

## APPENDIX 5

### DEALING WITH THE SCHOOLS' BUDGET IN 2024/25

- 1. Background:** That 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. Inflation:** The schools' budget will increase by **£9.4m** this year for inflationary increases, including teachers' pay and pension inflation. This will cover the cost of teachers' 6.5% pay increase for the 5 months April – August, which is the full year effect of the September 2023 pay agreement, and the cost of an estimated further increase of 3.5% for the September 2024 pay agreement (for the 7 months September 2024 – March 2025). The increase in non-teaching staff costs for April 2023 and an estimate of 5% for April 2024 is also included. Of course, schools' allocations for energy, including 150% for gas, will also increase with the level of related inflation.
- 3. Teachers' Pension:** There will be a 5% increase in teachers' pension employer contribution rate from April 2024. A specific grant to fund the increase is expected from Welsh Government. No confirmation has been received as yet.
- 4. Staff Pay Increments:** £547k will be added towards the Council's budget for 2024/25 to deal with increments and a reduction of -£188k for staff turnover.
- 5. 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 2023 will be used to calculate 2024/25 allocations. The situation differs from school to school, but overall, the impact of decreasing pupil numbers means that the schools' budget as a whole would reduce -£48k, which includes a reduction of -£474k for the Primary sector, and an increase of +£167k for the Secondary sector and +£259k for the Special sector. Individual schools will expect an increase / decrease in their allocations proportionate to the change in pupil numbers in the schools.
- 6. Savings and Cuts 2023/24 and 2024/25:** The Council had endeavoured to protect schools' budgets since 2015/16, with 13% of savings harvested from schools which represent 30% of the Council's net expenditure. However, by 2023/24, it was inevitable that schools would have to implement savings and cuts. The Full Council decided on 2 March 2023, when setting the 2023/24 budget, to cap a maximum 3%

cut on an individual mainstream school with no cuts for the special sector. Also, it was decided that the cut will be applied over two financial years, which coincides with a school's academic year. The total cut was £1.966m and was apportioned to £1.147m (7/12ths) in 2023/24 and then £0.819m (5/12ths) in 2024/25.

7. **Education Specific Grants:** It appears that specific grants from Welsh Government will continue in Education in 2024/25 at a similar level to 2023/24, but it is expected that work will be carried out to combine some grants in Education.
  
8. **Overall Conclusion:** Having taken all the above factors into account, the schools' budget will be higher in 2024/25 than in 2023/24. Furthermore, it is recommended that permanent bids are approved in Education, specifically in the schools' transport field. More details can be found in Appendix 2.