



# Local Government and Housing Committee

## Welsh Government Draft Budget Scrutiny 2026-27

20 November 2025

### Background

The Draft Budget indicates the spending plans for 2026-27. This paper provides evidence to the Committee on the proposals within the Housing and Local Government MEG as outlined in the Draft Budget which was laid on 03 November 2025.

Local authorities are a key partner in the delivery of a wide range of services which people throughout Wales rely on and use every day. The investment made in the draft budget through the local government settlement supports these services.

Education is a critical service delivered by local authorities. The core funding provided through the local government settlement underpins the provision of education through nursery, primary and secondary schools. It also supports children and young people with additional learning needs (ALN) through mainstream provision and special schools, providing opportunities for all children and young people.

Social services, also delivered by local authorities across Wales, is vital to helping people of all ages, live safe and independent lives in their local communities.

Social care supports the NHS, ensuring people can be safely cared for at home and that they have the right support to recover from illness or injury after their hospital treatment ends.

Together, education and social services represent over 60% of budgeted revenue expenditure in 2025-26. Alongside this local authorities provide sport, leisure and culture services, recycling and waste collection and roads and highway maintenance to name just a few. We know it is a careful and difficult balance for local authorities to maintain and develop these services in an environment of increasing demand and constrained funding. We have given as much funding as possible in the current budget environment, by baselining additional funding from 2025-26 and uplifting the settlement for inflationary and pay pressures. In parallel we are exploring what other flexibility we can give local authorities in the process of setting their balanced budgets.

Welsh Government also continue to provide a range of funding to support the implementation of a number of local government reform programmes delivered by the Welsh Government to support transformation, improvement and legislation.

Housing & Regeneration draft Budget allocations reflect our continued drive to deliver more homes, particularly through social housing, which we know can reduce poverty, improve physical and mental health, drive economic growth – and crucially end homelessness.

Investment in the Social Housing Grant and Transitional Accommodation Capital Programme will deliver more homes supporting our work to end homelessness and ensure everyone in Wales has a decent, secure place to call home. We will also work to maximise investment in delivering more homes through recycling loan funding.

Alongside work to increase the number of homes for rent in the social sector we will invest to support people to own their own homes through a range of schemes including Help to Buy Wales and Homebuy.

We will also continue to invest for the long term in the regeneration of our towns and cities, in bringing empty homes and buildings back into productive use and in building our pipeline of land.

Investment in maintenance, improvement and decarbonisation of homes in Wales is being maintained. Whilst the prime focus of this investment remains on social homes, we are investing in Private Rented homes through Leasing

Scheme Wales and will extend our Green Homes scheme through the Development Bank for Wales next year.

Annex A provides a breakdown of the relevant Draft Budget figures for the Housing and Local Government Main Expenditure Group (MEG) by Action and Budget Expenditure Line (BEL). These figures are reflected in the table below.

**Table 1: Overview of changes to the BEL tables**

Summary	Revised Baseline £000	2026/27 Draft Budget £000	Change £000
Revenue	5,558,587	5,690,029	131,442
General Capital	1,191,280	1,215,106	23,826
FTC Allocation*	-	87,975	87,975
FTC Repayments*	-	(5,467)	(5,467)
<b>Total DEL</b>	<b>6,749,867</b>	<b>6,987,643</b>	<b>237,776</b>
AME	1,114,803	1,213,884	99,081
<b>Total Budget</b>	<b>7,864,670</b>	<b>8,201,527</b>	<b>336,857</b>

\* Financial Transactions Capital (FTC) is removed from the revised baseline as a single year allocation.

The Revenue increase is 2.3% and the General Capital increase is 2%.

## Contents

The Draft Budget indicates the spending plans for 2026-27. This paper provides evidence to the Committee on the proposals within the Housing and Local Government MEG as outlined in the Draft Budget which was laid on 03 November 2025..... 1

Annex A provides a breakdown of the relevant Draft Budget figures for the Housing and Local Government Main Expenditure Group (MEG) by Action and Budget Expenditure Line (BEL)..... 3

### **1. Allocations by Spending Programme Area, Action and Budget Expenditure Line (BEL) ..... 6**

0982 - Social Housing Grants (SHG) .....	14
0984 - Housing Finance Grant.....	15
1181 - Housing Programme Revenue Fund .....	16
6410 - Land Release Fund .....	16
0987 - Market Housing and Other Schemes.....	17
0987 - Market Housing and Other Schemes - Repayment.....	17
0980 - Homebuy.....	18
4151 - Regeneration.....	18
4162 - Cardiff Harbour Authority .....	19
0840 - Local Govt General Revenue Funding.....	20
0875 - Non-Domestic Rates Relief .....	22
0860 - Police General Revenue Funding.....	22
0885 - Local Govt PFI Revenue Consequences.....	22
0887 - Transformation & Legislation .....	23
0940 – Non-Domestic Rates Collection Costs.....	23
1600 – Emergency Financial Assistance.....	24
1500 – Valuation Office Agency Services.....	24
1540 – Valuation Tribunal for Wales.....	25
1550 – Local Taxation Reform.....	26
1440 –Democracy and Boundary Commission Cymru.....	26
1462 – Expenditure to Promote Local Democracy .....	27

1463 – Election Policy .....	27
1571 – Improvement & Support.....	27
1675 – Local Govt General Capital Funding.....	28
7093 – Academi Wales .....	28
1574 – Community and Town Councils.....	29
1265 - Fire and Rescue Services .....	29
1697 - Fire and Rescue Service - Communication Systems.....	30
0981 – Market Housing - AME .....	32
0870 - Non-Domestic Rates Distributable Amount - AME.....	32
0865 - Bad Debt Provision - AME.....	32
1699 - Fire Service Pensions - AME.....	32
<b>2. Changes to allocations since 2025/26.....</b>	<b>33</b>
<b>3. Alignment with Programme for Government Commitments ..</b>	<b>34</b>
<b>4. Preventative Spend within Budget Allocations .....</b>	<b>35</b>
<b>5. Strategic Integrated Impact Assessments .....</b>	<b>40</b>
<b>7. Local Government and compliance with statutory duties and/or Programme for Government priorities; Welsh language, inequalities and the nature and climate emergency .....</b>	<b>44</b>
<b>8. Capital Spending on Housing .....</b>	<b>45</b>
<b>9. Prioritisation of resources for the implementation of the Homelessness and Social Housing Allocation (Wales) Bill and the Building Safety (Wales) Bill .....</b>	<b>48</b>
<b>10. National Insurance Contributions Shortfall .....</b>	<b>49</b>
<b>11. Cost of Living Pressures and Energy Prices .....</b>	<b>50</b>
<b>12. Gypsy, Roma and Travellers .....</b>	<b>51</b>
<b>11. Annex A.....</b>	<b>52</b>

# 1. Allocations by Spending Programme Area, Action and Budget Expenditure Line (BEL)

1. This section will provide a breakdown of the allocations by Spending Programme Area, Action and Budget Expenditure Line (BEL) and indicates how these align with Programme for Government commitments.

## Homelessness Prevention

### 1. Homelessness Support & Prevention

BEL	Resource Budget £'000	Capital Budget £'000
1120 - Homelessness Support & Prevention	223,862	-
<b>Purpose of BEL</b>		
<p>This Budget Expenditure Line (BEL) is preventative in nature. Failure to prevent homelessness has direct financial implications for Local Authorities, including the revenue costs associated with nearly 11,000 individuals currently housed in temporary accommodation. Homelessness also undermines wellbeing and drives costs across the public sector, including increased demand on health, mental health, and policing services. It negatively affects long-term outcomes—for example, children experiencing homelessness often struggle to achieve their educational potential.</p> <p>This BEL is a key contributor to the reform of homelessness services, with a focus on prevention and rapid rehousing, which is a priority in the Programme for Government.</p> <p>This BEL supports a range of homelessness prevention measures, with the majority of funding allocated to the <b>Housing Support Grant (HSG)</b>, the primary funding mechanism to enable Local Authorities to prevent homelessness. It supports individuals with a variety of needs to live independently and sustain tenancies, thereby reducing pressure on other public services—particularly health and social care. For 2026–27, an additional <b>£4.704m</b> has been allocated to this BEL which will be used to uplift existing projects funded within the BEL.</p> <p>The vast majority of Housing Support Grant funding is used for staffing costs. Services are commissioned by Local Authorities, with a significant proportion</p>		

delivered by third sector organisations. Additional funding of £4.1m will support a pay uplift for staff delivering these critical services, taking the total Housing Support Grant budget to £208.4m in 2026-27.

The remaining additional funding within the BEL in 2026-27 will be used to provide a 2% inflationary uplift for other homelessness prevention projects, including Youth Innovation projects, the Housing First programme and advice services. It will also be used to fund the development of new guidance and training to support implementation of the new Homelessness and Social Housing Allocation (Wales) Bill.

The Regulatory Impact Assessment (RIA) for the Bill also acknowledges that preparatory work will be necessary within each Local Authority ahead of implementation. A further £2.3m will be used to support Local Authorities in meeting pre-implementation costs, which will be allocated via the Revenue Support Grant (RSG) through a specified grant mechanism (see Section 11a).

BEL funding will also continue to fund Leasing Scheme Wales in 2026–27 to “develop a national scheme restricting rent to local housing allowance levels for families and young people who are homeless or at risk of homelessness”.

This revenue funding complements capital funding provided to the scheme as detailed in BEL 1182.

## Independent Living

### 2a. Housing Policy

BEL	Resource Budget £'000	Capital Budget £'000
1100 - Housing Policy	1,380	-
<b>Purpose of BEL</b>		
<p>This BEL provides funding for a range of projects and activity to support the implementation of new legislation, research and evaluation of key policy priorities. These projects include second homes, leasehold reform and implementing the Renting Homes Act.</p> <p>The Housing Policy BEL is a package of funding designed specifically to support the following Programme for Government commitments: “<i>Rent Smart Wales landlords to respond quickly to complaints of racism and hate crime</i>”</p>		

*and offer appropriate support”, “Legislate to enact the recommendations of the Law Commission in relation to leasehold reform” and “Develop further effective tax, planning and housing measures to ensure the interests of local people are protected.”*

Additionally, this BEL will continue to support activity within the Second Homes and Affordability Pilot which is complementary to the Programme for Government commitment to “Create a Welsh Language Communities Housing Plan”.

## 2b. Rapid Response to Independent Living

BEL	Resource Budget £'000	Capital Budget £'000
1285 - Rapid Response to Independent Living	6,358	25,500
<b>Purpose of BEL</b>		
<p>Funding will support a broad range of activity by Care and Repair Agencies and Housing Associations via Physical Adaptation Grants (PAG) and by Local Authorities via the ‘Enable’ grant.</p> <p>Adaptations are an effective preventative investment to support independent living and improve the health and wellbeing of older people, disabled adults and children. They help to reduce hospital discharge times and pressures on hospital bed blocking, as well as helping to prevent falls, reduce reliance on care, avoid the need to move into residential care and significantly improve opportunities and quality of life and wellbeing for individuals, their families and carers.</p> <p>The Welsh Government manages several grant schemes to provide home adaptations under the Rapid Response Adaptations Programme (RRAP), in addition to providing unhypothecated capital to Local Authorities which can be used to provide Disabled Facilities Grants (DFG). The Enable grant helps Local Authorities to provide small and medium adaptations rapidly without having to engage a means test. Through the Care and Repair agencies, the Rapid Response Adaptations Programme targets the rapid provision of smaller adaptations, primarily to enable hospital discharge and reduce delayed transfers of care. The Physical Adaptations Grant for traditional housing associations enables Registered Social Landlords (RSLs) to arrange suitable small, medium and larger adaptations to the homes of their tenants whilst also reducing pressures on local authority Disabled Facilities Grants.</p>		

An inflationary uplift of 2% has been applied to the capital budget for 2026–27 to support service delivery and funding levels in real terms.

## 2c. Private Rented Sector

<b>BEL</b>	<b>Resource Budget £'000</b>	<b>Capital Budget £'000</b>
1182 - Private Rented Sector	-	3,570
<b>Purpose of BEL</b>		
<p>Leasing Scheme Wales aims to lease properties in the Private Rented Sector for use by Local Authorities to discharge their homelessness duties. The Scheme provides benefits for local authorities, tenants (who have access to longer term accommodation and the benefit of tenancy support akin to being a social tenant) and property owners. An intended consequence of the scheme is to also improve property standards within the Private Rented Sector.</p> <p>The Scheme directly contributes to the Programme for Government commitment to “develop a national scheme restricting rent to local housing allowance levels for families and young people who are homeless or who are at risk of homelessness”. It also contributes towards the 20,000 social homes target.</p> <p>All 22 Welsh Local Authorities have now signed up to the scheme. Overall, the aspiration is to secure 1% of the Private Rental housing stock onto Leasing Scheme Wales by the end of Year 5 (2027), which would be over 2,000 properties.</p> <p>An inflationary uplift of 2% has been applied to the budget for 2026–27 to support continued service delivery</p>		

## Homes & Places

### 3a. Warm Homes

BEL	Resource Budget £'000	Capital Budget £'000
0950 - Warm Homes	3,732	38,250
<b>Purpose of BEL</b>		
<p>The Warm Homes Programme has been the Welsh Government's main intervention in efforts to reduce fuel poverty since its launch in 2009/2010. Welsh Ministers published its statutory plan to tackle fuel poverty in March 2021, with the latest iteration of the Warm Homes Nest scheme launched in April 2024. By 2035, we aim to reduce the percentage of all Welsh households in fuel poverty to no more than 5%, down from an estimate of 25% in October 2024, and to ensure no households are in severe fuel poverty (estimated to be 5% in October 2024).</p> <p>The Warm Homes Programme sets out to achieve this by independently assessing the needs of each home before recommending short, medium, and longer-term steps to be taken to decarbonise the home and reduce the cost of bills for homeowners. The steps taken include installing cavity or external wall insulation, air source heat pumps and solar photovoltaics, and upgrading windows and doors for 1500-2000 homes per year.</p> <p>The Capital funding for this Programme has been increased by 2% in 2026-27 from £37.5m to £38.25m.</p> <p>This BEL contributes to the Programme for Government commitment to <i>"continue to improve existing homes, helping us tackle fuel poverty, create much needed jobs, training opportunities, and supply chains."</i></p>		

### 3b. Health & Housing

BEL	Resource Budget £'000	Capital Budget £'000
0986 - Health & Housing	-	61,710
<b>Purpose of BEL</b>		
<p>The Housing with Care Fund (HCF) funds projects to increase housing stock which meets the needs of people with care and support requirements, and to provide intermediate care settings in the community so that people who need care, support and rehabilitation can return to living independently or maintain</p>		

their existing independence. As a preventative programme, the Housing with Care Fund aims to reduce demand for long term residential care, and the costs associated with hospital admissions and expensive placements. The Housing with Care Fund's investments in housing and accommodation must be low carbon and contribute to tackling climate change.

The fund builds on the previous Integrated Care Fund (ICF) capital programme and continues to support the delivery of the Programme for Government commitments to “*support innovative housing development to meet care needs*” and to “*fund regional residential services for children with complex needs ensuring their needs are met as close to home as possible and in Wales wherever practicable*”.

Furthermore, as a result of the main aim of the programme being to increase the existing stock of housing, these are tenanted social housing units which will count towards delivery of the *20,000 low carbon social homes* for rent target.

An inflationary uplift of 2% has been applied to the budget for 2026–27 to support delivery and funding levels in real terms.

## Achieve Quality Housing

### 4a. Residential Decarbonisation & Quality

BEL	Resource Budget £'000	Capital Budget £'000
1065 - Residential Decarbonisation & Quality	1,680	96,900

#### Purpose of BEL

This BEL supports the Programme for Government commitment to “*decarbonise more homes through retrofit, delivering quality jobs, training and innovation using local supply chains*”. It also delivers against two key statutory requirements: Climate Change (Wales) Regulations 2021 – delivery of reduction in greenhouse gas emissions from the housing sector; and Section 33A of the Housing Act 1996 – regarding the setting of housing standards (i.e. Welsh Housing Quality Standard).

This funding will improve the energy efficiency of homes to reduce their carbon emissions and improve their energy efficiency, making them cheaper to heat for households. Our strategy and investment prioritises social housing,

demonstrating best practice, developing supply chains and skills that will stimulate the market and inform the strategy for owner occupied home retrofit programmes.

The revenue funding supporting this capital programme includes funding for: staffing; running a net zero decarbonisation hub in Wales; and the team responsible for the regulation of Registered Social Landlords.

The £96.9m capital allocation includes £3.06m of Financial Transaction Capital which will support the continued funding of retrofit loans to owner occupiers who are ready to invest in energy efficiency and low carbon heat but lack the up-front capital.

#### 4b. Major Repairs Allowance and Dowry Gap Funding

BEL	Resource Budget £'000	Capital Budget £'000
1061 - Major Repairs Allowance and Dowry Gap Funding	-	110,160

##### Purpose of BEL

The budget supports the Major Repairs Allowance capital grant, allocated to the 11 Local Authorities who have retained their council housing stock and forms part of their overall housing capital resources. The Major Repairs Allowance provides a financial contribution to programmes to ensure Authorities' housing stock maintains the Welsh Housing Quality Standard.

The budget also supports Dowry Gap funding, provided to 10 Large Scale Voluntary Transfer housing associations which were established to accept their Local Authority's council housing. The grant ensures promises made to tenants, including reaching and maintaining the Welsh Housing Quality Standard at the time of transfer are fulfilled.

An inflationary uplift of 2% has been applied to the budget for 2026–27 to support delivery and funding levels in real terms.

## Building Safety

### 5. Building Safety

BEL Description	Resource Budget £'000	Capital Budget £'000
2255 – Building Safety	4,543	130,224
<b>Purpose of BEL</b>		
<p>The Welsh Building Safety Remediation Programme will address fire safety issues in medium and high-rise housing (residential buildings over 11 metres). Phase 1 of the Programme focused on intrusive survey work to identify the scale of fire safety issues present, and whether these were due to construction-related defects, inadequate maintenance or the actions of individual leaseholders. Phase 2 of the Programme is focused on remediation and addressing issues, such as non-compliant cladding, compartmentation, and the installation of suppression and evacuation alert systems.</p> <p>Addressing fire related building safety remains a key priority. With 459 buildings in our building safety remediation programme, we have an increasingly detailed understanding of the work to be undertaken and the profile of spend needed over the coming years. We continue to monitor progress and press for pace from all involved and will tailor our budget to match the programme of works.</p> <p>This BEL contributes to the Programme for Government commitment to <i>“reform the current system of building safety, including a second phase of the Welsh Building Safety Fund, so that people feel safe and secure in their homes”</i>.</p> <p>An inflationary uplift of 2% has been applied to the capital budget for 2026–27 to support delivery and funding levels in real terms.</p>		

# Increase the Supply and Choice of Affordable Housing

## 6a. Social Housing Grants (SHG)

BEL Description	Resource Budget £'000	Capital Budget £'000
0982 - Social Housing Grants (SHG)	-	445,995

### Purpose of BEL

Allocations made to this BEL contribute towards one of the First Minister's top priorities of delivering more homes and the key Programme for Government priority of delivering *20,000 additional low carbon homes for rent* in the social sector this Senedd term, as well as funding social homes that will be completed in the next Senedd term.

To complement our well-established Social Housing Grant Programme, and to support focus on delivering more homes quickly to meet housing need, the Transitional Accommodation Capital Programme (TACP) was introduced in 2022.

An inflationary increase of £8.22m of core capital to the funding for Social Housing Grant and Transitional Accommodation Capital Programme in 2026-27 will deliver more homes supporting our work to end homelessness and ensure everyone in Wales has a decent, secure place to call home.

Along with the increase in core capital there has also been an allocation of £26.775m Financial Transaction Capital to support Registered Social Landlord (RSL) Development Loans. The loan funding is intended to remedy a current market failure due to the housing sector facing several difficult challenges including significant tender increases due to material cost rises and contractors pricing in higher risk, rising inflation and interest rates and higher bad debt and void rates.

Investing in more homes provides families with the opportunity to thrive, improving health, wellbeing, quality of life and outcomes. Building new homes contributes to local economies, creating and supporting jobs, training opportunities and strengthening supply chains.

This BEL contributes to preventing pressures on other services, investing in better quality housing can have wider impacts than improving the housing

stock alone. For all age groups, those living in social housing are more likely to have a limiting long-term illness, disability or infirmity than owner occupiers and those privately renting. Improvements in housing quality can alleviate these conditions and prevent the requirement for intervention from health and social services.

Therefore, investment in good quality housing has the potential to generate large economic returns as well as reducing our emissions and levels of fuel poverty. It has a direct impact on the health and well-being of occupants, which can in turn help to reduce pressures on other public services. Our drive to deliver More Homes will have a positive impact across the whole of Wales and its population.

Social Housing Grant:

- *Delivers high-quality, warm secure and energy-efficient homes for people who need them most, helping reduce fuel poverty.*
- *Supports the foundational economy, construction industry and supply chain in Wales, delivering training and employment opportunities, including jobs and apprenticeships*
- *Supports the transformational shift of homelessness services to a rapid rehousing approach, where those who experience homelessness are quickly supported back into suitable permanent homes.*
- *Supports older people and those with additional care requirements to avoid dependence on residential or long-term care, reducing the call on the NHS.*
- *Delivers good quality social housing which has a significant impact on people and communities, helping to achieve our long-term goal of ending homelessness, improving physical and mental health, ensuring those with complex needs receive the support they need.*

## 6b. Housing Finance Grant

<b>BEL Description</b>	<b>Resource Budget £'000</b>	<b>Capital Budget £'000</b>
0984 - Housing Finance Grant	5,287	-
<b>Purpose of BEL</b>		
This funding, set up pre 2017/18 represents the legal commitment made by the Welsh Government to assist with the repayment of a 30-year bond private placement which has allowed Registered Social Landlords to borrow around £120million of private finance to fund the development of additional affordable		

homes, costing £4.1m per annum. Phase 2 of the Housing Finance Grant was completed with an allocation of £9million per annum of Resource Budget from reserves for a 30-year period. It was extended to include Local Authorities from 2018-19 onwards, known as the Affordable Housing Grant.

The Housing Finance Grant budget remains at £13.1m and represents the contractual commitment to Registered Social Landlords to support the Social Housing Grant. The difference between the commitment and budget line will be offset by income forecasted from other sources across the MEG.

## Housing Revenue Fund

### 7. Housing Programme Revenue Fund

BEL Description	Resource Budget £'000	Capital Budget £'000
1181 - Housing Programme Revenue Fund	1,122	-
<b>Purpose of BEL</b>		
This budget funds supporting costs for capital budgets such as research and evaluation. Legal advice and licencing costs. It also supports interventions such as Rural Housing Enablers, co-operative housing and work to deliver Welsh Government land and evaluations into the condition of the housing stock in Wales.		

## Land Division

### 8. Land Division

BEL Description	Resource Budget £'000	Capital Budget £'000
6410 - Land Release Fund	-1,540	25,500
<b>Purpose of BEL</b>		
An operational budget of £25.5m capital is allocated to the Land and Buildings Development Fund (LBDF) and land assembly/development.		
The Land and Buildings Development Fund assists with derisking land and buildings to advance development. Specifically for buildings, it is able to meet the costs associated with "abnormal" items e.g. removal of asbestos, which can		

be the barrier to conversion and for land it assists with issues such as contamination.

The revenue budget of -£1,540 relates to the expected net position on sale of land.

This BEL supports the Programme for Government commitment “to support councils and social landlords to improve the supply of social and affordable housing”.

## Increase the Supply and Choice of Market Housing

### 9a. Market Housing and Other Schemes

BEL Description	Resource Budget £'000	Capital Budget £'000
0987 - Market Housing and Other Schemes	-	83,630
0987 - Market Housing and Other Schemes - Repayment	-	-5,467
<b>Purpose of BEL</b>		
<p>By supporting people who would like to own their own home, but need financial assistance to do so, our market housing interventions have a key contribution to addressing housing needs in Wales, as well as providing a boost to the house building industry and associated supply chains.</p> <p>Allocations to this BEL will continue to support the Empty Homes Grant (£25.5m) with an additional £58.14m of Financial Transaction Capital allocated to support a one-year extension of the Help to Buy - Wales Scheme which demonstrates our ongoing support of people who aspire to own their own homes.</p> <p>The Empty Homes Grant was introduced in January 2023 as an additional incentive, alongside a package of other measures, to further reduce the number of empty properties and therefore increase housing supply.</p> <p>Help to Buy - Wales offers a shared equity loan, available on new-build homes to a maximum value of £300,000. This investment will support the delivery of Future Wales as the programme moves into the private ownership market,</p>		

helping to reduce pressure on private and social rented sectors. Help to Buy - Wales has delivered almost 15,000 new homes since 2014 and has more than 70 developers registered for the scheme.

The proportion of first-time buyers has increased in recent years - 85% of purchasers since April 2022 have been first time buyers.

## 9b. Homebuy

BEL Description	Resource Budget £'000	Capital Budget £'000
0980 - Homebuy	-	4,080
<b>Purpose of BEL</b>		
<p>Homebuy is a shared equity home ownership support scheme, which is available on existing homes. The scheme is popular in rural areas, where new build homes are not readily available.</p> <p>Homebuy forms part of a wider package to address the challenges facing communities with high levels of second homes in Wales and supports people who wish to own their own homes.</p> <p>The Programme for Government sets out clearly our commitment to address the issue of affordability in areas where there are high instances of second homes. Homebuy forms part of the package to address issues of affordability through targeting and tailoring existing housing programmes.</p>		

## Regeneration

### 10a.Regeneration

BEL Description	Resource Budget £'000	Capital Budget £'000
4151 - Regeneration	-13,321	40,800
<b>Purpose of BEL</b>		
<p>Investment in our Transforming Towns programme supports our town and city centres. The programme actively encourages mixed use towns as places to live, work, visit and stay. One of the key elements of this 'place making' activity includes strong community involvement, well-being, enhancement of</p>		

existing spaces and maintaining their unique identity. Transforming Towns provides the Welsh Government’s core regeneration investment in town centres. All investment decisions are informed by Placemaking Plans developed by Local Authorities and the local community.

Individual towns have benefitted by identifying the mix of interventions which best suits their specific characteristics, local strengths, culture and heritage.

Our investment in regeneration supports the following Programme for Government commitments:

- *Enable our town centres to become more agile economically by helping businesses to work co-operatively, increase their digital offer and support local supply chains, including local delivery services*
- *Develop masterplans for towns and high streets*
- *Empower communities to have a greater stake in local regeneration*
- *Create more community green space in town centres*
- *Repurpose public space for outdoor events, markets, street vendors, pop up parks and ‘parklets’*
- *Support the development of a register of empty buildings and help small businesses move into vacant shops.*

An inflationary uplift of 2% has been applied to the Capital budget for 2026–27 to support delivery and funding levels in real terms.

The resource position is negative as planned expenditure is offset by expected income.

## 10b. Cardiff Harbour Authority

BEL Description	Resource Budget £'000	Capital Budget £'000
4162 - Cardiff Harbour Authority	5,400	-
<b>Purpose of BEL</b>		
Cardiff Council assumed the role of Cardiff Harbour Authority (CHA) on 1 April 2000. The functions and responsibilities of Cardiff Harbour Authority are detailed in an Agreement made between Welsh ministers and Cardiff Council under Section 165 of the Local Government Planning and Land Act 1980. The Section 165 Agreement obliges Welsh ministers to pay Cardiff County Council the amounts necessary to discharge its statutory functions. This budget		

provides the funding required by Cardiff Harbour Authority to discharge these obligations and any additional duties relating to the Cardiff Bay Barrage Act 1993. This funding, net of any income generated through operating the Cardiff Harbour Authority is ring fenced by Cardiff Council.

The functions and responsibilities of Cardiff Harbour Authority include:

- *Environmental & conservation management*
- *Groundwater monitoring & management*
- *Community & events liaison*
- *Barrage operation & maintenance, including emergency planning & security*
- *Harbour master duties & marine operations*
- *Byelaw enforcement*
- *Navigational safety security & emergency planning*
- *Operation of Cardiff Bay Water Activity Centre Cardiff Sailing Centre and Cardiff International White Water.*

## Funding Support for Local Government

### 11a. Local Govt General Revenue Funding

BEL Description	Resource Budget £'000	Capital Budget £'000
0840 - Local Govt General Revenue Funding	5,267,744	
Purpose of BEL		
<p>Local authorities deliver a wide range of public services to everyone in their communities and to the most vulnerable in our society or those who are economically disadvantaged. These include significant services for children, through education and social services, and a wide range of services for adults who may be facing challenges in their everyday lives, through social services, housing support and other community services. Universal services such as highways and waste and public protection are important to all households while services such as planning, impact on both residents and businesses.</p> <p>The increase of £257.31m in revenue funding since the Final Budget 2025-26 for the local government settlement includes baseline transfers of £97.223m support the increase in national insurance contributions, £17.848m to support the 2025/26 teachers pay award, £4.019m for ALN co-ordinators to move to the upper pay spine and £14.9m to support the 2025-26 NJC pay award above the</p>		

general planning assumption. Uplifts in addition to those included in the revised baseline above, are an increase of £114.172m to support general and pay inflation and a transfer of £552k to recognise the increase in the levy that will be applied for firefighters pay. £8.6m has been included to give a floor with the aim of no authorities having an increase below 2.3%. In addition, there will be a specific grant of £2.3m to support the implementation of the Homelessness Bill. The inflationary increase supports local authorities to deliver key services, supporting government priorities as well as delivering to local needs.

The increased level of funding will support local authorities in meeting pay, inflation and service pressures but, given levels of pay inflation and increases in complex demands local authorities are likely to continue to make choices on service changes (including to seek to prevent demand) and reductions as well as further council tax increases.

The settlement formula distributes the total settlement available based on indicators of relative need, the main indicators used relate to population, deprivation and sparsity. There will be a different impact in each authority in terms of their own settlement uplift. In making local decisions to reflect local needs, local authorities will need to consider the impacts of their choices under the statutory requirements relating to local government including assessing impacts for different groups and in the context of the Wellbeing of Future Generations (Wales) Act.

Un-hypothecated revenue and capital funding for local authorities will support local authorities in both reactive and preventative services. Preventative services can be considered against definitions of primary, secondary or tertiary prevention and examples of all three can be found in local government services. In particular education and social services will include services intended to enable people to stay healthily in their own homes, to live independently and reach their fullest potential. Services which prevent flooding, support healthy lifestyles, provide access to employment, education and leisure are all in the widest sense preventative services. In addition, local authorities will have specific activities targeted towards prevention for example frailty services, reablement to prevent hospital admissions, community advice and support.

## 11b. Non-Domestic Rates Relief

<b>BEL Description</b>	<b>Resource Budget £'000</b>	<b>Capital Budget £'000</b>
0875 - Non-Domestic Rates Relief	18,804	-
<b>Purpose of BEL</b>		
<p>This budget has previously been used to provide grant funding to all 22 local authorities to provide the Retail Leisure and Hospitality Rates Relief (RLHRR) scheme to eligible businesses.</p> <p>Policy decisions on non-domestic rates for 2026-27 cannot be made until after the UK Government Autumn Budget when the implications of any consequential funding can be considered. Further updates on this BEL will be made before the Final Budget for 2026-27.</p>		

## 11c. Police General Revenue Funding

<b>BEL Description</b>	<b>Resource Budget £'000</b>	<b>Capital Budget £'000</b>
0860 - Police General Revenue Funding	112,331	
<b>Purpose of BEL</b>		
<p>This budget funds essential policing activity in communities through the annual police settlement. This funding contributes towards the total budgets available to Police and Crime Commissioners for the provisions of policing and community safety services in their areas, alongside Home Office funding and council tax precepts.</p>		

## 11d. Local Govt PFI Revenue Consequences

<b>BEL Description</b>	<b>Resource Budget £'000</b>	<b>Capital Budget £'000</b>
0885 - Local Govt PFI Revenue Consequences	2,100	-
<b>Purpose of BEL</b>		
<p>This funding provides a contribution to the annual costs of Private Finance Initiative schemes that were set up in the Welsh public sector and run over</p>		

20-30 years. The profile of agreed support is front loaded, so the total amount reduces each year but is committed over the life of the project.

## 11e. Transformation & Legislation

BEL Description	Resource Budget £'000	Capital Budget £'000
0887 - Transformation & Legislation	6,193	-
<b>Purpose of BEL</b>		
<p>This budget provides funding to support the implementation of a number of local government programmes. It includes funding for research in support of local government finance and local tax reform and work to support diversity in democracy and improving accountability, scrutiny and transparency.</p> <p>This BEL contributes to the following PfG commitments:</p> <ul style="list-style-type: none"> <li>• <i>Reducing the administrative burden on local authorities.</i></li> <li>• <i>Strengthen the autonomy and effectiveness of local government to make them more successful in delivering services.</i></li> <li>• <i>Expand our Access to Elected Office programme.</i></li> </ul> <p><i>It also supports actions to enable the delivery of the Local Government Chapter in the Anti-Racist Wales Action Plan.</i></p>		

## 11f. Non-Domestic Rates Collection Costs

BEL Description	Resource Budget £'000	Capital Budget £'000
0940 – Non-Domestic Rates Collection Costs	5,172	
<b>Purpose of BEL</b>		
<p>This is an accounting only budget (i.e., not cash payments) to pay for the administration of non-domestic rates in accordance with the Local Government Finance Act 1988.</p>		

## 11g. Emergency Financial Assistance

BEL Description	Resource Budget £'000	Capital Budget £'000
1600 – Emergency Financial Assistance	1	-
<b>Purpose of BEL</b>		
<p>Any emergency funding is provided through this BEL, previously it has been used to support Covid and Ukraine payments to local authorities. It is also used when the Emergency Financial Assistance Scheme is triggered, for example in extreme weather events. The budget is £1,000 as the need for the EFAS scheme is not predictable and any costs are managed in year.</p>		

## Valuation Services

### 12a. Valuation Office Agency Services

BEL Description	Resource Budget £'000	Capital Budget £'000
1500 – Valuation Office Agency Services	17,340	-
<b>Purpose of BEL</b>		
<p>This budget provides annual funding for the statutory functions of the Valuation Office Agency (VOA), which forms part of HM Revenue &amp; Customs (HMRC), for property valuation services in Wales. The organisation provides the valuations and property advice required for the effective running of council tax and non-domestic rates systems, and to support policy development and administration.</p> <p>In relation to local taxation, the VOA has a statutory duty to maintain accurate valuation lists of properties, providing and maintaining the base valuation data which is held on both council tax and non-domestic rating lists. These valuation lists underpin the collection of over £3 billion of local taxation a year in Wales.</p> <p>The VOA is also responsible for meeting the Welsh Government's local taxation reform requirements: this includes significant work to deliver a council tax revaluation in 2028, a non-domestic rates revaluation in 2026, alongside other local tax reforms.</p>		

This BEL contributes to the following PfG commitments:

- *Seek to reform council tax to ensure a fairer and more progressive system*
- *Explore and develop effective tax, planning and housing measures to ensure the interests of local people are protected*

## 12b. Valuation Tribunal for Wales

<b>BEL Description</b>	<b>Resource Budget £'000</b>	<b>Capital Budget £'000</b>
1540 – Valuation Tribunal for Wales	1,988	-
<b>Purpose of BEL</b>		
<p>This budget provides annual funding for the Valuation Tribunal for Wales (VTW), a Welsh Government Sponsored Body. It is independent of the Welsh Government and the Valuation Office Agency (VOA).</p> <p>The VTW provides a free service to the public, dealing with appeals concerning council tax, non-domestic rates and drainage rates. Appeals are heard and determined by unpaid volunteer members. A team of paid staff, led by the Chief Executive, provides the necessary support services.</p> <p>Funding is agreed via a formal framework agreement which is regularly reviewed to ensure the VTW remains fit for purpose and manages within its agreed budget. These reviews are complemented by regular monitoring meetings to ensure the VTW maintains effective control over its operations. VTW have recently expanded in order to prepare for their vital role in delivering reform programmes for both council tax and non-domestic rates.</p> <p>This BEL contributes to the PfG commitments; “<i>Seek to reform council tax to ensure a fairer and more progressive</i>”.</p>		

## 12c. Local Taxation Reform

BEL Description	Resource Budget £'000	Capital Budget £'000
1550 – Local Taxation Reform	4,896	-
<b>Purpose of BEL</b>		
<p>The main purpose of this funding is to support the Valuation Office Agency to carry out preparatory work ahead of council tax reforms, as part of the Programme for Government commitment to make council tax fairer. It also funds research and analysis to monitor and evaluate the local taxation system (including the commitment to explore Land Value Tax further), alongside maintaining software for managing the annual operation of the Council Tax Reduction Scheme.</p> <p>This BEL contributes to the following Programme for Government commitments:</p> <ul style="list-style-type: none"> <li>• <i>Seek to reform council tax to ensure a fairer and more progressive</i></li> <li>• <i>Strengthen the autonomy and effectiveness of local government to make them more successful in delivering services</i></li> <li>• <i>Explore and develop effective tax, planning and housing measures to ensure the interests of local people are protected</i></li> </ul>		

## Building Local Democracy

### 13a. Democracy and Boundary Commission Cymru

BEL Description	Resource Budget £'000	Capital Budget £'000
1440 – Democracy and Boundary Commission Cymru	1,773	-
<b>Purpose of BEL</b>		
<p>This BEL provides the funding for the Democracy and Boundary Commission Cymru which has statutory duties to undertake Senedd constituency reviews, and local electoral and community reviews. It also has the statutory functions to set the remuneration for local elected representatives and provide an Electoral Management Board to lead on the effective delivery of Welsh Devolved elections.</p>		

## 13b. Expenditure to Promote Local Democracy

BEL Description	Resource Budget £'000	Capital Budget £'000
1462 – Expenditure to Promote Local Democracy	67	-
<b>Purpose of BEL</b>		
This BEL provides funding for a range of research and organisational memberships which support and enable policy development in the local government portfolio.		

## 13c. Election Policy

BEL Description	Resource Budget £'000	Capital Budget £'000
1463 – Election Policy	3,468	-
<b>Purpose of BEL</b>		
This Budget supports the implementation of electoral reform, in particular the implementation of the Elections and Elected Bodies Act and work to promote democratic engagement. This year will also require funding for training to local government staff in advance of the Senedd elections in 2026.		
This BEL is the main contributor to the Programme for Government to “Reform local government elections to reduce the democratic deficit.”		

## Local Government Improvement

### 14. Improvement & Support

BEL Description	Resource Budget £'000	Capital Budget £'000
1571 – Improvement & Support	2,847	-
<b>Purpose of BEL</b>		
Provides for support for improvement, resilience and digital transformation of county and county borough councils plus contract with Welsh Government Energy Service for decarbonisation - climate change and delivery of the decarbonisation capital budget.		

This BEL contributes to the PfG commitment to “*Strengthen the autonomy and effectiveness of local government to make them more successful in delivering” services.*”

## Local Govt General Capital Funding

### 15. Local Govt General Capital Funding

BEL Description	Resource Budget £'000	Capital Budget £'000
1675 – Local Govt General Capital Funding	-	234,600
<b>Purpose of BEL</b>		
<p>This funding has decreased overall in 2026/27 by £0.4m as the one off £5m for decarbonisation in leisure centres was a 2025-26 investment only. However there has been 2% (£4.6m) inflationary increase in revised baseline funding to give total of £234.6m.</p> <p>This funding is split into three areas:</p> <ul style="list-style-type: none"> <li>• £30.6m for local government low carbon heat grant run through WG Energy Service.</li> <li>• £115.2m general capital grant, used for match funding for other grant and small-scale capital project or capital maintenance.</li> <li>• £88.8m budget cover for supported borrowing (a revenue amount in the settlement which can be used to pay interest repayments on borrowing).</li> </ul>		

## Academi Wales

### 16. Academi Wales

BEL Description	Resource Budget £'000	Capital Budget £'000
7093 – Academi Wales	1,357	-
<b>Purpose of BEL</b>		
<p>Academi Wales is the centre of excellence for public service leadership. It is an enabling function, contributing towards the capacity and capability of leaders across Welsh public services to respond to Programme for Government commitments or legislative requirements. Underpinning this is a focus on</p>		

leadership behaviours and values which underpin delivery. More than half of the budget (circa £830k) supports programme funded posts within the delivery team. The budget can be considered to be wholly committed to the range of leadership development programmes, including our summer and winter schools, leadership interventions and a range of masterclasses and programmes. A large number of which have a range of contractual arrangements and agreements in place to support delivery. In addition, in order to deliver on the Academi Wales published Three Year Strategy, part of our annual budget will be allocated to research and evaluation activities, to ensure ongoing innovation.

## Supporting Collaboration and Reform

### 17. Community and Town Councils

BEL Description	Resource Budget £'000	Capital Budget £'000
1574 – Community and Town Councils	147	-
<b>Purpose of BEL</b>		
<p>This BEL provides support to the town and community council sector via core funding to its representative body One Voice Wales. It also supports a grant to the Society of Local Council Clerks for clerk development and training.</p> <p>This BEL contributes to “<i>Strengthen the autonomy and effectiveness of local government to make them more successful in delivering services</i>”, a PfG commitment.</p>		

## Fire and Rescue Services and Resilience

### 18a. Fire and Rescue Services

BEL Description	Resource Budget £'000	Capital Budget £'000
1265 - Fire and Rescue Services	3,119	1,020
<b>Purpose of BEL</b>		
<p>This BEL funds the salary and on-costs of the Welsh Government’s Chief Fire and Rescue Adviser and the Crown Premises Inspector (both of whom we are obliged to appoint and remunerate), and actuarial and legal advice on</p>		

firefighters' pensions from the Government Actuary's and Government Legal Departments, which again we are legally obliged to obtain. The BEL has been increased by £300K to support an enhanced inspection regime in 2026/27 to support FRS governance reform.

The revenue (£2.2 million) and capital (£1.02 million) elements of this BEL also fund the specialist crews and equipment for the Fire and Rescue Services' National Resilience frontline capabilities to respond to major disasters (building collapses, chemical, biological, radiological and nuclear incidents, serious flooding and terrorist attacks). The revenue element has been increased by £200k to maintain those capabilities at their current level.

## 18b. Fire and Rescue Service - Communication Systems

BEL Description	Resource Budget £'000	Capital Budget £'000
1697 - Fire and Rescue Service - Communication Systems	1,301	214
<b>Purpose of BEL</b>		
The majority of the funding is provided to the Home Office for Wales' contribution to the Emergency Services Network (ESN) which is the future communications platform for the emergency services. The Welsh Government is a Funding Sponsor Body which means the contribution to ESN is a long-term contractual commitment.		

## 18c. Community Fire Safety

BEL Description	Resource Budget £'000	Capital Budget £'000
1698 - Community Fire Safety	378	918
<b>Purpose of BEL</b>		
The revenue budget funds a range of Fire and Rescue Service interventions with children and young people, aimed at diverting them away from offending and other negative behaviours. The programmes use firefighters as role models and positive authority figures, and aim to build self-esteem, confidence, teamwork and respect for others. Participant numbers are typically around 500 per year for the most intensive programme ("Phoenix")		

for those at greatest risk of offending, with around 3,000 in the less intensive “Reflect” programme.

The capital element of the budget funds the provision of safety equipment free of charge to households that are at particular risk of fire in the home (e.g. because of old age, disability or mental health problems).

## Ystadau Cymru

### 19. Ystadau Cymru

BEL Description	Resource Budget £'000	Capital Budget £'000
1576 - Ystadau Cymru	500	
<b>Purpose of BEL</b>		
<p>Ystadau Cymru (YC) is a Welsh Government-established partnership aimed at fostering excellence in collaborative asset management across public and third sector organizations in Wales. A large proportion of the YC budget funds the Asset Collaboration Programme Wales (ACPW3) grant scheme (revenue). This scheme supports innovative collaborative asset projects across Wales and in many cases, funds projects that are not supported elsewhere.</p> <p>In addition to the grant scheme, our core workstreams focus on building safety, sustainability, and community assets. Through close collaboration with partners, we offer support and guidance to empower the public sector in these areas.</p>		

## AME

Spending that cannot reasonably be subject to firm multi-year limits, or that relates to certain non-cash transactions, is included in Annually Managed Expenditure (AME).

<b>BEL Description</b>	<b>Resource Budget £'000</b>	<b>Capital Budget £'000</b>
0981 – Market Housing - AME	16	-
0870 - Non-Domestic Rates Distributable Amount - AME	1,178,000	-
0865 - Bad Debt Provision - AME	227	-
1699 - Fire Service Pensions - AME	35,641	-
<b>Total AME</b>	<b>1,213,884</b>	

### BEL 0981 - Market Housing

Budget relates to the fair value adjustments on the Help to Buy Wales Scheme's loan book. The forecasts are very volatile as they relate to Welsh Government's equity share from the scheme and are extremely sensitive to any movement in the House Price Index (HPI). The model is updated on an annual basis to reflect the latest HPI, RPI and discount factor (cost of capital) data. The current budget allocation represents the latest forecast.

### BEL 0870 - Non-Domestic Rates Distributable Amount

Budget represents the expenditure funded by Non-Domestic Rates income in Wales.

### BEL 0865 - Bad Debt Provision – AME

Budget reflects the movement in the bad debt provision.

### BEL 1699 - Fire Service Pensions

The budget allocation is a grant to cover the shortfall between contributions to the Firefighters' Pension Scheme and pension benefits currently in payment. The current budget allocation reflects the latest forecast received from the three Fire and Rescue Services.

## 2. Changes to allocations since 2025/26

Summary	2025/26 Final Budget £000	Baseline Adjustments £000**	Revised Baseline £000	2026/27 Draft Budget £000	Change £000	% Change
Revenue	5,483,188	75,399	5,558,587	5,690,029	131,442	2.3%
General Capital	1,196,280	(5,000)	1,191,280	1,215,106	23,826	2.0%
FTC* Allocation	86,250	(86,250)	-	87,975	87,975	
FTC Repayments*	(13,388)	13,388	-	(5,467)	(5,467)	
<b>Total DEL</b>	<b>6,752,330</b>	<b>(2,463)</b>	<b>6,749,867</b>	<b>6,987,643</b>	<b>237,776</b>	
AME	1,114,803	-	1,114,803	1,213,884	99,081	8.2%
<b>Total Budget</b>	<b>7,867,133</b>	<b>(2,463)</b>	<b>7,864,670</b>	<b>8,201,527</b>	<b>336,857</b>	

Changes by BEL are detailed in Annex A.

### 3. Alignment with Programme for Government Commitments

- 2.** The Local Government and Housing MEG supports the delivery of a number of Programme for Government commitments. In accordance with Welsh Government budget management principles, allocations to support the delivery of these commitments have been targeted towards interventions that are affordable and offer value for money whilst also seeking to protect front line services that protect the most vulnerable in our society. Details of the allocations and the Programme for Government commitments they support are provided in the BEL analysis above and throughout this paper.

## 4. Preventative Spend within Budget Allocations

### Local Government

- 3.** Unhypothecated revenue and capital funding for local authorities will support local authorities in both reactive and preventative services. In particular education and social services will include services intended to enable people to stay healthily in their own homes, to live independently and reach their fullest potential.
- 4.** Social care delivered by local authorities is a vital part of the health and social support available to people of all ages across Wales. Partnership work between Health Board and Local Authorities is key to boost preventative services and minimise hospital stays.
- 5.** Education is another critical service delivered by local authorities; the core funding provided through the local government settlement underpins the provision of education through nursery, primary and secondary schools. It also supports those with additional needs through mainstream provision and special schools, giving opportunities for all children and young people to learn and develop to play a full part in society.
- 6.** Services which prevent flooding, support healthy lifestyles, provide access to employment, education and leisure are all in the widest sense preventative services. In addition, local authorities will have specific activities targeted towards prevention for example [frailty services, reablement to prevent hospital admissions, community advice and support]. Funding provided through the revenue support grant is unhypothecated; it is for local authorities to determine priorities for its use. Providing this significant funding in this way means local authorities have the flexibility to plan, fund and deliver their services in the way that works best for their local populations.
- 7.** Within the Transformation and support BEL, funding is provided to improve and support local authorities to respond to and prevent governance or other failures.

### Fire

- 8.** The community fire safety BEL focuses wholly on fire prevention, both by diverting children and young people away from fire-setting and other

offending behaviour, and by reducing the risks of fire in the home faced by vulnerable groups.

## Housing

9. Within the housing sector there are numerous schemes targeted at prevention as set out above.
10. Investing in **more homes provides families with the opportunity to thrive**, improving health, wellbeing, quality of life and outcomes. **Building new homes** contributes to local economies, creating and supporting jobs, training opportunities and strengthening supply chains.
11. Investing in **better quality housing** can have wider impacts than improving the housing stock alone. For all age groups, those living in social housing are more likely to have a limiting long-term illness, disability or infirmity than owner occupiers and those privately renting. Improvements in housing quality can alleviate these conditions and prevent the requirement for intervention from health and social services, it can also improve educational outcomes for children and young people
12. Investment in good quality housing has the potential to generate large economic returns, through skills and supply chain development, as well as reducing our emissions and levels of fuel poverty. It has a direct impact on the health and well-being of occupants, which can in turn help to reduce pressures on other public services.
13. Our drive to deliver more homes will have a positive impact across the whole of Wales and its population.

## Investment in Homelessness prevention and Housing Support

14. Early intervention is the most effective and cost-effective means of preventing homelessness. The failure to prevent homelessness has direct cost implications for Local Authorities including through the revenue costs associated with nearly 11,000 individuals currently housed in temporary accommodation. In fact, homelessness or the risk of homelessness undermines wellbeing, gives rise to costs across the public sector including increased costs for health, mental health and policing. It also

impacts on long term outcomes for example with children in such circumstances failing to achieve their educational potential.

- 15.** The Housing Support Grant (HSG) is the primary funding source to support Local Authorities in the prevention of homelessness.
- 16.** Housing Support Grant services are key to preventing homelessness and to supporting people to move on successfully from temporary accommodation. Over the last 12 months (August 2024 to July 2025) homelessness services have helped over 9,000 people out of temporary accommodation into suitable long-term accommodation. The last two years of data (August 2023 to July 2025) shows that over 17,800 people have been moved out of temporary accommodation into suitable long-term accommodation, ending their homelessness (Welsh Government data).
- 17.** Previous research (in 2020) by Cymorth Cymru and Cardiff Metropolitan University into the social and financial impact of the Housing Support Grant estimated that the grant generates a gross annual saving to public services of £300.4m, or a net annual saving of £176.7m (when taking in to account the annual grant spend as at July 2019). This represents an estimated net saving to public services in Wales of £1.40 for every £1 of funding for Housing Support Grant. Every £1 of Housing Support Grant funding generates an estimated net saving of £5.20 for mental health services
- 18.** Investment in prevention and support through the Housing Support Grant will have a positive impact on vulnerable individuals and households as well as on public services.
- 19.** This increased investment in preventive services also supports our transformation agenda and provides a strong foundation and preventative focus ahead of homelessness legislative reform. Viewed alongside our investments to deliver more homes and improve standards, this underlines our commitment to, and progress towards, delivering housing adequacy.

## Investment in Independent Living budgets

- 20.** This investment will support Care & Repair services via revenue, alongside a £0.5 million inflationary uplift to the Rapid Response Adaptations Programme capital budgets to support Local Authority and Registered Social Landlord funded adaptations.
- 21.** Adaptations are an effective preventative investment to support independent living and improve the health and wellbeing of older people, disabled adults and children. They help to reduce hospital discharge times and pressures on hospital bed blocking, as well as helping to prevent falls, reduce reliance on care, avoid the need to move into residential care and significantly improve opportunities and quality of life and wellbeing for individuals, their families and carers.
- 22.** There have been significant increases in the number of adaptations needed across Wales over the past three years, exacerbated by a backlog caused by Covid-19. The number of complex cases has also risen, along with the costs of delivering these.
- 23.** The most recent cleansed and analysed data we have available for housing adaptations in Wales (2020-21) indicates that the average cost was £117 for a small adaptation, £3,840 for a medium adaptation and £16,237 for a large adaptation. More than half of adaptations delivered in 2020-21 were funded by the Rapid Response Adaptations Programme (38%) or Local Authorities from their own budgets (20%). A smaller proportion of adaptations were funded by Disabled Facility Grants, Enable (15%) and the Integrated Care Fund (6%).
- 24.** The Care and Repair Impact Report 2024 notes the past year has seen increased demand for services as a cost-of-living squeeze has impacted older people's wellbeing and ability to maintain homes. Demand for Care and Repair services has seen another year-on-year rise. This long-term trend is due to increased costs for construction labour and materials, reduced levels of disposable income amongst older people, and more complexity of need. The service delivered 19,023 Rapid Response Adaptations in 2023/24, supporting hospital discharges, and preventing admissions to hospital and residential care. 4,685 patients were supported with a quicker safe discharge home through their Hospital to a Healthier Home service, leading to an estimated 25,968 bed days saved.

**25.** Investment will help to deliver adaptations across Wales, alleviate Housing Association and Local Authority pressures of backlogs for complex cases and could potentially help broaden the remit of the Rapid Response Adaptations Programme, leading to better health outcomes for some of the most vulnerable in Wales.

## 5. Strategic Integrated Impact Assessments

- 26.** An outline Strategic Integrated Impact Assessment was published alongside our Draft Budget on 3 November. A full SIIA will be concluded in January and published alongside the Final Budget. This will set out how our interventions have been targeted to address economic, climate and other impacts. Allocations have been made throughout this portfolio to address impacts that have been identified and with the principles of the Wellbeing of Future Generations Act in mind; these details are provided throughout this paper.
- 27.** Our outline Strategic Integrated Impact Assessment (SIIA) of the 2026-27 Draft Budget outlines the evidence which was considered and informed our decisions. The Strategic Integrated Impact Assessment identifies key trends and considers the strategic and cumulative impacts of decisions across a range of areas, including giving due consideration to statutory requirements. This helps to reduce any disproportionate effect on any one specific group as well as identifying opportunities to maximise positive impacts to reduce inequalities across our society.
- 28.** This document should not be read in isolation. It should be read in conjunction with the wider Draft Budget narrative and supporting documents, such as the Wales Economic and Fiscal Report (WEFR) and our updated distributional impact analysis. Following the publication of the draft Budget, we will also publish the summary of all ministerial evidence to Senedd scrutiny committees.

## 5. Welsh Government impact assessment and impact of inflation only increase in departmental spending for local government budgets

**29.** The WLGA have estimated pressures for 2026-27 of £560m from a combination of inflation, pay increases and increasing demand and complexity of need for services. We know that an inflation only budget will not meet the total of the pressures presented, and the local authorities will need, as they do every year, to assess their budget requirements and service delivery. Authorities will need to make local choices, after consultation with partners and local people in where to direct the funding available to them. This will need to balance demand management, preventative services and meeting immediate priorities. From past trends we anticipate that the proportion of funding spent on education and social care will continue to increase with other areas decreasing, whether through cuts to services or changes in delivery mechanisms.

**30.** In setting the draft budget we have taken action to support local authorities as much as possible in the budget situation we have this year. We have given a 2% inflationary uplift, and a 2.2% inflationary uplift for pay related costs following OBR forecasts. We have modelled the NDR distributable amount rather than assuming it is restated plus 2%, which increases the settlement by more than the rise in the revenue support grant element. We have included in the baseline the funding agreed in 2025-26 for teachers pay, NJC agreed pay and national insurance. This is before the inflationary factor is applied. We are also maintaining the one-off additions announced as part of the 25-26 budget, £30m to target delayed hospital discharges and provide more care and support in local communities through the Pathways of Care Transformation Grant, and £30m to boost childcare through Flying Start. We have also included a funding floor to ensure the minimum increase in funding is 2.3%. We are exploring ways of giving local authorities short term flexibility in setting their budgets through statutory overrides for example by giving options around minimum revenue provision charges.

## 6. Climate Change, Well-Being of Future Generations Act and Decarbonisation

- 31.** The Wellbeing of Future Generations Act requires Local Authorities, alongside other public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other. Funding through the revenue support grant to the Local Authorities will support work to prevent persistent problems such as poverty, health inequalities and climate change.
- 32.** A key priority for the Fire and Rescue Service National Resilience capital BEL will be to continue to support the greening of operations in this area. The National Resilience capability includes a fleet of specialised vehicles, many of which are heavily polluting by modern standards, and nearing the end of their operational lives. These are being progressively withdrawn from service, and the grant will support further replacement of these vehicles with more efficient and greener new models. Where operational requirements preclude the use of hybrid or fully electric vehicles, replacements will be fuelled by biodiesel instead.
- 33.** Fire prevention can also mitigate the effects of climate change. A typical dwelling fire can emit over a ton of carbon dioxide (as well as other noxious gases and substances), and a large wildfire can emit an amount that is several orders of magnitude greater. Reducing the incidence of such fires therefore has benefits beyond reducing the damage to property and the environment that they cause directly.
- 34.** An inflationary uplift of £1.840m has been allocated in 2026–27 to support the **Residential Decarbonisation and Quality** programme. This investment supports a key Programme for Government commitment to decarbonise more homes through retrofit, delivering quality jobs, training and innovation using local supply chains. It also delivers against two key statutory requirements: Climate Change (Wales) Regulations 2021 – delivery of reduction in greenhouse gas emissions from the housing sector; and Section 33A of the Housing Act 1996 – regarding the setting of housing standards.
- *Capital funding will predominantly be used to support the social housing sector, through the Optimised Retrofit Programme (ORP). Our ambition is to ensure all social housing landlords participate in this scheme so that*

*they can integrate the decarbonisation agenda within their planned maintenance programmes.*

- *An additional allocation of £3.06m of Financial Transactions Capital has been allocated in 2026-27 to support the continuation of low interest loans to owner occupiers ready to invest in decarbonisation of their homes.*
- *Our investment in Major Repairs Allowance and Dowry Gap Funding also supports the tackling of climate change and decarbonisation. The Welsh Government, together with social landlord delivery partners, have invested billions of pounds to significantly improve and maintain the quality of social homes across Wales over the last two decades following the introduction of the original Welsh Housing Quality Standard. By 2022, all social housing in Wales had met the challenging standard.*
- *A new version of the Welsh Housing Quality Standard was launched in October 2023. This new standard keeps anti-poverty requirements at its heart, improving energy efficiency, with the aim of putting more money in tenant's pockets and supporting their comfort and well-being.*

**35.** Building on capital funding provided in previous years for the decarbonisation of heating of Local Authority buildings has been increased by inflation to £31m. This funding can be used in stand-alone projects or as part of wider capital programmes to reduce the carbon footprint of the local authority estate.

## 7. Local Government and compliance with statutory duties and/or Programme for Government priorities; Welsh language, inequalities and the nature and climate emergency

**36.** Through the transformation and legislation and improvement and support BELs we also continue to provide a range of funding to support the implementation of a number of local government reform programmes delivered by the Welsh Government. These include funding for workforce partnership arrangements, research in support of local government finance and local tax reform, diversity in democracy and improved accountability, scrutiny and transparency and support for improvement, resilience and digital transformation of county and county borough councils.

**37.** The settlement itself as un-hypothecated funding gives local authorities the flexibility to make the local choices that work best for their local communities within the budget envelope that they have. The inflationary uplift to the revenue support element gives a consistent increase in funding with other sectors funding by Government. The approach to the draft budget means that there will generally be a consistent uplift to specific grants to local authorities to support specific policy areas.

## 8. Capital Spending on Housing

- 38.** This section will confirm how capital spending on housing in 2026-27 will be used across both the Social Housing Grant and Transitional Accommodation Capital Programme to support the delivery of homes in the next Senedd term.
- 39.** Investing in more homes provides families with the opportunity to thrive, improving health, wellbeing, quality of life and outcomes. Building new homes contributes to local economies, creating and supporting jobs, training opportunities and strengthening supply chains.
- 40.** Social Housing Grant BEL funding allocations have been increased by £8.22m from £411m to £419.22m in 2026-27. This is the key budget line for increasing the supply of affordable housing. While the current term of government prioritised delivering 20,000 low carbon homes for social rent, the target for the next term has yet to be confirmed.
- 41.** Social Housing Grant is currently the main capital programme supporting the delivery of high-quality affordable housing in Wales by Local Authorities and Registered Social Landlords (RSLs).
- 42.** The Transitional Accommodation Capital Programme (TACP) was established in response to the growing pressures on temporary accommodation where the numbers of people homeless are increasing due to the worsening cost of living crisis, as well as wider resettlement schemes. The programme provides grant funding to Local Authorities and Registered Social Landlords (RSLs) to bring forward good quality longer term accommodation at pace to support everyone in housing need.
- 43.** The funding awarded in 2026-27 will be used across both the Social Housing Grant and Transitional Accommodation Capital Programme to support the delivery of additional affordable homes. homes in the next Senedd term.

## 9. Homelessness and Housing Support Grant

- 44.** This section will provide a breakdown of the draft budget on homelessness, including the Housing Support Grant element of the Homelessness Support and Prevention BEL and how this is laying the foundations for the forthcoming legislative reform.
- 45.** As previously outlined, this BEL is preventative in nature. Failure to prevent homelessness has direct financial implications for Local Authorities, including the revenue costs associated with nearly 11,000 individuals currently housed in temporary accommodation. Homelessness also undermines wellbeing and drives costs across the public sector, including increased demand on health, mental health, and policing services. It negatively affects long-term outcomes—for example, children experiencing homelessness often struggle to achieve their educational potential.
- 46.** This BEL is a key contributor to the reform of homelessness services, with a focus on prevention and rapid rehousing, which is a priority in the Programme for Government.
- 47.** This BEL supports a range of homelessness prevention measures, with the majority of funding allocated to the HSG, the primary funding mechanism to enable Local Authorities to prevent homelessness. It supports individuals with a variety of needs to live independently and sustain tenancies, thereby reducing pressure on other public services, particularly health and social care. For 2026–27, an additional £4.704m has been allocated to this BEL which will be used to uplift existing projects funded within the BEL.
- 48.** The vast majority of Housing Support Grant funding is used for staffing costs. Services are commissioned by Local Authorities, with a significant proportion delivered by third sector organisations. Additional funding of £4.1m will support a 2% inflationary uplift for staff delivering these critical services, taking the total Housing Support Grant budget to £208.4m in 2026-27.
- 49.** The remaining additional funding within the BEL in 2026-27 will be used to provide a 2% inflationary uplift for other homelessness prevention projects, including Youth Innovation projects, the Housing First programme and

advice services. It will also be used to fund the development of new guidance and training to support implementation of the new Homelessness and Social Housing Allocation (Wales) Bill.

- 50.** The RIA for the Bill also acknowledges that preparatory work will be necessary within each Local Authority ahead of implementation. A further £2.3m will be used to support Local Authorities in meeting pre-implementation costs, which will be allocated via the RSG through a specified grant mechanism.
- 51.** BEL funding will also continue to fund Leasing Scheme Wales in 2026–27 to “develop a national scheme restricting rent to local housing allowance levels for families and young people who are homeless or at risk of homelessness”. This revenue funding complements capital funding provided to the scheme as detailed in BEL 1182.

## 10. Prioritisation of resources for the implementation of the Homelessness and Social Housing Allocation (Wales) Bill and the Building Safety (Wales) Bill

**52.** This section will explore how the allocations will support the implementation of the upcoming Building Safety Bill and the Homelessness and Social Housing Allocation (Wales) Bill.

**53.** As stated above, addressing building safety remains a priority for the government and we are continuing to invest in our building safety remediation programme. The Building Safety (Wales) Bill was introduced into the Senedd in July 2025. An important element of ongoing work is engaging with Local Authorities and others to understand the resource and workforce implications of the legislation. We are also exploring what can be done nationally to support implementation, for example, digital systems to enable the new regime. This work will continue into early 2026 and will inform future budget planning.

**54.** The RIA for the Building Safety (Wales) Bill acknowledges transition costs for Local Authorities and Fire and Rescue Authorities in their respective roles as building safety authorities and fire safety authorities. These transition costs include:

- *familiarisation costs of £0.05m for building safety authorities and fire safety authorities; and*
- *£0.44m for building safety authorities to establish registers of buildings*

**55.** The Regulatory Impact Assessment (RIA) for the Homelessness and Social Housing Allocation (Wales) Bill acknowledges that preparatory work will be necessary within each Local Authority ahead of implementation. The total estimated cost of this activity in 2026–27 is £2.5m. To support Local Authorities in meeting this cost, £2.3m will be allocated via the Revenue Support Grant (RSG) through a specified grant mechanism. The remaining £0.2m will be funded within the Homelessness Support and Prevention BEL to fund the development of training and guidance.

## 10. National Insurance Contributions Shortfall

**56.** We have passed on all the funding provided by the UK Government to meet the additional employer National Insurance contribution costs for the public sector in 2025-26 and we have provided an extra £36m from reserves to close the gap. This funding has been baselined in 2026-27.

- *All public sector employers received about 85% of the increased National Insurance costs.*
- *We recognise this creates difficulties for the public sector, but we cannot afford to meet this UK bill in full when the UK Government has not provided the necessary funding to do so.*
- *We believe the UK Government should treat public sector employers the same across the UK and fund the costs in full.*

**57.** For local authorities, a total of £97m has been baselined in the settlement. This has been distributed within on the same basis as the funding in 2025-26, based on those service IBAs that are majority staff costs. The funding shortfall is one of the pressures highlighted by the WLGA and, despite the additional funding added by Welsh Government to the UK Government funding there is still a shortfall of around 15%. Local authorities will need to consider this as part of their overall budget setting process.

**58.** For housing support, the Housing Support Grant budget was uplifted by £21m (or 11.5%) in the 2025-26 Final Budget to fund support services. The uplift also assists Local Authority commissioners to support the sector in meeting increased costs, including paying the Real Living Wage., and increases to employer National Insurance contributions (NICs).

**59.** This increased cost, which had the biggest impact when it was first introduced in April 2025, has therefore been 'baselined' into the 2026-27 Housing Support Grant budget.

## 11. Cost of Living Pressures and Energy Prices

- 60.** Local authorities have not raised significant issues with us over increases in energy costs within their report to the Finance Subgroup. This will be captured within the general inflationary uplift to the revenue support grant within the local government settlement. The investment we are making through the local government decarbonisation grant continues to bring down energy costs through the use of various renewable energy sources. This is alongside the investment in energy efficient buildings from specific schemes such as community focused schools.
- 61.** As outlined above, the Housing Support Grant was uplifted by £21m (or 11.5%) in the 2025-26 Final Budget. The uplift was intended to assist Local Authority commissioners to support the sector in meeting increased costs, including inflationary pressures and increased demand. The increased budget has been 'baselined' into the 2026-27 Housing Support Grant budget.
- 62.** As energy costs remain stubbornly high, an estimated 25% of households in Wales are living in fuel poverty. Our Warm Homes Nest scheme continues to provide free energy efficiency measures to eligible households, including emergency support for people without heating and hot water. Energy efficiency improvements to social housing funded through the Major Repairs Allowance, Dowry Gap funding and Optimised Retrofit Programme are enabling tenants to affordably heat their homes.

## 12. Gypsy, Roma and Travellers

- 63.** There are no allocations within the LGH MEG to support Gypsy, Roma and Travellers and there have been no specific transfers into the RSG in respect of these communities.
- 64.** There are 14 actions within the Anti-racist Wales Action Plan which relate to housing, leadership and criminal justice for Gypsy, Roma and Traveller communities, these actions are supported by a revenue budget of £1.2m. This reflects planned expenditure on Gypsies, Roma and Traveller in 26-27, as part of a wider budget allocation of £1.6m within the Social Justice MEG, which includes targeted support for Gypsies, Roma and Traveller communities.
- 65.** Also included within the Social Justice MEG, the Gypsy Traveller Sites has a capital budget of £3.44m for 2026-27 which is unchanged from the 2025-26 Final Budget (restated). The budget covers the development of new sites, site extensions and refurbishment projects at local authority owned sites across Wales. The Cabinet Secretary for Social Justice will be providing evidence to the Equality and Social Justice Committee in respect of these budgets.

## 11. Annex A

<b>HOUSING &amp; LOCAL GOVERNMENT</b>							
<b>RESOURCE BUDGET</b>							
<b>Action</b>	<b>BEL No.</b>	<b>BEL Description</b>	<b>2025/26 Final Budget £'000</b>	<b>Baseline Adjustments £000**</b>	<b>Revised Baseline £'000</b>	<b>2026/27 Draft Budget £'000</b>	<b>Change £,000</b>
<b>Homelessness Prevention</b>	1120	Homelessness Support & Prevention	219,147	11	219,158	4,704	223,862
	<b>Total Homelessness Prevention</b>		<b>219,147</b>	<b>11</b>	<b>219,158</b>	<b>4,704</b>	<b>223,862</b>
<b>Independent Living</b>	1100	Housing Policy	1,368	12	1,380		1,380
	1285	Rapid Response to Independent Living	6,358	0	6,358		6,358
	<b>Total Independent Living</b>		<b>7,726</b>	<b>12</b>	<b>7,738</b>	<b>0</b>	<b>7,738</b>
<b>Homes &amp; Places</b>	950	Warm Homes	3,731	1	3,732		3,732
	<b>Total Homes &amp; Places</b>		<b>3,731</b>	<b>1</b>	<b>3,732</b>	<b>0</b>	<b>3,732</b>
<b>Achieve Quality Housing</b>	1065	Residential Decarbonisation & Quality	1,673	7	1,680		1,680
	<b>Total Achieve Quality Housing</b>		<b>1,673</b>	<b>7</b>	<b>1,680</b>	<b>0</b>	<b>1,680</b>
<b>Building Safety</b>	2255	Building Safety	4,500	43	4,543		4,543
	<b>Total Building Safety</b>		<b>4,500</b>	<b>43</b>	<b>4,543</b>	<b>0</b>	<b>4,543</b>
<b>Increase the Supply and Choice of Affordable Housing</b>	984	Housing Finance Grant	5,285	2	5,287		5,287
	<b>Total Increase the Supply and Choice of Affordable Housing</b>		<b>5,285</b>	<b>2</b>	<b>5,287</b>	<b>0</b>	<b>5,287</b>
<b>Housing Revenue Funding</b>	1181	Housing Programme Revenue Funding	1,100	22	1,122		1,122
	<b>Total Housing Revenue Funding</b>		<b>1,100</b>	<b>22</b>	<b>1,122</b>	<b>0</b>	<b>1,122</b>

<b>Land Division</b>	6410	Land Release Fund	(1,550)	10	(1,540)		(1,540)
	<b>Total Land Division</b>		<b>(1,550)</b>	<b>10</b>	<b>(1,540)</b>	<b>0</b>	<b>(1,540)</b>
<b>Regeneration</b>	4151	Regeneration	(13,329)	8	(13,321)		(13,321)
	4162	Cardiff Harbour Authority	5,400	0	5,400		5,400
	<b>Total Regeneration</b>		<b>(7,929)</b>	<b>8</b>	<b>(7,921)</b>	<b>0</b>	<b>(7,921)</b>
<b>Funding Support for Local Government</b>	840	Local Govt General Revenue Funding	5,008,134	133,990	5,142,124	125,620	5,267,744
	875	Non-Domestic Rates Relief	77,730	(59,295)	18,435	369	18,804
	860	Police General Revenue Funding	112,331	0	112,331		112,331
	885	Local Govt PFI Revenue Consequences	2,411	0	2,411	(311)	2,100
	887	Transformation & Legislation	6,032	40	6,072	121	6,193
	940	Non-Domestic Rates Collection Costs	5,172	0	5,172		5,172
	1600	Emergency Financial Assistance	1	0	1		1
	<b>Total Funding Support for Local Government</b>		<b>5,211,811</b>	<b>74,735</b>	<b>5,286,546</b>	<b>125,799</b>	<b>5,412,345</b>
<b>Valuation Services</b>	1500	Valuation Office Agency Services	17,000	0	17,000	340	17,340
	1540	Valuation Tribunal for Wales	1,925	24	1,949	39	1,988
	1550	Local Taxation-Reform	4,800	0	4,800	96	4,896
	<b>Total Valuation Services</b>		<b>23,725</b>	<b>24</b>	<b>23,749</b>	<b>475</b>	<b>24,224</b>
<b>Building Local Democracy</b>	1440	Democracy and Boundary Commission Cymru	1,507	229	1,736	37	1,773
	1462	Expenditure to Promote Local Democracy	66	0	66	1	67
	1463	Election Policy	3,400	0	3,400	68	3,468
	<b>Total Building Local Democracy</b>		<b>4,973</b>	<b>229</b>	<b>5,202</b>	<b>106</b>	<b>5,308</b>
<b>Local Government Improvement</b>	1571	Improvement & Support	2,791	0	2,791	56	2,847
	<b>Total Local Government Improvement</b>		<b>2,791</b>	<b>0</b>	<b>2,791</b>	<b>56</b>	<b>2,847</b>
<b>Academi Wales</b>	7093	Academi Wales	1,269	17	1,286	71	1,357
	<b>Total Academi Wales</b>		<b>1,269</b>	<b>17</b>	<b>1,286</b>	<b>71</b>	<b>1,357</b>
<b>Supporting Collaboration and Reform</b>	1574	Community and Town Councils	144	0	144	3	147
	<b>Total Supporting Collaboration and Reform</b>		<b>144</b>	<b>0</b>	<b>144</b>	<b>3</b>	<b>147</b>

<b>Fire and Rescue Services and Resilience</b>	1265	Fire and Rescue Service	2,646	278	2,924	195	3,119
	1697	Fire and Rescue Service - Communication Systems	1,275	0	1,275	26	1,301
	1698	Community Fire Safety	371	0	371	7	378
<b>Total Fire and Rescue Services and Resilience</b>			<b>4,292</b>	<b>278</b>	<b>4,570</b>	<b>228</b>	<b>4,798</b>
<b>Ystadau Cymru</b>	1576	Ystadau Cymru	500	0	500		500
<b>Total Ystadau Cymru</b>			<b>500</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>500</b>
<b>HOUSING &amp; LOCAL GOVERNMENT - TOTAL RESOURCE BUDGET</b>			<b>5,483,188</b>	<b>75,399</b>	<b>5,558,587</b>	<b>131,442</b>	<b>5,690,029</b>

<b>CAPITAL BUDGET</b>							
<b>Action</b>	<b>BEL No.</b>	<b>BEL Description</b>	<b>2025/26 Final Budget £'000</b>	<b>Baseline Adjustments £000**</b>	<b>Revised Baseline £'000</b>	<b>2026/27 Draft Budget £'000</b>	<b>Change £,000</b>
<b>Independent Living</b>	1285	Rapid Response Adaption Programme	25,000		25,000	500	25,500
	1182	Private Rented Sector	3,500		3,500	70	3,570
<b>Total Independent Living</b>			<b>28,500</b>	<b>0</b>	<b>28,500</b>	<b>570</b>	<b>29,070</b>
<b>Homes &amp; Places</b>	986	Health & Housing	60,500		60,500	1,210	61,710
	950	Warm Homes	37,500		37,500	750	38,250
<b>Total Homes &amp; Places</b>			<b>98,000</b>	<b>0</b>	<b>98,000</b>	<b>1,960</b>	<b>99,960</b>
<b>Achieve Quality Housing</b>	1061	Major Repairs Allowance and Dowry Gap Funding	108,000		108,000	2,160	110,160
	1065	Residential Decarbonisation & Quality	95,000	(3,000)	92,000	4,900	96,900
<b>Total Achieve Quality Housing</b>			<b>203,000</b>	<b>(3,000)</b>	<b>200,000</b>	<b>7,060</b>	<b>207,060</b>
<b>Increase the Supply and Choice of Affordable Housing</b>	982	Social Housing Grants (SHG)	437,250	(26,250)	411,000	34,995	445,995
	989	Land for Housing - Repayment	(1,000)	1,000	0		0
<b>Total Increase the Supply and Choice of Affordable Housing</b>			<b>436,250</b>	<b>(25,250)</b>	<b>411,000</b>	<b>34,995</b>	<b>445,995</b>
<b>Building Safety</b>	2255	Building Safety	127,670		127,670	2,554	130,224
<b>Total Building Safety</b>			<b>127,670</b>	<b>0</b>	<b>127,670</b>	<b>2,554</b>	<b>130,224</b>
	987	Market Housing and Other Schemes	82,000	(57,000)	25,000	58,640	83,640

<b>Increase the Supply and Choice of Market Housing</b>	987	Market Housing and Other Schemes - Repayment	(3,260)	3,260	0	(5,467)	(5,467)
	980	Homebuy	4,000		4,000	80	4,080
<b>Total Increase the Supply and Choice of Market Housing</b>			<b>82,740</b>	<b>(53,740)</b>	<b>29,000</b>	<b>53,253</b>	<b>82,253</b>
<b>Land Division</b>	6410	Land Release Fund	25,000		25,000	500	25,500
	6410	Land Release Fund - Repayment	(9,128)	9,128	0		0
<b>Total Land Division</b>			<b>15,872</b>	<b>9,128</b>	<b>25,000</b>	<b>500</b>	<b>25,500</b>
<b>Regeneration</b>	4151	Regeneration	40,000		40,000	800	40,800
<b>Total Regeneration</b>			<b>40,000</b>	<b>0</b>	<b>40,000</b>	<b>800</b>	<b>40,800</b>
<b>Local Government General Capital Funding</b>	1675	Local Govt General Capital Funding	235,000	(5,000)	230,000	4,600	234,600
	<b>Total Local Government General Capital Funding</b>			<b>235,000</b>	<b>(5,000)</b>	<b>230,000</b>	<b>4,600</b>
<b>Fire and Rescue Services and Resilience</b>	1265	Fire & Rescue Services	900		900	120	1,020
	1697	Fire and Rescue Service - Communication Systems	210		210	4	214
	1698	Community Fire Safety	1,000		1,000	(82)	918
<b>Total Fire and Rescue Services and Resilience</b>			<b>2,110</b>	<b>0</b>	<b>2,110</b>	<b>42</b>	<b>2,152</b>
<b>HOUSING &amp; LOCAL GOVERNMENT - TOTAL CAPITAL BUDGET</b>			<b>1,269,142</b>	<b>(77,862)</b>	<b>1,191,280</b>	<b>106,334</b>	<b>1,297,614</b>

<b>RESOURCE BUDGET - AME</b>							
<b>Action</b>	<b>BEL No.</b>	<b>BEL Description</b>	<b>2025/26 Final Budget £'000</b>	<b>Baseline Adjustments £000**</b>	<b>Revised Baseline £'000</b>	<b>2026/27 Draft Budget £'000</b>	<b>Change £,000</b>
<b>Increase the Supply and Choice of Market Housing</b>	981	Market Housing - AME	(575)		(575)	591	16
<b>Total Increase the Supply and Choice of Market Housing</b>			<b>(575)</b>	<b>0</b>	<b>(575)</b>	<b>591</b>	<b>16</b>
<b>Funding Support for Local Government</b>	870	Non-Domestic Rates Distributable Amount - AME	1,078,000		1,078,000	100,000	1,178,000

	865	Bad Debt Provision - AME	227		227	0	227
	<b>Total Funding Support for Local Government</b>		<b>1,078,227</b>	<b>0</b>	<b>1,078,227</b>	<b>100,000</b>	<b>1,178,227</b>
<b>Fire and Rescue Services and Resilience</b>	1699	Fire Service Pensions - AME	37,151		37,151	(1,510)	35,641
	<b>Total Fire and Rescue Services and Resilience</b>		<b>37,151</b>	<b>0</b>	<b>37,151</b>	<b>(1,510)</b>	<b>35,641</b>
<b>HOUSING &amp; LOCAL GOVERNMENT - TOTAL RESOURCE AME BUDGET</b>			<b>1,114,803</b>	<b>0</b>	<b>1,114,803</b>	<b>99,081</b>	<b>1,213,884</b>