



Llywodraeth Cymru
Welsh Government

BUDGET IMPROVEMENT PLAN

A QUEST FOR OUR ENVIRONMENT, ECONOMY, SOCIETY AND CULTURE



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Budget Improvement Plan

The Budget Improvement Plan is the Welsh Government's five year plan to make improvements to the way it makes decisions about how money is spent.

The Welsh Government uses the Well-being of Future Generations Act to guide decisions which affect the environment, society and culture. This is a Welsh law that requires organisations in Wales like Local Authorities, Health Boards and National Parks to think about the long-term impact of their decisions, to work better with people, communities and each other and stop problems repeating in the future.

The Programme for Government sets out ambitious commitments that the Welsh Government will deliver over the next five years including areas like Education, Health and the Climate Emergency. It sets out the well-being objectives and the steps that are being taken to deliver them. Wellbeing is about making Wales a better place for us all to live in and to make sure that it is a better place for future generations.

The Welsh Government listens and speaks to people of all ages and backgrounds living and working in Wales. It also listens and talks to experts in other countries, to find out more about their new plans, and what works well and why. By building these relationships they are also able to share good practice and help others.

Every year the Welsh Government looks at the way it spends money. It looks at how things have changed and it finds ways to make sure that people in our society who are most vulnerable, like children, the elderly, Black, Asian and minority ethnic groups are protected.

This leaflet describes the areas covered in the Budget Improvement Plan.



Fiscal and Economic Analysis



This section of the Budget Improvement Plan is about how people and businesses in Wales make and spend money and how the Welsh Government spends the money it receives from taxes. Tax is money that people and businesses have to pay to the government and the government uses the money it gets from taxes to pay for things like schools and hospitals.

To help it make decisions, the Welsh Government uses analysts whose job it is to investigate lots of data and evidence. Information and data are taken from a wide variety of sources to ensure that they have an up-to-date and accurate picture of what is happening in Wales and across the world. This helps Welsh Government officials and Government Ministers make sure that they are spending our money in a worthwhile way and that they can see the effect of their spending decisions, to work out which decisions have the most or least impact. The analysts provide reports and presentations to Ministers who make spending decisions to support the most vulnerable people in our society.

An Economist's job is to look at how people create wealth, how they use it, and how different people get different amounts of it. The Welsh Government's Chief Economist publishes a report every year which describes the financial situation Wales is facing. The report helps to show the challenges facing Wales as well as the opportunities available to improve the Welsh economy.

The Welsh Government wants to improve the way it assesses the impacts of spending decisions. Each year it publishes the Strategic Integrated Impact Assessment (SIIA) which looks at the impacts of its spending decisions on the people of Wales.

Before the Welsh Government makes a decision to take an action, it first thinks about the impact of that action on people and the environment. It takes an integrated approach, that means that it takes a combined look at impacts to ensure that it is treating all groups equally. It considers the impact on lots of different things, including the environment, children's rights, equality, and the Welsh Language. Understanding impacts helps it to make better decisions about what it does and how it spends our money.

Infrastructure Planning

The Welsh Government encourages good infrastructure decisions. Infrastructure covers things such as roads, buildings, and power supplies. These are things that are needed for a successful and healthy society. It provides funding to ensure that we have enough housing, spaces to play and places to learn and work. The government tries to improve the ways we travel around the country and do what they can to tackle the nature and climate emergency.

It expects that all infrastructure built in Wales can be used for many years to come and will not cause problems for people in the future.

One way in which the Welsh Government lets the people of Wales know about its plans for good infrastructure is by publishing a Wales Infrastructure Investment Strategy (WIIS) which is a ten year plan with lots of ambitions and it helps it to achieve the aims listed in the Budget Improvement Plan.

The Welsh Government wants organisations to work together when making investments. For example, local authorities, Welsh Government, private companies and other public organisations can work together to find the best ways of spending money to achieve the best possible results for the people of Wales.



Welsh Taxes

The Welsh Government's budget is partly funded from devolved taxes. Devolved means that the Welsh Government has the power to make decisions in certain areas like tax, education, health etc. rather than the UK Government making the decisions on our behalf.

Devolved taxes in Wales account for around 20% of the budget. The rest comes from the UK Government. Taxes come from people living and working in Wales and from businesses in Wales. Taxes help to pay towards the important things that make society work, like building new schools and hospitals, paying for teachers, nurses and doctors and also things like building new affordable housing.



The Welsh Government continually looks for ways to make the most of its devolved tax powers. As well as raising money to spend on vital services for the people of Wales these taxes also play a key role in changing the ways in which people behave. For example, the Landfill Disposals Tax generates income but also helps our environment by encouraging more recycling to avoid waste going to landfill.



Summary

The [Budget Improvement Plan](#) contains details of all the plans relating to the topics covered in this leaflet and looks at how improvements can be made to the way the Welsh Government make spending decisions, to create a stronger, fairer and greener Wales for all.

Welsh Treasury is committed to working with young people to share a greater understanding of how the Welsh Government operates and how it makes decisions. Please see below a list of links for various publications that you may find interesting.

[Budget Improvement Plan 2024-2025](#)

[Welsh Budget 2023: Chief Economist's report](#)

[Wales Infrastructure Investment Strategy 2021](#)

[Well-being of Future Generations Act \(Easy Read\) 2017](#)

[Well-being of Future Generations \(Wales\) Act 2015](#)

[Programme for Government 2021-2026](#)

[Welsh Budget animation 2023](#)

[Young Wales webpage](#)

[Budget Improvement Plan animation 2024](#)



If you want to learn more about this co-production project please e-mail bgb.policyanddelivery@gov.wales and young.wales@childreninwales.org.uk

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