

Welsh Government Strategic Integrated Impact Assessment Interim Assessment



Llywodraeth Cymru
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Foreword from the Cabinet Secretary for Finance and Welsh Language

How we spend public money reflects both our priorities and our values as a government and as a nation.

It is the responsibility of every Cabinet Secretary to ensure that every pound spent has the greatest positive impact on the people we serve. That is why our Strategic Integrated Impact Assessment is a vital part of our budget process. It helps us to understand what we are doing, why we are doing it and who is affected by the spending decisions we are making.

This year's Draft Budget builds on the foundations laid in the 2025-26 Budget, where we made significant investment decisions which touched the lives of people across Wales. Those choices were guided by our commitment to fairness, sustainability, and social justice.

Many of the positive impacts identified last year are being felt today and will continue into 2026-27 as we carry on investing in the areas that matter most - our public services, our communities, and our future.

By maintaining and deepening those investments, we are reinforcing the progress we've made and ensuring that our funding continues to deliver real benefits. This SIIA helps us

to track that progress, understand the long-term effects of our decisions, and make sure that we are using every resource to its fullest potential.

It has played a central role in shaping the 2026-27 Draft Budget. By bringing together evidence, lived experience, and the voices of communities across Wales, the SIIA ensures that our budget is not just a financial document, but a moral one—one that seeks to protect the most vulnerable, promote equality, and support sustainable development.

The SIIA allows us to see the connections between different policy areas and to understand the cumulative impact of our decisions. It ensures that every pound we spend works as hard as it can to deliver for Wales—whether that's improving public services, tackling poverty, or responding to the climate and nature emergencies.

It helps us to stay true to our principles. It is a tool for transparency, for accountability, and above all, for fairness.

Mark Drakeford MS

Cabinet Secretary for Finance and Welsh Language

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Introduction

The Strategic Integrated Impact Assessment (SIIA) is central to the budget process. We use it to examine the potential impacts of our spending decisions on equality, sustainability, and wellbeing.

The SIIA is a strategic tool that helps the Welsh Government to better understand how our choices affect different communities, particularly those most at risk of disadvantage. It draws together evidence and helps us align our budget with the principles of the Well-being of Future Generations (Wales) Act and the Programme for Government.

This year, we have adopted a new approach. The SIIA will be published in two stages: this interim document accompanies the Detailed Draft Budget and sets out the early indications of impact, the rationale for our budget strategy, and the next steps in our assessment process. A final version will be published at the Final Budget.

The new approach allows us to build on early insights, incorporate feedback from stakeholders and scrutiny sessions, and deepen our analysis ahead of the Final Budget. Importantly it will ensure that all decisions made in the 2026-27 Budget are considered as part of our assessment. It responds to calls for greater clarity, more timely evidence, and a stronger focus on process.

Budget Strategy for 2026–27

The 2026–27 Draft Budget builds on the strong foundations of the 2025-26 Final Budget, uplifting investment decisions in key areas of public expenditure - in health, education, housing, and climate action - in line with the Office for Budget Responsibility's forecasts for inflation. By continuing the funding available to every part of the Welsh Government in real terms, we are protecting the progress made over 2025-26 and ensuring that funding continues to deliver real outcomes and change. This strategy reflects a deep understanding of the long-term nature of change, and a commitment to stability, fairness and transparency in how public money is used.

Our budget strategy is shaped by the five ways of working set out in the Well-being of Future Generations Act:

- **Long-term** - Investment in core services ensures sustainability and resilience.
- **Prevention** - Stable funding helps avoid deterioration and future costs.
- **Integration** - Budget decisions align with cross-cutting goals, such as reducing poverty and improving health.
- **Collaboration** - Workshops and advisory groups have shaped the budget and this assessment.
- **Involvement** - The new process for the SIIA includes increased engagement with stakeholders, including equality networks, BIIAG, and our partners.

This stability provides a platform for progress. It enables long-term planning, supports preventative action, and provides certainty for those who rely on public services. In a time of

economic uncertainty, this budget strategy is a deliberate choice to safeguard what matters most while providing certainty to public services in the approach to the Senedd elections.

We recognise the constraints we face. Inflation remains elevated, and public sector pay pressures persist. Despite a favourable settlement from the UK Government, the environment for delivering public services remains challenging. Yet within these constraints, there are opportunities. This Draft Budget provides stability, which is itself a driver of positive impact. It enables innovation, supports preventative approaches, and allows departments to plan with confidence.

The Draft Budget is the starting point of the Welsh Government's budget process - not the end of it. Our strategy leaves room for further investment in the Final Budget in January. It is our firm ambition to secure a Final Budget which uses all the resources available for 2026-27. We are open to collaboration with other Senedd parties to agree a budget, emphasising the shared responsibility to pass a budget to benefit all Welsh citizens.

Failure to pass a budget would have serious consequences and would result in extremely constrained budgets for all areas of the government and public services. It would jeopardise frontline public services, put thousands of jobs at risk and risk wider economic disruption. Spending constraints would be felt across all communities and sectors.

The evidence presented in the SIIA has helped to inform the strategic approach to the 2026-27 Draft Budget to avoid these negative impacts.

Early Indications of Impacts

The 2026-27 Draft Budget has been developed in the context of continued UK and global economic uncertainty, sustained pressure on public services, and the enduring impact of decisions made in previous years.

Importantly for assessing the impact of this year's budget, the 2026-27 budget strategy builds on the major spending decisions taken in 2025-26. That budget marked a turning point, with significant additional investments in health, education, climate action, and local government, after years of constraint.

Early analysis suggests that the impacts of the 2026-27 Draft Budget will be broadly consistent with those of 2025-26. This reflects the nature of the budget and the decision to maintain funding levels in real terms.

The 2025-26 SIIA identified a range of positive impacts from those decisions, including:

- Above-inflation **pay awards for public sector** workers, supporting more than 200,000 employees across the NHS, education, and local government—many of whom are women in lower-paid roles.
- Increased funding for **social care**, helping to address delayed hospital discharges and improve services for older people and those with complex health needs.
- Support for **children and families**, including expanded childcare through the Flying Start programme and targeted investment in education to reduce attainment gaps for disadvantaged pupils.

- Investment in **public transport**, with funding for bus services and rail improvements that benefit rural communities, disabled people, and those in insecure work.
- Action on **climate and nature**, with our overall capital spending exceeding £3 billion for the first time, enabling infrastructure improvements that support decarbonisation and resilience.

These investments were not only fiscally significant—they were socially and strategically important. They helped to mitigate the worst effects of the cost-of-living crisis, reduce inequalities, and support the well-being goals set out in the Well-being of Future Generations (Wales) Act.

As set out in the previous chapter, the Draft Budget is the starting point for this year's budget, and it is our clear intention to use all our resources to publish a more ambitious Final Budget in January. As such, this interim report of the SIIA provides us with evidence to consider as those final allocations are being decided.

These early identified impacts will inform the next stage of the budget process, as we seek to use unallocated funding in a way that reflects the values of the Welsh Government and reduce inequalities and disproportionate impacts.

Underpinning Evidence

The 2026-27 Draft Budget is underpinned by a wide range of evidence about the lived experiences of people in Wales. This evidence helps us understand who is most affected by pressures, where inequalities persist, and how public spending can make the greatest difference.

Equalities Evidence Unit Research

The initial evidence considered by the Cabinet was produced by the Welsh Government's Equalities Evidence Unit. It synthesised recent research and data from a wide range of sources to inform budget decisions. Its work focuses on people with protected characteristics - age, sex, disability, ethnicity, sexual orientation, gender identity and religion – and highlights how these characteristics can intersect to compound disadvantage.

The evidence is drawn from a range of sources, including:

- The National Survey for Wales
- The 2021 Census
- Data from organisations such as the Trussell Trust, Bevan Foundation, and School Health Research Network
- Reports from the Equality and Human Rights Commission (EHRC) and other UK-wide studies

Evidence from our Equalities Evidence Unit was also presented and discussed in one of the SIIA workshops. It showed:

- Women are more likely to be economically inactive due to caring responsibilities, dominate low-paid sectors, and face housing affordability challenges in most local authorities.

- Disabled people are more likely to live in overcrowded housing, experience poor health, hold no qualifications and be economically inactive.
- Ethnic minority communities face higher rates of income poverty, lower home ownership, and greater overcrowding.
- LGB+ individuals report higher rates of economic inactivity although this may be due to the younger age profile. LGB+ people also have poorer general health, despite being younger on average.

Distributional Analysis of Public Spending in Wales

The Distributional Analysis was produced by the Economics and Fiscal Analysis Division in the Welsh Treasury. It assesses the distributional impact of devolved resource public spending in Wales in 2026-27 across households of different incomes.

The analysis finds spending on the services covered is generally progressive with respect to household income – meaning lower income households tend to benefit more – though this is not consistent across the entire income distribution. On average, total per person spending is higher for individuals lower down the household income distribution than it is for those at the top.

However, the analysis also highlights some areas where spending is not progressive. For example, public transport spending is found to be slightly regressive overall; while spending on bus services is progressive, rail subsidies tend to benefit higher-income households more.

Evidence from Health Economists

Insights from health economists were discussed in our workshops. They underscore the importance of prioritisation and opportunity cost in health spending. The use of Programme Budgeting and Marginal Analysis and Multi-Criteria Decision Analysis demonstrates how resource allocation can be guided by evidence, equity, and value for money.

We can apply this to two key decisions in the field of care to highlight their importance and potential impacts:

Childcare – The additional investment in childcare in 2025-26 is being continued and supports working families, particularly women, who are disproportionately affected by rising childcare costs and caring responsibilities.

Social Care – By continuing the additional funding for social care in 2025-26 to improve hospital discharges and support social care provision, we are providing stability to local authorities which enables them to maintain services and plan for reform. We are continuing our commitment to pay social care workers the real living wage, which supports women who make up 78% of the health and social care workforce.

Why this matters for the budget

This evidence reinforces the importance of a budget that is fair, inclusive and targeted. It shows where public investment can help reduce inequality, improve outcomes, and support those most at risk. It also highlights the need for joined-up action across health, education, housing, transport and employment to address the complex realities people face.

The Strategic Integrated Impact Assessment uses this evidence to test the budget's decisions and ensure that funding is directed where it can have the greatest impact.

Using Evidence Throughout the Budget Process

The evidence gathered was actively used to inform decisions at every stage of the 2026-27 budget process.

June – Budget Strategy Discussions – The research from the Equalities Evidence Unit was considered by Cabinet during its strategic discussions in June in line with our Socio-Economic Duty. Ministers used the findings to understand the social and economic context, assess the risks of disadvantages, and shape the overall direction of the budget.

Summer – Departmental Allocation Decisions - Once the overall budget strategy was agreed, the evidence was made available to teams across the Welsh Government. It supported Welsh Ministers in decisions about how to allocate funding within their portfolios.

September and October – Cross-Government Workshops - a series of workshops were held in September and October. These sessions brought together officials from across departments to discuss the findings, share insights, and ensure that the right people have access to the evidence when advising ministers as we move into the next phase of the budget process.

This process reflects the Welsh Government's commitment to evidence-led policymaking. It ensures decisions are not made in isolation but are informed by a clear understanding of who is affected, how, and why.

What the Evidence Told Us

Health

- People who are older, disabled, trans, or from Gypsy or Irish Traveller communities are more likely to be in poor health.
- Women live longer than men but spend fewer years in good health.
- Mental wellbeing is higher among older people, but suicide rates remain significantly higher for men.

Jobs and Income

- Women, disabled people, and ethnic minority communities are less likely to be in employment.
- The gender pay gap has narrowed.
- Households with a disabled person or where the head of household is from a Black, Asian or Minority Ethnic background are more likely to be in poverty.

Homes

- Disabled people and some ethnic minority communities are more likely to live in social housing and overcrowded conditions.
- People from White backgrounds are more likely to own their homes, while several ethnic minority communities are more likely to live in rented accommodation.

Education

- Girls outperform boys in GCSE results and are more likely to continue in education beyond 16.
- Pupils eligible for Free School Meals are more likely to be persistently absent from school.
- Disabled people are nearly three times as likely to hold no qualifications.

Transport

- People from Black, Asian and Minority Ethnic backgrounds are less likely to own a car and more likely to rely on buses.
- Car use also varies by age, household type and other socioeconomic factors.

Disability

- Disabled people are more likely to be in poverty, unemployed, and materially deprived.
- Disabled people whose condition limits them a lot were among the most likely to report their financial situation negatively impacting their mental and physical health.
- Disabled people are more likely to feel lonely and unsafe, and to experience domestic abuse.

Ethnicity

- Ethnic minority communities face higher rates of poverty, lower home ownership, and greater overcrowding.
- Despite improvements, employment gaps persist between White and ethnic minority groups.
- Ethnic minority pupils are achieving strong GCSE results.

LGBTQ+ Communities

- LGBTQ+ people are more likely to experience poor mental health, loneliness, and live in rented accommodation.
- Trans people are more likely to be disabled and in ill health.
- LGBTQ+ young people, especially those of colour, report high levels of bullying and abuse.

Religion

- People from religious minority groups are less likely to be employed and more likely to live in overcrowded housing.
- Christians are most likely to own their homes, while Muslims are most likely to live in rented housing.

Impacts of Key Decisions

The Draft Budget includes some allocations where the Cabinet has chosen to make deliberate and additional investments in 2026-27. These are intentional decisions, supported by the evidence above, which will help to deliver positive impacts. This section sets out some of those decisions, and the evidence which informed them.

1. Evidence Supporting Continued Investment in Social Care

The decision to include the £30m for social care, which was a feature of the 2025-26 budget agreement, into the baseline funding reflects the positive impact this investment is having on improving outcomes for vulnerable groups and relieving pressure on the wider health and care system.

Older People and Health Outcomes

- 21.6% of the Welsh population in 2023 were aged 65 and over showing a growing demand for age-related health and care.
- The 2021 Census shows that general health declines steadily with age, reinforcing the need for responsive care pathways.
- Older people report higher mental wellbeing than younger groups but are more likely to experience physical health challenges that require co-ordination of services.

Disabled People and Access to Services

- 21.1% of people in Wales reported being disabled, with 10% reporting that their day-to-day activities were limited a lot.
- Disabled people are more likely to live in material deprivation, experience poor health, and report limited access to services.

Impact on Hospital Discharges and System Pressure

- The evidence on poor health among older and disabled populations, combined with material deprivation and limited access to services, supports the need for integrated care pathways.
- The funding improves coordination between health and social care, reducing delays throughout the health and care system, and supporting people to recover from illness and injury at home.

2. Evidence Supporting Continued Investment in Childcare

The decision to embed £30m of additional funding for childcare, which was part of the 2025-26 budget agreement, into the baseline reflects the Welsh Government's commitment to early years support, tackling child poverty, and improving long-term outcomes for children and families.

Child Poverty and Early Years Disadvantage

- Children are the most likely group to be in relative income poverty in Wales. Between 2021–22 and 2023–24, 31% of children were in relative income poverty, compared to 15% of pensioners and 21% of working-age adults.
- Children in workless households face the highest risk, with 56% in poverty, compared to 27% in working households. Even within working households, poverty rates vary significantly depending on employment patterns.
- Persistent poverty affects 16% of children, which is higher than any other age group. This underlines the importance of early intervention to break cycles of disadvantage.

Educational Outcomes and Attendance

- In 2024-25, pupils eligible for Free School Meals were over twice as likely to be persistently absent from school (49.7%) compared to those not eligible (20.4%).
- Early years support through Flying Start can help improve school readiness, attendance, and long-term attainment—especially for children from low-income households.

Support for Women and Families

- Women are disproportionately represented among those accessing food banks and experiencing domestic violence.
- Affordable childcare supports women’s participation in the workforce, helping to reduce gender inequalities in employment and income.

Impact on Providers and Sustainability

- Increasing the hourly rate to £6.40 helps ensure that childcare providers can deliver high-quality services, retain staff, and remain financially viable—particularly in areas of high deprivation or rural Wales where costs are higher.

3. Evidence Supporting the Young Person’s Bus Fare Pilot

This pilot scheme is designed to improve access to transport for young people, reduce costs for families, and support sustainable travel.

Transport Inequality Among Young People

- Car ownership varies by age, with younger people and older people less likely to own a car and more reliant on public transport.

- The evidence suggests that bus use is higher among younger age groups and those who are unemployed or economically inactive. This suggests that affordable bus fares can have a direct impact on mobility and access to opportunities.

Poverty and Cost-of-Living Pressures

- Children and young people are disproportionately affected by poverty, with 31% of children in relative income poverty and 16% experiencing persistent poverty.
- Affordable transport can help reduce barriers to education, training, employment, and social participation—especially for those in workless or low-income households.

Support for Education and Engagement

- The scheme supports young people’s ability to attend school, college, apprenticeships, and work placements, particularly in rural or underserved areas.
- It also aligns with concerns raised by young people themselves: a 2022 survey found that climate change was the most frequent worry among children aged 7–18, suggesting strong support for low-carbon transport options.

Intersectional Benefits

- The pilot is likely to benefit disabled young people, who are more concerned about climate change.
- It also supports ethnic minority communities, who are less likely to own a car and more likely to rely on buses for regular travel.

4. Evidence Supporting Funding for Public Sector Employers’ National Insurance Contributions

During 2025-26, the Welsh Government provided an extra £36 million (in addition to the £185m provided by the UK Government) to help public sector employers meet the rising costs of National Insurance contributions (NICs). For 2026-27, this additional funding has been baselined and uplifted for inflation, ensuring continued support for core public services.

This decision reflects a strategic commitment to protect frontline delivery. Without this funding, public sector organisations would be forced to absorb the entire gap in meeting the increased employer NIC increases from their existing budgets—reducing the resources available for essential services such as health, education, social care, and local government.

By covering 50% of the gap centrally, the Welsh Government is:

- **Safeguarding service delivery** by allowing departments and public bodies to focus more of their core funding on outcomes, not overheads.
- **Supporting workforce stability**, particularly in sectors where staffing costs make up a large proportion of budgets.
- **Reducing financial pressure** on services that are already stretched by inflation, rising demand, and workforce challenges.

This approach ensures that public money continues to be used where it has the greatest impact—in classrooms, clinics, care homes, and communities across Wales.

The Welsh Government continues to make the case to the UK Government that it should meet all the costs to public sector employers of increased National Insurance contributions in Wales, just as it has for the public sector in England.

Spending Decisions with Identified Negative or Disproportionate Impacts

It is important we look back at the 2025-26 SIIA to ensure we are fully aware of any negative or disproportionate impacts arising from the spending decisions made last year and to consider our choices for this year.

The 2025-26 SIIA highlighted some areas where budget decisions may have unintended or disproportionate impacts, particularly on vulnerable groups.

We must also recognise that the 2026-27 Budget approach means that these potentially negative impacts may be replicated for a second year and the impact may be greater.

These include:

Pressures on Health and Social Care Services

Increased pressure and demand on health and social care services will disproportionately affect:

- Women, who make up a larger proportion of the workforce in these sectors.
- Older people, children, and those with complex health conditions, who are more reliant on these services.

Funding was increased last year but ongoing demand and inflationary pressures mean some groups may experience reduced access or quality of care. The 2026-27 budget approach does not mitigate this impact. This evidence will need to be carefully considered in the next stage of the budget process and the preparation of the Final Budget.

Bus Service Decisions

Decisions affecting bus services were identified as having disproportionate impacts on women, Black, Asian and Minority Ethnic communities, Disabled people, older and younger people, low-paid and insecure workers and rural communities, where reduced services increase reliance on private cars.

However, additional allocations made at the 2025-26 Final Budget were not reflected in the SIIA but have now been baselined. This partially mitigates the negative impacts by enabling continued investment.

Cultural Access and Participation

The SIIA highlighted that access to arts, culture and heritage remains unequal, with barriers for:

- People from ethnically diverse communities
- Those in rural areas
- People with disabilities
- Those experiencing economic disadvantage

These groups may find it more difficult to access cultural sites and experiences due to physical, financial, and perceived barriers.

To help mitigate this impact an extra £4.38m was allocated in the 2025-26 Final Budget. This funding has been baselined in the 2026-27 Draft Budget.

Housing and Homelessness

The 2025-26 SIIA highlighted that housing inequalities persist, particularly for disabled people, ethnic minority communities, single-parent households and low-income families.

The Bevan Foundation reported a record number of households in temporary accommodation, many of which are of poor quality and include children.

The Local Government and Housing portfolio has the largest capital budget in the Welsh Government. This provides significant investment in the Social Housing Grant and Transitional Accommodation Capital Programme which aims to deliver more homes and supports our work to end homelessness. However, to fully mitigate all the negative impacts would require larger allocations.

Education and Attainment Gaps

Despite rising funding, the 2025-26 SIIA acknowledged that educational attainment gaps remain stark, especially for disabled children and young people, children from the most disadvantaged backgrounds and Gypsy, Roma and Traveller pupils. These groups continue to face barriers to equal access to childcare and education.

We are prioritising investment to deliver additional learning needs (ALN) support with an additional £5m through the Education portfolio, which builds on the baselined £10m provided in 2025-26. This will help address the impact highlighted in the 2025-26 SIIA.

Collaboration and Involvement

Our approach to the 2026–27 Draft Budget has been shaped by extensive engagement and collaboration with a wide range of stakeholders. The meetings and varied discussions provided additional insights which enrich the evidence base prepared by Welsh Government experts. This section highlights a small number of the issues discussed, which informed the decisions taken in the Draft Budget, and which will be used through this year's budget process.

Engagement with Statutory Commissioners

The Cabinet Secretary for Finance and the Welsh Language met with all four Welsh Commissioners during the Draft Budget Development.

- The **Children's Commissioner** shared insights about the financial pressures on schools and the impact this has on supporting children with complex behavioural needs and accessing mental health services. The commissioner welcomed the inclusion of children's rights in budget planning and the development of guidance to embed this lens across government decisions.
- The **Future Generations Commissioner** emphasised the importance of applying the five ways of working, particularly prevention and long-term thinking.
- The **Welsh Language Commissioner** talked about the benefits that implementing the Welsh Language in Education Act would have if properly resourced. The commissioner welcomed the reinstatement of arts funding and called for bold, targeted investment to maximise impact.

- The **Older People's Commissioner** highlighted the benefits of preventative investment in community-based services, digital inclusion, and transport.

These discussions have directly informed the budget's strategic direction, including the restated investment in social care and childcare framed as preventative measures, and the revised SIIA process that integrates feedback from Commissioners and stakeholders.

Engagement with Social and Sectoral Partners

We have also engaged with:

- **Third Sector Partnership Council and Social Partnership Council**, ensuring voluntary and public sector voices are reflected in budget priorities. These forums have provided valuable insights into the pressures facing communities and the importance of sustaining core services. They shared insights about the potential impacts to services provided by local government about the Draft Budget approach.
- **Local Government Finance Sub-group** plays a critical role in shaping the local government settlement. The Welsh Government has committed to a funding floor and inflationary uplifts to ensure stability and fairness across all 22 local authorities. We will continue to explore further measures and support as we prepare the draft local government settlement later this month (November) and Final Budget (January 2026).

- **Budget Improvement and Impact Advisory Group (BIIAG)** was instrumental in the outcomes of our SIIA review and the new process being trialled this year. Members of the group have presented evidence from their own organisations to the SIIA workshops, and we hope to include more presentations in the preparation of the Final Budget. Following advice from the BIIAG, the next stage of the SIIA will engage with Welsh Government staff networks to ensure our evidence base includes insights from people with lived experience, and we will explore ways to increase participatory budgeting in future years.

Impact on Budget Decisions

The insights from these engagements have influenced several key decisions:

- The budget approach ensures continuity and stability, with inflationary uplifts applied across all departments, safeguarding frontline services while maintaining real-terms funding.
- The SIIA process has been redesigned to be more participatory, with commissioners and stakeholders involved in shaping its content and focus. This ensures that the final assessment published in January will reflect a broader and deeper understanding of impact.
- The Welsh Government has committed to ongoing dialogue with stakeholders throughout the scrutiny period, recognising that collaboration does not end with the publication of the Draft Budget but continues through to the Final Budget and beyond.

How the SIIA fits in our Budget Process

Following feedback from the Senedd Finance Committee and stakeholders, we undertook a review of the SIIA process. The review identified strengths—such as the breadth of evidence and alignment with strategic goals—but also areas for improvement, including timing, clarity, and stakeholder engagement.

Key findings included:

- The need to change the point of publication to inform scrutiny and reflect changes made in the final budget.
- The importance of distinguishing between process and product.
- The value of involving stakeholders throughout the budget cycle.

Our goal for the SIIA is that it is seen as a process, not just a document. It begins with early evidence gathering before the budget strategy is set before the summer recess. It continues through workshops and analysis as the Draft Budget is prepared and culminates in a final assessment after scrutiny has taken place to consider all decisions laid before the Senedd in the Final Budget. This iterative approach ensures that impact assessment is embedded in decision-making, not added on at the end.

Next Steps

This Strategic Integrated Impact Assessment lays the foundation for the final assessment that will accompany the Welsh Government's Final Budget for 2026-27 in January 2026. It reflects our commitment to transparency, collaboration, and continuous improvement in how we assess the impact of budget decisions.

Between now and the publication of the Final Budget:

- Further workshops will be held with officials, policy leads, and external stakeholders to deepen understanding and refine the assessment.
- Engagement with the Budget Improvement and Impact Advisory Group (BIIAG) will continue, ensuring expert input and challenge throughout the process.
- Scrutiny sessions will be conducted across the Senedd, and their outputs will be carefully considered to inform the final SIIA.
- Targeted analysis will be undertaken in identified focus areas, including children's rights, Welsh language, equality, socio-economic disadvantage, and preventative spending.

The result of this work will feed into advice to all Cabinet Secretaries when making final decisions about the 2026-27 Budget. As well as informing the individual choices available, Cabinet will jointly consider the outcome of the full impact assessment when discussing the Final Budget package ahead of publication in January 2026.

The final 2026-27 SIIA report will reflect this ongoing process, providing a comprehensive and strategic assessment of any changes between the Draft and Final Budget. It will demonstrate how the Welsh Government has considered the impacts of its decisions across key statutory and strategic duties, and how collaboration and involvement have shaped the budget to better serve the people of Wales, now and for future generations.