

Draft Budget 2026-27 follow-up points

Paragraph 7: the Cabinet Secretary agreed to provide more detail on the impact of credit unions including their overall effectiveness and role in delivering social justice outcomes.

In September 2025, we published a credit union best practice literature review. While the international evidence base is limited, it indicates that credit unions in high-usage countries tend to have strong marketing, offer a wide range of services, and are supported by the implementation of technology and more professionalised business models.

Collective impact of the three WG funding streams

The precise impact of Welsh Government funding on credit unions is difficult to measure given the nine leading Welsh Credit Unions have received various sources of WG funding over the past few years, including capital funding for fintech advancements and a mobile banking vehicle, loan expansion funding and project funding for community awareness raising.

However, monitoring data shows that the WG investment has supported credit unions to increase lending year on year, attracting thousands of new customers every year, increasing their reach, and strengthening their financial position through making efficiencies.

Monitoring data also shows that over the past 12 months 7,000 new members have joined the 9 credit unions to whom Welsh Government has provided funding. Whilst the adult membership statistics remain roughly at same levels, this does not reflect 'growth' as thousands of people every year join to borrow and then leave when they have repaid the loan.

The most recent Bank of England statistics, published 31st October 2025, show that Welsh credit unions are strengthening their position year on year, with lending steadily increasing. It also demonstrates their resilience, maintaining a collective profit-making position which can't be said for English and Scottish credit unions.

Key points from the data show:

The number of loans each year is increasing, growing by 3.5%, 5.5%, 13% and *3% over the past 4 years, reaching the highest level on record. (*NB the 3% growth over the past 12 months excludes Christmas lending stats for 2025-26 so will be higher than 3% for the past 12-month period).

Welsh Government has provided £3.4m to 9 credit unions since 2022 to expand lending by underwriting loans to people frozen out of mainstream lending due to risk. This is being recycled as loans are repaid. It provides 'starter' or 'credit builder' loans to borrowers with poor credit histories.

The outcome is that 6200 additional affordable loans totalling £3.7m have been awarded since 2022 to people who would ordinarily be declined credit and are in danger of using higher cost credit or illegal forms of credit.

Welsh credit unions collectively are in a strong position, not reporting a collective loss, which Scottish and English credit unions have reported this past year.

Paragraph 32: the Cabinet Secretary said that Emergency Assistance Payments made through the Discretionary Assistance Fund (DAF) will be uplifted by 8.1% from 1 January 2026. We would be grateful for clarification on whether additional funding will be made available to cover this uplift, or whether it will be met from within existing funds.

The 8.1% uplift to EAP payments from 1 January 2026 will be made from within existing funds.

Paragraph 40: The Committee asked in scrutiny about the change of eligibility for parents not in receipt of child benefit. The DAF eligibility change on parents with childcare responsibilities but not in receipt of child benefit means that where one parent with formal childcare responsibilities is receiving child benefit, but the other is not, from 1 January 2026 it will be possible for the parent not in receipt of child benefit to receive a higher 2+ person Emergency Assistance Payment (EAP). This is in recognition of parents sharing responsibility and supporting parents with their childcare responsibilities. Previously, an individual in this situation could only receive a 1 household person payment from the DAF. The Individual Assistance Payment (IAP) element of the DAF has already been changed, in October 2025, to enable individuals with parental responsibility and not in receipt of Child Benefit to claim furniture to make a safe and comfortable space for more than one person, reflecting their childcare responsibilities.

Paragraph 46: the Cabinet Secretary agreed to provide more detail on the feedback received which has informed the decision to switch from air fryers to electric cookers.

To clarify, should this decision be made, it will not be either/or decision. Should the decision be made by the Cabinet Secretary to add electric ovens to the Individual Assistance Payment (IAP) element of the DAF, from 1 June 2026 applicants would be able to choose between a cooking bundle (including air fryer, slow cooker, hot plate and microwave) or a counter-top oven with hob or an electric oven. The choice is currently between a cooking bundle or a counter-top oven with hob.

This option is being considered following feedback from organisations working with DAF applicants that this would be a positive addition to the DAF. If agreed, it will be delivered within the existing budget envelope.

Paragraph 55: the Cabinet Secretary highlighted help to unlock over £10 million of dormant trusts and foundations, and a pot of £7.5 million. We would be grateful for further clarification about this fund, including how it will be distributed.

The £10m in unlocked dormant trusts refers to the Wales Revitalising Trust. This is a partnership between Welsh Government, Charity Commission and Community Foundation Wales. We provided a small amount of funding to the Charity Commission (c.£200k in 2021-22 and 2023-24 although work on the Trust has continued to March 2025.) to enable them to target Welsh charities that had been dormant or ineffective. The work revitalised funds worth over £10m, either by getting charities to replace trustees and start working again, transferring funds to a similar charity which is active, or transferring funds to Community Foundation Wales to become part of their funding activities.

The £7.5m (£5m in 2021-22, £1m in 2024-25 and £1.5m in 2025-26) refers to the [Community Asset Loan Fund](#). This is operated on our behalf by Social Investment Cymru, part of the WCVA, and provides long term loans for property purchases or improvements. The Community Asset Loan Fund offers loans to incorporated voluntary sector organisations seeking to take ownership of community assets. It complements our work on the Community Facilities Programme.

Paragraph 73: the Cabinet Secretary referred to a helpline for people to apply for the baby bundles. We would be grateful for clarification on whether eligible individuals will be automatically registered for the scheme via their midwife.

Midwives will complete a registration form with eligible women during their antenatal appointment at around 25 weeks of pregnancy, should they wish to receive a Baby Bundle. Once completed, the midwife will post the form, which registers the family for their Baby Bundle.

If a new parent lives in an eligible area in Wales and missed registration at the 25-week appointment for a legitimate reason, their midwife can still register them until the baby is four months old. Parents in this situation should contact their midwife to discuss registration.

A helpline has been set up to support families and professionals with queries about the Baby Bundles, for example if any contents are missing, the box is damaged, or the Bundle needs to be cancelled.

(Paragraph 106) Outline of specific funding allocated for implementation of the Disabled Rights Action Plan.

Responsibility for implementing the actions within the Disabled People's Rights Plan lies with every policy area across government. Each department is expected to both fund and deliver the actions relevant to their remit, drawing upon their own budgets to do so. This approach ensures ownership and accountability at every level.

Equity for disabled people is not the sole concern of any single department; rather, it is a shared responsibility that requires a collective commitment. All policy areas must work together to embed inclusion and equity, ensuring that disability equity considerations are integrated throughout government and are never treated in isolation.

Significant financial commitments have already been outlined across government, demonstrating a clear intention to improve outcomes for disabled people. These commitments are designed to support the delivery and success of the Plan, ensuring progress is made towards greater equality and inclusion for disabled people in Wales.

(Paragraphs 109 – 111) Confirmation of when the equalities legal service will be operational.

We expect the service to start operating from the beginning of April 2026. We will work with lead organisations to develop the delivery model for the service requirements, and review and assess its effectiveness regularly, based on monitoring data to be collected.

Paragraph 134 and 135: the Cab Sec agreed to provide more detail on any funding for children and specialist services for children in the context of the VAWDASV budget.

The Welsh Government recognises that children affected by Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) experience significant trauma and require specialist support. Some services and support for children affected by VAWDASV are provided through our core grant funding to regions and our funding to VAWDASV specialist third sector organisations. This will complement activities from other Government departments including Social Services, Education, and Health.

Within the VAWDASV budget, I provide funding for specialist VAWDASV third sector organisations to deliver some services across Wales. Funding for these organisations include specific work for children and young people, for example child keyworkers, groups for children at risk of Child Sexual Exploitation and Child Independent Domestic Violence Advisors (CHIDVAS).

In 2025-26 I have provided **£4m** funding to the six VAWDASV regions. It is for each of the regions to determine how to spend their allocation based on their own needs and delivery of their regional strategic objectives. This will vary from year to year. Examples from regions include:

- North Wales are funding a Children and Young Persons Sexual Violence Adviser within the Sexual Assault Referral Centre (SARC). They are also funding Children

and Young People workers and leaders in Gorwel, DASU and Clwyd Alyn Women's Aid.

- Gwent are funding down-stream Children and Young People Prevention Work.
- Cwm Taf Morgannwg are funding a Rhondda Cynon Taff Domestic Abuse Service Children and Young People refuge worker and the Cwm Taf Morgannwg Children and Young People Services and a specialist sexual violence counsellor through New Pathways Assia Project.
- Some regions also fund Children and Young People Sexual Violence Advisers (CYPSVAs) or Children's Independent Sexual Violence Advisers (CHISVA) who are specially trained Independent Sexual Violence Advisers (ISVAs) that support children and young people who have experienced sexual assault.
- In addition, some regions fund specialist services such as counselling, play therapy, and advocacy for children exposed to domestic abuse.

The VAWDASV budget also contributed to the Stori Wales - Spectrum Schools Project which works with schools to promote and understand healthy relationships through their Relationships and Sex Education (RSE) curriculum.

We also fund a specific programme in Gwent/Dyfed Powys run by New Pathways for children who have experienced sexual abuse and who are displaying harmful or problematic sexual behaviour.

I recently announced [£2.4 million Welsh Government investment](#) to support survivors of sexual violence in accessing specialist counselling and emotional support more quickly. Funding will go to New Pathways, Stepping Stones, Rape and Sexual Abuse Support Centre North Wales and Cyfannol Women's Aid. The additional support will allow these organisations to offer more appointments, recruit specialist counsellors and provide timely, trauma-informed care for survivors (including children) across Wales.

We fund the Live Fear Free helpline which offers confidential information, advice and support around violence against women, domestic abuse and sexual violence. The helpline is for anybody of any age or gender, whether someone is concerned about themselves, or someone they know, and whether the abuse or violence is happening now, or in the past, and covers domestic and stranger abuse. Helpline advocates can triage an individual's needs and signpost or refer to specialists to continue support in the way that is most appropriate.

We have commissioned research to look at the data landscape for VAWDASV in Wales to help us identify and address any key gaps in data, including for specific groups such as children and young people. We also intend to undertake a mapping exercise across Wales in 2026 in collaboration with existing service providers to understand what is currently available to children across Wales and identifying any gaps in existing provision.

Paragraph 121: the Cabinet Secretary stated that there had been an increase in funding for community cohesion coordinator of 25% to £1.6 million for this financial year. We would welcome clarification on how the 25% figure was arrived at.

In 2024-25 the budget for the Community Cohesion Programme (including small grants) was £1.28m. In 2025-26, that budget was increased to £1.6m - an increase of 25%.

Paragraph 128-129 the Cabinet Secretary agreed to provide more detail on what happened to the £0.7 million originally allocated to the welcome tickets scheme.

The decision not to proceed with the Welcome Ticket was made in late October. We are now exploring options for how best to re-allocate or re-purpose this budget so that it delivers on our government commitments.

We will be responding to the Committee's recent letter seeking further details about the Welcome Ticket.

Paragraphs 152 – 167: the Cabinet Secretary agreed to provide further clarity on the breakdown of the 236 pitches figure including the proportion that are complete; in development and proposed. The Committee would also appreciate an exact geographical breakdown if possible including the names of any local authorities that have not yet submitted proposals for a pitch as required under the Housing (Wales) Act 2014.

There are currently 424 pitches and 26 sites across 16 Local Authorities in Wales.

The 229 new pitches figure is made up of number of new pitches in development with planning permission (35) and the number of new pitches that Local Authorities have informed Welsh Government they intend to apply for future funding for with no current planning permission (194). This figure is not final; it represents an estimate of future potential projects only.

Since 2022-23, there have been no new pitches but funding is currently approved for five new pitches.

Breakdown in the table below per LA.

	Breakdown of local authority run Gypsy Traveller Sites across Wales*		
Local Authority	Number of current sites (and pitches) as at 2nd December 2025	Number of new pitches in development with planning permission	Number of future intentions of new pitches no current planning permission
Blaenau Gwent	1site (19 pitches)	0	20
Bridgend	0	0	0
Caerphilly	0	0	0
Cardiff	2 (80 pitches)	4	80
Carmarthenshire	1(15 pitches)	0	4
Ceredigion	0	0	0
Conwy	1(4 pitches)	1	1
Denbighshire	1(4 temporary pitches)	0	4
Flintshire	1(20 pitches)	0	6 (transit)
Gwynedd	1(12 pitches)	0	19
Merthyr Tydfil	1(24 pitches)	0	0
Monmouthshire	0	0	7
Neath Port Talbot	2(67 pitches)	0	0
Newport	1(3 pitches)	6	0
Pembrokeshire	5 (74 pitches)	0	20
Powys	3(31pitches)	0	12
Rhondda Cynon Taf	1(6 pitches)	0	9
Swansea	2(16 pitches)	24	0
Torfaen	2(34 pitches)	0	0
Vale of Glamorgan	0	0	0
Wrexham	1(15 pitches)	0	2
Ynys Mon	0	0	10 (Negotiated Stopping Place)
Total	26 sites (424 pitches)	35	194

To date Bridgend, Caerphilly, Ceredigion, Merthyr Tydfil, Neat Port Talbot, Torfaen and Vale of Glamorgan have all identified unmet need in their Gypsy and Traveller Accommodation Assessments (GTAA's) but not yet submitted proposals to Welsh Government for funding for a pitch/pitches to help meet their unmet need as required under the Housing (Wales) Act 2014.

*figures correct as of Autumn 2025