

Senedd Cymru | Welsh Parliament

Y Pwyllgor Cyllid | Finance Committee

Cyllideb Ddrafft Llywodraeth Cymru 2026-27 | Welsh Government Draft Budget 2026-27

Ymateb gan Cycling UK, | Evidence from Cycling UK,

1. What, in your opinion, has been the impact of the Welsh Government's 2025-2026 Budget?

(We would be grateful if you could keep your answer to around 500 words).

The inclusion funding for active travel in the 2025 –26 budget following last year's budget negotiations was a positive move. Sustained, dedicated funding for active travel in recent years has enabled local authorities to continue development of active travel networks.

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

(We would be grateful if you could keep your answer to around 500 words).

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?**

(We would be grateful if you could keep your answer to around 500 words).

According to the 2021 Census, 19.4% of households have no access to a car or van. For those in materially deprived households 30% of people have no access to a car <https://www.gov.wales/poverty-and-deprivation-national-survey-wales-april-2021-march-2022.html>. However, the cost of owning and running a car for those in poorer households who are forced to own and rely on a car puts significant pressure on household finances.

The Welsh Government must put in place measures to ensure people are not forced to rely on a car due to lack of affordable alternatives. Government must aim to

address transport poverty and lack of sustainable and active transport options – especially for those in rural areas.

Cycling is a low-cost form of transportation potentially available to many, especially for short journeys. However, the Welsh Government must make cycling an easier, realistic option for everyone by investing more in cycling projects in the Budget – both capital and revenue. Capital funding is needed to connect communities with bus and cycling networks to reduce the cost of transport and relieve pressure on household budgets.

4. Have Welsh Government business support policies been effective, given the economic outlook for 2026-27?

(We would be grateful if you could keep your answer to around 500 words).

5. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

(We would be grateful if you could keep your answer to around 500 words).

Cycling UK wants to see the Welsh Government do more to tackle the climate emergency and meet its own commitments for reducing greenhouse gas emissions by investing in a more sustainable transport system. Domestic transport accounts for 17% of all climate emissions in Wales and has only reduced by 12% since 1990 <https://statswales.gov.wales/Catalogue/Environment-and-Countryside/Greenhouse-Gas/emissionsofgreenhousegases-by-year>

Wales needs to do much more to decarbonise transport. In 2024/25 the Welsh Government allocated £65m for active travel in the budget. This works out to be approximately 3.5% of the total transport budget and represents £21 spent per capita. Cycling UK wants to see the Welsh Government spend 10% of the transport budget on cycling, walking and wheeling (active travel).

Stride and Ride <https://www.ippr.org/articles/stride-and-ride> , a report by IPPR calculated the amount of money needed to create world class active travel infrastructure. Whilst the data used was based on England, the recommendations hold true across the UK. IPPR recommended allocating 10% of transport budgets to active travel, or £50 per head. In Wales, these figures are approximately the same and average £150m per year.

Providing this level of funding, and consistently maintaining it would be transformatory for the people of Wales as it would allow local authorities to scale up delivery and make places better for people. Providing the security of multi-year

funding settlements would also enable councils to create much needed physical space for cycling and walking, and projects which support people to cycle. This would enable more people to cycle and to cycle more, making more journeys by bike, and thus fulfilling the government's goal. In addition, it would help those people realise the benefits of cycling, as explained above.

Importantly, investment in active travel is excellent value for money and better than many other transport investments. The UK Government estimates that for every £1 spent on cycling and walking schemes in the UK, £5.62 worth of benefits are achieved on average

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/371096/claiming_the_health_dividend.pdf. Officially those BCR ratios are 'very high,' i.e. above 4:1. In contrast, BCR for the major road are just 2.3:1 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/286611/hs2-economic-case.pdf. Furthermore, because cycle lanes can be built quickly, government can realise the return on that investment more swiftly.

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

(We would be grateful if you could keep your answer to around 500 words).

In the transport sector, the major fiscal measures with the ability to raise funds are reserved to Westminster and funds flow to the Treasury, e.g. Fuel Duty and Vehicle Excise Duty. However, there is a potential to raise funds from transport in Wales, through policies such as, Clean Air Zones, Workplace Parking Levies, levies from congestion zones, and parking charges and fees. Some may need legislation to proceed but others can go ahead now and be supported by the Budget.

In addition to raising money, policies can be designed to disincentivise specific travel behaviours and choices. New revenue generation must be undertaken in a fair and progressive manner that makes polluters pay and penalises most those who choose to drive when other transport options are readily available. Such revenue generation should be consistent with just transition principles.

Hypothecation of finances raised through the above measures makes these measure more acceptable to the public, especially at the local level. The Campaign for Better Transport (CfBT) study in 2022 and work by Green Alliance found that people are more favourable towards road pricing if it is used to make public transport cheaper and the income reinvested to improve public transport and connectivity.

<https://bettertransport.org.uk/wp-content/uploads/2022/10/Pay-as-you-drive-Report-Sept-2022.pdf>

The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

7. Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

(We would be grateful if you could keep your answer to around 500 words).

As outlined in answer to question 12, cycling is a low-cost form of transport. The Welsh Government must implement policies which proactively support those on low incomes to be able to access affordable transport, including cycling. This includes providing the safe cycling infrastructure and quieter streets, so people feel there is a safe space for them to cycle for journeys. Community-based projects are also needed to provide cycle training or to provide access to bikes and bike maintenance.

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

(We would be grateful if you could keep your answer to around 500 words).

The Equalities and Human Rights Commission (EHRC) identifies transport as a significant barrier to women's employment, particularly in rural and post-industrial areas of Wales, due to limitations on accessing jobs, education, and training. Women make half as many trips by bike as men, and are more likely to be put off cycling by a fear of busy traffic or hostile behaviour from drivers. It is therefore vital to ensure the Budget is used to invest in sustainable and active transport options, especially by creating a network of safe cycle routes which women feel comfortable using. <https://www.equalityhumanrights.com/our-work/equality-and-human-rights-monitor/equality-and-human-rights-monitor-2023-executive-summary#:~:text=Disparities%20in%20living%20standards%20and%20poverty&text=Our%20analyses%20have%20highlighted%20the,across%20all%20protected%20characteristic%20groups>.

9. Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

(We would be grateful if you could keep your answer to around 500 words).

Cycling is excellent for people's health, and the evidence is well documented. Healthier people are happier, more productive and rely less on expensive healthcare services. People who are physically active take 27% fewer sick days than their colleagues. <https://tfl.gov.uk/corporate/publications-and-reports/economic-benefits-of-walking-and-cycling>

Another perspective is to consider the cost of not investing in preventative spending, which can be severe. Maintaining a transport system which forces most people to rely on cars will mean continued high greenhouse gas, in addition to more congestion, air pollution, and physical inactivity. All of these have significant costs – even if they are indirect or hidden.

Investment in high quality cycling infrastructure is key to boosting the number of people cycling. As already stated above Cycling UK is calling for at least 10% of the transport budget, approximately £150m per year to be spent on active travel. This investment is preventative spending as it enables people to be physically active and healthier.

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

(We would be grateful if you could keep your answer to around 500 words).

11. How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

(We would be grateful if you could keep your answer to around 500 words).

12. How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

(We would be grateful if you could keep your answer to around 500 words).

13. Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning?

(We would be grateful if you could keep your answer to around 500 words).

14. Has there been adequate investment from the Welsh Government in basic public sector infrastructure?

(We would be grateful if you could keep your answer to around 500 words).

The Welsh Government has not adequately invested in cycling infrastructure and more widely in infrastructure for sustainable transport. Cycling UK recommends an urgent uplift in funding for active travel to at least 10% of the total transport budget. This is needed if Wales is to provide high quality, world-class networks of cycling infrastructure which can increase the proportion of people cycling for journeys and help to deliver a modal shift in Wales.

15. How should the Budget support young people?

(We would be grateful if you could keep your answer to around 500 words).

Children can cycle whereas none but a very few over 17s can drive. Children and young people are limited in their travel freedom and independence and therefore the services and activities they can access and are forced to rely on adults to drive them. Only a small percentage young adults hold a full licence (statistic in Wales not readily available but in England 27% of people aged 17-20 hold a full driving licence) so access to education, training and employment by sustainable and active travel is essential for this demographic. Safer streets, neighbourhoods and cycle routes would give children the freedom to cycle and travel to where they need to go, including school and college. The Welsh Government must have the needs of children and young people in mind when setting the budget.

16. How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?

(We would be grateful if you could keep your answer to around 500 words).

17. 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?

(We would be grateful if you could keep your answer to around 500 words).

18. What are the key opportunities for the Welsh Government to invest in supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations (Wales) Act 2015?

(We would be grateful if you could keep your answer to around 500 words).

We believe that Welsh Government prioritising spending on active and public transport would better deliver against the goals of the Well-being of Future Generations (Wales) Act 2015