

Scrutiny of the Welsh Government's Draft Budget for 2024-25

February 2024



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1. Introduction

1. This report sets out the views of the Culture, Communications, Welsh Language, Sport, and International Relations Committee on the Welsh Government's Draft Budget for 2024-25. Our report is intended to inform the debate on Tuesday 6 February 2023.

2. Our scrutiny has been informed by:

- written evidence provided by the First Minister, Minister for Education and Welsh Language, Minister for Economy, and Deputy Minister for Arts, Sport and Tourism;
- oral evidence sessions with the Minister for Education and Welsh Language on Thursday 11 January 2024, the Minister for Economy, and the Deputy Minister for Arts, Sport and Tourism on Wednesday 17 January 2024;
- oral and written evidence provided by public sector bodies during general scrutiny in Autumn 2023;
- the views of stakeholders in written evidence submitted to the Finance Committee; and
- the views of other stakeholders and members of the public submitted in written evidence to this Committee.

3. Our report is structured in accordance with three ministerial portfolios and how they correspond with our remit:

- International Relations (First Minister)
- Welsh Language (Minister for Education and Welsh Language)
- Culture, Communications and Sport (Minister for Economy, and Deputy Minister for Arts, Sport and Tourism)

4. Huw Irranca-Davies MS participated in our scrutiny as a substitute for Hefin David MS at our meeting on Wednesday 17 January 2024. Mike Hedges MS participated in our consideration of key issues as a substitute for Alun Davies MS at our meeting on Wednesday 24 January 2024.

2. International Relations

5. We received two written evidence submissions from the First Minister on the Welsh Government's Draft Budget for International Relations. As with the previous year, the First Minister was invited to give oral evidence but declined.

6. Therefore, we received the first item of written evidence from the First Minister on 20 December 2023.¹ We considered this evidence at our meeting on 11 January 2024. As a result of a number of discrepancies identified, we asked the First Minister for urgent clarification and more information to be provided by 24 January 2024 in correspondence on 16 January 2024. We received a second written submission from the First Minister on 25 January 2024.²

7. From the outset, we would like to note that the initial information we received (dated 20 December 2023) fell significantly below the standard we had expected. Discrepancies in the evidence prevented us from considering the information with confidence. The First Minister's response, detailed in a second evidence submission (dated 25 January 2024), has also left questions unanswered which hinders our scrutiny of international relations spending. We discuss these issues further below.

Overview of allocations

8. For 2023-24, the First Minister told us that the original budget of £8.383million was reduced to £8.272million as a result of a £111,000 reduction. This comprised a £100,000 transfer to the International Development budget to cover inflation costs, and £11,000 transferred to reserves for lease costs. A further £260,000 was returned to central finance. The forecast outturn for 2023-24 is therefore £8.112million.³ No explanation was given for where the savings were found and whether any activities, outcomes or outputs were not delivered as a result of making these in-year savings.

¹ [Response from the First Minister: Welsh Government Draft Budget 2024-25 – 20 December 2023](#) [PDF 185 KB]

² [Response from the First Minister: Welsh Government Draft Budget 2024-25 – 25 January 2024](#) [PDF 230 KB]

³ [Response from the First Minister: Welsh Government Draft Budget 2024-25 – 20 December 2023](#) [PDF 185 KB]

Discrepancy in figures

9. The Welsh Government's Draft Budget for 2024-25, published on 19 December 2023, sets the indicative International Relations BEL at £8.383million (as in 2023-24).⁴ This figure is revised down to £8.093million following the deduction of savings of £290,000 that have been identified.

Table 1: International Relations BEL Draft Budget⁵

Budget Expenditure Line	2023-24 Final Budget February 2023 Restated	2024-25 Indicative Final Budget February 2023 Restated	Revisions to the 2024-25 Indicative Allocations	MEG to MEG Transfers	Transfers Within MEG	Allocations to / from Reserves	2024-25 Draft Budget December 2023
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
International Relations	8,383	8,383	(290)	-	-	-	8,093
Action: International	8,383	8,383	(290)	-	-	-	8,093

10. The £8.383million indicative figure was revised down to £7.743million in the First Minister's first written evidence submission, dated 20 December 2023.⁶ In addition to the £290,000 savings, a transfer of £350,000 out of the International Relations BEL to the Social Justice Main Expenditure Group ("MEG") was added to the BEL table included in the First Minister's letter.⁷

Table 2: International Relations BEL First Minister letter⁸

Budget Expenditure Line	2024-25 Indicative Draft Budget December 2023	2024-25 Temp in year reduction	MEG to MEG Transfers	2024-25 Indicative Final Budget March 2024
	£000s	£000s	£000s	£000s
International Relations				
Action: International	8,383	290	350	7,743

⁴ Welsh Government Draft Budget 2024-25 – 19 December 2023

⁵ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 20 December 2023 [PDF 185 KB]

⁶ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 20 December 2023 [PDF 185 KB]

⁷ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 20 December 2023 [PDF 185 KB]

⁸ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 20 December 2023 [PDF 185 KB]

SPA: International	8,383	290	350	7,743
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11. The First Minister's second written evidence submission, dated 24 January 2023, revises this figure back up to £8.093million but does not provide an updated BEL table.⁹

12. In his first written evidence submission, the First Minister explains that the International Relations BEL comprises two components – (i) an International Engagement budget of £3.059million and (ii) an overseas offices budget of £5,434,400.¹⁰ Breakdowns are provided for both which generate a total of £8.493million against an indicative budget of £7.743million. We requested an explanation for this discrepancy and apparent planned overspend of £750,000 for 2024-25.¹¹

13. In response, the First Minister said in his second written submission that:

*"The £750,000 relates to the funding for 2023-24 for the Overseas Network Activity which has been mentioned within the text of the original letter but omitted in error in the summary calculations."*¹²

14. However, this figure was taken into account in the first written submission and repeated in the second - the breakdown of costs for overseas activity remain unchanged with the First Minister explaining that these are "fixed costs and cannot be reduced".¹³

15. In his second written submission, the First Minister provided us with a revised figure for the International Engagement budget of £2,658,600.¹⁴ This marks a reduction of £400,400 from the first written evidence submission, where

⁹ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 25 January 2024 [PDF 230 KB]

¹⁰ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 20 December 2023 [PDF 185 KB]

¹¹ Letter to the First Minister – Welsh Government Draft Budget 2024-25 – 16 January 2024 [PDF 117 KB]

¹² Response from the First Minister: Welsh Government Draft Budget 2024-25 – 25 January 2024 [PDF 230 KB]

¹³ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 25 January 2024 [PDF 230 KB]

¹⁴ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 25 January 2024 [PDF 230 KB]

£3.059million was given as the total with a breakdown of allocations, including for individual International Strategy action plans.¹⁵

16. No revised breakdowns are provided against the revised £2,658,600 figure for International Engagement. As such we are unable to ascertain where cuts will fall within the breakdowns provided in the first written submission.

17. In addition, it was not clear from the first written submission from which budget other expenditure detailed in the First Minister's first submission came from, such as Academi Heddwch, which has a budget allocation of £140,918 for the current financial year (2023-24).¹⁶ We requested that the First Minister urgently clarify from which budget this allocation falls. In the second submission, the First Minister confirmed that the Programme for Government commitments detailed in his first submission, including Academi Heddwch, are included in the International Engagement budget.¹⁷

Transfer from International Relations to International Development

18. £350,000 has been transferred from the International Relations BEL to the International Sustainable Development BEL in the Social Justice MEG in previous years. This is for the delivery of Wales and Africa elements of the International Strategy.¹⁸ We have previously expressed concerns regarding this transfer.

19. We were also concerned that this transfer is not documented in the Draft Budget's BEL lines.¹⁹ This transfer did not originally appear as a transfer in either the International Relations BEL nor the International Sustainable Development BEL the Draft Budget.²⁰ In the revised Draft Budget table included in the First Minister's first written submission, this showed as a transfer from the International Relations BEL but did not reappear as an incoming transfer in the International Sustainable Development BEL.²¹ In the second revised table provided in the First Minister's second written submission, it no longer appears

¹⁵ [Response from the First Minister: Welsh Government Draft Budget 2024-25](#) – 25 January 2024 [PDF 230 KB]

¹⁶ [Response from the First Minister: Welsh Government Draft Budget 2024-25](#) – 20 December 2023 [PDF 185 KB]

¹⁷ [Response from the First Minister: Welsh Government Draft Budget 2024-25](#) – 25 January 2024 [PDF 230 KB]

¹⁸ [Response from the First Minister: Welsh Government Draft Budget 2024-25](#) – 20 December 2023 [PDF 185 KB]

¹⁹ [Welsh Government Draft Budget 2024-25](#) – 19 December 2023

²⁰ [Welsh Government Draft Budget 2024-25](#) – 19 December 2023

²¹ [Response from the First Minister: Welsh Government Draft Budget 2024-25](#) – 20 December 2023 [PDF 185 KB]

as an outgoing transfer from the International Relations BEL. Nevertheless, the commentary provided by the First Minister states that the £350,000 transfer has occurred.²²

20. This matter was further complicated by the fact that the previously-named 'International Development' BEL, referenced throughout the First Minister's first written submission,²³ does not appear in the 2024-25 Draft Budget,²⁴ as with previous budgets, because it has been renamed as the 'International Sustainable Development' in the Social Justice MEG of the 2024-25 Draft Budget.²⁵ This led to some confusion as we do not consider the two terms to be interchangeable.

21. The International Sustainable Development Draft Budget for 2024-25 allocation is £1.050m, which marks a reduction of 22.7 per cent compared to forecast spend for 2023-24 of £1.359million.²⁶ The £1.050million comprises £700,000 from the Social Justice MEG and the £350,000 transfer for Wales and Africa from the International Relations BEL.²⁷ Regardless of the name change, the £350,000 still does not reappear in the International Sustainable Development BEL for the 2024-25 Draft Budget as an incoming transfer.²⁸

22. We asked the First Minister why this transfer does not reappear in the Draft Budget.²⁹ In response, the First Minister told us that:

*"For 2024-25, the £350,000 for Wales and Africa has been included in the International Sustainable Development BEL line in the draft budget. It is for the Minister for Social Justice to decide the appropriate use of budget."*³⁰

23. With regards to renaming the International Development BEL, the First Minister confirmed the name change in his second written submission and

²² [Response from the First Minister: Welsh Government Draft Budget 2024-25](#) – 25 January 2024 [PDF 230 KB]

²³ [Response from the First Minister: Welsh Government Draft Budget 2024-25](#) – 20 December 2023 [PDF 185 KB]

²⁴ [Welsh Government Draft Budget 2024-25](#) – 19 December 2023

²⁵ [Welsh Government Draft Budget 2024-25](#) – 19 December 2023

²⁶ [Welsh Government Draft Budget 2024-25](#) – 19 December 2023

²⁷ [Response from the First Minister: Welsh Government Draft Budget 2024-25](#) – 20 December 2023 [PDF 185 KB]

²⁸ [Welsh Government Draft Budget 2024-25](#) – 19 December 2023

²⁹ [Letter to the First Minister – Welsh Government Draft Budget 2024-25](#) – 16 January 2024 [PDF 117KB]

³⁰ [Response from the First Minister: Welsh Government Draft Budget 2024-25](#) – 25 January 2024 [PDF 230 KB]

advised the rationale for this was to better reflect the work of the Wales and Africa.³¹

Strategic Partners

24. The First Minister's first written submission outlines how the Welsh Government works with strategic partners to support the delivery of the International Strategy.³² The First Minister notes that:

*"We expect our strategic partners to submit their engagement and delivery plans in the first quarter of the 2024 and we will consider their requests for resources accordingly."*³³

25. Concerned that key financial information may not have been taken into account in the Welsh Government's Draft Budget calculations, we asked the First Minister to urgently clarify what steps had been taken to obtain financial information from strategic partners during the Draft Budget's development.³⁴

26. In his second evidence submission, the First Minister told us that the Welsh Government regularly speaks to strategic partners with regards to their plans and expenditure.³⁵ He also confirms that meetings were held ahead of the announcement of the Draft Budget in December 2023 to outline government priorities and to "begin discussions around how they may be able to contribute to delivery".³⁶

27. He added that strategic partners are "currently writing their bids for funding in 2024-25" which will come from the International Engagement budget.³⁷

28. As explained above in paragraph 17, the First Minister did not provide new breakdowns for the revised International Engagement budget allocation in his

³¹ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 25 January 2024 [PDF 230 KB]

³² Response from the First Minister: Welsh Government Draft Budget 2024-25 – 20 December 2023 [PDF 185 KB]

³³ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 20 December 2023 [PDF 185 KB]

³⁴ Letter to the First Minister – Welsh Government Draft Budget 2024-25 – 16 January 2024 [PDF 117 KB]

³⁵ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 25 January 2024 [PDF 230 KB]

³⁶ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 25 January 2024 [PDF 230 KB]

³⁷ Response from the First Minister: Welsh Government Draft Budget 2024-25 – 25 January 2024 [PDF 230 KB]

second written submission, and we therefore cannot assess where reductions have been made, including across International Strategy action plans.

Our View

29. The written evidence we have received falls below the standard we expect and we are unable to consider the figures and calculations provided with confidence. The overall indicative Draft Budget allocation for International Relations has changed twice since the Draft Budget 2024-25 was published on 19 December 2023. The calculations in the First Minister's first written submission could not be reconciled without generating a significant overspend.

30. While the First Minister's second written submission provided figures that could be reconciled, it did not provide satisfactory explanations, nor the detailed information we requested. In some instances, we have had to make assumptions over important and consequential information and our questions have gone unanswered. This is unacceptable.

31. Despite our best efforts, we do not have accurate breakdowns of the International Engagement budget line which are key to the delivery of the International Strategy, its accompanying action plans and Programme for Government commitments.

32. The £350,000 MEG to MEG transfer is discussed in the First Minister's commentary but does not appear on the Draft Budget itself as an outgoing/incoming transfer. This lack of openness and transparency is a cause for concern.

Recommendation 1. The Welsh Government must write to the Committee to provide revised breakdowns for the International Engagement budget which should reconcile with the £2,658,600 allocation cited in the First Minister's second written submission.

33. The issues identified in this report compound our previous concerns regarding the lack of clarity we have received in previous Draft Budgets relating to outcomes, impact and value for money. The impact of this is multiplied by the First Minister's unwillingness to attend Draft Budget oral evidence sessions during this Senedd term, means we have been unable to clarify these matters in situ.

34. The First Minister states in his first written submission that “demand for international engagement is high and increasing”.³⁸ As the Committee responsible for International Relations, we welcome and celebrate this news. As a Committee, we strive to champion the international work of the Welsh Government. However, the lack of openness and transparency on planned expenditure on this occasion has presented new barriers to our understanding of the Welsh Government's priorities.

35. We welcome the First Minister's clarification on renaming the BEL, though this should have been made explicit in the Draft Budget documents and brought to the attention of both us and the Equality and Social Justice Committee.

Recommendation 2. In light of the First Minister's announcement that he will shortly be leaving office, we recommend that the next responsible Minister for International Relations in the next Welsh Government, should attend in-person scrutiny on future Draft Budgets. This will ensure parity for this policy area with other Ministerial portfolios. We also recommend that the information provided in future must include:

- Comprehensive breakdowns of planned spending within the BEL including International Engagement and International Offices;
- Information relating to outputs, outcomes, impacts and value for money for each area of expenditure within the International Relations BEL;
- Allocations and comparisons with planned spend for forthcoming year against the previous year; and
- An outline of further potential challenges and prioritisations the Welsh Government may need to take in future years.

36. We were surprised to hear discussions with strategic partners were taking place as late as December 2023 shortly before the Draft Budget was announced. We were also surprised that strategic partners were asked to submit their spending and engagement plans for 2024-25 as late as the first quarter of 2024. This could be challenging for organisations to reconcile with multi-year budgets.

³⁸ [Response from the First Minister: Welsh Government Draft Budget 2024-25](#) – 20 December 2023 [PDF 185 KB]

While we accept that reduced budgets might be reason for reviewing plans, we are concerned that this is happening so late.

37. In our report on Wales-Ireland relations,³⁹ we noted how encouraging it was to see, and witness at first hand, the passion and enthusiasm that many strategic partners feel about cooperation with international partners. We are concerned that the approach taken to obtain key financial information at this point may place organisations under undue pressure.

Recommendation 3. The Welsh Government should explain why it has asked strategic partners to submit engagement and delivery plans as late as the first quarter of 2024.

³⁹ [Wales-Ireland relations: Exploring an old relationship in a new age](#) – October 2023

3. Welsh Language

Overview of allocations

38. The Welsh language is a cross-cutting policy area, with expenditure embedded across Ministerial portfolios. This means that it is not possible to scrutinise every funding allocation for the Welsh language. There are however, five BELs in the Draft Budget for 2024-25 specific to the Welsh language. This includes a brand-new BEL, Cymraeg 2050 (LAEG). This follows the amalgamation of local authority and consortia grants into one grant scheme called the Local Authority Education Grant (LAEG).

39. The Draft Budget for 2024-25 allocates a total of £53.6million in revenue to support specific Welsh language spending. This represents an increase of £7million to the overall Welsh language Draft Budget allocation. The increase is mainly the result of the amalgamation of grants into the new Cymraeg 2050 BEL. This BEL incorporates existing funding that sat within other BELs that were not specific to the Welsh language, but supported policy aims related to Welsh language promotion and education. Taking that into account, there is a year on year reduction of almost £3million in the Draft Budget allocation for the Welsh language compared to 2023-24.

Multi-year settlements for Welsh language

40. The multi-year Welsh Spending Review in 2022 had set year on year increases for Welsh language budgets for a three-year period. These are linked to commitments set out in the Programme for Government and Co-operation Agreement with Plaid Cymru ("the Co-operation Agreement"). However, in his written evidence, the Minister notes that the financial realities have, "...necessitated a more fundamental approach".⁴⁰ Ministerial departments across government have had to reprioritise funding for the next financial year, driven by the need to provide extra funding and protection for both the NHS and Local Government services.⁴¹

⁴⁰ [Welsh Government: Evidence paper on Draft Budget 2024-25 – Welsh Language budgets within the Education and Welsh Language Main Expenditure Group](#) [PDF 971 KB]

⁴¹ [Welsh Government: Evidence paper on Draft Budget 2024-25 – Welsh Language budgets within the Education and Welsh Language Main Expenditure Group](#) [PDF 971 KB]

41. The Minister explains that he sought to limit the impact of this on Welsh language budgets, “including funding linked to the Welsh Language Education Bill, Mudiad Meithrin and the Welsh in Education budget”.⁴²

Apprenticeships and post-16 education

42. The Welsh Government has previously made a commitment to invest an additional £8 million over three years (2021-24) in the Coleg Cymraeg Cenedlaethol and the National Centre for Learning Welsh.⁴³

43. This additional investment supports the development of apprenticeships and post-16 Welsh language provision. The Coleg Cymraeg Cenedlaethol, through its Further Education and Apprenticeship Welsh-medium Action Plan⁴⁴ is seeking to develop Welsh language provision and capacity in priority areas, including health and social care, childcare, and public services.⁴⁵ The additional funding also supports the provision of free Welsh language courses for 18-25 year-olds via the National Centre for Learning Welsh.⁴⁶

44. While additional Co-operation Agreement funding has been maintained at 2023-24 levels for both organisations (Coleg Cymraeg £2.825 million and National Centre £1.675 million), the Minister told us that planned increases for 2024-25 will not occur.⁴⁷

45. The Coleg Cymraeg Cenedlaethol said there has been clear progress in the post-16 sector since the Coleg took responsibility for investing in staff, resource and new provision.⁴⁸ This is outlined in the table below⁴⁹:

⁴² Welsh Government: Evidence paper on Draft Budget 2024-25 – Welsh Language budgets within the Education and Welsh Language Main Expenditure Group [PDF 971 KB]

⁴³ Welsh Government Evidence paper on Draft Budget 2022-23 – Education and Welsh Language Main Expenditure Group (MEG) – Welsh Language [PDF 924 KB]

⁴⁴ Towards Cymraeg 2050: A million Welsh speakers – Further Education and Apprenticeship Welsh-medium Action Plan

⁴⁵ Towards Cymraeg 2050: A million Welsh speakers – Further Education and Apprenticeship Welsh-medium Action Plan

⁴⁶ Free Welsh lessons now available for 18 to 25s and teaching staff – Welsh Government – 23 September 2022

⁴⁷ Welsh Government: Evidence paper on Draft Budget 2024-25 – Welsh Language budgets within the Education and Welsh Language Main Expenditure Group [PDF 971 KB]

⁴⁸ Coleg Cymraeg Cenedlaethol submission to the Finance Committee consultation on the Welsh Government Draft Budget 2024-25

⁴⁹ Cymraeg 2050: a million Welsh speakers annual report 2022-23

Year	Further Education	Work Based Learning
2017-18	7.3 per cent	10.3 per cent
2018-19	8.7 per cent	11.9 per cent
2019-20	8.8 per cent	13.0 per cent
2020-21	14.7 per cent	20.8 per cent
2021-22	18.2 per cent	25.3 per cent

46. The Coleg Cymraeg goes on to state that in order to ensure continued momentum and sustainable growth, it is vital that Welsh Government funding continues to increase over the coming years.⁵⁰

47. In written evidence, the Minister acknowledges that:

"reprioritising funding may lead to the Coleg having to withdraw from some commitments made to FE Colleges and Apprenticeship providers."⁵¹

48. In writing, the Minister also notes that the Welsh Government will work with both organisations to look at options reduce the impact of this on priority sectors as well as continuing free courses for 16-25 year olds.⁵²

49. In his oral evidence, the Minister told us regarding changes in outcomes and measures that:

"...we don't anticipate a change there, but I do think we need an ongoing discussion between officials in my department and the

⁵⁰ Coleg Cymraeg Cenedlaethol submission to the Finance Committee consultation on the Welsh Government Draft Budget 2024-25

⁵¹ Welsh Government: Evidence paper on Draft Budget 2024-25 – Welsh Language budgets within the Education and Welsh Language Main Expenditure Group [PDF 971 KB]

⁵² Welsh Government: Evidence paper on Draft Budget 2024-25 – Welsh Language budgets within the Education and Welsh Language Main Expenditure Group [PDF 971 KB]

Coleg Cymraeg to see what the impact of that is on the ground... the relationship between the exact budget and the increase in the number of students isn't particularly clear; that's why keeping that discussion alive is important.”⁵³

Cymraeg 2050

50. In his written evidence, the Minister states that:

“...the aim is to mainstream Cymraeg 2050 into all Welsh Government portfolio areas”.⁵⁴

51. In our evidence session, we asked the Minister what evidence is there that the Cymraeg 2050 target is still realistic. In response, the Minister told us:

“Well, it is still realistic, I believe. We do face a financial challenge at the moment, of course, so if you look over the three years since we set the budget in 2022, the increase that we'd anticipated in the budget is substantial—15 per cent in the first year, just under 7 per cent in the second year and just over 7 per cent in the third. And what we've tried to do in tackling the fiscal challenges that we face...”⁵⁵

52. The Minister also told us that work was also ongoing with the Office for National Statistics. The Minister confirmed that work has been commissioned to better understand the socioeconomic factors influencing the growth of the Welsh language. He noted that this work, combined with the outcomes of the Commission for Welsh-speaking communities⁵⁶ will help identify where the government is on its journey towards 2050.⁵⁷

⁵³ Record of Proceedings: Culture, Communication, Welsh Language, Sport and International Relations Committee – 11 January 2024, paragraphs 15 and 19.

⁵⁴ Welsh Government: Evidence paper on Draft Budget 2024-25 – Welsh Language budgets within the Education and Welsh Language Main Expenditure Group [PDF 971 KB]

⁵⁵ Record of Proceedings: Culture, Communication, Welsh Language, Sport and International Relations Committee – 11 January 2024, paragraph 8.

⁵⁶ Commission for Welsh-speaking Communities

⁵⁷ Record of Proceedings: Culture, Communication, Welsh Language, Sport and International Relations Committee – 11 January 2024, paragraph 10.

53. We also discussed with the Minister how the Cymraeg 2050 target was embedded across government. The Minister outlined examples of work taking place across other government departments.⁵⁸ He told us:

"...one of the things that we're seeking to do is to move away from this idea that Welsh language policy is related only to compliance, that is the impact—I mean, does this correspond to Government's wider policy, so that there is a more sophisticated understanding of the positive or negative impact on the Welsh language of any policy development."⁵⁹

54. We also asked the Minister what is the biggest step the Welsh Government could do to ensure cross-government Cymraeg 2050 work develops further. He told us that current work was positive and that pace within government has changed. He added that the aim is to ensure that every department sees the language as an integral part of developing any policy.⁶⁰

55. We followed this up further by asking how does the Welsh Government prioritise the language from a budget perspective. For example, how would we know of the impact of cuts in other departments, that are beyond the Minister's responsibility, on the Welsh language. In response he told us that:

"I don't think we have a mechanism that we can present to this committee what the cuts are in other Ministers' budgets that have an impact on the Welsh language, but the challenge is fair."⁶¹

56. Following this exchange, we wrote to the Minister noting that it would be beneficial to gain a fuller understanding of the range of activities and expenditure across government departments that are contributing towards Cymraeg 2050 objectives. We noted that it was important that we have

⁵⁸ Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 11 January 2024, paragraph 26

⁵⁹ Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 11 January 2024, paragraph 26

⁶⁰ Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 11 January 2024, paragraph 33

⁶¹ Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 11 January 2024, paragraph 36

information about the wider impact of budget cuts in other governments departments on Welsh language policy development and interventions.⁶²

Funding for the Welsh Language Commissioner

57. We asked the Minister what impact the reduction in funding for the Welsh Language Commissioner will have on the Commissioner's functions, staff resources and whether any jobs will be lost.

58. The Minister recognised the Commissioner doesn't have many options in dealing with budgetary reductions. The Minister confirmed that his understanding was that the Commissioner will manage the staffing budget by not filling vacant posts or recruiting. This would be an alternative approach to job losses amongst the current workforce.⁶³

59. The Minister also told us that the core budget is sufficient to meet the Commissioner's regulatory requirements under the Welsh Language Standards regime. He added that he accepted that the funding in this regard isn't adequate but that the Commissioner can make requests for additional funding to meet statutory requirements, as happens from time to time.⁶⁴

Our View

60. We welcomed the Minister's sincerity and candour during our evidence session. We accept that there are very hard decisions to be taken given the financial climate: we nevertheless think there are three specific areas which need to be revisited.

Apprenticeships and post-16 education

61. When additional funding to develop Welsh language provision in the post-16 sector was announced, we welcomed this investment.⁶⁵ This was an area of Welsh language policy that had been neglected for far too long, despite clear evidence of its importance in ensuring Welsh language progression into further and higher education.

⁶² Letter to the Minister for Education and Welsh Language – Welsh Government Draft Budget 2024-25 – 16 January 2024 [PDF 108 KB]

⁶³ Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 11 January 2024, paragraph 106

⁶⁴ Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 11 January 2024, paragraph 108

⁶⁵ Welsh Government Draft Budget 2022-23

62. Withdrawing this additional funding will hinder progress, and limit opportunities for learners to access Welsh language provision in this sector. This would happen in spite of a significant increase in opportunities to undertake part or all of their apprenticeship or further education in Welsh, as outlined by the Coleg Cymraeg Cenedlaethol. .

63. We think that it is unfortunate that at the precise time there is clear evidence of progress which will support the Cymraeg 2050 targets, the decision has been taken to halt further funding. Ensuring continued growth in the number of learners undertaking some or all of their post-16 education in Welsh, and in particular via apprenticeships and work-based learning is vital. We think the Welsh Government should assess the anticipated impact of this funding decision on the number of learners who will be able to access such provision.

64. In a letter to the Committee on 26 January 2024, the Minister confirmed that the Welsh Government has begun to collate this information. It will be provided to us by the end of February 2024.⁶⁶

Recommendation 4. The Welsh Government, as part of an exercise to collate information on the impact of budget cuts on Cymraeg 2050 targets, should provide an assessment of the potential impact of funding decisions on the number of learners able to access Welsh language post-16 provision, and in particular, apprenticeships.

Cymraeg 2050

65. In order for Cymraeg 2050 to be a success, the aims and objectives of the strategy need to be “mainstreamed” across the work of all government departments. Every Minister and Deputy Minister has an important role to play in supporting the development and growth of the language, to help build Welsh speaking capacity and create opportunities for its use across Wales. At present, the contribution each government department makes to the aims of Cymraeg 2050, and the impact of that work on Welsh language development is unclear to us.

66. For the Welsh Government to continue making the progress needed to achieve the aims of Cymraeg 2050, the degree of commitment and level of collaboration must be maintained across the whole of Government. We are concerned that activity contributing to this goal isn’t captured properly, or worse,

⁶⁶ [Letter from the Minister for Education and Welsh Language – Welsh Government Draft Budget 2024-25](#) – 26 January 2024 [PDF 96 KB]

not fully known or understood. To ensure the success of the Cymraeg 2050 strategy, the Welsh Government must take action to understand better the relative success of interventions that aim to promote greater use of the Welsh language, and the impact of spending decisions on the Welsh language in different policy areas. Without this information, it is not clear to us that the Minister can evaluate effectively the likely impact of expenditure decision that are being taken across government as part of the reprioritisation of budgets.

Recommendation 5. The Welsh Government must provide an assessment of the impact of expenditure on the Welsh language across government portfolios, and to set out how it plans to monitor the impact of spending decisions across policy areas in the future Draft Budgets.

Welsh Language Commissioner

67. The proposed budget reduction for all Commissioners in 2024-25 has been set at five per cent. However, we are concerned that this across the board decision does not account for the additional regulatory responsibilities of the Welsh Language Commissioner compared to other Commissioners.

68. The Welsh language regulatory framework is changing continuously. In the past year, water and sewerage undertakers operating in Wales have been included within the Welsh language standards regime. We expect that public transport will be added to the regime in the near future. We are concerned that the Welsh Language Commissioner is being asked to do more, with less funding. We would question at what point are the Commissioner's functions compromised by a lack of resources; this applies to both statutory and non-statutory functions.

69. We welcome the Minister's recognition that the Welsh Language Commissioner doesn't have many options for managing the budget reductions proposed for 2024-25. We also note that the Commissioner is able to request additional funding from Welsh Government reserves, if required, as has happened previously. However, we have previously raised concerns about the appropriateness of this approach, and the risk to the Commissioner's independence were it to take the Welsh Government to court.⁶⁷

70. We think the Welsh Language Commissioner should be financed sufficiently to be able carry out both statutory and non-statutory functions

⁶⁷ [Letter to the Welsh Language Commissioner – Annual scrutiny follow-up](#) – 5 December 2023 [PDF 123 KB]

effectively. In the absence of such funding, we recommend that the Welsh Government outlines how it has accounted for the additional statutory roles of the Commissioner when deciding to reduce budgets in line with the other Commissioners in Wales. In addition, we would ask the Welsh Government to explain how it has considered the Commissioner's ability to undertake non-statutory functions, and which of these could cease if appropriate levels of funding are not provided.

Recommendation 6. The Welsh Government must explain how it accounted for the additional statutory functions within the Welsh Language Commissioner's remit, when deciding to reduce the budget in line with other Commissioners.

Recommendation 7. The Welsh Government must explain how it has reviewed the ability of the Welsh Language Commissioner to deliver beyond its statutory functions, and which of these could cease in the absence of funding.

4. Culture, Communication and Sport

71. The Culture, Communication, and Sport elements of our remit cover three different Welsh Government spending areas; culture and arts, sport and physical activity, and historic environment.

Overview of allocations

72. Overall, £120.6million revenue funding has been allocated for Culture, Communication and Sport in the Draft Budget for 2024-25. This has decreased from £130.6million allocated for revenue spending in the Final Budget for 2023-24. It is a reduction of 7.7 per cent in cash terms. However, capital funding is set at £54.2million in the Draft Budget for 2024-25, an increase of 6.3 per cent in cash terms from the £51million allocated in the Final Budget for 2023-24.

73. Overall revenue and capital funding for 2024-25 is set at £174.8million, which is a reduction of 3.7 per cent in cash terms from £181.6million allocated in the Final Budget for 2023-24.

Culture and arts

74. Spending for culture and the arts includes funding for the Arts Council of Wales, Amgueddfa Cymru, the National Library, support for local culture and sport and Creative Wales. £83.9million has been allocated in revenue funding for culture and arts in the Draft Budget for 2024-25. This is a reduction from the £89.7million allocated in the Final Budget for 2023-24, a decrease of 6.5 per cent in cash terms. Over the same period, capital funding is set at £37.1million in 2024-25, which is a cash terms increase of 9.4 per cent against the £33.9million allocated in the Final Budget for 2023-24.

Historic environment

75. Funding for the historic environment, which is funded mostly through Cadw (the Welsh Government's heritage division), also includes the National Botanic Garden and the Royal Commission on the Ancient and Historical Monuments of Wales. The Draft Budget for 2024-25 allocates £14.9million for revenue funding, down from the £17.1million allocated in the Final Budget for 2023-24. This is a decrease of 12.9 per cent in cash terms. Capital funding remains at £10.3million.

Sport and physical activity

76. Funding for sport and physical activity includes funding for Sport Wales. The Draft Budget for 2024-25 allocates revenue funding of £21.8million, a decrease of 8.4 per cent against the £23.8million allocated in the Final Budget for 2023-24. Over the same period, capital funding remains at £6.8 million.

Prioritising spending on protecting national collections

77. Our analysis of the Welsh Government's Draft Budget for 2024-25 suggests both the National Library for Wales and Amgueddfa Cymru are facing revenue decreases of six per cent compared with the Final Budget 2023-24. The Arts Council of Wales is facing a revenue decrease of nine per cent over the same period. Capital funding for all three organisations remains at the same level as the previous year.

78. Following the publication of the Draft Budget, the Arts Council said that their budget is lower than it was in 2010. The Council notes that this means that they have lost a third of their funding in real-terms since 2010.⁶⁸ In an evidence session with us in December 2023, Amgueddfa Cymru said:

*"We're having to look at a restructuring of the museum and a remodelling of what we do, in order to be able to adapt to what we think will be a new financial landscape. And that means we're going to have to probably be a smaller museum."*⁶⁹

79. In a similar fashion, the National Library told us that they may need to end their current strategy early, and that they may have to operate as a smaller library.⁷⁰

80. Further to this, in February 2023, Amgueddfa Cymru told us that:

*"to provide assurance of the national collection, Amgueddfa Cymru requires an additional £90m of capital funding over the remainder of this decade."*⁷¹

⁶⁸ Arts Council Wales response to the Welsh Budget

⁶⁹ Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 6 December 2023, paragraph 183

⁷⁰ Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 23 November 2023, paragraph 45

⁷¹ Letter to the Chair of the Culture, Communication, Welsh Language, Sport, and International Relations from National Library of Wales regarding scrutiny of the Welsh Government Draft Budget 2023-24 [PDF 300 KB]

81. According to our analysis, if capital funding remains flat for the remainder of the decade, the actual capital funding for Amgueddfa Cymru will have been about £35 million.

82. We have previously raised concerns regarding protecting national collections⁷² at both the National Library and Amgueddfa Cymru with the Deputy Minister. During our evidence session, the Deputy Minister confirmed that £5million had been allocated in the current financial year, and for next year (2024-25), for Amgueddfa Cymru to address the most urgent issues.⁷³ For the National Library, the Deputy Minister noted that £0.5million had been provided for a new fire alarm system, and £1.5million for other emergency capital works.⁷⁴

83. The Deputy Minister however conceded that with regards to the funding provided:

"It's doing the emergency work and prioritising the emergency work as best we can..."⁷⁵

84. Following our evidence session with them, we asked the Minister and Deputy Minister why are they not prioritising the need to address existing risks to the national collections over some of the new spending commitments they have made. We asked them what consideration they'd given to pausing commitments such as the Museum for North Wales over protecting precious items already in the national collection.⁷⁶

85. In response, the Minister and Deputy Minister told us that the Welsh Government continues to work with Amgueddfa Cymru and the National Library to understand their long-term maintenance needs. They noted that where additional funding becomes available, all is being done to support these organisations.⁷⁷ They also told us that they:

⁷² Culture, Communications, Welsh Language, Sport and International Relations Committee - Safeguarding the national collections

⁷³ Record of Proceedings: Culture, Communication, Welsh Language, Sport and International Relations Committee - 17 January 2025, paragraph 160

⁷⁴ Record of Proceedings: Culture, Communication, Welsh Language, Sport and International Relations Committee - 17 January 2025, paragraph 174

⁷⁵ Record of Proceedings: Culture, Communication, Welsh Language, Sport and International Relations Committee - 17 January 2025, paragraph 176

⁷⁶ Letter to the Minister for Economy and Deputy Minister for Arts, Sport and Tourism - Welsh Government Draft Budget 2024-25 - 18 January 2024 [PDF 105 KB]

⁷⁷ Response from the Minister for Economy and Deputy Minister for Arts, Sport and Tourism - Welsh Government Draft Budget 2024-25 - 29 January 2024 [PDF 212 KB]

*"...acknowledge the challenges that Amgueddfa Cymru and the National Library are facing in maintaining a historic estate and therefore safeguard the collections in its care. I will continue to review some of our current spending commitments, such as for the Museum of North Wales."*⁷⁸

Culture Strategy

86. It's been nearly three years since the Welsh Government committed to a new Culture Strategy to engage with the arts, culture and heritage sectors as part of its Programme for Government.⁷⁹ This was subsequently adopted as part of the Co-operation Agreement.⁸⁰ During our scrutiny session, we asked the Deputy Minister about the delays in publishing the strategy. She told us:

*"...our initial projection of this taking about six months was wildly optimistic. And so that was the primary reason for that—the need to get this right and to consult all of the right people."*⁸¹

87. We also asked what elements of the strategy would no longer be taken forward as a consequence of budget reductions. The Deputy Minister told us:

*"...what we were seeking to do was to set out not just a culture strategy for my department but something that would impact on every governmental department... we would embed the cultural elements of life in Wales across every ministerial portfolio, but every ministerial portfolio is facing similar budgetary challenges. Therefore, we're having to look at all of that as well. So, it's difficult for me to give you that kind of detail at this stage, because at the moment we don't know what's actually going to appear in the final draft."*⁸²

88. Following our evidence session, we asked the Minister and Deputy Minister what changes they are making to the strategy in light of reduced budgets. We

⁷⁸ Response from the Minister for Economy and Deputy Minister for Arts, Sport and Tourism – Welsh Government Draft Budget 2024-25 – 29 January 2024 [PDF 212 KB]

⁷⁹ Welsh Government Programme for Government 2021-26

⁸⁰ Welsh Government and Plaid Cymru – The Co-operation Agreement

⁸¹ Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 17 January 2025, paragraph 51

⁸² Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 17 January 2025, paragraph 54

also asked as well as what has changed with regards to their expectations of the arms-length bodies regarding the strategy.⁸³ In response, they told us they will:

*"...balance the need to provide strategic direction and to maintain the long-term vision and ambitions contained in the draft strategy with a pragmatic approach to actions in support of delivering these ambitions that might be taken forward in the short-term...[we] will review Remit Letters in light of the Budget Settlement."*⁸⁴

Arms-length bodies

89. All the arms-length bodies within our remit all face revenue reductions in the next year. The actual amount varies for each arms-length body. During the course of scrutiny for the Draft Budget 2024-25, and in scrutiny sessions in autumn 2023, a number of these bodies have made comments which raised concerns regarding potential redundancies.

90. As we have outlined already, Amgueddfa Cymru and the National Library both warned that they might have to be smaller institutions in light of budgetary restrictions. The Royal Commission on Ancient and Historical Monuments Wales ("the Royal Commission") told us that given their budget settlement, they would have to make redundancies by Christmas 2024 in order to balance their books.⁸⁵

91. We asked the Minister and Deputy Minister what discussions they've had with arms-length bodies regarding redundancies. In response, we were told arms-length bodies, aside from Sport Wales, are consulting staff on voluntary redundancy schemes to conclude in this financial year. We were also informed that work is underway to see if additional funding can be made available in this financial year to help with such costs, but that there's no funding available for this in 2024-25.⁸⁶

92. In our evidence session, we also asked whether the remit letters for the arms-length bodies will be amended in light of the budget reductions put

⁸³ Letter to the Minister for Economy and Deputy Minister for Arts, Sport and Tourism – Welsh Government Draft Budget 2024-25 – 18 January 2024 [PDF 105 KB]

⁸⁴ Response from the Minister for Economy and Deputy Minister for Arts, Sport and Tourism – Welsh Government Draft Budget 2024-25 – 29 January 2024 [PDF 212 KB]

⁸⁵ Letter from the Royal Commission on the Ancient and Historical Monuments of Wales (RCAHMW): Welsh Government Draft Budget 2024-25 – 10 January 2024 [PDF 159 KB]

⁸⁶ Response from the Minister for Economy and Deputy Minister for Arts, Sport and Tourism – Welsh Government Draft Budget 2024-25 – 29 January 2024 [PDF 212 KB]

forward. The Deputy Minister confirmed that given the change in circumstances that it would only be fair to revisit those remit letters.⁸⁷

Royal Commission on the Ancient and Historic Monuments of Wales

93. During our scrutiny of the Draft Budget, we considered correspondence from the Royal Commission on the Ancient and Historic Monuments of Wales.⁸⁸ The Royal Commission has a number of statutory functions. It is required, for example, to provide a record of historic building and archaeology in Wales, and it also has statutory duties under the Public Records Act relating to the National Monument Record of Wales.

94. In their letter, they noted that their draft settlement for 2024-25 would result in a 22 per cent reduction in their funding compared to the Final Budget 2023-24. This cut would mean they would need to take steps to reduce their staffing by 29 per cent in order to avoid running out of money by December 2024.⁸⁹

95. Beyond its statutory roles, the Royal Commission is also a key player in a number of important projects, which are also Welsh Government objectives. These include the CHERISH climate change project, compiling the evidence dossier that helped secure UNESCO status in northwest Wales, and delivering the Welsh Asian Heritage Project.

96. We asked the Welsh Government why the Royal Commission had been singled out for such a reduction, when compared with other bodies like Amgueddfa Cymru and the National Library. We asked, given their status as an institution protected by statute, for the Welsh Government to reconsider the proposed reduction in their budget, and to reduce it from 22 per cent to 10 per cent. This would provide parity with their partners in the wider sector. We also asked what financial assistance the government is able to provide for a voluntary redundancy programme.⁹⁰

⁸⁷ Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 17 January 2025, paragraph 65

⁸⁸ Letter from the Royal Commission on the Ancient and Historical Monuments of Wales (RCAHMW): Welsh Government Draft Budget 2024-25 – 10 January 2024 [PDF 159 KB]

⁸⁹ Letter from the Royal Commission on the Ancient and Historical Monuments of Wales (RCAHMW): Welsh Government Draft Budget 2024-25 – 10 January 2024 [PDF 159 KB]

⁹⁰ Letter to the Minister for Economy and Deputy Minister for Arts, Sport and Tourism – Welsh Government Draft Budget 2024-25 – 24 January 2024 [PDF 336 KB]

National Contemporary Art Gallery

97. Given the budget constraints outlined in the Draft Budget for 2024-25, we also asked for information regarding plans for the National Contemporary Art Gallery. The Deputy Minister confirmed that there is a reduced budget allocated for the gallery, and that work was proceeding to identify how they can reduce its reliance on public sector funding. The Deputy Minister also confirmed that there is no major revenue funding commitment on the dispersed gallery until 2025. The full business case for the dispersed gallery will be received by the end of January 2024.⁹¹

98. The Deputy Minister also told us that with regards to the anchor site:

*"...I have to be honest with you, I think is more of a challenge, because that is, potentially, a significant capital investment, and, again, we are still hoping to have a decision on that by the end of March; our original timetable was that we'd have a decision by the end of March. But I think, where we're at at the moment, we may have to revise and revisit those proposals."*⁹²

99. Following our evidence session, we asked for assurances that there wouldn't be any further delay in the timetable for the anchor site of the National Contemporary Art Gallery.⁹³ In response, we were told that assurances had been provided that they will be in a position to take decisions in March 2024, and that resources will be made to develop the business case for the selected site in 2024-25.⁹⁴

Entrance fees to attractions

100. The Deputy Minister, during our evidence session, confirmed that Amgueddfa Cymru had already enquired about introducing entry fees. The Deputy Minister confirmed that she asked them to explore the issue, and

⁹¹ Record of Proceedings: Culture, Communication, Welsh Language, Sport and International Relations Committee – 17 January 2025, paragraph 205

⁹² Record of Proceedings: Culture, Communication, Welsh Language, Sport and International Relations Committee – 17 January 2025, paragraph 206

⁹³ Letter to the Minister for Economy and Deputy Minister for Arts, Sport and Tourism – Welsh Government Draft Budget 2024-25 – 18 January 2024 [PDF 105 KB]

⁹⁴ Response from the Minister for Economy and Deputy Minister for Arts, Sport and Tourism – Welsh Government Draft Budget 2024-25 – 29 January 2024 [PDF 212 KB]

confirmed that the National Library had an employee dedicated to identifying additional income generation.⁹⁵

101. With regards to introducing entrance fees at Amgueddfa Cymru, which is currently free, the Deputy Minister told us:

*"...it is not something that we would be considering or asking the museum to look at and to consider if it were not in a critical situation and the budget situation was such that this was an option that had to be on the table. Now, I'm not saying that that's where we will end up, but it would not be responsible of me to rule that out at this stage or to suggest to the museum that they shouldn't be exploring that."*⁹⁶

102. The Deputy Minister also confirmed that were it to happen, a system of exemptions to provide equity would have to be considered.⁹⁷ Such exemptions would include ensuring those who are least able to afford the entry fee are able to access the museum.⁹⁸

103. Following our evidence session, we wrote to the Minister and Deputy Minister asking for an outline of such discussions that have taken place, and what models have informed these discussions.⁹⁹ In response, we were told that Amgueddfa Cymru is exploring all fundraising options to generate income, of which one is charging entry to some or all of its sites.¹⁰⁰

Support for local culture and leisure

104. We raised concerns with the Minister and Deputy Minister that local authorities, as bodies with responsibility for delivering local culture and leisure services, have also been subject to budget reductions over the past decade and

⁹⁵ Record of Proceedings: Culture, Communication, Welsh Language, Sport and International Relations Committee – 17 January 2025, paragraphs 152 – 154

⁹⁶ Record of Proceedings: Culture, Communication, Welsh Language, Sport and International Relations Committee – 17 January 2025, paragraph 154

⁹⁷ Record of Proceedings: Culture, Communication, Welsh Language, Sport and International Relations Committee – 17 January 2025, paragraph 154

⁹⁸ Record of Proceedings: Culture, Communication, Welsh Language, Sport and International Relations Committee – 17 January 2025, paragraph 156

⁹⁹ Letter to the Minister for Economy and Deputy Minister for Arts, Sport and Tourism – Welsh Government Draft Budget 2024-25 – 18 January 2024 [PDF 105 KB]

¹⁰⁰ Response from the Minister for Economy and Deputy Minister for Arts, Sport and Tourism – Welsh Government Draft Budget 2024-25 – 29 January 2024 [PDF 212 KB]

more. Given this, we asked what conversations had taken place with local government with regard to funding pressures for these services.

105. The Deputy Minister told us that while they set policy, funding of such services is delivered by local government and their funding.¹⁰¹ The Deputy Minister added that:

*"...the point about local government being one of the priority areas, you would hope would follow through in terms of the support they're able to give to cultural and leisure facilities, but that absolutely is a matter for local authorities and whatever their priorities are within their budget constraints, which we know are really difficult."*¹⁰²

106. The Deputy Minister also told us that regular conversations do happen and that support is available to assist with energy efficiency. It was noted that this can be an answer to some of the difficulties they face.¹⁰³

Our View

107. As a Committee, we acknowledge the exceptionally difficult decisions that have to be made regarding next year's budget. Given the squeeze on public finances, these are not easy decisions for anyone to make. After a decade of budgets being reduced in cash terms, and where organisations have had to make changes to their operations and reductions across the board, it is deeply unfortunate that we are in the position where significant changes are going to have to take place. This is likely to include changes to the size of national institutions and how they operate, which no one would wish to see. In spite of these significant funding challenges, we nevertheless think that the Welsh Government must prioritise its spending in certain areas. We outline these below.

Protecting the national collections

108. We have raised concerns regarding protecting the national collections for several years. This is not a new issue, but it is a serious ongoing concern, which is

¹⁰¹ Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 17 January 2025, paragraph 202

¹⁰² Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 17 January 2025, paragraph 202

¹⁰³ Record of Proceedings: Culture, Communication, Welsh Language, Sport, and International Relations Committee – 17 January 2025, paragraph 203

only going to worsen as the impact of reduced budgets is felt by both Amgueddfa Cymru and the National Library.

109. In both our budget reports for 2022-23¹⁰⁴ and 2023-24¹⁰⁵ we raised concerns about the threat to the safety of the national collections. Both these institutions are of significant cultural value for our nation. We have previously stated that we think consideration should be given to how these institutions are provided with funding to manage our national treasures. We are now of the view that this is essential.

110. In addition, the Deputy Minister told us, regarding the Culture Strategy, that it would “embed the cultural elements of life in Wales across every ministerial portfolio.” We agree wholeheartedly with this: we would, however, go further. We don’t think that it is fair that a small government department should have to shoulder the responsibility for what is a nationwide mission in protecting our national collections. We think that responsibility should be shared across all government departments, and as such, protecting the national collections should be made a cross-government mission.

111. Ensuring there is a collective government effort in protecting our national collections will ensure that they are safeguarded now, but also to future generations. Protecting our national collections for now and the next generation would ensure that the Welsh Government is consistent the Future Wellbeing goal of a “Wales of vibrant culture”.

112. In order to do this, we would recommend that the Welsh Government pauses any spending commitments on other projects such as the Museum for North Wales. This money should be transferred to help fund the urgent work required to protect the national collections. We would also recommend that the Welsh Government identifies what further expenditure across other departments can be used to help protect the national collections.

113. Action is required now to protect the national collections and we would urge the Welsh Government to take steps to do so.

Recommendation 8. The Welsh Government should identify what spending commitments could be paused and for that funding to be redirected to protecting the national collections.

¹⁰⁴ [Welsh Government Draft Budget 2022-23](#)

¹⁰⁵ [Welsh Government Draft Budget 2023-24](#)

Recommendation 9. The Welsh Government should make protecting the national collections a cross government mission, and identify what expenditure in other government departments can be re-allocated to protect the national collections.

Arms-length bodies and Culture Strategy

114. We have outlined the budgetary challenges facing the arms-length bodies that fall within this Committee's remit. We are concerned that such reductions in their budgets are going to impact their ability to deliver what is required of them, as outlined in their remit letters.

115. We welcome the steps taken by the Welsh Government to explore what financial assistance can be provided to arms-length bodies with their voluntary redundancy schemes. We are concerned, however, about the timeframe in which they are being processed. Any redundancy process cannot be rushed. Such processes must be done diligently; consistently across different arms-length bodies; appropriately to account for the wellbeing of staff; and properly.

116. We welcome the Deputy Minister's commitment to reviewing the remit letters with the arms-length bodies in this regard. Given that the reduced budgets will be introduced as of April this year, we would recommend that the Welsh Government enters into urgent discussions with arms-length bodies to amend their remit letters. This would ensure that what they are asked to deliver is realistic in the face of reduced budgets in the next financial year.

Recommendation 10. The Welsh Government should enter into urgent discussions with arms-length bodies to amend their remit letters ahead of the forthcoming financial year, to ensure that what is asked of them is realistic in light of reduced budgets.

117. Given the role a number of arms-length bodies will have in the delivery of the Culture Strategy, the Welsh Government should dovetail any changes to the remit letters with the publication of the Culture Strategy.

118. We were disappointed by the response from the Minister and Deputy Minister that they hoped the Culture Strategy will be ready by the end of the year. This lack of ambition means it will take nearly three years to deliver something that we were initially told would take six months. Given the impact of the pandemic, high energy costs and inflation, and significant budget reductions, it would be beneficial for the sector for more strategic direction to be shown.

Royal Commission on the Ancient and Historic Monuments of Wales

119. The Royal Commission plays an important role in recording and archiving historic buildings and archaeology in Wales. A role, we think is as important as the work undertaken by other bodies such as Amgueddfa Cymru and the National Library of Wales. The proposed cut of 22 per cent in their funding is of a significant concern to us.

120. Preserving the stories of our historic built environment and archaeological history is as important to telling the story of Wales as is protecting the national collection. The proposed cut to the Royal Commission's budget is proportionately larger than that to other bodies funded in the Deputy Minister's portfolio, yet represents a comparatively small absolute sum, given the small allocation to the Royal Commission. . As such, we recommend that the Welsh Government reconsiders the budget settlement for the Royal Commission as a matter of priority. It should reconsider the proposed reduction in their budget from 22 per cent to 10 per cent. This would provide parity with their partners in the wider sector. The Welsh Government should also outline what financial assistance it is able to provide for a voluntary redundancy programme.

Recommendation 11. The Welsh Government should reconsider the proposed reduction in the Royal Commission on the Ancient and Historic Monuments of Wales's budget from 22 per cent to 10 per cent. It should also outline what financial assistance it is able to provide for a voluntary redundancy programme.

Funding for sport

121. In their written evidence, the Minister and Deputy Minister told us, for the third year in a row that "Sport can be the nation's most effective preventative health tool". Yet, we do not see evidence of funding to match this ambition. We have previously called on the Welsh Government to significantly increase funding to address participation in sport in disadvantaged areas.¹⁰⁶ In addition, we think the budget reductions outlined in the Draft Budget are inconsistent with the well-being goals for Wales. As the Future Generations Commissioner told the Finance Committee:

"All too often, cultural services such as leisure centres and arts facilities are the hardest hit in times of budget pressures across all levels of government. This is despite the fact that these are some of

¹⁰⁶ Levelling the playing field: A report on participation in sport and physical activity in disadvantaged areas – August 2022

the very things that keep us well in times of need and cost of living pressures.”¹⁰⁷

Support for local leisure and culture

122. We noted the response provided by the Minister and Deputy Minister regarding support for local leisure and culture services. However, we are concerned that given that the policy direction is set by one department, and that funding is provided by another department, there is the potential for a lack of coordination and prioritisation.

123. While funding is provided through the Local Government department, we do not think that this absolves the relevant Minister with responsibility for the Culture, Tourism and Sport department from their responsibilities in setting a national vision for such services. We think there is a responsibility for the relevant Minister to clearly set out their expectations for local government in how local leisure and culture services are delivered based on national priorities. By providing such leadership, we think it could enable local government to potentially reduce some of the budgetary burdens they face. For example, by sharing good practice and setting direction, we think, could help local government collaborate to deliver these services, as there will be similar issues that run across local authority borders.

124. We also think that clarity on how funding allocated for local government revenue spending for cultural and leisure services would be beneficial. While general funding to local authorities is un-hypothecated (that is not ring fenced), we do think clarity is needed on how local authorities prioritise their funding via the local government settlement on local cultural and leisure services. However, more importantly, we need to know how the Welsh Government is ensuring that local government is meeting Ministerial expectations regarding the delivery of culture and leisure services. It would be easier to know what these expectations were if the Welsh Government had a culture strategy in place.

Recommendation 12. The Welsh Government should outline how it is monitoring and ensuring that local government is delivering Ministerial expectations on culture and leisure services.

¹⁰⁷ [WGDB_24-25 09 Future Generations Commissioner](#) [PDF 324 KB]

Annex 1: List of oral evidence sessions.

The following witnesses provided oral evidence to the committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed on the Committee's website.

Date	Name and Organisation
11 January 2024	Jeremy Miles MS, Minister for Education and Welsh Language Welsh Government Owain Lloyd, Director, Education and Welsh Language Welsh Government Bethan Webb, Deputy Director Cymraeg 2050 Division Welsh Government
17 January 2024	Vaughan Gething MS, Minister for Economy Welsh Government Dawn Bowden MS, Deputy Minister for Arts, Sport and Tourism Welsh Government Jason Thomas, Director, Culture, Sport and Tourism Welsh Government Dean Medcraft, Director, Finance and Operations Welsh Government

