

## Draft Welsh budget proposes £274.4 million investment in rail and metro

December 21, 2020



Finance Minister Rebecca Evans has unveiled a draft Welsh Budget with plans of a total investment of £274.7 million in rail and metro.

There is also an extra £420 million for health and social services, alongside funding to protect the economy, build a greener future and create change for a more equal Wales.

In the first Budget since the pandemic, the package delivers an extra £176m for local government to support schools, social care and local services that have been critical to our response to the pandemic. The package includes a £10m boost to the Social Care Grant, which now stands at £50m, in recognition of the significant impact the pandemic has had on the sector.

Investment in affordable and social housing will grow to £200m next year, stimulating jobs and training while providing 3,500 additional new homes. The Welsh Government's mission to end homelessness will also be boosted by an extra £40m for the Housing Support Grant.

In a difficult financial year, social housing investment will be supported by a 1% increase in the higher

residential rates of Land Transaction Tax. This will mean moderately higher taxes paid on the purchase of additional properties, such as second homes and buy to let investments, will support new social housing and jobs to help Wales recover.

A targeted tax reduction will also help businesses recovering from the worst of the pandemic. Most businesses purchasing non-residential properties costing less than £225,000 won't pay any Land Transaction Tax, as the threshold is raised by 50%.

Together these changes will generate around £13m per annum for investment in social housing priorities.

To help build a greener future, an extra £40m will be provided for modern education infrastructure, including £5m for a net-zero schools pilot and a further £5m to develop Wales' National Forest and invest in wider biodiversity. We will also continue to decarbonise transport, boosting the funding for active travel by £20m, and providing a total investment of £274.7m in rail and metro. A further £20m will also be dedicated to tackling fuel poverty and supporting renewable energy programmes.

Over £20m has been provided to support predicted growing student numbers across sixth form and Further Education as more people stay in post-compulsory education, investing in Wales' future, and £9.4m will support crucial community and school mental health services.

As we drive forward change for a fairer and more equal society an additional £13.4m will be provided to support children and young people, including £8.3m to take forward our flagship curriculum reform alongside targeted support for the most vulnerable. We are investing more to help workers on low incomes upskill and retrain with a £5.4m boost to the free and flexible courses offered through Personal Learning Accounts.

The Welsh Government is also today providing an initial Covid response package of £77m to provide certainty where it is most needed, including ensuring essential schemes such as free school meals and contact tracing are extended next year.

Finance Minister Rebecca Evans said: "As we plan for our first steps beyond the pandemic, this Budget is designed to protect health and our economy, build a greener future and create change for a more prosperous, more equal, and a greener Wales.

"Despite the most challenging circumstances we have ever faced as a Government, I am proud to announce a budget that delivers on our values and provides sound foundations for the next administration.

"While like for like funding per person in Wales remains below 2010 levels, our priorities will steer a course for stability, protecting what matters most and creating the change that is essential to a good recovery."

The Welsh Government's draft Budget 2021-22 will be published [here](#) along with associated documents.

*Photo credit: Welsh Government*

---

For today's rail news from [railbusinessdaily.com](http://railbusinessdaily.com) [click here](#).