



Comisiynydd  
**Cenedlaethau'r  
Dyfodol**  
Cymru

**Future  
Generations**  
Commissioner  
for Wales

## **Statutory Estimate**

**2025-26**

**Submitted to the Welsh Ministers pursuant to paragraph 19 of schedule 2 to the  
Well-being of Future Generations (Wales) Act 2015**

## Summary of request

In this document, I am making the case that funding to carry out my duties and functions is increased in line with inflation and public sector pay awards. I have also included a request for some capital investment to support the organisation's effectiveness over the longer term.

This funding request has been put together prudently, recognising the difficult funding situation facing the Welsh public sector.

I am asking for a budget of **£1,696,325** for the year 2025-26.

This budget is based on the 2024-25 baseline budget, plus an additional £17.5k to recognise the impact of the 5% pay award for 2024-25, which was not anticipated in the original baseline budget for 2024-25. This revised baseline is then increased by 3% to allow for inflation and pay awards in 2025-26 which results in a total of £1,676,325. Finally, it includes a request for capital investment of £20,000.

The amount requested is the minimum level required. Any lower level of funding would have significant ramifications and might mean further job losses in my office, on top of the 18% reduction in my workforce that took place following a restructuring process in 2023-24.

I am proud of the way in which my team has risen to the difficult funding environment over the last few years. I will continue to deploy resources efficiently and effectively to achieve excellent value for the taxpayer. However, it must be noted, the budget proposed here still does not match the level of funding that I believe is required to carry out the role to its full potential.

As discussed with Welsh Government officials, I will be making a separate one-off request for funding to cover additional activity around the upcoming 10-year anniversary of the Well-being of Future Generations Act (Wales) 2015.

## Context

Next year, 2025-26, will be another crucial year for the implementation of the Well-being of Future Generations (Wales) Act 2015. It will mark ten years since this world leading legislation came into being. The progress that has been achieved in this time has been significant, but this progress must continue and accelerate if we are to achieve the ambitions of the Act.

The Fifth Senedd's Public Accounts Committee's findings showed that my team's considerable expertise in sustainable development is highly regarded and needed by Welsh public bodies. Our funding request ensures this support can remain.

Effective long-term decision making is more important than ever as we navigate the ongoing financial challenges facing the Welsh public sector whilst not compromising the

ability of future generations to meet their needs. Now is not the time to take short-term decisions that will store up even bigger problems for the future. In times of crisis, the framework of the Act becomes more important than ever for guiding our decision making.

Acting in the interests of future generations, whilst at the same time addressing the interests of current generations, does not always need to lead to more expensive solutions. But it may often lead to different ones. We need to ensure public bodies take that approach in line with the Act. The expert advice and support of my team is crucial in helping public bodies to take the right long-term decisions.

The agenda covered by the Well-being of Future Generations Act is one that encompasses the biggest issues of our time. The devastating consequences of climate change, the threat of nature loss, the growing levels of inequality and poverty as well as the unsustainable demands on our health care system are fundamental to the well-being of people today as well as the generations yet to come.

The world must rapidly reduce carbon emissions to avoid catastrophic climate change and systems collapse. One in six species in Wales, and one in three mammals, are facing extinction without intervention. Wales has the highest rates of diabetes and obesity in the UK, which will make our health system unsustainable. All of this means that this sustainable development agenda cannot wait. We have already left it too late.

That is why it is important that the Office of the Future Generations Commissioner is funded adequately to fulfil its duties and functions. My general duty and statutory functions are set out in appendix 1.

2025-26 will be the second year of my Cymru Can strategy and it is vital we embed and build on the work my office has undertaken on this bold strategy. My office needs to be appropriately resourced to ensure that this work has maximum impact.

With the remit of the Act having expanded in 2024 to cover eight additional bodies, the demands on my office continue to increase. The restructure that I undertook in 2023-24 has ensured my team is structured as effectively as possible to meet this demand. However, this request for 2025-26 does not come without choices still needing to be made. It also allows no flexibility to meet any additional pressures outside of those we are currently aware. It represents the minimum that my office needs to continue to deliver value and impact at a high level.

## **1. Estimate Basis**

This estimate for the financial year 2025-26 is submitted in accordance with paragraph 19 of Schedule 2 to the Well-being of Future Generations (Wales) Act 2015 as amended by the Well-being of Future Generations (Wales) Act 2015 (Consequential

Provisions) Regulations 2015. The Welsh Ministers are required to examine this estimate and lay it before the Senedd with any modifications they think appropriate.

As in previous years, the estimate has been prepared on a resource basis. It also includes an estimate of the grant-in-aid needed to finance the net resource expenditure although, given the roll-out of the Alignment Project, the actual grant-in-aid claimed during the year will now depend on the cash flows during the year and our balances at the start of the year.

## 2. Current Situation

### An overview of my role and the work carried out by my office

My general duties are to:

- Promote the sustainable development principle, in particular to act as a guardian of the ability of future generations to meet their needs and encourage public bodies to take greater account of the long-term impact of the things they do.
- Monitor and assess the extent to which well-being objectives set by public bodies are being met.

In the role, I undertake work to:

- provide advice to public bodies and Public Services Boards
- carry out reviews into how public bodies are taking account of the long-term impact of their decisions
- make recommendations following a review.

The full extent of my duties and functions are set out in appendix 1.

Cymru Can sets out [my strategy for 2023 – 2030](#). It summarises the approach I am taking during my seven - year term, it gives an overview of the way I am working and outlines how I will measure my impact.

Cymru Can includes five missions:

- Implementation and Impact
- Climate and Nature
- Health and Well-being
- Culture and Welsh Language
- A Well-being Economy

Cymru Can also identifies areas of focus that connect all the missions, such as the food system, artificial intelligence and digital, which I am exploring in more detail.

Through delivering these missions and areas of focus, I am tackling issues that people are concerned about like the health of our rivers, ongoing inequality, and the cost-of-living crisis.

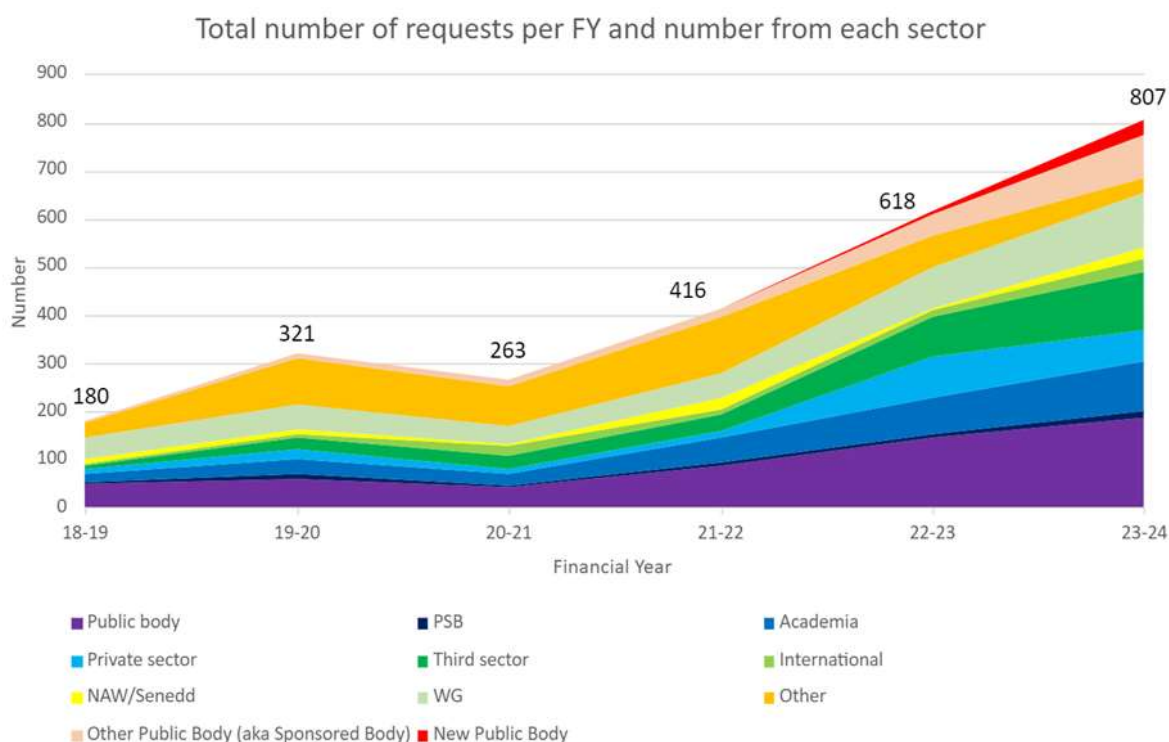
Since becoming Commissioner, I have shifted resources to increase the level of engagement and expert advice to public bodies, in a way that recognises the pressures that they are under, to ensure that those who must apply the WFG Act have the awareness, understanding, confidence and tools they need to do it.

My [latest annual report](#) shows the impact that I am making.

### The level of demand

Requests for support increased by 30% between the 2022-23 and 2023-24 financial years.

The graph below demonstrates the changes over time:



Requests from public bodies (with duties under the Act), Public Services Boards, Welsh Government and new public bodies (those who have duties under the Act as of June 2024) accounted for 43% (346) of our recorded requests in 2023-24 (807 requests).

Requests from academia, the third and private sectors accounted for 35.6% (287). We also saw an increase in requests from the Senedd, other public bodies and international organisations (24, 89 and 30 respectively).

The majority of requests make use of our expertise. According to our own categorisation, help with “Implementation of the Act” is consistently the most common primary theme.

As shown above by the graph, the volume of requests for support continues to increase, which reflects well on the quality of the support the team provides. We seek to manage the volume of requests by applying criteria before agreeing. Where possible, we seek to bring together organisations to deliver support effectively and efficiently. We also consider charging for our time when the organisation is not covered by the duties of the legislation.

I am already in a position where I cannot meet the demands placed on my office to the level I would like. Through new ways of working, for example by delivering less bespoke work and more one-to-many sessions, I have increased my office's efficiency and effectiveness but there is a limit to what more can be done.

I would like to share an example of the work my team carries out. Acting on requests from public bodies and on Senedd recommendations, the team have developed training on the Act and on various related subjects (such as long-term thinking, procurement, scrutiny).

These sessions have been oversubscribed. In 2023-24, 100% of attendees reported an increased confidence in applying the Act following their attendance. During Quarter 1 of 2024-25, we delivered 15 FGC events, training sessions and workshops. 602 people attended these sessions, with 100% reporting improved confidence in applying the Act and respondents giving an average satisfaction score of 6 out of 7.

Some testimonials include:

*"The session was really well delivered (diolch!). The use of Welsh during the session was great. I was pleased to be signposted to the resources available online. It was very helpful to discuss practical application of the Act with colleagues."*

*"Wanted to applaud the bilingualism of the session, it was fantastic. Providing a session bilingually is not easy and can sometimes seem unnatural, but Heledd and Pep were brilliant and it flowed perfectly. Da iawn a diolch o galon! Also loved hearing from other public bodies about how they were faring with using the tool and it was very reassuring to hear they'd struggled to get some staff buy-in (as we had too!)."*

## **Existing constraints**

For context, I want to set out the challenges that I already face within existing resources:

- My team is not able to give 'sector-specific' advice, although we try to tailor our work as much as we can. Senedd Committees and public bodies have asked for more focused advice for local authorities, health boards and national bodies as

different sectors as these organisations operate in quite different contexts, but that is not often possible.

- I provide higher-level advice to the PSBs (in line with my duties) but I would like to work more deeply with them on the implementation of their well-being plans. Working with all 13 PSBs in more depth is currently not possible.
- I do not have the resources to work alongside each public body as they develop their well-being objectives and steps. As part of my strategy Cymru Can, I aim to increase the support my team provides to public bodies. However, this is mostly through "one-to-many" support. Many public bodies request one-to-one support focussed on specific pieces of work. My team and I believe that this would be of high value to improve implementation of the Act and delivery of its aims, but I am not able to provide that support in a consistent way because of the lack of resources.
- In 2023-24 we had to decline 162 requests for support (20%) mainly due to lack of capacity.
- In December 2021, Corporate Joint Committees were added to the list of bodies coming within the remit of the Act. Eight public bodies were added to the remit of the Act at the start of 2024-25. The office received no budget increase to cover the associated costs. In the near future, a further two Bills could increase our duties (one making us a statutory consultee on two separate national strategies [air quality and soundscapes] and another creating a new body).

### **Ongoing efforts to reduce costs**

My office continues to strive to be cost efficient and save resources where it can.

I collaborate with other arms lengths bodies where possible arranging internal audit services via a group procurement contract to achieve best value for money and share payroll services. My office also reduced its occupancy space in our leased offices in 23-24 to further save £8k on rent costs on top of savings already achieved.

I continue to work closely with others and seek out opportunities for cost saving. I have engaged in secondment arrangements spanning 2023-24 and 2024-25 for some of my team to save around £30k in wage costs. This has obvious implications on capacity.

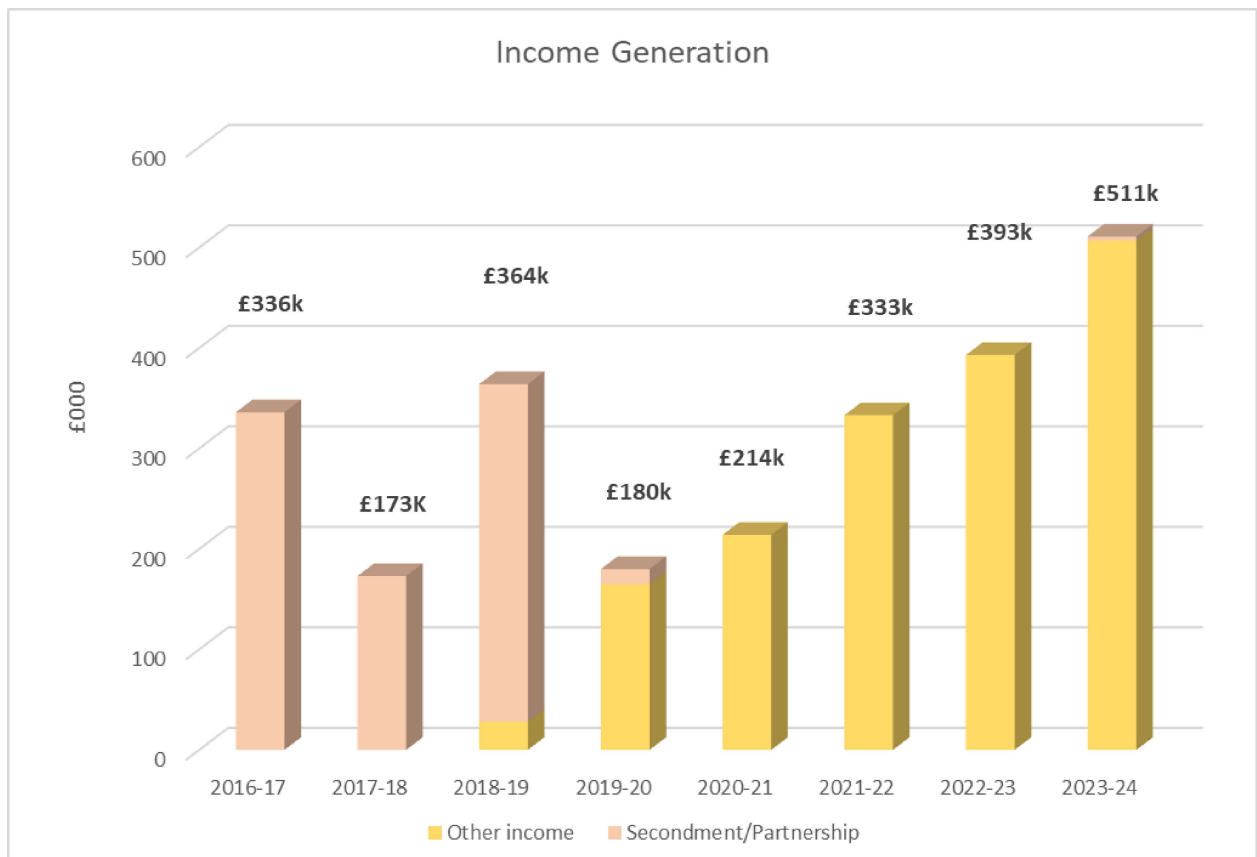
I had to make difficult decisions in 2023-24. I led a restructure which resulted in five employees leaving the organisation, four of which did so via a voluntary exit scheme whilst the fifth was as a result of a fixed term contract I could not renew. This represented an 18% reduction in my workforce. The decision was driven by a need to significantly cut costs. It saved £255k annually, but again it had significant implications on capacity.

### **Additional resources**

I have also generated income - by charging to recover costs for providing services as allowed by the Act.



The legislation prohibits my office charging and making a profit for services which, if addressed, might enable my office to generate income from elsewhere to support public body work and compensate for the lack of funding. My office has still managed to bring in additional resources of around £2.5million over 8 years:



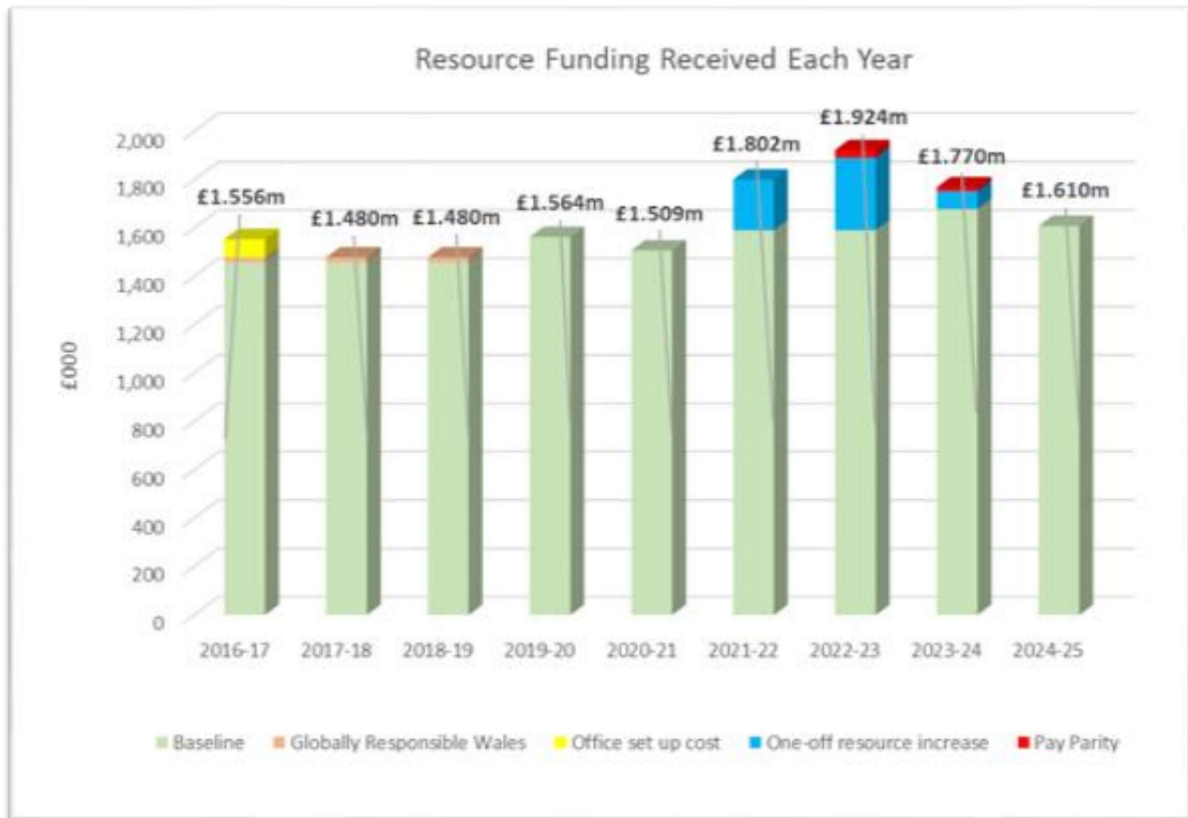
I continue to look at what more I can do to generate additional income beyond the Welsh Government.

### Reducing funding levels over time

In real terms my office baseline funding is less than at the inception of the office.

One-off funding uplifts, projects and grants have historically helped to absorb the financial pressures that the reducing baseline would otherwise have brought. Given the difficult financial landscape, it is clear these one-off payments are less available to provide short term solutions. However, this fact does mean that the financial pressures are more difficult than they have been in the past.





For the first time ever, my office was granted a capital budget of £30k for website development in 2024-25 which was in addition to the funding shown in the graph. This was welcome but sadly does not alleviate day-to-day budgetary pressures that are resource (and not capital) funded.

The table below shows what my baseline could have been expected to increase to just to keep up with inflation and not allowing for an increase in my remit:

£000			
	Actual baseline	Adjusted baseline*	Difference
2016-17	1,460		
2017-18	1,460	1,500	40
2018-19	1,460	1,536	76
2019-20	1,564	1,568	4
2020-21	1,509	1,580	71
2021-22	1,592	1,604	12

	2022-23	1,592	1,749	<b>157</b>
	2023-24	1,680	1,901	<b>221</b>
	2024-25	1610	1,944	<b>334</b>
<i>Projected</i>	2025-26	?	1,975	?

\* using annual inflation rates each April from ONS website (2025 estimated from office of budget responsibility data)

If the baseline had been funded in line with inflation, then this would have served to alleviate many of the pressures I have laid out.

### **The situation with reserves**

The financial challenges are exacerbated by the rules which prevent my office from maintaining reserves. The inability to hold reserves limits my office's ability to have resilience during difficult times. In the past, a reasonable level of reserves allowed the office to cover any unplanned, urgent and important matters. Without this cover, I now operate on a much less flexible footing.

### **3. Resources required for 2025-26 and subsequent years**

For 2025-26, I am proposing that my resource allocation for core statutory work should be increased from the existing baseline of £1,610,000 to £1,676,325. This meets some, but not all, of the financial cost arising from the higher-than-expected pay award of 5% in 2024-25. It also ensures other budget lines are increased in line with inflation and allows for the 2025-26 pay award.

In addition, I estimate that capital funding of £20,000 is required as an investment to improve our customer relationship management system (a non-cash depreciation budget of £6,666 would also be needed for the 3 years starting 2025-26 to support this capital budget).

Therefore, the total budget I am requesting for 2025-26 is £1,696,325.

For 2025-26, the extent of additional income (from sources other than the core Welsh Government funding) has not yet been fully determined but is likely to include:

- sponsorship of a new cohort of participants in the Future Generations Leadership Academy

- honorarium for participation to conferences
- a programme of international work with the Welsh Government.

I have estimated a cost (and hence income) of £200,000 which I have included for completeness. This figure may change significantly in the months ahead and could be significantly lower as other public and private sector organisations continue to suffer the effects of the financial landscape and make tough decisions themselves.

I am not able to rely on this income and it should not be considered a definite amount. If I were unable to achieve this level of additional income to recover costs, it would inevitably impact on my ability to deliver certain work programmes, such as the Future Generations Leadership Academy and the international programme of work with Welsh Government.

The Well-being of Future Generations Act is admirably ambitious and far-reaching. That requires my office to be sufficiently resourced to ensure public bodies are properly supported to deliver the ambition of the Act and to achieve the positive and sustainable changes required for the long-term well-being of the people of Wales.

### **The implications of reduced funding**

Current-year funding levels plus inflation are the minimum that my office requires to continue operating as it does and, as such, is reflected in what I am requesting for 2025-26.

A flat line budget for 2025-26 would inhibit my office's ability to deliver value and impact as I would be forced to re-direct very limited project funds to absorb inflationary increases in wage costs. My office mirrors the Welsh Government pay award to maintain current parity as desired by Welsh Government's One Welsh Public service ambitions as well as in the interests of being a fair employer.

If we faced a funding cut in 2025-26 further job losses would almost certainly be required. I recognise that it is a difficult time for the whole of the Welsh public sector. However, in a small office, with now just 23 permanent employees, the impact of further funding cuts would be very significant.

## **4. My request to Ministers**

For 2025-26, my estimated (and requested) net resource expenditure for core work is £1,696,325 (capital and revenue) as explained above and summarised below.

### **Summary of 2025-26 Estimate of Income and Expenses and Net Resource Request.**

The table below summarises my net resource request for 2025-26.

**Table 1: Summary of net resource request for 2025-26**

	<b>Resources requested</b>
	<b>£000</b>
Core statutory work and costs	1,676.3
Estimated cost of work undertaken on a repayment basis (see Section 3)	200
Capital investment	20
(Non-cash) Depreciation	6.6
Gross Total Expenditure	1,902.9
Recovery of cost of repayment work	(200)
Net resource requirement	1,682.9
Net capital requirement	20

Appendix 2 provides a more detailed breakdown of expenditure.

### **Estimated Grant-in-aid requirement to finance the Net Resource Request**

The following table shows the reconciliation of net resource requirement to estimated grant-in-aid needed.

**Table 2: Estimate of grant-in aid required for 2025-26**

	<b>£000</b>
Net resource requirement	1,682.9
<i>Less:</i> non-cash expenditure (provisions and depreciation)	(6.6)
<i>Plus:</i> capital expenditure	20
Estimated grant-in-aid required	1,696.3

Cash retained at the year-end must now be at minimal levels and we cannot draw down cash ahead of need. I am therefore assuming a minimal cash holding level at the year end and for estimate purposes this has effectively been ignored as immaterial.

### **5. Staff numbers**

In my 2024-25 statutory estimate, I provided information on staff numbers. This year, I sent a separate letter in August 2024 to cover all the requirements my office agreed in the Memorandum of Understanding with Welsh Government (signed in May 2023).

## **6. Indication of budget for 2 consecutive years**

Welsh Government has indicated they would like an indicative figure of budget for the consecutive 2 years. We welcome the longer-term approach to budgeting planning.

Based on inflation projections of 1.68% and 1.98% for 2026-27 and 2027-28 respectively, early indicative estimates would suggest my office would require baseline funding levels of £1,704,403 and £1,738,065 (resource only, not capital). These conservative estimates are again made on the assumption of a continuing difficult financial landscape for the Welsh public sector and do not equate to the level of funding that I believe is required to carry out the role to its full potential.

**Derek Walker**

**Future Generations Commissioner for Wales**

**October 2024**

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## My General Duty and Statutory Functions

My General Duty is:

- (a) to promote the sustainable development principle, in particular to—
  - (i) act as a guardian of the ability of future generations to meet their needs, and
  - (ii) encourage public bodies to take greater account of the long-term impact of the things that they do, and
- (b) for that purpose to monitor and assess the extent to which well-being objectives set by public bodies are being met.

My statutory powers are:

- (1) The Commissioner may, in carrying out the Commissioner's general duty—
  - (a) provide advice or assistance to a public body (which includes providing advice on climate change);
  - (b) provide advice to the Auditor General for Wales on the sustainable development principle;
  - (c) provide advice or assistance to a public services board in relation to the preparation of its local well-being plan;
  - (d) provide advice or assistance to any other person who the Commissioner considers is taking (or wishes to take) steps that may contribute to the achievement of the wellbeing goals;
  - (e) encourage best practice amongst public bodies in taking steps to meet their well-being objectives in accordance with the sustainable development principle;
  - (f) promote awareness amongst public bodies of the need to take steps to meet their well-being objectives in accordance with the sustainable development principle;
  - (g) encourage public bodies to work with each other and with other persons if this could assist them to meet their well-being objectives;
  - (h) seek the advice of an advisory panel in relation to the exercise of any of the Commissioner's functions.
- (2) The Commissioner may undertake research or other study into—
  - (a) the extent to which the well-being goals and national indicators are consistent with the sustainable development principle,

(b) the extent to which the sustainable development principle is taken into account in the national indicators,

(c) the sustainable development principle itself (including how it is applied to setting and meeting objectives), and

(d) anything related to any of those things that impacts upon the economic, social, environmental and cultural well-being of Wales (or any part of Wales).

I also have a number of specific powers and duties under the Act, including:

### **Powers and duties relating to Welsh Government (WG)**

- I must be consulted on revisions of WG indicators and milestones (s.10).
- I must be consulted if the WG by regulations to amend the threshold dictating when a community council is caught by the Act s.40.
- I must be consulted if the WG by regulations amends the definition of public body in the Act s.52.
- If I make recommendations to WG on goals and indicators, we must publish them s.21.
- In setting their objectives WG must take into account my Future Generations report s.8.
- I may provide advice or assistance (including advice on climate change) public bodies, AGW, PSB, any other person who may contribute to the goals s. 19.
- Power to make recommendations to WG on goals and indicators s.21.

### **Powers and duties relating to public bodies**

- I must be consulted by the Auditor General during their examinations of public bodies (s.15). Duty once during period (1 year before election/1 year 1 day after).
- Public bodies must take all reasonable steps to follow our review recommendations unless good reason not to do so s.22.
- In conducting a review, I must take into account examinations by the AGW s20, we must publish a report of a review.
- In revising their objectives public bodies must take into account my Future Generations report s.9.

### **Powers relating to Public Services Boards (PSBs)**

- Before publishing their Well-being assessments, the PSBs must consult me and provide me with a draft s.38.
- Before publishing their Well-being plans the PSBs must consult me and provide me with a draft s.43.
- Before publishing a revision of their Well-being plans the PSBs must consult me s.44.



- Local Authority Overview and Scrutiny Committees must send me their reports or recommendations to the PSBs with respect to the board's functions or governance arrangements s.35.
- Each PSB must send me a copy of their well-being assessments s.37.
- Each PSB must send me a copy of their well-being plan s.39.
- Each PSB must send me a copy of their revised well-being plan s.44.
- Each PSB must send me a copy of their annual report setting out the steps taken to meet the objectives contained in their plan s.45.
- I must give advice within 14 weeks to PSBs on how to take steps to meet the local objectives to be included in the plan according to the Sustainable Development (SD) principle. It must be in writing and will be published with the plan (s.42)
- In setting their well-being assessments PSBs must take into account our FG report s.39.
- I may promote awareness on need to take steps to meet objectives.

### **Miscellaneous powers**

- I must be consulted on appointments and dismissals of members of the advisory panel s.27.
- I must prepare and publish before end of reporting period (before 5 May 2020) a Future Generations Report including an assessment of improvements public bodies should make to set and meet objectives in accordance with SD principle. (s.23)
- I must consult statutory consultees before publishing the FG report s.24, must take into account the WG annual reports, future trends report and AGW's reports.
- I must publish an annual report before 31<sup>st</sup> August and must send a copy to the Welsh Ministers - must include summary of activity, effectiveness of such actions, summary of work programme past and future years, summary of complaints; can include an assessment of necessary improvements to be made by public bodies to meet their objectives in accordance with SD (Sch2. Para.17).
- I must consult advisory panel before publishing annual report (Sch2. Para.17). (Annual report laid before the Assembly – would expect scrutiny/appearance??)
- I must prepare estimates for each financial year of income and expenses before 5<sup>th</sup> of December Sch.2 para.19.
- Duty to keep proper accounting records, prepare accounts Para 20.
- Duty to submit accounts to Auditor General before 31 August
- I may conduct joint reviews with other commissioners s.25.
- I may do anything the Commissioner considers appropriate in connection with the Commissioner's functions Sch.2 para 8.

## Breakdown of Resource Budget

	2025-26 £
Total staff costs	1,393,936
Total Premises Costs	40,096
Total office costs	30,494
Total People & Culture	23,943
Travel, subsistence & hospitality	5,620
Total Audit & Risk Costs	51,723
Total Communication & Monitoring Costs	35,063
Total IT Costs	57,450
Project Costs	38,000
<b>Total Expected Costs</b>	<b>1,676,325</b>

A capital amount of £20,000 for investment in our Customer Relationship Management system (and non-cash depreciation budget of £6,666 for the next 3 years to support it) is requested on top of this to arrive at a total of £1,696,325