverty and protection against it, not just for the individual, but also for their dependants and indeed their wider community. It also delivers on commitments in the Employability and Skills plan and recently published refresh of the Anti-Racist Wales Action Plan.

The budget also supports the commitments to build on the success of the Wales Union Learning Fund; support the Wales TUC proposals for union members to become Green Representatives in the workplace and strengthen Regional Skills Partnerships. It facilitates

a direct response to assist the growth of individual businesses through workforce development and provides sector-based, employer-led and wider solutions to respond to identified skills needs such as digital and net zero in Welsh Government priority areas which are important for the economy of Wales.

The BEL also provides funding for Careers Wales which delivers a national, all age, impartial and bilingual careers and employability information, advice and guidance (CIAG) service across Wales. Careers Wales is a wholly owned subsidiary of the Welsh Government, the company discharges the functions of the Welsh Ministers by providing a comprehensive careers, education and guidance service to individuals and organisations, linking education and business. They work with all secondary schools, special schools, PRUs and colleges supporting young people to become more effective at planning and managing their careers in an ever changing and complex job market. Our Working Wales service, delivered by Careers Wales, provides personalised impartial careers and employability advice, guidance and coaching for those aged 16+, including those within the secure prison estate and seeking sanctuary. WW is a national model which is flexible and able to adapt to customer needs and economic challenges, on a local, regional and national level. It is also the only careers and employability support available to those in employment across Wales, including zero-hour contracts.

The BEL also provides funding for National Occupational Standards (NOS) which support cross-cutting Programme for Government skills and employability commitments by ensuring skills provision reflects employer needs. NOS underpin vocational qualifications and apprenticeships frameworks in Wales. The NOS Strategy supports the concept of lifelong learning and ongoing mobility of the workforce across sectors, regions and nations. NOS support the priorities laid out in the Economic Mission. NOS are responsive to occupational and societal changes; through the analysis of LMI the NOS system identifies occupations which are emerging, in demand and in decline, and occupational changes occurring due to new working practices, technologies and legislation.

Employability Including Young Person's Guarantee – Non-cash BEL

This BEL supports the annual non-cash depreciation budget for Careers Wales, which has been maintained at £2.3m for this budget.

Social Partnership Action

There has been a small increase of £0.011m compared to the revised 2026-27 baseline budget as part of the draft budget. The increase relates to additional funding for the in-year pay award and National Insurance contribution costs.

Social Partnerships BEL

The Social Partnership BEL funds a range of initiatives which promote and embed the social partnership way of working, support Welsh Ministers' ambitions for Wales to be a fair work nation, and to help the Welsh Government play its part in tackling modern slavery. The BEL is also used to enhance capacity across Social Partnership and Fair Work, through the programme funding of some posts and secondments recruited from social partners.

Capital

Employability Including Young Person's Guarantee Action

There has been no change from the revised 2026-27 baseline budget. The annual capital investment of £2m supports the Careers Wales activity for IT and estates strategy to align to Future Wales: The National Plan 2040. Strategic environmental development and sustainability will be built into the new spatial strategy with a focus on the national and regional growth areas through adopting the 'Town centre first' approach.

AME

The AME budget of £12m remains unchanged and provides cover for charges that are outside the control of the portfolio. The £12m allocated is to support pension valuation fluctuations for Careers Wales. This budget is agreed with the Treasury each year and is fully funded. The AME Draft Budget figures reflect the forecasts submitted to the Office for Budget Responsibility in January 2025.