



18.06.26

Annwyl Syr/Fadam

Ysgrifennaf i'ch hysbysu y cynhelir cyfarfod
FFORWM CYLLID YSGOLION
CEREDIGION yn rhithiol drwy 'Teams' ar
Ddydd Mawrth, 23 Mehefin 2026 am
4.30yh i drafod y materion canlynol:

1. Ymddiheuriadau
2. Datgelu buddiant personol
3. Cadarnhau Cofnodion y Cyfarfod a gyfarfu ar 20 Tachwedd 2025 (*Atodiad A*)
4. Materion yn codi o'r Cofnodion
5. Diweddariad ar sefyllfa ariannol y Cyngor – Alldro 25/26
6. Diweddariad ar sefyllfa Balansau Ysgolion ar 31/03/26
 - Ceredigion (*Atodiad B*)
 - Data Cenedlaethol Dros Dro
7. Gwrthdaro yn y Dwyrain Canol – Ystyriaethau Cyllidol
8. Adroddiad Cenedlaethol Estyn - [Cymorth awdurdodau lleol i ysgolion i reoli eu cyllidebau](#)
9. Newidiadau i Reoliadau Cyllido Ysgolion (yn dod i rym Ebrill 2027) (*Atodiad C*)
10. Unrhyw Fater Arall
11. Dyddiad y Cyfarfod Nesaf

Yr eiddoch yn gywir/ Yours faithfully

Miss Lowri Edwards

Swyddog Arweiniol Corfforaethol: Gwasanaethau Democrataidd/
Corporate Lead Officer: Democratic Services

Dear Sir/Madam

I write to inform you that a Meeting of the
CEREDIGION SCHOOLS BUDGET
FORUM will be held remotely via 'Teams'
on **Tuesday, 23 June 2026** at **4.30pm** for
the transaction of the following business:

1. Apologies
2. Disclosure of personal interest
3. To confirm the Minutes of the Meeting held on 20 November 2025 (*Appendix A*)
4. Matters arising from the Minutes
5. Update on Council wide financial position – 25/26 Outturn
6. Update on School Balances position as at 31/03/26
 - Ceredigion (*Appendix B*)
 - Provisional National Data
7. Middle East Conflict – Financial Considerations
8. Estyn National Report - [Thematic Report - LA Support for school budgets](#)
9. Changes to School Finance Regulations (coming into effect April 2027) (*Appendix C*)
10. Any Other Business
11. Date of Next Meeting

At: Gadeirydd ac Aelodau Fforwm Cyllid Ysgolion Ceredigion

To: Chairman and Members of the Ceredigion Schools Budget Forum

**Minutes of the meeting of the Ceredigion Schools Budget Forum held
remotely via Teams on Thursday, 20 November 2025**

PRESENT: Councillor Wyn Thomas (Chair), Cabinet Member for Schools, Lifelong Learning and Skills; Councillor Bryan Davies, Leader of the Council and Cabinet Member for Democratic Services, Policy, Performance and People and Organisation; Councillor Chris James, Chair of the Learning Communities Overview and Scrutiny Committee; Lee Burrows, Head Teacher: Ysgol Cenarth a Llechryd; Carol Davies, Head Teacher: Ysgol Dyffryn Cledlyn; Peter Leggett, Head Teacher: Ysgol Gynradd Rhydypennau; Carys Morgan, Head Teacher: Ysgol Bro Pedr and Dorian Pugh, Head Teacher: Ysgol Henry Richard.

OFFICERS PRESENT: Elen James, Chief Education Officer and Executive Corporate Lead Officer: Schools, Lifelong Learning and Culture; Carys Fowles, Finance Manager: Schools and Customer Contact and Neris Morgans, Democratic Services Officer.

(4.24pm – 4.54pm)

1. Apologies

- i. Mair Hughes, Head Teacher: Ysgol Penglais apologised for her inability to attend the meeting.
- ii. Councillor Bryan Davies, Leader of the Council and Cabinet Member for Democratic Services, Policy, Performance and People and Organisation apologised for joining the meeting late.
- iii. Duncan Hall, Executive Corporate Lead Officer: Finance and Procurement apologised for his inability to attend the meeting due to other Council commitments.

2. Disclosure of personal interest

There were no disclosures of personal interests.

3. To confirm the Minutes of the Meeting held on 5 December 2024

It was **RESOLVED** to confirm the minutes of the meeting held on 5 December 2024 as a correct record.

4. Matters arising from the Minutes

None.

5. Overall Corporate Position

The Finance Manager presented the Overall Corporate Position, highlighting the following points:

- The in year Q2 position - broadly breakeven revenue position overall and Pay awards and Employers NI had been resolved, although some Capital funding challenges continued to be resolved.
- The updated MTFS (2026/27 to 2030/31) was approved by Full Council on 23/10/25 - included key assumptions modelled around pay for next year (2.75%) and Council Tax (modelled at 7.5%) and an assumed £1m of operational savings / income for 2026/27 (no reference to Schools bar invest to save energy). The scenario would result in a £1.4m Budget shortfall for 2026/27.

- The Welsh Government (WG) 2026/27 Provisional Settlement was due on 24/11/25 with a funding floor of 2.3% now expected as announced in WG's Draft Budget. The current working assumption was that funding to cover the full year effect of this year's pay-awards (Teachers and NJC 0.2%) as well as next year's modelled pay-awards would be fully passported to the Delegated Schools Budget; therefore, the financial challenge at an individual school level would predominantly be driven by pupil numbers.
- If savings were required, this would be discussed with schools before Christmas.

It was **AGREED** to note the information.

6. Schools Delegated Budget (School Balances)

The Finance Manager presented information on school balances. The information was in the public domain and would be circulated to the Forum following the meeting. She reported that the actual reserves had decreased from April 2023 to April 2024, before increasing again by April 2025. A decrease was projected by April 2026. All schools were utilising their reserves, with 3 schools in deficit in April 2025. She added that Ceredigion had the fewest schools in deficit across Wales, which reflected the dedication of Head Teachers.

Councillor Bryan Davies stated it was key that the Governing Bodies of the schools in deficit were supportive and provided reassurance that every effort was being made to improve the situation.

The Chief Education Officer explained that a workshop was held in February 2024 for headteachers only with schools with 30 or fewer children and another with 50 or fewer children to discuss budgets. Following further meetings and close work between the schools service and schools, most schools ended the year with a balanced budget. Although the workshops may not take place next year, Officers would continue to work closely with the schools and the Chairs of Governing Bodies.

The Finance Manager noted that permission had to be sought from the Chief Education Officer and the Executive Corporate Lead Officer: Finance and Procurement by the schools in a deficit, and a recovery plan had been put in place as a result.

Councillor Bryan Davies stated that if the recovery plan was not achievable, it was key that schools communicated this with Officers.

In response to a query by Peter Leggett, Head Teacher: Ysgol Gynradd Rhydypennau related to a financial update he had received recently, and that the formula funding would be reduced, the Finance Manager stated she would clarify the position with him following the meeting. She explained that as the aim was to finance the increase in pay, funding should be similar, unless there were significant changes in pupil numbers or the Additional Learning Needs (ALN) of the school.

Dorian Pugh, Head Teacher: Ysgol Henry Richard noted that the school's finances had been relatively healthy, however, finances were tight overall. He added that there had recently been a restructure at the school, and they were increasingly relying on the effort and goodwill of staff.

The Finance Manager stated the concern was echoed by all head teachers, and the Chief Executive, the Leader of the Council and the Executive Corporate Lead Officer: Finance and Procurement were aware of this. In relation to the announcement of £8.2m of funding announced by WG to improve ALN reforms, she clarified that she had sent a message to WG requesting further details. In addition, the proposals to moving ALNCos to leadership pay and conditions as per the recommendation from the Independent Welsh Pay Review Body's (IWPRB) fifth report were currently being consulted upon by WG.

It was **AGREED** to note the information.

7. Formula Funding 2025-26

It was noted that Head Teachers had already received a copy of the information, but it would be circulated again following the meeting.

The Finance Manager noted there had been a written statement by WG on changes to school funding from March 2026 ([Written Statement: Consultation on the School Funding, Budget Statements and Outturn Statements \(Wales\) Regulations 2026 \(20 November 2025\) | GOV.WALES](#)). Any changes proposed would be considered by the Forum at a later date and implemented from 1 April 2027 onwards.

In response to a concern raised by Peter Leggett, Head Teacher: Ysgol Gynradd Rhydypennau on the decline in the number of free school meals despite correspondence and engagement sessions, the Finance Manager clarified WG were aware of the situation. She added that data such as the number of free school meals per school would need to be collated during considerations to any changes to school funding.

The Chief Education Officer added there had been a decline in the number of free school meals across Wales, despite many marketing campaigns. She extended her thanks to the Officers for the work involved with preparing school budgets and for their promptness in responding to any queries.

Carol Davies, Head Teacher: Ysgol Dyffryn Cledlyn echoed the Chief Education Officer's thanks to the Officers for their work and proactiveness.

It was **AGREED** to note the information.

8. Grants

The Finance Manager presented information on the main grants received by schools for 2025-26, which totalled £5,992,011. This information would be circulated to the Forum following the meeting. She explained that the process had changed with grants and WG determined the amount to be provided to each school, which had not been the case in the past.

The Chief Education Officer confirmed that if the local authority received additional grant funding for education, this was passed directly to schools.

The Leader of the Council thanked the Finance and Procurement Service for their diligent work. He explained that a high percentage of the local authority's budget was allocated to schools; however, he was aware of the challenges faced by schools. He added that there was a responsibility on all to ensure funding was used efficiently.

It was **AGREED** to note the information.

9. Any Other Business

None.

10. Date of next meeting

Date of next meeting to be circulated in due course.

The Chair extended his thanks to all school staff and Officers for their work. He wished all present a Merry Christmas.

Rhif/ No	Ysgol / School	Cronfeydd wrth Gefn Gwirioneddol Ebrill 2022/ Actual Reserves April 2022	Cronfeydd wrth Gefn Gwirioneddol Ebrill 2023/ Actual Reserves April 2023	Cronfeydd wrth Gefn Gwirioneddol Ebrill 2024/ Actual Reserves April 2024	Cronfeydd wrth Gefn Gwirioneddol Ebrill 2025/ Actual Reserves April 2025	Cronfeydd wrth Gefn GWIRIONEDDOL 2026/ ACTUAL Reserves 2026
2281	Aberaeron	224,586	141,634	98,712	55,550	20,097
2291	Llanarth	50,079	41,113	44,028	59,964	34,081
2293	Llanon	44,403	43,745	51,866	44,472	35,038
2295	Cei Newydd	31,854	6,564	7,369	6,999	19,820
2298	Talgarreg	60,244	16,778	- 6,958	- 1,097	5,010
2299	Ysgol Gymraeg	202,620	47,174	2,411	74,447	96,315
2303	Comins Coch	166,405	128,689	112,661	89,199	47,512
2308	Llanfarian	96,061	78,441	49,261	30,938	34,155
2309	Llanfihangel	71,650	46,382	19,983	- 10,055	-23,923
2310	Llangwryfon	54,379	25,247	1,089	- 11,286	-11,678
2311	Llanilar	106,398	86,877	64,012	55,061	46,174
2312	Mynach	59,246	45,928	38,166	41,113	82,812
2313	Penllwyn	69,946	49,462	44,145	17,261	6,540
2314	Llwyn yr Eos	228,530	82,954	4,971	52,086	48,886
2315	Syr John Rhys	77,658	58,176	65,368	52,894	50,334
2316	Rhydypennau	180,024	125,467	81,070	68,826	53,667
2317	Talybont	70,284	29,557	36,824	36,691	25,783
2319	Aberporth	113,687	23,608	80,973	113,588	89,792
2323	Llechryd	97,905	52,175	48,836	65,757	90,281
2324	Penparc	77,973	48,998	17,580	6,480	39,898
2353	Pontrhydfendigaid	94,731	61,975	24,418	65,535	51,184
2361	Plascrug	273,836	232,293	220,343	256,820	228,439
2362	Craig yr Wylfa	40,341	19,765	4,170	2,468	6,009
2363	Penrhyncoch	100,861	53,473	17,472	24,240	24,675
2366	Y Dderi	87,788	13,127	425	27,188	58,467
2367	Cenarth	79,385	21,713	3,288	31,156	93,695
2368	Aberteifi	365,389	281,656	244,256	181,747	97,303
2369	Bro Siôn Cwilt	153,063	92,417	42,933	20,427	2,821
2371	T Llew Jones	189,124	143,868	77,349	74,632	81,410
2372	Rhos Helyg	143,666	110,188	95,725	70,956	48,658
2374	Dyffryn Aeron				85,224	117,670
3058	Myfenydd	106,540	50,556	57,172	53,515	70,949
3061	Dyffryn Cledlyn	142,941	60,667	7,678	29,460	50,667
3318	Padarn Sant	158,754	125,386	84,381	86,694	49,155
CYFANSWM CYNRADD /						
TOTAL PRIMARY		4,020,351	2,446,054	1,741,976	1,858,950	1,771,696

4042 Aberaeron	514,242	153,385	156,604	194,051	132,713
4044 Aberteifi	360,974	191,666	28,788	59,041	23,157
4047 Penglais	1,058,589	862,707	624,403	418,171	223,464
4048 Penweddig	467,511	242,618	166,041	88,365	95,030
CYFANSWM UWCHRADD					
/ TOTAL SECONDARY	2,401,316	1,450,376	975,835	759,628	474,364
5500 Bro Pedr	455,841	148,336	59,072	280,812	260,933
5501 Henry Richard	422,867	306,983	308,470	350,868	240,948
5502 Bro Teifi	802,182	627,784	606,176	551,508	325,245
CYFANSWM GYDOL OED /	1,680,890	1,083,103	973,718	1,183,188	827,126
TOTAL ALL THROUGH					
CYFANSWM / TOTAL	8,102,557	4,979,532	3,691,529	3,801,766	3,073,186

BRIEFING PAPER FOR

SCHOOLS FINANCE FORUM

Report of:	Duncan Hall and Carys Fowles
Date:	23/06/26
Purpose of the Report:	To update Schools Finance Forum on the impact of the new School Funding, Budget Statements and Outturn Statements (Wales) Regulations 2026

1. **Background**

From 1st February 2027 the School Funding, Budget Statements and Outturn Statements (Wales) Regulations 2026, will revoke and replace previous Regulations.

The new Regulations will apply to financial years that commence on or after 1st April 2027.

The purpose of the changes is to provide greater transparency, comparability and consistency in the school funding system across Wales

The Regulations will require us to make changes to:

- **The Delegated Schools Formula Funding**
- **Scheme for Financing Schools**
- **Budget and Outturn Statements (Section 52)**

2. **Delegated Schools Formula Funding**

Local Authorities will continue to determine delegated school funding through a locally agreed formula. However the Regulations stipulate that some factors must/must not be included in the formula.

Changes required:

- NNDR (Non Domestic Rates) can NOT be delegated to schools, the budget and costs for this will have to be centrally retained.

NNDR is currently delegated to schools, however, moving the budget and costs centrally will have no financial impact on individual schools

- A specific budget line for social deprivation will be required, based on either Free School Meals data or the Welsh Index of Multiple Deprivation. The funding cannot be used to support ALN provision.

We do currently use FSM data for providing a budget for intervention groups within schools

- Formally Federated schools (2 or more separate schools which have been formally federated, so they have 1 Head Teacher and 1 Governing Body), may, if they wish, merge the individual school budgets to create a single combined budget for the schools. Individual budgets will continue to be allocated for each school, but governing bodies may opt to merge these to reduce administrative burden.

In Ceredigion, we only have one formal federation – Penrhyncoch and Penllwyn

3. Scheme for Financing Schools

Our current Scheme hasn't been updated for several years, so requires revision to reflect the changes in the new regulations, as well as refreshing for other recent developments.

New provisions required:

- Federated schools – merging of budgets
- Set out areas of school budgets which are not delegated to schools, but retained centrally.
- Surplus budgets thresholds – now 5% of budget (previous thresholds were fixed values - £50k per Primary, and £100k per Secondary).
- Set out how LA will monitor use of any surplus exceeding 5%.
- Include provision requiring governing body to submit a deficit recovery plan to recoup any deficits. Our current scheme does include a clear section on deficits, but need to enhance this by including statement setting out a more formal process in relation to a deficit recovery plan etc.

There are additional provisions that are likely to be included in the new Scheme:

- Use of Private Accounts (likely to be by exception only)
- Use of Council Corporate Credit Cards
- Ensure alignment with the Council's new Contract Procedure Rules.
- Ensure alignment with any changes following the intended review of Financial Regulations in summer 2026.

4. Budget and Outturn Statements (Section 52)

New templates will be provided by Welsh Government, which will be reported on by 31st March (Budget), and 31st July (Outturn) next year.

All documents; Formula funding, Scheme for Financing Schools, Budget and Outturn Statements will have to be published on the Council Website, so that it's accessible to the general public. Electronic copies will need to be sent to all Headteachers and Governors.

5. Conclusion & Next Steps

There are a number of key deadlines to meet to ensure that formal consultation is undertaken with Headteachers and Governors on the relevant aspects, as well as following the normal governance routes through the Schools Finance Forum, Learning Communities Overview & Scrutiny Committee and final approval from Cabinet – all to be finalised and in place by February 2027.

The current outline timetable is:

Key Steps	Date	Responsible
1. Attend National WG presentation meeting	13/05/26	JD / CF / LH
2. Briefing Paper to Leadership Group	June	DH
3. Briefing Paper to Schools Finance Forum	23/06/26	DH / CF
4. Ceredigion School Finance Officers Training / Workshop session with WG	07/07/26	CF / JD
5. Undertake work on changes required	July - September	CF / LH
6. Present draft proposals for discussion (pre-consultation) to the Schools Finance Forum	15/10/26	DH / EJ / CF
7. Start formal Consultation with Headteachers & Chairs of Governors (assume 6 week consultation period)	Mid October to end of November	DH / EJ / CF
8. Report Consultation responses back to Schools Finance Forum	Early December (date tbc)	DH / EJ / CF
9. Present draft proposals and consultation feedback to Learning Communities Scrutiny Committee (Current scheduled dates are 12/11/26 then 04/02/27)	Additional Cttee in Mid December or early January?	DH / EJ
10. Present final proposals for approval to Cabinet (note Cabinet dates may change once the 27/28 Budget timetable is finalised)	Either 05/01/27 or 16/02/27	DH / EJ

Recommendation(s)	1. To note the impact of the new School Funding, Budget Statements and Outturn Statements (Wales) Regulations 2026 including the associated programme of work required and the timescales involved.
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