

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Cyllideb Ddrafft Llywodraeth Cymru 2025-26](#).

This response was submitted to the [Finance Committee](#) consultation on the [Welsh Government Draft Budget 2025-26](#).

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# Wales Women's Budget Group (WWBG) and Women's Equality Network (WEN) Wales joint submission to the Finance Committee

## Welsh Government Draft Budget 2026-27

September 2025

**About the Wales Women's Budget Group (WWBG):** WWBG is a registered charity, currently housed by the Women's Equality Network (WEN) Wales, which works with government and civil society in pursuit of a more prosperous and gender equal Wales. Bringing together leading economic thinkers, academics, policymakers and women's networks, the WWBG works to influence and inform public policy to promote a gender equal economy in Wales through the use of gender budgeting.

**About the Women's Equality Network (WEN) Wales:** Our vision is of a Wales free from gender discrimination where all have equal authority and opportunity to shape society and their own lives. We work with our vibrant coalition of organisational and individual members to transform society. Our work sits under three pillars. We will Connect, Campaign and Champion women so our vision is realised.

### Key Messages

- 1) Due to persistent gender inequality, women in Wales – particularly single mothers, disabled women, ethnic minority and racialised women – continue to feel the brunt of high costs of living. While support measures and hardship payments are welcome, renewed effort and investment are needed to address the systemic drivers of women's economic inequality.
- 2) Gender budgeting remains a key tool at the Welsh Government's disposal to tackle inequality and poverty. In the context of a continuation budget, this year's budget cycle presents an ideal opportunity to progress with its roll out in Wales. This requires publishing the findings of the 2022-23 gender budgeting pilots as a matter of urgency, improving the transparency of the Strategic Integrated Impact Assessment (SIIA).
- 3) The third sector in Wales, particularly women's sector organisations, continue to face increased demand and costs alongside limited resources. The Welsh Government must take urgent action to protect the sustainability of the sector by recognizing its value and protecting organisations through medium to long-term funding.
- 4) Childcare provision in Wales remains unaffordable, disjointed and inaccessible. As costs for many in Wales continue to rise above those in England and Scotland, the Welsh Government must improve its childcare support by allocating more funding to tackle its systemic issues and deliver the support that parents, particularly mothers, desperately need.
- 5) The unequal economic position of women means that they are being hit hardest by the housing crisis in Wales. With home ownership being unaffordable for women in all local authority areas and private renting only being affordable in six areas, urgent action is needed to improve the availability and affordability of housing in Wales.

## Detailed Response

*Please note that for the sake of brevity and to avoid repetition some questions have been combined in the below response.*

### 1. What, in your opinion, has been the impact of the Welsh Government's 2025-26 Budget?

**1.1.** Continuing levels of high inflation and rising prices have not impacted all households equally in Wales. Due to deep-rooted gender inequality, women occupy an unequal position in the Welsh economy and bear a disproportionate share of caring responsibilities. This care is mostly unpaid and has a knock-on effect on women's paid employment.

**1.1.1.** For example, it means that women in Wales are over 2.5 times more likely than men to be working part-time, and are more likely to be economically inactive, with 27.9% of women in Wales being economically inactive compared to 21.2% of men.<sup>1</sup> Additionally, women are three times more likely than men to be economically inactive due to caring responsibilities.<sup>2</sup>

**1.1.2.** The situation is starker for ethnic minority and disabled women, as well as single mothers, who face additional barriers to accessing and remaining in employment. Forthcoming research from WEN Wales shows that the percentage of economically inactive ethnic minority women in Wales has risen by 2.8% over the last year. The percentage of disabled women who are economically inactive has also risen by 2.7%.<sup>3</sup>

**1.1.3.** Women also dominate some of the most insecure and low-paid employment sectors in Wales, including health and social care as well as food, accommodation and other services.<sup>4</sup> Women in Wales remain underrepresented in higher paid directorial, managerial and senior roles, which are dominated by men (64% of individuals in these roles are men, and only 36% are women).<sup>5</sup>

**1.2.** These patterns mean that women earn less than men on average, which has resulted in a gender pay gap of 8.9% in Wales.<sup>6</sup> Consequently, women have less savings and wealth overall and are more vulnerable to the impacts of successive economic crises. As we continue to navigate a worsening cost of living crisis, women in Wales – particularly those facing specific intersectional disadvantage – are being pushed into debt and poverty as costs remain high.

**1.3. Cost of living support:** In this context, we welcome the cost of living support measures announced in the 2025-26 Budget. For example, we were pleased to see the Welsh Government's uplift of the Discretionary Assistance Fund (DAF), which provides a vital lifeline to those on low incomes. We were also pleased to see the expansion of the Welsh Government's Warm Hubs programme and additional funding to tackle food poverty here in Wales.

**1.3.1.** The Welsh Government's Council Tax Reduction Scheme is an essential form of support for lower income households and carers. Its continued funding in the 2024-

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<sup>1</sup> WEN Wales (2025), State of the Nation 2025 (forthcoming)

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> WWBG (2025), *The Gender Pay Gap Explained* <https://wwbg.org.uk/the-gender-pay-gap-explained/> [Last accessed 13.09.25]

2025 Budget was therefore welcome. We were also encouraged to see work undertaken this year to reform the Council Tax system in Wales. This includes abolishing imprisonment for non-payment, streamlining the Council Tax Reduction Scheme application process and retaining the Single Person Occupancy discount, all of which will help to support women and other lower income households to cope with rising council tax payments. It is disappointing however that, the revaluation of house prices for the purposes of council tax will not take place until 2028. In the face of continuing shortfalls for local governments in Wales and the possibility of further council tax rises which will disproportionately impact those on low incomes, this delay risks pushing more Welsh households into poverty and debt.

**1.4.** While the above hardship payments and support measures are necessary, we must emphasise that they are short-term measures which do little to address the structural causes of inequality here in Wales. We were, however, pleased to see some progress in this area in the 2025-26 Budget.

**1.5. Public services:** The unequal economic position of women in Wales means that they are more likely to work within public services, to rely on public services for support and to become providers of last resort when services are cut. Reductions, delays or cuts to public services therefore represent a 'triple whammy,'<sup>7</sup> for women. In light of this imbalance, we welcome the much needed investment into Wales public services within the 2025-26 Final Budget. We are concerned, however, that some of these allocations are inadequate and fall far behind what is needed.

**1.5.1. Health and social care:** We welcome the increased investment in the Welsh NHS, which has a predominantly female workforce, to tackle waiting times and improve patient outcomes. With nearly a third of women in Wales economically inactive due to ill-health, we were particularly pleased to see £3 million allocated to strengthen women's health services and progress the 10-year plan for women in Wales.<sup>9</sup>

**1.5.1.1.** We were also encouraged to see the Welsh Government acknowledge the value of social care and the need for a holistic approach to funding health and social care in Wales. This was reflected in the additional £30million allocated for social care in the Final Budget to tackle delayed hospital discharges. With a predominantly female workforce (78%), the allocated support to help local authorities pay carers the Real Living Wage is also a positive announcement.<sup>8</sup> However, significant challenges remain with recruitment and retention in social care, with a quarter of its predominantly female workforce looking to leave the sector over the next year.<sup>9</sup> Furthermore, despite the Welsh Government's continued commitment to pay all social care workers the Real Living Wage, only 35% of the workforce are satisfied with their pay<sup>10</sup> and 59% are finding it 'slightly' or 'a lot' more difficult to manage financially compared to last year.<sup>11</sup> Alongside low pay, poor working terms and conditions continue

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<sup>7</sup> Women's Budget Group (2022), *The Gendered Impact of the Cost-of-Living Crisis on Public Services* <https://wbg.org.uk/wp-content/uploads/2022/11/Gendered-impact-of-cost-of-living-crisis-on-public-services-1.pdf>

<sup>8</sup> WEN Wales (2025), *State of the Nation 2025* (forthcoming)

<sup>9</sup> Ibid.

<sup>10</sup> Social Care Wales (2024), *Have Your Say 2024*

<https://insightcollective.socialcare.wales/assets/documents/Have-Your-Say-2024-Report.pdf>

<sup>11</sup> Ibid.

to exacerbate the recruitment and retention crisis in social care. With Welsh local authorities facing funding shortfalls of £432 million in 2026-27<sup>12</sup>, it is unlikely that the announced funding for social care will meet cost pressures and help to address the significant structural issues across the sector. Doing so requires urgent action to tackle the prevalence of precarious, zero-hour contracts, lack of job security, and shortage of training and progression opportunities within the sector.

**1.5.2. Childcare:** The 2025-26 Budget provided vital funding for childcare provision in Wales. By allocating £20million to increase the hourly rate of childcare providers (with their predominantly female workforce) and £30million to expand provision to all two year olds under Flying Start, the Welsh Government has taken positive steps towards supporting this vital sector. Unfortunately, for many, childcare remains prohibitively unaffordable and complex, with gaps in provision driving parents, particularly mothers, out of work. For example, the phased expansion of Flying Start only amounts to 12.5 hours per week at 2.5 hours a day. Research shows that funded childcare in the region of 15 hours or less is largely ineffective in addressing parental employment, whereas expanding entitlements to 30 hours leads to significant increases in labour force participation and employment of mothers whose youngest child is eligible.<sup>13</sup>

1.5.2.1. WEN Wales' recent survey of 780 parents of pre-school children in Wales showed that 60% had to reduce their working hours, 42% had to reduce spending on essentials like food, rent or heating and 35% had to reduce spending on non-essentials for their children, like clothing, toys or activities. The vast majority (89%) of parents who did not access formal childcare were unable to work or study as much as they would like. Among those who were using formal childcare, this figure was still as high as 60%. Figures were worse for families with below average income, with two-thirds of respondents unable to work or study as much as they would like (66%), compared to a little over half (55%) for families with above average income. Alongside costs, other reasons preventing parents from working or studying as much as they would like were issues with drop-offs, pick-ups and transport between settings and childcare not being available at the times needed. The survey findings also show that families struggle with navigating the complex, disjointed system, with nearly 70% struggling to find information on financial support, and that over 40% reporting that their childcare arrangements had a negative impact on their home life.

1.5.2.2. While lack of affordable childcare impacts the whole family and the economy, much of the burden falls heaviest on women. In Wales, 23.5% of whom are economically inactive due to caring responsibilities.<sup>14</sup> The price of childcare in Wales increased across all age groups over the past year, in some

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<sup>12</sup> WLGA (2024), £25 million welcomed by local government, but sustainable long-term funding needed <https://www.wlga.wales/25-million-welcomed-by-local-government-but-sustainable-long-term-funding-needed> [Last accessed 13.09.25]

<sup>13</sup> Institute of Fiscal Studies (2022), Does more free childcare help parents work more? <https://ifs.org.uk/publications/does-more-free-childcare-help-parents-work-more>

<sup>14</sup> WEN Wales (2025), State of the Nation 2025 (forthcoming)

areas increasing by as much as 10%.<sup>15</sup> Yet many providers struggle to break even, let alone pay early years professionals a wage that reflects the demands and responsibilities of their role, leading to a continuing crisis in recruitment and retention and gaps in provision. With lack of affordable childcare remaining one of the biggest drivers of gender inequality in Wales, the funding provided in last year's budget is not sufficient to address its systematic issues and meet the needs of families in Wales.

**1.5.3. Violence against Women and Girls:** It is positive to see £1.2 allocated to support the delivery of the *Violence against Women and Domestic Abuse and Sexual Violence Strategy* and provide survivors with essential support and advice. However, in the context of rises to employer national insurance contributions announced in last year's UK Autumn Budget, providers are facing cost and demand pressures at an all-time high. To protect the sustainability of the sector, there is a pressing need to develop a more long-term legislative and funding framework for VAWDASV specialist services in Wales.

**1.5.4. Local Government:** Local councils in Wales provide many of the vital public services that women use and need, including social care, childcare, housing and transport. As noted above, women are more likely than men to work in public services and to rely to them in times of crisis. Inadequate funding for local government therefore disproportionately impacts women as employees, service users and service providers of last resort. In the face of continued funding shortfalls of over £400million<sup>16</sup>, the 4.3% uplift for local government and additional £25million allocated in the 2025-26 Budget is insufficient to meet cost pressures. To balance budgets, local authorities may be forced to raise council taxes further or to make cuts to service provision. As discussed in this response, both of these eventualities impact women in Wales most acutely. There is an urgent need for a long-term sustainable funding plan to adequately fund local authorities and protect the vital services they provide.

**1.6. Gender budgeting:** Gender budgeting remains a key tool at the Welsh Government's disposal to tackle inequality and mitigate unequal gendered impacts such as those discussed above.

**1.6.1.** We were pleased to see some progress in this area over the past few years within the Welsh Treasury including the development of an online gender budgeting resource for government officials and policymakers. We also welcome the continued work by treasury officials and other stakeholders through the Budget Improvement and Impact Advisory Group (BIIAG) to improve the Strategic Integrated Impact Assessment (SIIA) published alongside the Draft Budget. We are particularly pleased that, following the SIIA Review, we have been invited to participate in a series of collaborative SIIA workshops with policymakers and officials, where we will further explore how to embed a gender lens within the budget process.

**1.6.2.** Despite these developments, we are still awaiting the evaluation of the Welsh Government's gender budgeting pilots – Personal Learning Allowance, Young Person's Guarantee and E-Move – which were scheduled to end in 2022-23. Given

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<sup>15</sup> Coram (2025), Childcare Survey 2025

<https://www.coram.org.uk/wp-content/uploads/2025/03/ChildcareSurvey2025-1.pdf>

<sup>16</sup> WLGA (2024), £25 million welcomed by local government, but sustainable long-term funding needed <https://www.wlga.wales/25-million-welcomed-by-local-government-but-sustainable-long-term-funding-needed> [Last accessed 13.09.25]



the context-specific nature of gender budgeting as an approach – gender budgeting works best when it is specific to the political, cultural and structural context at hand – these context-specific learnings are crucial to informing plans for the wider roll out of gender budgeting and therefore must be clarified without delay. We are also disappointed to that the ongoing work to incorporate gender budgeting questions within the Welsh Government's departmental Equality and Human Rights Impact Assessment was delayed and urge the Welsh Government to resume this important work as soon as possible.

**2. How financially prepared is your organisation for the 2026-27 financial year, how confident are you that you can deliver on planned objectives, and how robust is your ability to plan for future years?**

- **Is the support provided by the Welsh Government for third sector organisations, which face increased demand for services as a consequence of the cost of living crisis and additional costs following increases to National Insurance Contributions, sufficient?**

**2.1.** WWBG is currently housed by WEN Wales, both of which are women's organisations within the Welsh third sector. Post-EU funding challenges, the cost of living crisis and recent increases to National Insurance Contributions have all had marked impacts on the third sector in Wales, with organisations facing increased demand and operational costs alongside limited resource.

**2.2.** These pressures are amplified for the Welsh women's sector, which faces unique and disproportionate pressures when compared to the wider charities sector.

**2.2.1.** Recent research from the Rosa Foundation shows that 9 out of 10 women's organisations have experienced an increase in demand for their services over the past year. In contrast, only 65% of organisations in the wider charities sector have experienced an increase.<sup>17</sup>

**2.2.2.** 93% of women's organisations are expecting this demand to grow, rising to 100% for organisations supporting black and/or minoritised women and girls.<sup>18</sup>

**2.3.** Financial constraints are a critical barrier to women's organisations being able to meet this demand and deliver their vital services. Alongside increased costs, women's organisations in Wales and across the UK rely on a small number of narrow funding schemes. This is further problematised by the short-term nature of grants, which rarely last more than two years. This uncertainty falls far short of the long term security we need to meet growing demand and provide specialist services. It also affects our ability to meet our planned objectives and makes it extremely difficult to plan strategically for the future. As per Rosa (2025), 59% of women's organisations do not have enough capacity to meet their organisational objectives.<sup>19</sup>

**2.4.** Faced with having to do more with less, three quarters of women's organisations have had to compromise in some way, either by reducing service provision and staff hours, increasing costs or even drawing on financial reserves to address shortfalls.<sup>20</sup> The serious consequence of this situation is illustrated by the regrettable closure of

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<sup>17</sup> Rosa Foundation (2025), Underfunded, under resourced and under the radar: the state of the women and girls' social sector <https://rosauk.org/wp-content/uploads/2025/04/Underfunded-under-resourced-and-under-the-radar.pdf>

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

longstanding organisations such as Chwarae Teg, which represented a significant setback in the fight for gender equality in Wales.

- 2.5.** The fiscal precarity of the Welsh women's sector is extremely problematic at a time when we are seeing the growth of an anti-equalities political and public discourse in the UK. These worrying movements highlight the vital need for our work, which ensures that the voices of women and other vulnerable groups are heard and protected. In this context, the £1m support package allocated for the Welsh third sector in last year's budget does little to support charities in Wales or to mitigate the funding challenges they face, particularly following the increase to employer National Insurance Contributions in last year's UK Autumn Budget.
- 2.6.** To counteract the alarming loss of expertise in the Welsh third sector, the Welsh Government must take urgent action to protect its sustainability, particularly with regards to the women's sector in Wales. We urge the Welsh Government to recognise the value of the women's sector in the current political context and to protect its organisations through targeted, medium to long-term funding, as delineated in its new Third Sector Scheme: code of practice for funding the third sector.<sup>21</sup>

**3. What action should the Welsh Government take to help households cope with cost of living issues; address the needs of people living in urban, post-industrial and rural communities, including building affordable housing and in supporting economies within those communities?**

- **Is enough being done to tackle the rising cost of living and support those people living in relative income poverty?**

**3.1.** The unequal economic position of women in Wales means that they are more exposed to the cost of living crisis and more likely than men to be living in poverty and/or debt as a result. This is particularly the case for single mothers, who rely on a single income and lack a co-parent to share childcare responsibilities. Single parents – the majority of whom are women – remain the most likely household type to be living in relative income poverty in Wales, with 35% currently doing so.<sup>22</sup> The likelihood of living in relative income poverty in Wales also increases to 50% for households headed by individuals from Black, Asian or minority ethnic groups.<sup>23</sup>

**3.1.1.** In the UK, 59% of young women report experiencing a real struggle to make cash last to the end of the month.<sup>24</sup> For young women with children, 42% report being unable to afford food or essentials within the last 12 months. This rises to 49% for young women on benefits.<sup>25</sup> As a result, 36% of young women have taken on new debt within the last 12 months to cope with high inflation and rising costs.<sup>26</sup>

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<sup>21</sup> Welsh Government (2025), Third Sector Scheme: code of practice for funding the third sector  
<https://www.gov.wales/sites/default/files/pdf-versions/2025/5/3/1746614524/third-sector-scheme-code-practice-funding-third-sector.pdf>

<sup>22</sup> Welsh Government (2025), Relative income poverty: April 2024- March 2025  
<https://www.gov.wales/sites/default/files/pdf-versions/2025/3/4/1743067839/relative-income-poverty-april-2023-march-2024.pdf>

<sup>23</sup> Ibid.

<sup>24</sup> Young Women's Trust (2024), A world not designed for us: Annual survey 2024  
<https://www.youngwomenstrust.org/our-research/a-world-not-designed-for-us-annual-survey-2024/>

<sup>25</sup> Ibid.

<sup>26</sup> Ibid.



**3.2.** In this context, while we welcome Welsh Government's cost of living support measures, we are concerned that they do not go far enough to help women and other vulnerable groups cope with inflationary pressures and associated cost of living issues.

**3.2.1. Discretionary Assistance Fund:** As highlighted above, the Discretionary Assistance Fund (DAF) provides a vital lifeline to those on low incomes. The financial and in-kind support provided by the scheme can help to reduce pressure on women's incomes as the cost of essentials remains high. This is particularly important for single parent households, the majority of whom are women and 35% of which are living in relative income poverty in Wales.<sup>27</sup> In the context of perpetually rising costs and increased demand for Emergency Assistance Payments in Wales, it is vital that funding for the DAF is uprated in line with inflation in the Welsh Government's upcoming Draft Budget.

**3.2.2. Council Tax Reduction Scheme:** As it is not based on income, council tax has inequitable effects on low-earning tenants and homeowners. In the context of rising cost pressures, many local authorities in Wales have resorted to raising council tax rates to plug funding gaps. Due to its regressive nature, council tax rises are felt most acutely by those on lower incomes. The Council Tax Reduction Scheme offers support to these households by reducing their council tax bills with discounts of up to 100%. With Welsh local authorities facing projected funding shortfalls of £432million in 2025- 2026<sup>28</sup>, it is essential that support for this scheme is retained in the upcoming Draft Budget. To protect the most vulnerable households from inflationary and cost of living pressures, the Welsh Government should also accelerate its work towards a more fair and progressive council tax system in Wales. The Welsh Government could also make the council tax system more progressive by linking the council tax reduction scheme more closely to income and making it automatic for low-income households, as well as introducing a caregiving discount for unpaid carers. Nevertheless, as discussed in question 6 below, council tax is ultimately a regressive and unfair tax. To adequately tackle cost of living issues and support households in poverty, the Welsh Government should explore more progressive alternatives to council tax in Wales.

**3.3. Childcare:** A well-designed childcare system is a key tool to tackle poverty and inequality here in Wales. Despite recent investment, childcare provision in Wales remains unaffordable, disjointed and inaccessible for those who could benefit most.

**3.3.1.** As per Coram's Childcare Survey 2025, the cost of childcare for all ages in Wales has increased over the last year.<sup>29</sup> Since the expansion of funded childcare in England, Wales has the highest average weekly nursery costs of the countries covered in the survey (England, Scotland and Wales).<sup>30</sup> Costs for childminders remain slightly lower in Wales compared to Scotland. Wales also saw the biggest

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<sup>27</sup> Welsh Government (2025), Relative income poverty: April 2024- March 2025

<https://www.gov.wales/sites/default/files/pdf-versions/2025/3/4/1743067839/relative-income-poverty-april-2023-march-2024.pdf>

<sup>28</sup> WLGA (2024), £25 million welcomed by local government, but sustainable long-term funding needed

<https://www.wlga.wales/25-million-welcomed-by-local-government-but-sustainable-long-term-funding-needed> [Last accessed 13.09.25]

<sup>29</sup> Coram (2025), Childcare Survey 2025 <https://www.coram.org.uk/wp-content/uploads/2025/03/ChildcareSurvey2025-1.pdf>

<sup>30</sup> For families in England who *cannot* access the new entitlements for working parents, weekly nursery costs remain highest compared to Wales and Scotland.

year-on-year costs increases compared to England and Scotland, at nearly 10% for part-time nursery childcare for under-twos and 7% for two-year olds. The average full-time place in a nursery for a three- and four-year-old costs £119.23 a week, a 5.6% increase on 2024.

**3.3.2.** Childcare provision in Wales is also disjointed, complex and inaccessible. For example, the Welsh Government's Childcare Offer, which provides 30 hours of funded provision to parents of three and four-year-olds, is only available to those in work, education or training. This excludes families on the lowest incomes. There are also significant gaps in provisions for parents working atypical hours, for disabled children and for those living in rural areas, meaning that many families who are formally entitled may be unable to access settings that meet their needs. Furthermore, while we welcome increased investment to expand funded provision for two-year-olds under Flying Start, this only amounts to 12.5 hours a week/2.5 hours a day, which does little to enable parents to work.

**3.3.3.** These issues directly impact families in Wales, particularly those on the lowest incomes. WEN's survey showed that, to manage childcare, 36% of households in relative income poverty had to borrow money or got into debt and almost half (44%) had reduced spending on things like clothing, toys and activities for their children. As discussed above, 60% of parents stated that they had to reduce their hours as a result. Most strikingly, over a quarter (27%) of respondents from households in relative income poverty said they had to leave work or employment, compared to only 4% of households above average income. Due to gender inequality, the lack of affordable and accessible childcare hits mothers the hardest, who are more likely to be economically inactive due to caring responsibilities.<sup>31</sup> Childcare provision in Wales as it currently stands represents a key barrier to women's workforce participation and entrenches their unequal economic position.

**3.3.4.** To address this inequality and protect women and their families from poverty, the Welsh Government must take action to improve its childcare support. This would require a major reform of the existing, fragmented system towards a streamlined system that ensures support is available for those who need it most.

**3.4. Housing:** Having a safe, secure and affordable home is essential to us all. However, the housing crisis in Wales means that housing is increasingly unaffordable. A lack of social housing, rapidly increasing private rents and persistent issues with home ownership affordability are fuelling this crisis. While both men and women face issues of housing affordability, these are more acute for women in Wales due to their unequal economic position. New research by WWBG shows that, in both private renting and home ownership, women are much less likely than men to be able to afford a home in Wales.<sup>32</sup>

**3.4.1. Renting:** Our analysis shows that private renting is unaffordable for women in 16 of Wales' 22 local authorities. The least affordable areas are Cardiff, Newport and Torfaen, where rent takes up over 40% of women's monthly income. In contrast, private rent is only unaffordable for men in two Welsh local authorities (Cardiff and Newport).<sup>33</sup>

**3.4.2. Home ownership:** We have also calculated that women require 8.4 times their average annual income to buy a home in Wales, whereas men require 6.3 times their

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<sup>31</sup> WEN Wales (2025), State of the Nation 2025 (forthcoming)

<sup>32</sup> WWBG (forthcoming), Housing affordability in Wales – A gendered analysis

<sup>33</sup> Ibid.

average income.<sup>34</sup> As few people buy their homes outright, we also considered the average income required for an 80% mortgage in each local authority. Our analysis shows that women's incomes fall short of the income required for a mortgage in every local authority in Wales.<sup>35</sup>

**3.4.3. Social housing:** The unequal economic position of women in the context of a worsening cost of living crisis pushes women in Wales to become more reliant on social housing. Unpaid caring responsibilities and lower average pay lock many women out of the private renting and home owning sectors, as they are unable to afford the rising costs. This is particularly the case for single mothers, domestic abuse victims and disabled women who face additional barriers to work and may require specialist housing and support. As noted by the Welsh Government, demand for social housing in Wales has increased by 16% since 2023<sup>36</sup> with single parent households – the majority of which are women – being disproportionately represented on housing waiting lists.<sup>37</sup>

**3.4.4.** To support women in the housing crisis, the Welsh Government must take action to improve the availability and affordability of housing in Wales. This requires increasing the pace with which affordable social housing is being built, introducing measures outlined in the *White paper on Adequate Housing* as a matter of urgency to improve affordability in the private rental market and revisiting the issue of the regulation of rent in the private rental sector. Additionally, the Welsh Government should implement the Right to Adequate Housing as recommended by Tai Pawb, Shelter Cymru and the Chartered Institute of Housing Cymru<sup>38</sup>, and improve the collection and publication of data related to existing schemes, such as Help to Buy Wales, to determine whether they are supporting men and women equitably.

**3.4.5.** The gendered nature of the crisis and its impacts mean that addressing the housing crisis in Wales also requires tackling the economic gender inequality which has left women more vulnerable to its consequences. As noted throughout this response, this requires adequate and sustainable investment in the public services that women rely on and work within as well as the integration gender considerations into spending and policy decisions through gender budgeting.

**3.5. Gender budgeting:** Tackling poverty in Wales requires addressing gender inequality at its root and reducing the economic inequalities that have left women vulnerable to successive crises. The Welsh Government can do this by progressing with the roll out of gender budgeting in Wales. As an approach, gender budgeting ensures more targeted spending, a clearer formulation of policies and the allocation of resources which corresponds to the diverse needs of the population, beginning with the most disadvantaged. In this way, it equips the Welsh Government with effective and equitable means to tackle poverty. The Welsh Government must take concerted steps to progress with the rollout of gender budgeting by:

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<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> Welsh Government (2024), Exploring the allocation of social housing in Wales: summary <https://www.gov.wales/sites/default/files/pdf-versions/2024/12/2/1733213354/exploring-allocation-social-housing-wales-summary.pdf>

<sup>37</sup> Shelter Cymru (2025), Waiting for a home: An update on social housing waiting lists in Wales <https://sheltercymru.org.uk/wp-content/uploads/2025/04/Waiting-For-a-Home.pdf>

<sup>38</sup> Tai Pawb et. Al (2024), Back the Bill: the Right to Adequate Housing <https://www.taipawb.org/wp-content/uploads/2024/11/Alternative-White-paper.pdf>

- Publishing the evaluation of its gender budgeting pilots as a matter of urgency and using them to develop a gender budgeting implementation plan.
- Improving the transparency of decision-making by hyperlinking the evidence used within SIIA and through better linking the decisions to MEG/BEL tables in all budgetary documentation.
- Incorporating gender budgeting in the SIIA through a gender impact assessment case study of one or more policy areas/allocations.
- Resuming work to incorporate gender budgeting questions in departmental EQIAs.
- Building gender budgeting capacity with officials and policymakers through training.

**3.6.** Further recommendations and a roadmap for implementation can be found in the Gender Equality Review *Deeds Not Words*<sup>39</sup>, which provides a clear well-evidenced framework to embed an intersectional gender lens in Welsh policymaking.

#### **4. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?**

**4.1.** Following the election of a new UK Government in 2024, the Welsh Government received a more generous block grant settlement for this year. The earlier timing of the 2024 UK Autumn Budget also allowed for improved financial planning in Wales, enabling the Welsh Government to align its own budget process more effectively. Nevertheless, the continuing cost of living crisis means that while the settlement amounted to £1billion more in nominal terms, much of that increase was eroded by inflation, which rose to 3.8% in July 2025. The situation is compounded by gaps such as the £70million shortfall in funding needed to cover increased employer NICs, limiting the Welsh Government's actual spending power. In this context, the Welsh Government continues to have limited taxation and borrowing tools at its disposal to manage its budget and address shortfalls. The Institute of Welsh Affairs (IWA) has described this as a 'lack of fiscal firepower',<sup>40</sup> which constrains the Welsh Government's policymaking abilities in gendered areas such as health, economy, housing and transport.

**4.2. Taxation:** Notwithstanding a small number of devolved taxes – Welsh Rates of Income Tax, Council Tax, nondomestic rates, land transaction tax and landfill disposals tax – Wales' tax powers are limited.

**4.2.1. Income tax:** While income tax is more progressive than council tax, there is limited scope to use it as a fairer means to raise revenue in the Welsh context. Unlike in Scotland, the Welsh Government cannot adjust income tax bands (which are formulated on a UK basis) or create new ones. Instead, under Welsh rates of income tax, the Welsh Government can amend the top 10p paid by Welsh taxpayers in every £1 of income in each tax band (Basic, Higher, Additional). As noted by Wales Fiscal Analysis, current income tax thresholds are not suitable to income levels in Wales, where 93% of taxpayers pay the basic rate.<sup>41</sup> The Welsh Government must continue

<sup>39</sup> Chwarae Teg (2019), *Deeds Not Words, Review of Gender Equality in Wales*.

<sup>40</sup> Institute of Welsh Affairs (2022), *Fiscal Firepower: Effective Policy-Making in Wales*.  
<https://www.iwa.wales/wp-content/media/IWA-Fiscal-Firepower-and-Effective-Policy-Making.pdf>

<sup>41</sup> Wales Fiscal Analysis (2023), *The medium-term fiscal outlook for local government in Wales*,  
[https://www.cardiff.ac.uk/\\_data/assets/pdf\\_file/0007/2779342/The-medium-term-fiscal-outlook-forlocal.pdf](https://www.cardiff.ac.uk/_data/assets/pdf_file/0007/2779342/The-medium-term-fiscal-outlook-forlocal.pdf)

to make the case for further devolution of taxation powers to Wales, to allow more flexibility and to respond to the needs of Welsh taxpayers.

**4.2.2. Council tax:** We are pleased that the Welsh Government has undertaken work this year to reform the Council Tax system in Wales such as abolishing imprisonment for non-payment, streamlining the Council Tax Reduction Scheme application process and retaining the Single Person Occupancy discount. These initiatives will help to support women and other lower income households to cope with rising council tax payments. However, in the context of projected shortfalls of £432million for local authorities in 2025-2026,<sup>42</sup> the delay to property revaluations for council tax is highly regrettable. As noted above, the regressive nature of council tax means that any rise in council tax to plug local authority funding gaps will disproportionately impact those on the lowest incomes, many of whom are women. To protect the most vulnerable households, the Welsh Government must accelerate its work towards a more fair and progressive council tax system in Wales. It can do this by linking the council tax reduction scheme more closely to income and making it automatic for low-income households, as well as introducing a caregiving discount for unpaid carers. We also urge the Welsh Government to ensure that gender impact assessments are undertaken before any council tax reforms are implemented, to prevent any unequal gendered consequences.

4.2.2.1. Nevertheless, while council tax in Wales can be made fairer, it will ultimately remain a regressive form of taxation that disproportionately impacts lower-income households. The Welsh Government should therefore explore replacing or supplementing council tax with more progressive alternatives that better reflect the ability to pay. Such options include, for example, a land value tax based on the value of land itself rather than property, or progressive property tax levied yearly on the value of the property. By targeting predominantly male held/owned wealth rather than taxing renters or lower income households via council tax, these options could also help to narrow the gender wealth gap which stands at 23% in Wales.<sup>43</sup>

**4.2.3. Wealth tax:** While the Welsh Government do not have the power to implement a wealth tax in Wales, they should actively lobby the UK Government to introduce a 2% annual wealth tax on assets over £10 million, as proposed by Tax Justice UK.<sup>44</sup> As noted in the inaugural episode of our podcast *WWBG Explains*, this would contribute billions to the UK economy each year.<sup>45</sup> This funding would not only help tackle deepening inequality and close the gender wealth gap, but it would also provide sustainable funding for the crumbling public services that women rely on and work within. While only 0.04% of the UK population would be affected by a 2%

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<sup>42</sup> WLGA (2024), £25 million welcomed by local government, but sustainable long-term funding needed <https://www.wlga.wales/25-million-welcomed-by-local-government-but-sustainable-long-term-funding-needed>

<sup>43</sup> Wales Women's Budget Group (2025), WWBG Explains Ep 1 - Wealth Tax and the Gender Wealth Gap in Wales <https://www.youtube.com/watch?v=UMP8vVExp4Q>

<sup>44</sup> Tax Justice UK (2025), How would a wealth tax work in practice? <https://taxjustice.uk/blog/how-would-a-wealth-tax-work-in-practice/>

<sup>45</sup> Wales Women's Budget Group (2025), WWBG Explains Ep 1 - Wealth Tax and the Gender Wealth Gap in Wales <https://www.youtube.com/watch?v=UMP8vVExp4Q>



wealth tax,<sup>46</sup> it would generate significant and vital revenue to support the most vulnerable in our society.

**4.3. Borrowing:** As noted by the IWA, the Welsh Government's current borrowing cap 'embeds expensive borrowing and essentially bans cheaper forms of borrowing above a certain level.'<sup>47</sup> This arrangement locks Wales into lower levels of development than other parts of the UK. To address this, the Welsh Government should continue to call for and explore the case for the devolution of prudential borrowing powers with the new UK Government.

## **5. How could the budget further address gender inequality in areas such as healthcare, skills and employment?**

**5.1. Health inequalities:** While women in Wales tend to live longer than men, they have a shorter healthy life expectancy and live fewer years 'in good health.'<sup>48</sup> Entrenched gendered biases in Wales' healthcare system mean that women experience barriers to accessing services and have poorer health outcomes than men.

**5.1.1.** A key reason for this disparity is the traditional underrepresentation of women in clinical trials, which has resulted in diagnosis, treatments and clinical guidelines largely based in men's experience of illness.<sup>49</sup> Another reason is that health conditions which specifically affect women—such as endometriosis and menopause—remain under-researched and poorly understood. As a result, women report that symptoms are often dismissed as 'normal' or erroneously attributed to psychological causes.<sup>50</sup> This results in diagnostic delays and poorer health outcomes for women. For example, at almost 10 years, Wales has the longest average diagnosis times for endometriosis out of all four UK nations.<sup>51</sup> Such prolonged waiting times and multiple GP visits significantly impact patient's employment, education, mental health and wellbeing.<sup>52</sup>

**5.2** With almost a third of women in Wales currently economically inactive due to ill-health<sup>53</sup>, we welcome the introduction of the Welsh Government's 10-year NHS Women and Girls' Health Plan which sets out 60 short, medium and long-term actions to tackle gender health inequality in Wales. We were also pleased to see the allocation of £3million in the 2025-26 Budget to support its implementation, and an additional £3.7million invested to bolster women's health research. To address long standing gaps in healthcare access and outcomes, it is vital that research into health issues and conditions affecting women is funded on an ongoing, long-term basis.

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<sup>46</sup> Tax Justice UK (2024), Ten tax reforms to raise £60 billion for public services and a fairer economy <https://taxjustice.uk/blog/ten-tax-reforms-to-raise-60-billion-for-public-services-and-a-fairer-economy/>

<sup>47</sup> Institute of Welsh Affairs (2022), Fiscal Firepower: Effective Policy-Making in Wales. <https://www.iwa.wales/wp-content/media/IWA-Fiscal-Firepower-and-Effective-Policy-Making.pdf>

<sup>48</sup> WEN Wales and Oxfam Cymru (2024), Feminist Scorecard 2024

<sup>49</sup> Senedd Research (2024), Women's health needs and the pursuit of equity: the absence of a dedicated plan, <https://research.senedd.wales/research-articles/women-s-health-needs-and-the-pursuit-of-equity-the-absence-of-a-dedicated-plan/>

<sup>50</sup> Welsh Government (2022), The Quality Statement for women and girls' health

<sup>51</sup> Fair Treatment of Women in Wales (2024), FTWW Statement on the NHS Wales 10-year Women's Health Plan [FTWW Statement on the NHS Wales 10-year Women's Health Plan - Fair Treatment for the Women of Wales](#)

<sup>52</sup> WEN Wales and Oxfam Cymru (2024), Feminist Scorecard 2024

<sup>53</sup> WEN Wales (2025), State of the Nation 2025 (forthcoming)



5.2.1 While the establishment of one specialist endometriosis nurse in each health board is a step in the right direction, it is insufficient to support the 1 in 10 women in Wales who are currently affected by the condition.<sup>54</sup> We urge the Welsh Government to allocate further investment to increase the provision of specialist care.

5.2.2 We welcome the creation of Women's Health Hubs which focus on menstrual health, conception and menopause. However, systemic issues remain in other healthcare areas such as maternal care, abortion care and cancer diagnosis.<sup>55</sup> These disparities are more acute for women in marginalised and rural communities, who experience additional barriers to healthcare access. For example, Asian women are twice as likely to die in childbirth than white women, with this figure rising to almost four times for Black women in the UK.<sup>56</sup> The Welsh Government needs to take further action to ensure equitable access to healthcare across demographics and geographies in Wales. This requires developing targeted solutions to improve access amongst the most marginalised women and working across government to improve public transport in rural areas.

**5.3 Employment and skills:** Due to deep-rooted gender inequality, women in Wales are more likely to be working in part-time, insecure and low-paid jobs. To address the gender inequalities in employment, the Welsh Government must reduce the barriers that women face to entering, progressing and remaining in the workplace.

5.3.1 **Unpaid care:** With nearly a quarter of women economically inactive due to caring responsibilities, one of the biggest barriers to women's economic activity in Wales is the lack of affordable and accessible childcare provision.<sup>57</sup> As laid out in detail in Section 3.3, prohibitive costs, limited entitlements to funded provisions and barriers to accessing these significantly limit women's ability to engage and progress in the labour market. The Welsh Government must urgently commit further and sustained funding to build a childcare system that meets the needs of families in Wales.

5.3.2 **Underrepresentation:** Another key contributing factor to women's economic inequality is their underrepresentation in high-paid sectors such as mining and quarrying, energy production and supply, and water supply, sewage and waste.<sup>58</sup> As highlighted in the forthcoming State of the Nation 2025, each of these sectors are heavily male dominated, with men making up over 70% of the workforce in each sector.<sup>59</sup> Women in Wales are also underrepresented in higher paid directorial, managerial and senior roles, which are dominated by men (64% of individuals in these roles are men, and only 36% are female).<sup>60</sup>

5.3.2.1 To address these labour market disadvantages, the Welsh Government should use its upcoming budget to invest in employability programmes and interventions designed to meet the

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<sup>54</sup> [Endometriosis affects one in ten women in Wales - Endometriosis Cymru](#)

<sup>55</sup> WEN Wales and Oxfam Cymru (2024), Feminist Scorecard 2024

<sup>56</sup> UK Women and Equalities Committee (2023), Black maternal health, <https://committees.parliament.uk/publications/38989/documents/191706/default/>

<sup>57</sup> WEN Wales (2025), State of the Nation 2025 (forthcoming)

<sup>58</sup> Ibid.

<sup>59</sup> Ibid.

<sup>60</sup> Ibid.

needs of women and girls in Wales and increase their representation in high-earning sectors.

**5.4 Gender budgeting:** A key way to tackle gender inequality in areas such as healthcare and employment is to roll out gender budgeting across the Welsh Government. As an evidence-led approach, it ensures that resources are allocated to meet the needs of women in these and other policy areas and provides for more effective use of public money. It is, however, context-specific approach which works best when it is specific to the political, cultural and structural context at hand. The specific steps that the Welsh Government need to take to progress gender budgeting in Wales are outlined in question 3.5 above.

**6. How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?**

- **How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?**
- **How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?**

**6.1.** Successful external scrutiny of budgetary decisions requires transparency in government processes and assessments. As external stakeholders, our main source of information on the rationale and impact of funding decisions published alongside the Draft Budget is the Strategic Integrated Impact Assessment (SIIA). The SIIA aims to identify strategic and cumulative impacts on different areas and groups, so as to reduce disproportionate impacts on any one specific group or area and help to reduce inequalities.

**6.2.** While this approach is commendable, there have been long standing issues with the transparency of the SIIA and the quality of impact assessment within it. The SIIA's value for understanding the gendered impact of spending decisions is generally limited due to the lack of transparency on the information fed in from Integrated Impact Assessments (IIAs) and wider evidence at the portfolio level. Without any linking to IIAs or other evidence substantiating the SIIA narrative conclusions, it is impossible fully understand the gendered impact of spending decisions or the extent to which they are driven by robust data and evidence.

**6.2.1.** We were pleased to feed this information back during the SIIA Review which took place through the Budget Improvement and Impact Advisory Group (BIIAG). We welcome the outcome of this Review and look forward to participating in the upcoming SIIA collaborative workshops which will bring together finance officials, policy makers and civil society. It is hoped that the collaborative nature of these sessions can tackle issues of siloed working with regards to IIAs and the SIIA, ultimately improving its transparency.

**6.3.** A further issue with the Welsh Government's budget documentation is that it is not always possible to cross-reference spending decisions (i.e. in the SIIA or budget narrative) with actual budget lines, because the MEG tables do not provide enough detail. This makes it difficult to contextualise spending decisions and understand how spending has developed historically. More detailed information on the impact of specific spending decisions in each MEG is only published as part of the Ministerial evidence to Senedd scrutiny committees. This is after the timeframe during which civil society stakeholders can provide evidence to the Finance Committee and therefore can only inform our scrutiny work retrospectively. Better linking to MEG/BEL tables within budget

documentation is therefore required so that stakeholders can contextualize spending decisions, cross referencing them to actual budget lines and tracking their development historically.

- 6.4.** Incorporating gender budgeting within the Welsh budgetary process and the SIIA would raise the standard of information on which decisions are made by ensuring that they are grounded in evidence. This would not only promote transparency and accountability but also ensure that public money is being spent most effectively, and that support reaches the societal groups most in need. One way to incorporate gender budgeting in the SIIA is by including a gender impact assessment case study of one or more policy areas/allocations.

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