

APPENDIX 5

DEALING WITH THE SCHOOLS' BUDGET IN 2026/27

1. **Background:** There will be a normal increase in the Gwynedd schools' quantum this year, as the Council (unlike some local authorities) funds inflation, pay increments, and demography.
2. **Pay Inflation:** The schools' budget will increase by **£3.4m** for inflationary pay increases. This will cover the cost of teachers' 4% pay increase for the 5 months April – August, which is the full year effect of the September 2025 pay agreement, and the cost of an estimated further increase of 3% for the September 2026 pay agreement (for the 7 months September 2026 – March 2027). The increase in non-teaching staff costs for April 2025 and an estimate of 3% for April 2026 is also included.
3. **Other Inflation:** The schools' budget will increase by **£599k** for other inflationary increases, mainly increases in energy costs.
4. **Non-teaching Staff Pension:** There will be a 3% decrease in employer pension contribution rate from April 2026, resulting in a decreased cost of (£455k).
5. **Staff Pay Increments:** £562k will be added towards the budget for 2026/27 to deal with increments and a reduction of (£340k) for staff turnover.
6. **Demography (pupil numbers):** The schools' budget will reduce this year due to the usual "demography" adjustments, resulting from changes in pupil numbers. The actual number of pupils in September 2025 will be used to calculate 2026/27 allocations. The situation varies from school to school, but overall, the impact of decreasing pupil numbers means that the schools' budget will reduce (£846k), which includes a reduction of (£637k) for the Primary sector, a reduction of (£659k) for the Secondary sector, and an increase of £450k for special schools. Individual schools will expect an increase / decrease in their allocations proportionate to the change in pupil numbers in the schools.
7. **Bids Recommended for Approval:** The bids section (Appendix 2) of this report shows that there is a recommendation to agree to fund permanent 'bids' for the Education Department for 2026/27 totalling **£2,158k**, which includes funding school transport and additional learning needs and integration.
8. **Savings and Cuts:** Following implementing cuts totalling £1.966m in 2023/24 and 2024/25, there are no plans to implement further savings on schools in 2026/27.

9. **Education Specific Grants:** It appears that specific grants from Welsh Government will continue in Education in 2026/27 following the same distribution method as 2025/26.
10. **Overall Conclusion:** Having taken all the above factors into account, the schools' budget will be higher in 2026/27 than in 2025/26.