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Llywodraeth Cymru
Welsh Government

Delyth Jewell MS
Chair of the Culture, Communications, Welsh Language, Sport and International Relations
Committee
Welsh Parliament
Cardiff Bay
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23 January 2026

Dear Delyth

Thank you for the Committee's report on the 2026-27 Welsh Government Draft Budget, published on the 15 December 2025, outlining 21 recommendations for the Welsh Government.

We acknowledge the work undertaken by the Committee on their scrutiny of the Draft Budget and welcome this report. Please find enclosed the Welsh Government response to recommendations 1-21, relating to the Culture, Communication and Sport, in advance of the vote on the Final Budget on 27 February.

Responses to the other recommendations will be provided by the relevant Minister separately.

Yours sincerely,

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

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



Written response by the Welsh Government to the report of the Culture, Communications, Welsh Language, Sport and International Relations (CCWLSIR) Committee on the 2026-27 Draft Budget

Summary

This report sets out the Welsh Government response to the Culture, Communications, Welsh Language, Sport, and International Relations (CCWLSIR) Committee's Report on the Scrutiny of the Welsh Government Draft Budget 2026-27.

It provides responses to recommendations 1-11 which fall under Chapter 2 – Culture, Communication and Sport section of the report.

A further two separate reports will be provided in relation to Chapter 3 – Welsh Language (recommendations 12-17) and Chapter 4 – International Relations (recommendations 18-21).

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1. Introduction

The Welsh Government Draft Budget for 2026-27 was published on 3 November 2025. It set out revenue and capital spending plans for the period April 2026 to March 2027.

As part of the budgetary process written evidence was provided by the Minister for Culture, Skills and Social Partnership to inform scrutiny of the Draft Budget 2026-27. This paper provided information to the Culture, Communications, Welsh Language, Sport and International Relations (CCWLSIR) Committee on budgets within the Culture, Heritage and Sport portfolio.

An oral evidence session was held on the 19 November 2025 where the CCWLSIR Committee took evidence from the Prif Weinidog, Cabinet Secretary for Finance and Welsh Language and Minister for Culture, Skills and Social Partnership

The Committee published its report on [Scrutiny of the Welsh Government Draft Budget 2026-27](#) on 15 December 2025. We thank the Committee for the report.

The Welsh Government has considered the Committee's report and responds to recommendations 1-11 in relation to culture, communication and sport below. For each recommendation we have provided a written response and either decided to 'accept', 'accept in principle' or 'reject' each recommendation.

2. Recommendation 1

The Welsh Government should increase funding for culture and sport in the Final Budget.

Response: Accept

The Draft Budget that was published was a rollover budget, primarily reflecting existing rather than new priorities; but our ambition was clear to fully allocate all the funding available to us, if we could secure support for shared priorities with opposition parties.

On 9 December 2025 we announced that we had reached a budget agreement with Plaid Cymru to enable passage of the Final Budget, with a focus on investment in the NHS and local government.

In addition to allocations for the NHS and local government, the Final Budget takes into account the updated November OBR forecasts for inflation and wages growth, providing a modest amount of additional funding to each MEG.

The Final Budget reflects further increases to the budgets allocated to Arts, Culture, Heritage, Creative Industries and Sport within the Economy, Energy and Planning MEG. This includes £0.629m revenue and £4m capital funding.

The increases to revenue provide further funding to Arm's Length Bodies (ALBs), Cadw and Royal Commission on the Ancient and Historical Monuments for Wales to reflect revised wage growth forecasts provided by the Office for Budget Responsibility (OBR) of 3.2%. The table below summarises these allocations.

Revenue Budget <i>(excluding non cash)</i>	£000		
BEL Description	2026-27 Draft Budget	Changes	2026-27 Final Budget
Creative Wales	8,409	0	8,409
Arts Council of Wales	33,522	82	33,604
Amgueddfa Cymru – National Museums of Wales	28,504	276	28,780
National Library of Wales	12,364	95	12,459
Support for Local Culture and Sport	9,936	0	9,936
Cadw	17,482	18	17,500
National Botanic Garden of Wales	587	0	587
Royal Commission on the Ancient and Historical Monuments for Wales	1,858	29	1,887
Sport Wales	23,239	129	23,368
Total	135,901	629	136,530

The £4m capital is for arts, culture and sport to invest in the National Library, local museums and libraries as well as programmes through the Arts Council of Wales and Sport Wales to widen access and participation.

3. Recommendation 2

The Welsh Government should provide the Committee with figures for total revenue and capital spending on culture and sport from non-culture and sport departments. This should include, for each year since 2024-25, a breakdown of funding by Budget Expenditure Line and an explanation of how this funding was used for culture or sport.

Response: Accept in principle

In addition to the funding in the Local Government Settlement, the priorities for which are for the respective Local Authorities to determine, and funding from UK Government for culture and sport activities which are not devolved, we can identify investment in culture of almost £230m from across Welsh Government. This figure is for 2025-2026 and was calculated in July 2025. We do not have a calculation for 2024-2025.

The 2025-2026 figures consist of £152.1m revenue and £75.4m capital. It includes investment from my own portfolio, but also from areas as varied as Welsh language, education, local government, health, and the Welsh Government Energy Service.

Specific examples outside of my portfolio include:

- Support for Amgueddfa Cymru from the Welsh Government Energy Service's Public Sector Low Carbon Heat Grant;
- Support from the Welsh Government's Transforming Towns for cultural buildings and through other grants from the Local Government portfolio;
- Support from the Cymraeg 2050 division's wider budget allocation for a myriad of organisations delivering cultural activity in Wales;

- Support from Education, which includes funding for the National Music Service, the Creative Learning Cymru programme, and grants to the Books Council of Wales to support reading for pleasure.

It is difficult to disaggregate some data which is additional to the above - for example, local authority funding for cultural services, and funding to support heritage activities in National Parks. There have also been other announcements of funding since the data was collated which were not included in our calculations, for example the £1m St David's Day Fund, representing investment in culture from the Tourism and Marketing budget line.

Additionally, within sport there is further capital investment in facilities from outside my portfolio through the Sustainable Communities for Learning programme and the Community Facilities Programme. Local authorities also invest in sport and leisure facilities and activities through local government budgets. Additionally, there is funding provided for programmes such as Healthy Weight, Healthy Wales, Period Proud, Child poverty and Anti Racist Wales from other portfolios.

Finally, through our events strategy there is significant investment and economic return from hosting major sporting fixtures and events such as Euro 28, Ironman Wales, Tour de France 2027 and the AIG Women's Open. Some of these events also carry legacy commitments for further investment into grassroots sport.

4. Recommendation 3

The Welsh Government should align budgets towards preventative spending, as recommended by the Future Generations Commissioner, Audit Wales and this Committee. A starting point would be to increase funding for culture and sport.

Response: Accept

The 2025–26 Budget placed a strong emphasis on investment in prevention, recognising that early intervention and long-term planning are essential to improving outcomes and reducing future demand on public services. The 2026–27 Draft Budget restates that priority. It ensures we can continue to support preventative measures across government.

We have maintained real-terms funding for all departments and applied inflationary uplifts to ensure continuity in core services. This stability allows departments to sustain and build on preventative programmes already in place—whether that's in health, education, social care, or climate resilience.

We are mindful of the need to balance preventative investment with the pressures of current demand. That is why we have prioritised frontline services and safeguarded funding for local government, the NHS, and education, while still enabling departments to take forward longer-term, preventative work.

The Well-being of Future Generations Act remains central to our budget planning, and the Strategic Integrated Impact Assessment (SIIA) process has helped us consider how spending decisions contribute to long-term outcomes.

I have made spending decisions across my portfolio which prioritise well-being and prevention. Some of these are set out in the evidence paper I sent to the Committee Chair on 3 November.

As outlined above, an additional £4m capital has been allocated as part of the Final Budget with £0.5m of this allocated to Sport Wales to widen access and participation. Investing in sports facilities is an important preventative activity that supports the health and wellbeing of the nation.

5. Recommendation 4

The Welsh Government should empower culture and sport organisations by enabling them to spend additional funding provided by the Welsh Government according to their own governance processes, and not requiring undue additional authorisation from the Welsh Government. In doing so, it should consider how it can reduce the administrative burden, and instead provide more funding as additional contributions to their grant-in-aid.

Response: Reject

In the draft Budget 2026-27 we have set out increased Grant-in-Aid (GiA) allocations for the culture and sport ALBs. The GiA has the specific purpose of supporting the ALBs ongoing operational costs or it is funding they pass on as grants to other organisations.

Where an ALB requires additional one-off funding for specific projects, for example to support improvements in their estate or infrastructure, this is provided as a separate one-off project grant following the development of a business case. For such projects, it is not appropriate for the one-off additional funding to be allocated through GiA mechanism designed to support the operational costs of the organisation.

Where specific projects are being proposed, the business case approach prescribed through the Better Business Case Model agreed between the Welsh Government and UK Treasury still applies. It is an internationally recognised standard for developing business cases, used across the public sector.

This guidance is important to ensure that capital investments are successfully delivered through good project management supported by clear governance. We work closely with the ALBs to ensure the process is clearly understood and is

applied flexibly and proportionately within the guidance based on assessed levels of risk and investment. We have also offered expert input from the author of the guidance.

The business case development process is used to assess risks, value for money, strategic fit and deliverability. It ensures that clear accountability, governance and control, relevant to the scale of the project, are put in place to support successful delivery.

6. Recommendation 5

The Welsh Government should:

- set out a sustainable long term funding stream for its Celf project.
- provide the rationale for the Minister's position that Celf "should be self-sustaining as a project," given that this appears to contradict two independent assessments of the project

Response: Accept in principle

We have worked closely with the Celf partners to strengthen the proposals for future delivery. This has included an increased focus on moving towards attracting external funding from multiple sources and becoming sustainable in the future.

The three partners all have the delivery of Celf as a priority project within their remit letters. The recurring uplift in the GiA revenue funding baseline to the three national partners in 2025-26 included an element for the ongoing delivery of Celf.

We have provided £179,428 for transition costs and an additional contribution of up to £395,000 towards the operating costs of Celf during 2025-26. An in-principle agreement of up to £395,000 towards the operating costs of Celf during 2026-27 has also been agreed. This funding was provided to allow more time for the partners to explore and secure funding from wider external sources. These amounts match those requested by the three lead partners and are in addition to funding already provided through their GiA.

We understand the concerns about the ability to secure external funding and we will continue to work closely with the three partners. It is reasonable expectation for the initiative to become self-sustaining over time and we have asked that further work is undertaken to consider wider potential funding sources, including the private sector.

7. Recommendation 6

The Welsh Government should increase revenue funding for Sport Wales, so that it receives at least the average increase to revenue budgets used across the overall Welsh Government budget.

Response: Accept

The Final Budget includes an increase to Sport Wales's revenue budget of £0.129m to reflect revised wage growth forecasts provided by the Office for Budget Responsibility (OBR) of 3.2% along with a £0.5m increase to the capital budget to widen access and participation. The increased capital investment, taking the allocation to £11m in 2026-27, will continue to support key programmes such as investment in facilities and the development of grassroots sport. It will make a real and positive difference to people's lives and will be targeted at areas of deprivation and communities where increased support is needed.

8. Recommendation 7

The Welsh Government should set out a clear timescale to make a final decision about the relationship between Cadw and the Royal Commission on the Ancient and Historical Monuments of Wales

Response: Accept

I will shortly be publishing the cross-organisational Working Group's report which reviewed the relationship between Cadw and the Royal Commission and a Written Statement outlining the next steps.

The review forms a key part of the Welsh Government's commitment to delivering a sustainable, high-quality historic environment service for Wales. The group considered three options for the future relationship: maintaining current arrangements, closer strategic collaboration, and a full merger of Cadw and the RCAHMW to create a new unified Welsh Government historic environment service. It concluded that of these, merger has the most potential to deliver sustainable long-term benefits for the sector and people of Wales, but that further work detailed work is required – in particular to articulate the strategic benefits and costs of delivering them, and to establish the measures necessary to safeguard the National Monuments Record of Wales. This work is currently in progress.

9. Recommendation 8

The Welsh Government should provide further details of the “£1.97m to Medr to support performance-based music and drama conservatoire provision”. These details should include which part of the Welsh Government budget this funding comes from, what outcomes the funding will provide, and whether the Welsh Government anticipates maintaining this funding on an ongoing basis.

Response: Accept

The funding will be provided from the Support for Local Culture and Sport BEL. The funding will safeguard the provision of conservatoire higher education in Wales, and Medr will monitor the use of funding to ensure it is also deployed in continued investment in outreach, widening access and civic mission activity. This funding has been baselined to recur in future financial years.

10. Recommendation 9

The Welsh Government should provide details of its allocations for journalism and to the Books Council for Wales in 2026-27. In doing so, it should explain how it has factored in appropriate pay and working conditions for those working in these sectors.

Response: Accept

The allocations for journalism and to the Books Council for Wales in 2026-27 will be agreed as part of the formal budget process. This process includes consideration of how decisions align with Welsh Government policy priorities, including fair work.

11. Recommendation 10

The Welsh Government should respond to the recommendations of the 2023 report *Of and for Wales: towards a sustainable future for public interest journalism*, explaining how any work implementing this report will be funded.

Response: Accept

The Welsh Government responded to the 2023 report 'Of and for Wales: Towards a Sustainable Future for Public Interest Journalism' in its Written Statement of 12 May 2025, where it was confirmed that £350,000 from Creative Wales' budget would be allocated to support journalism in 2025-26. Since then, more than £350,000 has been awarded to eight projects directly delivering against the recommendations set out in the report through the Wales Public Interest Journalism Fund, and to support the continuation of the arm's length PING! News CIC Journalism Fund and Senedd reporter post at the Caerphilly Observer.

12. Recommendation 11

The Welsh Government should clarify whether the December 2025 announcement of an additional £2.5 million for the creative industries will have any impact on allocations in the 2026-27 Draft Budget.

Response: Accept

Additional capital in 2025-26 will maximise the benefits to the creative sector by bringing forward completed projects in 2025-26 which will release financial commitments in 2026-27. This will allow Creative Wales to support additional productions in 2026-27, providing increased opportunities for Wales-based crew and supply chain companies. It will also allow more funding to be allocated to other priority areas such as Games.