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# Welsh Government Draft Budget Proposals 2022-23

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*Laid before Senedd Cymru by the Minister for Finance and Local Government in  
accordance with Standing Order 20.7 and 20.7A*

*December 2021*

**Draft Budget Proposals**

1. These proposals are laid in accordance with Standing Order 20.7 and 20.7A. They are intended to be read alongside the supporting tables detailing the MEG allocations which have been published in accordance with Standing Order 20.7B.
2. Welsh Ministers propose to use resources (including accruing resources) during the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 as follows:

Ambit	2022-23		2023-24		2024-25	
	Resources (£000)	Accruing Resources (£000)	Resources (£000)	Accruing Resources (£000)	Resources (£000)	Accruing Resources (£000)
Health and Social Services	10,322,062	68,869	10,652,899	68,869	10,829,814	68,869
Finance and Local Government	4,510,913	4,334	4,658,239	4,334	4,766,482	4,334
Education and the Welsh Language	3,435,630	331,157	3,645,975	390,589	3,792,066	458,290
Climate Change	2,836,257	192,307	2,904,078	215,807	2,772,028	213,115
Economy	551,898	45,005	571,398	40,001	590,398	40,114
Rural Affairs	393,162	93,691	456,162	30,871	477,962	3,880
Social Justice	155,409	495	165,391	0	168,391	0
Central Services and Administration	356,995	8,500	359,995	7,000	360,995	7,000
<b>Total</b>	<b>22,562,326</b>	<b>744,358</b>	<b>23,414,137</b>	<b>757,471</b>	<b>23,758,136</b>	<b>795,602</b>

3. Welsh Ministers propose to draw cash out of the Welsh Consolidated Fund for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 as follows:

	2022-23 (£000)	2022-23 (£000)	2024-25 (£000)
<b>Net Resources Requirement</b>	<b>22,562,326</b>	<b>23,414,137</b>	<b>23,758,136</b>
Adjustments:			
Capital Charges	-512,318	-512,034	-511,742
Impairments	-727,066	-851,023	-716,914
Movements in Provisions	-105,487	-103,842	-102,410
Profit/Loss on sale of assets	0	0	0
Movements in stocks	0	0	0
Movements in debtors/creditors	542,000	542,000	542,000
Use of Provisions	0	0	0
Other	0	0	0
<b>Net Cash Requirement for issue from the Welsh Consolidated Fund</b>	<b>21,759,455</b>	<b>22,489,238</b>	<b>22,969,070</b>

4. Welsh Ministers propose to finance its expenditure for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 as follows:

	2022-23 (£000)	2023-24 (£000)	2024-25 (£000)
<b>Block Grant (Departmental Expenditure Limit)</b>	19,295,059	19,518,345	19,800,293
<b>Annually Managed Expenditure</b>	1,270,463	1,423,097	1,322,064
<b>Devolved Financing:</b>			
Non Domestic Rates	1,030,000	1,121,000	1,148,000
Welsh Rate of Income Tax	2,477,747	2,629,356	2,748,343
Land Transaction Tax	365,714	382,699	403,658
Landfill Disposals Tax	35,935	35,905	35,721
Borrowing (net)	142,344	137,038	131,728
<b>Total financing for the Welsh Government</b> <sup>Note</sup>	<b>24,617,262</b>	<b>25,247,440</b>	<b>25,589,807</b>

**Note:** Includes financing for expenditure outside Ambits, e.g. unallocated provisions.

5. Welsh Ministers propose borrowing for capital purposes for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 as follows:

	2022-23 (£000)	2023-24 (£000)	2024-25 (£000)
Total borrowing outstanding as at 1 April (principal)	220,083	362,427	499,465
Proposed capital borrowing to be drawn in-year	150,000	150,000	150,000
Repayment of principal in-year	(7,656)	(12,962)	(18,272)
<b>Aggregate capital borrowing outstanding as at 31 March</b>	<b>362,427</b>	<b>499,465</b>	<b>631,193</b>
Interest payments due in-year	(4,160)	(5,834)	(7,591)

<b>Repayment Schedule based on borrowing at the levels detailed above</b>			
	Amounts falling due within 1 year (£000)	Amounts falling due within 1 – 5 years (£000)	Amounts falling due after 5 years (£000)
Principal	7,656	78,891	583,536
Interest	4,160	31,628	93,468

**Notes:**

1. Direct borrowing for capital purposes comprises funds borrowed under s122A of Government of Wales Act 2006 (as amended) and previous loans from the National Loans Fund by the former Development Board for Rural Wales and the Mid Wales Development Corporation.
2. Loans taken out by the former Development Board for Rural Wales and Mid Wales Development Corporation are due to be repaid by 2042.
3. Capital borrowing under the s122A of Government of Wales Act 2006 (as amended) is assumed to be on a 25 year term, so borrowing in 2022-23 will be repaid in 2047-48.