SCHOOLS' BUDGET FORUM
29.06.26

Present:

Cabinet Members:	Councillors Huw Wyn Jones (Finance)
School Headteachers:	
Primary:	Sian Humphreys (Ysgol y Traeth) Gwion Owens (Cefn Coch and Talsarnau Federation)
Governors:	Councillor Gwilym Jones (Ysgol Borthygest) Carys Meleri Fowles (Ysgol Penybryn and Ysgol Tywyn) Councillor Gwynfor Owen (Ysgol Hafod Lon) Cemlyn Williams (Ysgol Maesincla)
Diocese:	Ms Joanna Thomas (Ysgol y Faenol)
Teachers' Unions:	Mr Clive Thomas (Ysgol Syr Hugh Owen)
Observer:	Gwern ap Rhisiart (Head of Education) Debbie Anne Williams Jones (Assistant Head: Education Services) Kathy Bell (Schools Group Accountant)
Officers:	Dewi Aeron Morgan (Head of Finance), Jasmine Jones and Rhodri Jones (Democracy Services Officers)

1. WELCOME

2. ELECTION OF CHAIR

Councillor Gwynfor Owen was elected as Chair for 2026/27.

3. ELECTION OF VICE-CHAIR

Gwion Owens (Headteacher of Cefn Coch and Talsarnau Federation) was elected as Vice-chair for 2026/27.

4. APOLOGIES

Apologies were received from:

- Dafydd Gibbard (Chief Executive)
- Councillor Dewi Jones (Cabinet Member for Education)

- Councillor Ioan Thomas (Ysgol y Gelli and Ysgol Syr Hugh Owen)
- Mrs Donna Roberts (Ysgol Hafod Lon)
- Mr Eifion Roberts (Ysgol Godre'r Berwyn)
- Ms Rhian Parry Jones (Ysgol Dyffryn Nantlle)
- Ms Jano Owen (Ysgol Bro Idris)
- Ms Nia Puw (Ysgol Llanrug)
- Mr Dylan Jones (Ysgol Brynrefail)
- Mr Aled Williams (Ysgol Ardudwy)

5. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received.

6. URGENT ITEMS

None to note.

7. MINUTES

The Chair signed the minutes of the previous Forum meeting held on 17/02/26 as a true record.

8. MATTERS ARISING FROM THE MINUTES

None to note.

9. SCHOOL BALANCES 31/03/2026

The verbal report was submitted by the School Group Accountant. Members were guided through the school balances tables from March 2017 to March 2026, drawing particular attention to the following:-

- During 2021/22 there had been a significant increase in school balances, during the COVID period, because of the additional funding returned and the time when schools were closed for a period, leading to a significant reduction in costs.
- That there was a decrease in the 2023/2024 balances, and reference was made to a grant received late in 2024 shown in the 2025 balance.
- Of the 94 schools in the county, 7 primary schools and 3 secondary schools were in financial deficit.
- There was a significant reduction from 2025 to 2026 in the secondary sector in terms of finance.

- That schools were in the process of setting budgets, and this would highlight the likely level of balances by the end of March 2027.
- The level of balances was expected to decrease as several schools were reducing their staff for September because of temporary contracts not being extended.
- That the level of balances was approaching 5%, which was a percentage seen as a reasonable level of balances for schools to have.
- It was highlighted that school balances nationally fell from £64.9m in 2025 to £11.3m in 2026 and, out of 1,444 schools nationally, 497 schools were in financial deficit during 2026.
- That the county was facing a reduction in the number of future pupils, which would lead to greater use of balances until schools' weigh-up and gauge how long they can maintain current levels in moving forward.
- That balances questionnaires had been sent to schools, with an expectation for any school with more than 5% of balances to report to the authority on their intentions and what use they made of the money.
- That the authority had the right, in certain cases, to instruct schools how to use their balances and withdraw money if they were not happy with how the money was being used. It was confirmed that since these rights had come into force, the power has never had to be exercised within the county.
- That the Departments of Finance and Education intended to work in conjunction with schools to ensure the best possible use of the funds available.

During the discussion, the following observations were made:-

It was questioned whether one school in debt fed into the figures and made the total balances look smaller. In response, it was confirmed that the figures reported on the net position and therefore schools in debt did affect these net figures.

Concern was expressed about the trend and change in the county's demography and the need for schools to respond to this pattern moving forward and in workforce planning was emphasised. In response, it was noted that this was the third year in which the number of births in Gwynedd had been under a thousand, and therefore there was a clear pattern, and this raised concerns.

It was emphasised that while finance has decreased since COVID, balances remained significantly higher during the 2024-2026 period compared to the pre-COVID period. In response, it was agreed that this was the case, but the level of balances was expected to decrease significantly by the end of the current financial year.

It was expressed that it was immoral for the county to carry so much in its balances, as the money had been earmarked for the benefit of the pupils. In response, there was an agreement with this sentiment, but it was noted that the reality of the situation was that many schools were trying to manage budgets carefully, and may be holding too much back, resulting in high balances. It was agreed that the balances were too high, but it was confirmed that they were on the way down.

10. SECONDARY SCHOOLS' FUNDING FORMULA

The verbal report was presented by the Head of Education. It was noted that several headteachers had expressed the view that the secondary sector allocation needed to be reviewed and that more clarity was needed regarding the formula itself. An interest was expressed in understanding whether the county's schools were making the best use of the funding they were receiving, whether the funding rules were firm in relation to our schools, and how the governing bodies had an input into the arrangements. To this end, it was confirmed that Eifion Jones had been commissioned to carry out a specific piece of work within the secondary sector. It was noted that Eifion Jones had visited every secondary school in the county, had spoken to each headteacher and a representation from the business team, and had looked at the schools' arrangements and, beyond the schools, had carried out work looking at the funding formula itself to come to a conclusion as to whether it was a fair reflection of the current climate and the position of the current numbers of children in schools.

It was confirmed that, from the initial impressions of the work, there was work to be done to refine the formula and certain aspects needed to be looked at in greater detail, for example schools with more than 900 pupils and language cohort elements. It was suggested that it was appropriate for the Forum to ask Eifion Jones to come and report on his findings at the next meeting. It was hoped that the Department would be in a position to report on what it intended to do moving forward as a result of Eifion Jones's recommendations in his report. It was confirmed that Eifion Jones would report back to the Department before the end of the summer term, with the intention, following this, of meeting with all secondary headteachers to ensure that there was clarity in due course about the work to be cascaded to them and to the governing bodies.

An intention was expressed to create an education system within Gwynedd that ensured a fair system for all, and it was noted that this was the intention behind the formula, to ensure that it was fair to all schools, regardless of size. An intention was expressed to fight for additional money to ensure that no one missed out as a result of the changes in the formula and to ensure that any kind of injustice within the formula was rectified.

During the discussion, the following observations were made:-

Concern was expressed that any changes to the formula would result in some schools losing money, particularly in the primary sector. In response, it was noted that the work was currently looking specifically at the secondary sector, with the possibility of expanding the work to the primary sector in the future. It was confirmed that there was no intention to withdraw money from the primary sector to fund the secondary sector as part of the work. Hope was expressed that there would be a possibility of attracting more investment to the secondary sector to avoid any school losing out as a result of this work.

It was questioned whether it was the smaller schools who were creating the problems within the funding formula. In response, it was noted that this was true to some extent, but that it was too simplistic an explanation to convey the situation in its entirety. It was explained that there were several factors that created problems within the funding formula. It was confirmed that the specific piece of work discussed looked at creating fairness within the current formula and system.

The Chair noted that smaller secondary schools as well as schools with higher numbers were affected by challenges, and that it was important to keep this in mind.

11. SERVICE LEVEL AGREEMENTS

The verbal report was presented by the Assistant Head - Education Services. It was noted that at the end of the financial year, several three-year service level agreements would be expiring and therefore they had been updated and circulated to schools, including the clerical service, human resources, grounds maintenance, archives and museums, bank management and the salary and contracts service.

It was confirmed that the Department continued to work on some service agreements with the Property, Finance, Information Technology and Communications Departments. Regarding the secondary sector, it was noted that several discussions had taken place regarding property, in the hope of appointing a property client officer for the secondary sector who would facilitate the process. It was noted that several agreements, which did not need to be updated, remained, such as the Education Business Centre, which had a five-year service agreement. It was noted that the catering and cleaning service agreements were likely to be updated in the current period, when resources allowed.

During the discussion, the following observations were made:-

Awareness was noted of various schools having gone into difficulty in the past by opting out of service level agreements. It was questioned whether most of the county's schools accepted the service-level agreements. In response, it was noted that most of the schools generally bought into the service level agreements, with the most obvious variation existing within grounds maintenance.

It was noted that 80% of the education budget went to schools, with 20% going to central services, with the service level agreements being paid for from school budgets. It questioned whether work was being done on the service level agreements to ensure they provided value for money and reduced work for schools. In response, it was noted that the agreements and their costs were reviewed when the agreements expired and needed to be renewed, and that any potential savings and changes to ensure efficiency were made where possible.

12. WORK PROGRAMME ITEMS

Members were guided through the work programme for the Schools' Budget Forum for the 2026/27 period by the Schools Group Accountant, noting the following items for meetings to come:

Spring Term: Financial Strategy / Budget, Funding Formula, School Funding Plan, Service Level Agreements, Any other fiscal matter affecting schools.

Summer Term: Election of Chair/Vice-chair, Final Accounts/School Balances, School Grants, Funding Formula, School Funding Plan, Service Level Agreements, Any other fiscal matter affecting schools.

Autumn Term: 3-year Fiscal Forecasts, Funding Formula, School Funding Plan, Service Level Agreements, Any other fiscal matter affecting schools.

A willingness was expressed to add items to the work programme as they arose or as the Forum Members wished.

During the discussion, the following observations were made:

The work programme was welcomed and, specifically the intention to hold a meeting in the spring before the budget was approved by the Council.

The need to protect small schools was emphasised, and that it was misleading to note that schools with a decline in numbers needed less money, on the contrary, more funding must be provided to ensure staffing levels were maintained. In response, it was confirmed that this element was kept in mind and addressed throughout the protection process and in running the funding forecasts. Concern was expressed about the fall in pupil numbers, particularly in the secondary sector, and it was agreed that fiscal responses were far more complex than reducing the budget as numbers fell, as there was a need to ensure viable class sizes within schools.

The need to look at each school's individual position was emphasised so that Councillors knew how many cuts schools had to make, noting the view that Councillors were currently unaware of how tight individual school budgets were. In response, it was agreed that projecting the position of individual schools was important, noting that each school's position was unique.

It was noted that Estyn and the Welsh Government had recently released reports on school budgets, which included messages in terms of good practice and recommendations. It was suggested that the Forum consider these reports at a forthcoming meeting. In response, it was agreed to arrange this for a meeting during this period.

13. ANY OTHER BUSINESS

A local issue was raised in relation to a grant application in the Ysgol Syr Hugh Owen catchment area. It was questioned why the bid had not been fully funded, despite an underspend within the Education Department. In response, a willingness was expressed to bring a report before the Forum to explain how the structure was being funded in its entirety. It was noted that the underspend referred to stemmed from vacant posts. It was noted that this underspend funding had been offered as grant funding to promote collaboration, which was one of the Welsh Government’s school improvement priorities. It was confirmed that several bids for the funding had been submitted, and therefore it was not possible to provide all the funding requested in each grant application.

It was expressed that two schools had raised the point that the budgets had been received very late this year, and in fairness the information had been requested earlier to allow them to prepare properly, as any teacher who was to be made redundant needed to know by 31 August. In response, it was noted that the allocation was shared before the end of March each year. It was noted that much of the preparatory work was being carried out based on the projections created during the autumn term, and in the months leading up to the Council finalising the budget. It was confirmed that draft budgets were being run through earlier with schools identified as facing challenges, with the redundancy process formally starting in January.

An update was requested on the £550,000 that had reached the Government for 'ALN Consequentials'. In response, it was stated that the understanding was that none of this money would reach Education, with other priorities identified for this money, such as health. It was noted that there were further discussions to be had regarding the money and some of the money might be part of the budget decisions. It was confirmed that lobbying continued regarding this money.

The meeting commenced at 3.45pm and concluded at 4.30pm.