



Climate Change, Environment and Infrastructure Committee

Scrutiny of the Welsh Government Draft Budget 2026- 27 - Transport MEG

Contents

1.	Introduction	4
2.	Recommendation 16	5
3.	Recommendation 17	6
4.	Recommendation 18	7
5.	Recommendation 19	9
6.	Recommendation 20	10
7.	Recommendation 21	11
8.	Recommendation 22.....	12
9.	Recommendation 23.....	13
10.	Recommendation 24	14
11.	Recommendation 25.....	15
12.	Recommendation 26.....	16
13.	Recommendation 27.....	17
14.	Recommendation 28	18
15.	Recommendation 29.....	19
16.	Recommendation 30	20
17.	Recommendation 31	21
18.	Recommendation 32.....	22
19.	Recommendation 33.....	23
20.	Recommendation 34	24
21.	Recommendation 35.....	25
22.	Recommendation 36.....	26
23.	Recommendation 37.....	27
24.	Recommendation 38	28
	Annex A - Detailed breakdown of each Budget Expenditure Line (BEL), including AME BEL's	29

1. Introduction

The Welsh Government Draft Budget for 2026-27 was published in two stages. The outline draft budget 2026-27 was published on 14 October 2025 with the detailed draft budget 2026-27 published on 3 November 2025. It set out revenue and capital spending plans for the period April 2026 to March 2027.

As part of the budgetary process written evidence was provided by the Cabinet Secretary for Transport and North Wales to inform scrutiny of the Draft Budget 2026-27. This paper provided information to the Climate Change, Environment and Infrastructure Committee (CCEI) on budget allocations relevant to the Transport budgets.

Oral evidence sessions were held on the 26 November 2025 where the CCEI Committee took evidence from the Cabinet Secretary for Transport and North Wales.

The Committee published its report on [Scrutiny of the Welsh Government Draft Budget 2026-27](#) on 15 December. We thank the Committee for the report.

The Welsh Government has considered the Committee's report and responds to recommendations 16-38 in relation to the Transport budgets below.

2. Recommendation 16

The Welsh Government should provide summary details of the programmes and services funded by each of the BELs in the restructured Transport MEG, along with a technical note explaining the purpose of the two AME BELs, and how these relate to the non-cash revenue BELs.

Response: Accept

Information is detailed at **Annex A** for the Committees information.

3. Recommendation 17

The Welsh Government should set out how much of the 2026-27 draft transport budget is allocated for climate adaptation and mitigation, and provide its assessment of the investment levels needed over the next ten years in both devolved and non-devolved transport infrastructure.

Response: Accept

In relation to the Strategic Road Network (SRN) the Welsh Government have responded to the Lugg review recommendations on Climate Change Adaptation and Mitigation by improving the way assets are managed on the network. It will take time to assess future climate adaptation funding requirements, however, a comprehensive study to ascertain this has started in 25/26 and will be able to report fully in 26/27. For mitigation, the SRN policy area has adopted the PAS 2080 carbon accounting approach and will be assessing carbon reduction possibilities on all projects over £1m in 26/27.

Transport for Wales works closely with Network Rail to strengthen the resilience of the Wales and Borders rail network. This includes proactive vegetation clearance and targeted infrastructure interventions to mitigate against the impacts of climate change.

170km of railway track will be electrified as part of our over £1bn investment to upgrade the Core Valley Lines. Alongside our £800m investment in new rolling stock, this is enabling Transport for Wales to deliver cleaner, faster and more efficient services as part of modern and sustainable rail network.

Part of the Bus capital allocation totalling over £39m will be used to purchase strategic bus depots which are required for bus franchising. In due course depots will be electrified as we work towards a decarbonised bus fleet, though it will take time to achieve this. The total capital costs associated with bus franchising were identified as £308.7m in the Regulatory Impact Assessment, which it is acknowledged will take a number of years to deliver, based on funding allocations to be determined by the next government.

4. Recommendation 18

Recommendation 18.

The Welsh Government should provide details of the allocation formula applied to the Regional Transport Fund, including the specific allocations for each of the four regions, as well as further detail on how the remainder of the Regional Transport & Active Travel BEL will be spent.

Response: Accept.

In our new Regional Transport Fund, funding will be distributed by formula. The General Capital Fund (Road Maintenance) formula will be used to allocate capital funding. This is made up of three elements: enhanced population, weighted road length and traffic flow. The largest weighting (41%) is based on enhanced population, which accounts for residents and visitors in the region. However, adjusting for road length reflects the fact that the costs of transport are greater in rural areas, which have more roads (and other transport infrastructure) per person than urban areas. Traffic flow has also been found to affect transport costs. Revenue funding will be allocated using the road safety formula.

Full indicative allocations are:

Region	Capital (£)	Revenue (£)	CJC Admin (£)	Total (£)
North Wales	28.3m	0.38m	0.1m	28.8m
Mid Wales	12.8m	0.17m	0.1m	13.1m
South West Wales	24.3m	0.35m	0.1m	24.7m
South East Wales	42.5m	0.7m	0.1m	43.3m
Total	107.9m	1.60m	0.4m	109.9m

Each region will produce a single prioritised programme, agreed by the **Corporate Joint Committees (CJC)** and constituent Local Authorities (LAs). This will be based on their agreed Regional Transport Plans. The application for each region will be submitted to Welsh Government, including financial profiles and details of schemes.

Welsh Government will review each application to check its consistency with the Regional Transport Plan (which has already been approved by Welsh

Government), deliverability and value for money. We will work collaboratively with regions to ensure the final programmes meet these criteria.

Final decisions will be made by the Cabinet Secretary for Transport and North Wales. Once approved, Welsh Government will issue grants to Local Authorities based on the agreed regional programme. This process will allow each region to take a more collaborative and long-term approach, will give them a greater say in decisions, and will reduce admin burdens.

5. Recommendation 19

The Welsh Government should set out details of how the Regional Transport Fund, and Regional Transport Plans more generally, will be monitored and evaluated.

Response: Accept.

CJCs are responsible for monitoring progress on Regional Transport Plans. Each CJC has produced a monitoring and evaluation plan setting out how this will be achieved.

Delivery of schemes funded by the Regional Transport Fund will be monitored on a quarterly basis. Local authorities will be required to submit information to the Welsh Government each quarter to enable this. The Regional Transport Fund as a whole will be evaluated after the first 3 years of implementation.

6. Recommendation 20

The Welsh Government should provide further details on the wider funding it believes can be used to support Regional Transport Plan delivery, including the likely level of funding, the types of schemes which can be funded by each and details of any geographical limits on the use of these sources.

Response: Accept.

The delivery of Regional Transport Plans means that each region of Wales now has a single plan setting out their policies for improving transport, with a delivery plan identifying priority scheme. This puts them in a good position to utilise different sources of funding to achieve their objectives.

This includes the Local Growth Fund, which will be worth £547m in the years from 2026-27 to 2028-29; the Investment Zones in Wrexham/Flintshire and Cardiff/Newport, each of which are backed by £160m of government funding; and the North Wales Growth Deal. It also includes opportunities to leverage private sector investment.

7. Recommendation 21

The Welsh Government should provide details of how far developer contributions are currently used to fund related transport infrastructure, and how it is seeking to address the barriers to their use including whether this could be included in the Wales Planning Performance Framework.

Response: Accept.

Planning Policy Wales (Edition 12 – 2024) states that planning authorities should consider whether public transport services are of a scale which makes public transport an attractive and practical travel option for occupiers and users travelling to and from development sites. They should also consider whether it is necessary to mitigate the movement impact of a development and minimise the proportion of car trips that the development would generate. Where additional public transport would be required to allow development to proceed, an appropriate policy must be included in the development plan, and financial contributions secured through planning conditions and/or planning obligations. New public transport infrastructure and services should be put in place early on in a development, and before the people living there move in, to support sustainable travel patterns from the outset.

Wales Planning Performance Framework, Planning Performance Framework has been reinstated following Covid and Local Authorities are currently compiling data in order to report on performance later this year.

Looking at future reviews of the Framework, it could be possible to consider how data on S106 obligations could be incorporated into returns.

8. Recommendation 22

The Welsh Government should provide details of the how large multiannual projects such as the Llanbedr Transport Improvements will be managed through the Regional Transport Planning process in general, and specifically the Regional Transport Fund. A copy of the guidance issued to local authorities and CJs on accessing the fund should be provided or published in the interests of transparency.

Response: Accept.

Guidance for the Regional Transport Fund can be found here: [Regional Transport Fund: guidance for applicants 2026 to 27 | GOV.WALES](#)

Welsh Government has awarded over £1.4m to Cyngor Gwynedd towards the development of a solution to the issues in Llanbedr. The recent study has recommended that the preferred option is a relief road combined with safety, public transport and active travel improvements. The estimated cost of the road element is £39m.

This year, we expect North Wales to receive around £29m from the Regional Transport Fund – if funding remains at a similar level over five years, North Wales will receive around £150m from the Regional Transport Fund. The region can also draw on other sources of funding such as the North Wales Growth Deal and new Local Growth Fund.

Funding large transport projects will always require difficult decisions to prioritise funding, but we are convinced that involving local leaders in that decision making will lead to better decisions.

9. Recommendation 23

The Welsh Government should ensure that annual reporting on spending by mode in delivery of Regional Transport Plans includes and itemises all sources of funding, not just the Regional Transport Fund.

Response: Accept in principle.

Funding awarded through the Regional Transport Fund will be reported by mode. Spending on Regional Transport Plan delivery will include other funding sources as well as Welsh Governments. We will discuss with CJsCs regarding the best way to report progress in delivery.

10. Recommendation 24

The Welsh Government should publish the review of the Active Travel (Wales) Act 2013 no later than the end of January.

Response: Accept in principle.

The review of the Active Travel (Wales) Act 2013 will be finalised in January 2026, considering findings from the Public Administration and Public Accounts Committee's inquiry published just before Christmas recess and will be published as soon as possible, and before the end of the Senedd term.

11. Recommendation 25

The Welsh Government should set out details of the initial draft active travel programmes they expect to be funded via the Regional Transport Fund, how it will monitor and evaluate these and how delivery of the Fund will maintain momentum, particularly in areas where significant investment has already been made.

Response: Accept.

Details of the Regional Transport Fund programmes will be published in March 2026. As set out under recommendation 19, delivery of schemes funded by the Regional Transport Fund will be monitored on a quarterly basis. The Regional Transport Fund as a whole will be evaluated after the first 3 years of implementation.

12. Recommendation 26

As soon as the allocations are confirmed, the Welsh Government should provide a table setting out total and per capita allocations to support bus and community transport for 2026-27, compared with each of the preceding three years with revenue and capital allocations separated, and the table broken down by individual funding stream.

Response: Accept

Once allocations are confirmed and agreed we are happy to provide a breakdown of funding and details from previous years to the Committee.

13. Recommendation 27

The Welsh Government should provide details of the latest multi-annual estimate of the revenue and capital requirement for delivery of bus reform and associated infrastructure which is being used in planning the roll out of franchising. This should be broken down by revenue and capital and provide assurance that this will both protect existing services and support their enhancement under the reformed system.

Response: Accept in principle

The Regulatory Impact Assessment (RIA), published as part of the Explanatory Memorandum for the Bus Services (Wales) Bill, sets out the costs associated with the Bill and wider bus reform agenda. There will be transitional staff and capital costs incurred over the initial 5 years for the process of planning all aspects of future bus reform arrangements, including devising plans for franchised networks, developing contracts, setting up ticketing and data systems, purchasing and setting up bus depots for fleet operations and maintenance. These total £372.3m, of which £308.7m of these costs are classed as capital costs related to bus depots, IT and ticketing systems. The remaining transition costs relate to the staff required to design and implement franchised networks.

The recurrent costs total £466.5m over the remainder of the 30-year appraisal period considered in the RIA, which include ongoing staff and operational costs.

The revenue allocated to Bus Service Support BEL in the draft budget for 2026/27 is £143.169m (increased by £2.669m) and the capital allocation is £39.92m (increased by £8.92m). There have since been further allocations made in the final budget of £5.977m revenue and £10m capital. The additional allocations will help us maintain this existing bus network ahead of franchising and accelerate our plans for bus reform.

We cannot provide multi-annual details of revenue and capital requirements, as these will be decisions for the next government to consider. However, officials and TfW are actively making plans to support the rollout of bus reform across Wales, allowing the next government to make informed choices.

14. Recommendation 28

The Welsh Government should provide further details on how it is challenging Transport for Wales on its bus reform budget proposals to ensure this is both sufficient and value for money. This should include details of the specific issues being challenged, and the basis on which the 2026-27 budget for fleet and depot acquisition is being set.

Response: Accept

As part of the process of establishing budgets and allocating funding in every year, the Welsh Government challenges Transport for Wales (TfW) to maximise resources, identify efficiencies and look for economies of scale. On bus reform proposals this includes looking at opportunities to minimise cost associated with the tendering of bus routes, seeking economies of scale in the purchase of fleet and developing a contact centre workforce who can respond passenger queries across a range of services.

The budget for fleet and depot, which has been uplifted by nearly £9m in 2026/27, will allow TfW to invest in additional vehicles and infrastructure to support the coming rollout of bus franchising. Whilst we must of course balance the availability of funding with other priorities, this signals our intention to accelerate preparations following the passage of the Bus Services (Wales) Bill through Stage 4 of the scrutiny process.

15. Recommendation 29

The Welsh Government evaluation of the children and young person's £1 pilot fare should include consideration of whether more young people feel able to access education, training and / or employment in the context of the findings of the Young People's Guarantee National Conversation.

Response: Accept

We will very shortly be issuing tenders for the evaluation of the scheme. Understanding whether children and young people feel better able to access education, training and/or employment will be an important aspect of the evaluation. We will engage directly with children and young people as part of this process, as well as those who represent their views. Through the Young People's Guarantee National Conversation young people told us that transport was a barrier to accessing education, training and/or employment – our £1 fares scheme is part of our response to that message.

16. Recommendation 30

The Welsh Government should publish the Child Rights Impact Assessment for the £1 bus fare policy.

Response: Accept

We will publish the Children's Rights Impact Assessment in the coming weeks.

17. Recommendation 31

The Welsh Government should write to the committee outlining the revenue implications of the Cabinet's decision on regulated rail fares when it is made regardless of whether fares are frozen or increased.

Response: Accept

The UK Government announcement to freeze train fares mainly affects England, but will also impact some cross border (Wales to England) fares. Options to freeze some or all Transport for Wales rail fares are currently under consideration. We will provide information on the financial implications to the committee when a decision is taken.

18. Recommendation 32

The Welsh Government should outline how the long-term revenue implications and affordability of future service levels are assessed when planning future rail service level increases.

Response: Accept

There are many potential additional public transport opportunities across Wales, but delivering these requires very careful consideration of whether rail is the correct mode to deploy given the high cost of such services. Transport for Wales assesses a range of factors when considering rail service increases, including estimates of passenger usage, revenue generation and operational and infrastructure requirements necessary to deliver the service. Almost every current Transport for Wales rail service requires a subsidy to enable it to run. Therefore, careful consideration is always given to the affordability of potential further service increases, noting the linkage with any increases in fares to help fund services.

19. Recommendation 33

The Welsh Government should provide details of compensation paid by TfW over the past three years, broken down by length of delay (15 to 30 minutes, 30 to 60 minutes and 60 minutes or longer).

Response: Accept

The requested information is provided in the table below for the past 12 months, rounded to the nearest £1000:

Delayed By:	Claim Value (£)
15 – 29 Minutes	228k
30 – 59 Minutes	443k
60 – 119 Minutes	758k
120+ Minutes	870k
Total	2.299k

20.Recommendation 34

The Welsh Government should ensure the Wales Rail Board project pipeline is published by the end of this calendar year as promised. This should be accompanied by estimated costings.

Response: Accept

Transport for Wales is leading the development of an industry-led vision for rail enhancements in Wales. This builds on the initial Wales Rail Board project pipeline and sets out a comprehensive overview of the long-term ambition for rail in Wales. This work will be key in securing sustainable investment into Welsh railways, led by the Wales Rail Board.

Transport for Wales aims to publish the vision document early in 2026.

21. Recommendation 35

Given the increasing importance of the Wales Rail Board, the Welsh Government should ensure that terms of reference, membership and details of its work programme and decisions are published in the interests of transparency and accountability.

Response: Accept

In December, the Wales Rail Board agreed to establish a working group to propose the future remit and format of the Wales Rail Board and associated sub-groups. It was agreed that this review should include the involvement of relevant stakeholders and the format and frequency of public communications regarding the work of the Board.

22. Recommendation 36

The Welsh Government should provide us with its current assessment of the value of the maintenance backlog on both the trunk and local road network.

Response: Accept

For the SRN the current maintenance backlog for highway structures alone (bridges, retaining walls, foot bridges, culverts, etc.) is over £1.2bn. For roads (surfacing and road construction, repairing potholes, etc.) this figure is approximately £100m. The data for assessing backlog on other highways infrastructure assets (drainage, safety fences, signs, etc.) is not as mature, and is subject to improvements at present, however, it is estimated that the requirement is over £100m. The total, therefore, is estimated to be over £1.4bn. The current asset replacement value of the SRN is approximately £21bn.

CSS Wales and the WLGA undertake an annual assessment of their local road network condition. The Welsh Government do not hold information on the backlog of maintenance on the local road network as individual local authorities maintain their roads as highways authority.

23. Recommendation 37

The Welsh Government should provide details of the Strategic Road Network Asset Renewal Programme and the multi-annual plan to address the "approximately £1bn of capital maintenance backlog on the SRN" referred to in the Lugg review.

Response: Accept

The Welsh Government manages several programmes of work that have been established from the Lugg review recommendations, namely:

Major Asset Renewal (MAR) programme which manages large scale, complex refurbishments and renewals on key strategic routes. Examples are the A494 River Dee Bridge renewal which is a £150m bridge replacement scheme. There are several planned bridge replacements which will replace life expired critical infrastructure over the next 10 to 15 years.

Multi Asset Schemes (MAS) programme manages medium scale asset renewals such as the M4 Swansea North scheme involving the replacement of road surface, drainage system and safety barrier between junctions 45 and 46. These schemes maximise road space use and minimises disruption by renewing or replacing as many assets as possible in the same scheme.

Asset renewal programmes target infrastructure defects of a specific type such as carriageway resurfacing or drainage repairs and renewal. These programmes are the main method of reducing backlogs of maintenance and require high levels of capital to ensure backlog reduction rather than unsustainable reactive or steady state maintenance regimes.

Data led decision support tools and systems ensure priorities are addressed and best practice construction methods, materials and techniques are employed to introduce preventative maintenance strategies. This has a longer-term benefit of reducing maintenance intervention frequency, saving costs and carbon in line with Lugg principles and recommendations.

Sustained high levels of Capital are essential to be able to reduce the backlog, build experience, resilience and maintain Welsh interest with the supply chains, and continue to develop and implement innovative long term maintenance strategies.

The Welsh Government completed an Asset Management Policy and Strategy in 2024 and are currently developing asset management plans which will be completed by the end of 25/26.

24.Recommendation 38

The additional £5 million allocated for the Local Government Borrowing Initiative in the draft budget had already been announced in March. While we understand that the 2026-27 allocation is made in this budget, the Welsh Government should take care in describing funding allocations to make clear where they have already been announced.

Response: Accept

The Welsh Government will ensure clarity when describing budget commitments that span financial years.

Annex A - Detailed breakdown of each Budget Expenditure Line (BEL), including AME BEL's

Transport MEG – Description by BEL

RESOURCE BUDGET			£'000	£'000
Action	BEL No.	BEL Description	2025-26 Final Budget	2026-27 Draft Budget
Strategic Infrastructure	3830	Strategic Infrastructure Development	950	1,001
Motorway and Trunk Road Operations	1884	SRN Contractual Payments	57,857	67,668
	1885	SRN Ops and Renewals	60,050	60,067
	1886	Network Operations Non-Cash	188,691	188,691
Road, Rail, Air and Sea Services and Investment	1883	National & International Connectivity	4,100	4,100
	1895	Rail Service Support	381,950	400,999
	1895	Network Operations Non cash	38,000	38,000
Sustainable Travel	1880	Bus Service Support	140,500	143,169
	1882	Regional Transport and Active Travel	8,800	12,800
	2030	National Policy Developments and Projects	7,200	7,200
Armed Forces	1250	Armed Forces	370	370
TRANSPORT - TOTAL RESOURCE BUDGET			888,468	924,065

CAPITAL BUDGET			£'000	£'000
Action	BEL No.	BEL Description	2025-26 Final Budget	2026-27 Draft Budget
Strategic Infrastructure	3830	Strategic Infrastructure Development	5,000	5,000
Motorway and Trunk Road Operations	1885	SRN Ops and Renewals	186,800	195,320
Road, Rail, Air and Sea Services and Investment	1895	Rail Service Support	181,597	180,333
	1880	Bus Service Support	31,000	39,920

Sustainable Travel	1882	Regional Transport and Active Travel	120,000	126,000
	2030	National Policy Developments and Projects	4,800	4,800
TRANSPORT - TOTAL CAPITAL BUDGET			529,197	551,373

AME BUDGET			£'000	£'000
Action	BEL No.	BEL Description	2025-26 Final Budget	2026-27 Draft Budget
Motorway and Trunk Road Operations	1940	Roads Impairment - AME	-	44,936
Road, Rail, Air and Sea Services and Investment	1896	Transport for Wales - AME	2,000	2,000
TRANSPORT - TOTAL AME BUDGET			2,000	46,936

1. Strategic Infrastructure Development

BEL	Resource Budget £'000	Capital Budget £'000
3830 - Strategic Infrastructure Development	1,001	5,000
Overview		
<p>Strategic Infrastructure Development is a commercially focussed division that supports delivery of key transport infrastructure projects and transport policy objectives along with implementing major carbon reduction initiatives. This is achieved through a collaborative approach to develop innovative solutions whilst working with partners from the Private Sector and also engaging the resources of UK Government and Welsh Local Authorities to optimise external funding. The commercial financing skills and expertise of the division are also made available as an internal consultancy to support colleagues across Economic Infrastructure, The Economy Directorate and Tourism.</p> <p>A number of the projects managed by the team have a strong cross portfolio impact whilst revenue resource is used to develop delivery solutions and business cases that enable third party and public capital investment. In addition</p>		

to core budget the Division regularly makes investments and loans through utilisation of FT monies.

The PfG commitment to deliver the GCRE project remains an ongoing priority that is not fully funded.

Director	Peter McDonald
Deputy Director	Duncan Hamer

Motorway and Trunk Road Operations

2. Motorway and Trunk Roads

BEL	Resource Budget £'000 (inc. non-cash)	Capital Budget £'000
1884 – SRN Contractual Payments	67,668	-
1885 - SRN Ops and Renewals	60,067	195,320
1886 - Network Operations Non-Cash	188,691	-

Overview

Welsh Government is directly responsible for the Motorway and Trunk Road Network, one of Wales' most important infrastructure assets. It has a depreciated replacement cost of circa £17bn. Appropriate maintenance is essential for the Welsh Government to meet its statutory duties for safety and achieve its wider policy objectives for Wales.

Forecast spend includes an allowance for 'over-programming' to take advantage of additional funding that may become available through slippage in other programme spend that become evident late in the year. Should no additional funding materialise the over-programmed element will be managed into next year.

Non-cash totals £188.691m covering depreciation of the Strategic Road Network.	
Director	Peter McDonald
Deputy Director	Andy Falley

Road, Rail Air and Sea Services & Investment

3a. National & International Connectivity

BEL	Resource Budget £'000	Capital Budget £'000
1883 - National & International Connectivity	4,100	
Overview		
<p>The Aviation function seeks to ensure air connectivity is part of the integrated transport system in Wales, connecting Wales with the world and the world with Wales, to support the socioeconomic wellbeing of the nation. The activity includes support for and development of Wales' Aviation facilities, including airports both directly and indirectly owned as well as those operated independently as private businesses.</p>		
Director	Peter McDonald	
Deputy Director	Stephen Rowan	

3b. Rail Service Support

BEL	Resource Budget £'000 (Inc. non-cash)	Capital Budget £'000
1895 - Rail Service Support	400,999	180,333
1895 – TfW Non Cash	38,000	
Overview		

Transport for Wales is a not-for-profit company, wholly owned by the Welsh Government, it exists to drive forward the Welsh Government’s vision of a high quality, safe, integrated, affordable, and accessible transport network that the people of Wales are proud of.

This BEL is focused on the costs of operating and managing the rail network. It includes revenue funding for operating rail services, maintaining the Core Valley Lines network, and some unallocated corporate costs for running CVL. The Capital funding is predominantly the major investment in the Core Valley Lines Transformation programme but also includes smaller capital investment programmes such as station improvements.

Non-cash totals £38m representing the budget allocation for depreciation received from DfT on devolution of Core Valleys Line.

Director	Peter McDonald
Deputy Director	Alexendra Walters

Sustainable Travel

4a. Sustainable Travel

BEL	Resource Budget £'000	Capital Budget £'000
1880 – Bus Service Support	143,169	39,920
1882 - Regional Transport and Active Travel	12,800	126,000

Overview

This budget supports delivery and development of sustainable transport modes and for supporting local transport initiatives. A significant element of the funding is focussed on free bus services for the elderly and disabled, and discounted bus travel for young travellers, as well as providing other socially necessary services. Free concessionary bus travel is protected as a universal benefit. The funding shown is direct funding for the scheme from Welsh Government Transport budgets, but this is supplemented by additional funding from local authorities. The discounted bus travel scheme for younger persons (aged 16-18 years old, but to be extended to also include 19- to 21-year-olds), enabling them to access opportunities for work, education, training and apprenticeships is of particular benefit to people from low-income households

and helps to tackle poverty. This also includes an element of grant funding for local authorities for capital projects related to modal shift and climate adaptation, money related to the transition of the bus fleet to electric vehicles and to support the ambitions of Bus Cymru. Some of the Local Transport budget will be used to support Local Authorities with the implementation of the 20MPH Programme for Government commitment in this financial year.

Director	Peter McDonald
Deputy Director	Alexandra Walters

4b. Active Travel

BEL	Resource Budget £'000	Capital Budget £'000 (inc. FTC)
2030 - National Policy Developments and Projects	7,200	4,800
Overview		
<p>With the Active Travel (Wales) Act 2013, we have set Wales on a path to help transform our country into an 'active travel nation'. The Active Travel Fund represents a substantial investment to increase and improve routes that will enable a larger number of people in Wales to walk and cycle safely. Active Travel schemes are further funded from Safe Routes in Communities grant. Road Safety Grant funding also frequently supports active travel- through safety improvements as part of capital schemes, and through providing extensive funding for pedestrian and cycle training as part of revenue grant. This also includes an element of funding to support the transition to electric vehicles.</p>		
Director	Peter McDonald	
Deputy Director	Alison Thomas	

Armed Forces

5. Armed Forces

BEL	Resource Budget £'000	Capital Budget £'000
1250 – Armed Forces	370	-
Overview		
<p>This reflects CSTNW role in supporting the Armed Forces Community in Wales. It includes funding for Armed Forces Liaison Officers working with local authorities supporting the Armed Forces Covenant and encouraging regional co-ordination in this area. It also includes continued support to a host local authority to deliver a Wales Armed Forces Day each year and funding for engagement and other activities to support policy development. This budget line does not reflect the totality of Welsh Government support to the Armed Forces Community as other departments support activity also e.g Health support for Veterans NHS Wales.</p>		
Director	Emma Williams (DG)	
Deputy Director	Mike Connolly	

Annually Managed Expenditure (AME)

AME budgets are for items which are volatile and difficult to forecast.

6a. Motorway and Trunk Road Operations

BEL	Resource Budget £'000
1940 – Roads Impairment - AME	44,936
Overview	
<p>This BEL funds any 'cost' relating to reductions from the total cost of new road schemes to the opening value placed upon them by our independent valuers - known as 'impairments'. Traditionally, in the public roads building industry, this</p>	

has been estimated at up to 30% of the total cost price of a scheme, with the exact amount being completely unique to each scheme. This BEL has seen an increase in this budget of £44.936m. This represents approximately 15% of two schemes that are expected to be brought into the total SRN valuation in financial year 2026-27, which currently stands at approximately £20.5 billion.

Director	Peter McDonald
Deputy Director	Andy Falley

6b. Road, Rail Air and Sea Services & Investment

BEL	Resource Budget £'000
1896 – Transport for Wales - AME	2,000
Overview	
<p>This BEL funds any 'cost' relating to the movement in total provision balance in TfW. Provisions for future expenditure are funded through AME budgets until they crystallise into actual payments, at which point the provision is reversed. This means the balance could increase or decrease from previous year and will not be known until the very end of the financial year. The budget recognises the potential for £2m increase in provisions.</p>	
Director	Peter McDonald
Deputy Director	Alexandra Walters