

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Cyllideb Ddrafft Llywodraeth Cymru 2026-27](#).

This response was submitted to the [Finance Committee](#) consultation on the [Welsh Government Draft Budget 2026-27](#).

WGDB26-27 09: Ymateb gan: Comisiynydd Cenedlaethau'r Dyfodol Cymru | Response from: Future Generations Commissioner for Wales





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**Cenedlaethau'r
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**Future
Generations**
Commissioner
for Wales

Peredur Owen Griffiths MS
Chair of Senedd Finance Committee

By email

25 September 2025

Dear Peredur,

Thank you for the opportunity to provide evidence to inform the Finance Committee's scrutiny of the Welsh Government Draft Budget 2026/27.

In my Future Generations Report, published in April this year, I included a [chapter on Budget Setting for Future Generations](#). The chapter on budget setting sets out four recommendations.

These recommendations summarise my advice to Welsh Government on how to apply the Well-being of Future Generations Act to national budget setting. While my advice has always been consistent, I am encouraged to see that there has already been some progress since publishing my report.

Two recommendations are specifically for Welsh Government:

- 44. Welsh Government should ring-fence funding for prevention which increases over time.
- 45. Welsh Government should bring forward the budget setting process and produce multi-year funding settlements.

And a further two recommendations are aimed at public bodies (including Welsh Government) and Public Services Boards:

- 46. Public bodies must set their annual budgets against the national well-being indicators of Cymru (following similar models in the Republic of Ireland and the City of Strasbourg).
- 47. Public bodies should use the agreed definition of prevention between Welsh Government and my office to map their preventative spend and invest progressively more upstream towards primary prevention

Prevention (recommendations 44 and 47)

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You will be aware that I wrote to the Cabinet Secretary for Finance and Welsh Language at the start of this year to ask that ringfencing for prevention be considered. While it is not the policy of the current Welsh Government to hypothecate funds in order to allow the flexibility for local decision making, I believe there is an opportunity to explore this further with the involvement of key stakeholders. I would be interested to know what other techniques could be used to safeguard and enhance spend on prevention.

Our discussions with the Cabinet Secretary and with officials in the Welsh Government to date have looked at whether the definition of prevention is being used. It is still my expectation that the definition agreed between the Welsh Government and the Future Generations Commissioner is used and that intended spend on prevention is clearly indicated and is progressively moving towards primary prevention.

In discussion with Welsh Government colleagues, conversations have started on mapping parts of the Welsh Government budget for preventative spend, but progress here appears to have stalled for the time being.

My recommendations above also ask that all public sector organisations apply this same approach to gradually shifting preventative spend to primary prevention. A pilot project is currently being led by my team to explore the budgets of several public bodies, including health boards, to start mapping out spend on prevention and learning the lessons to share with others.

Bringing forward the budget setting process and multi-year funding settlements (recommendation 45)

I am pleased to see that this Future Generations report recommendation has been actioned for the Draft Budget 2026/27 with an outline budget set to be published October 14th and more detailed budget on November 3rd. This is a positive change, which will be welcomed by public bodies and other stakeholders. It will help them with their own budget planning. I hope that this approach will continue in future years.

There has been some limited engagement with my team in the Spring of this year to consider the importance of the Act in the context of the Welsh Spending Review. We have been asking to continue to be involved in this work as this Review is an opportunity to set a gold standard in long-

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term thinking around budget setting but have been told that so far it had been an internal exercise and that we will be involved later on with other stakeholders. Whilst recognising the potential for political change following the next Senedd elections, I would like this Review to set a long-term vision of the direction of travel for Welsh spending that is used to inform annual, and multi-annual budgets.

Setting budgets against national well-being indicators (recommendation 46)

It is important that the national budget for Wales is clear about how it is delivering the Wales we want to live in, as articulated through our seven shared Well-being Goals.

The Committee will be aware that I undertook an exercise for the 2025/26 Draft Budget to look more closely at how lines of expenditure appear to impact on the seven Goals. Whilst this methodology didn't allow for completely accurate assessment, mainly due to insufficient information being available, some of the findings did raise red flags.

I would like to see a more robust assessment of impact against the Goals, or the National Indicators if preferred, or both, during the process of Strategic Integrated Impact Assessment (SIIA). A published assessment would enable stakeholders to identify where a change of direction may be needed to avoid harmful impact. A better solution would be for stakeholders, such as those represented on the Budget Impact Improvement Advisory Group (BIIAG), to be involved in the process of that assessment adding their wealth of expertise and insight to the process.

Using the 5 ways of working

My team has supported the Budget Impact Improvement Advisory Group (BIIAG) to better understand the Well-being of Future Generations Act over this year. We have delivered a short training session on the five ways of working and a broader follow-up session on the WFG Act.

We have now also been invited to collaborate with the Welsh Government on its internal Draft Budget process this year by presenting on the five ways of working to internal teams within Welsh Government. There appears to be a more collaborative approach within the Welsh Government this year in delivering the SIIA by considering a wider range of evidence and experience. This approach is to be encouraged, and I am happy for my team to be involved. However, I would like to

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see the process built on to become more effective and inclusive, for example, of the wider BIIAG group members.

I have been disappointed with the effectiveness of the BIIAG meetings in recent years. I accept that there have been several staff changes during that time, but we have seen many meetings cancelled and sub-group work to develop the SIIA and to work on a pilot for prevention have fallen aside. There is also a danger of the group becoming a sounding board for Welsh Government updates. With a new team in place, this is an opportune time to look again at the value the BIIAG group members can bring. I believe the expertise, knowledge and commitment shown by the group members are an asset which could be better used to achieve a difference to the budget setting process, for example, the impact assessment.

I hope you find the Chapter on Budget Setting from my Future Generations Report 2025 helpful, and I look forward to meeting with the Committee to discuss further in November.

Yours sincerely

Derek Walker
Future Generations Commissioner for Wales