

Welsh Government Draft Budget 2026-27: Discussion with Welsh Youth Parliament Members

16 October 2025

On 16 October 2025, the Committee took evidence from the Cabinet Secretary for Finance and Welsh Language, Mark Drakeford MS, (the Cabinet Secretary) on the Draft Budget 2026-27.

The following Members of the Welsh Youth Parliament (WYP) took part in a private discussion with the Cabinet Secretary after the public evidence session had ended:

- Jake Dillon, Montgomeryshire;
- Grace Lee, Bridgend;
- Nate Hoccom, Newport West; and
- Megan Wyn Jones, Cardiff North.

The following issues were raised:

- The Cabinet Secretary was asked about the unallocated funding in the budget and why this had not been already allocated to fund priority areas that were under strain. The Cabinet Secretary responded by saying that he hoped to find a way for the Senedd to agree to spend



the additional unallocated £380 million, to maximise the money available. The Cabinet Secretary also indicated that this approach reflected the situation of the Welsh Government which did not have sufficient numbers in the Senedd to pass its budget, and that it was important to have money left over in the Draft Budget to negotiate with all party groups and that, if he had allocated all the funding available, those conversations could not take place.

- The views of the Cabinet Secretary was asked how he intended to improve the way money was allocated to the Welsh Government through the Barnett Formula, and how he was intending to cooperate with the UK Government to make this happen and how realistic was this as an aim. The Cabinet Secretary stated that his ambition was to replace the Barnett Formula but added that successive governments have found it very difficult to put something else in its place, mainly because other devolved governments benefit from it. The Cabinet Secretary added that he had made progress in the way the formula works to make it more transparent and made the case to have an independent arbiter when disputes occur between devolved and UK governments on funding decisions.
- A WYP Member mentioned a decision by their local authority to remove educational provision for a particular service, despite funding being made available for it by the Welsh Government, and asked if the Welsh Government would consider providing stricter guidance to local authorities on how funding should be used and for what purpose. The Cabinet Secretary responded that his own view was that the Welsh Government should allow local authorities discretion to make their own decisions and face their own electorates for the consequences of those decisions. Although the Cabinet Secretary acknowledged that it would be tempting to instruct local authorities on how they should spend money, the Cabinet Secretary felt that this would risk undermining local democratic accountability. Other Members of the Committee noted the importance of young people having a voice in decisions made by local authorities with ample opportunities for consultation in decisions that affect them.
- The Cabinet Secretary was asked whether the current Draft Budget would change if the First Minister changed after next year's election. The Cabinet Secretary said that it was important for any new

government to have the ability to move money around to fund their priorities. He added that over a four year Senedd term it was realistic that substantial movements could be achieved in funding to match a government's priorities.

- When asked if the current limit of £350 million in the Wales Reserve could be increased, the Cabinet Secretary explained that limits on the Welsh Government's fiscal tools was one of the more challenging features of fiscal devolution. He added that the Treasury often needs persuading about the maturing nature of devolution because the Welsh Government and Senedd has shown time and again during ten years of fiscal devolution that finances can be managed responsibly without the need for micromanagement from the Treasury.