

# EDUCATION DIRECTORATE

## MINUTES OF THE MEETING OF CARDIFF SCHOOLS' BUDGET FORUM



**Time:** 8.30am – 10.30am  
**Date:** 7<sup>th</sup> May 2025  
**Location:** Microsoft Teams  
**Present:** Chair – Andrew Skinner (AS), Cllr Sarah Merry (SM), Cllr Chris Weaver (CW), Melanie Godfrey (MG), Helen Williams (HW), Richard Portas (RP), Eifion Austin (EA), Angela Jardine (AJ), Nic Naish (NN), Nicola Price (NP), Paul Tucker (PT), Tim Adams (TA), Stuart Davies (SD), David Silver (DS), Abigale Cuthbert (AC), Nick Alexander (NA), Suzanne Scarlett (SS), Matthew Evans (ME), Carys Prytherch (CP), Ivor Gittins (IG), Will Howlett (WH), Wayne Murphy (WM), Gareth Rein (GR), Sarah Parry (SP), Saffron Herbert (SH), Catherine Power (CP), Education Management Clerk

**Apologies:** Marc Belli (MB), Geraldine Foley (GF), Ian Allwood (IA), Alison Poole (AP), Phillip Andrews (PA), Diane Gill (DG), Emma Richards (ER), Alison Powell (AP), Cllr Joel Williams (JW), Suzanne Williams (SW), Patrick Brunnock (PB), Sara Allen (SA), Ann Griffin (AG)

Ref	Conclusions/Actions	Who
1.0	<b>Apologies and welcome</b>	
1.1	The Chair welcomed members and accepted apologies.	
2.0	<b>Minutes of the previous meeting and matters arising</b>	
	The minutes of the previous meeting were approved as an accurate record.	
2.1	Matters arising/actions from the previous meeting: <ul style="list-style-type: none"> <li><b>Action:</b> Finance officers liaised with headteachers on tools to assist in their planning. These will be refined following further discussions and brought to the SBF in September 2025.</li> <li>EA noted reviews undertaken including financial planning/implementation of the new model of funding for SAO's. Various SLAs between clusters were in train (some being developed, some confirmed). Funding will follow various cluster agreements in the next few weeks. <b>Action:</b> Financial planning/implementation of the new model of funding for SAO's will be discussed at SBF in six to nine months, following progression of reviews.</li> <li><b>Action:</b> IA will provide indications on the difference in figures between the formula methods of 2024/25 and 2025/26, for assurance to SBF members (further covered in item 6).</li> <li>EA will routinely provide a briefing paper on changes to the Formula implemented, including examination fees in secondary schools. <b>Action:</b> Changes/assumptions within the formula will be confirmed in January as a sensitivity test. Further covered in item 6.</li> <li><b>Action:</b> MO'B will provide in-depth detail on the SLA, packages and matters the school must arrange outside of the full package.</li> </ul>	Clerk for Sept Agenda  EA/IA  IA  EA/IA  MO'B
3.0	<b>School Balances 2024/25</b>	

3.1

*Early indication on where the last financial year closed*

EA noted analysis of accumulative balances per sector, highlighting historic changes to balances for schools with deficit/surplus, in-year deficits and surpluses, analysis per sector of in-year changes from governor approved budgets and applications for deficit.

Schools' surplus balances peaked in March 2022 at £32m, reducing each year, ending financial year 2024/25 with accumulative school balances of £7m. This was a drawdown of £2.5m against prior year accumulative balances (equivalent of 26%).

The position was a significant improvement on the governor approved accumulative balance (£2.7m deficit). The in-year change (£10m) from the governor approved budget was due to additional in-year grants of £4.5m from WG (excludes Teacher Pay and Pension grant) and £5.2m from individual schools in-year improved positions.

The Primary sector drawdown of £766k was equivalent to 18% of prior year balance, secondary sector £1.5m equivalent to 33%, and special schools £190k (25%).

Primary sector deficit

- Although the number of deficit balances in primary schools had increased, the rate of increase had slowed from the previous year.
- Average deficit in March 2025 £80k, total deficit £2.8m.
- This included in-year deficit of £2.7m (in-year deficits had continued to reduce).
- From the 28 schools with in-year deficit in March 2024, 19 deteriorated in 2024/25 (average £69k) and 9 schools reversed their in-year deficit, accumulating surplus balances (average £39k).

Primary sector surplus

The number of primary schools with a surplus balance (65) had decreased (c9%) from the previous year, however the total surplus of £6.2m had increased (c12%), (average per school c24%). This included in-year surplus of £1.9m.

Primary sector governor approved budget and outturn

- 38 requested a deficit (total £3.7m, average £97k)
- 32 ended the financial year in a deficit position (total £2.6m, average £83k)
- 6 ended the financial year with a total of £152k surplus, average £25k, primarily due to in-year grants from WG.
- 60 schools with governor approved surplus budget (accumulative £2.2m) increased their surplus by £3.7M (£2.3m grants, £1.4m school specific changes). Total accumulative £5.9m.
- Of these, 3 ended the year in deficit (£105k)
- 57 ended the year with £6m accumulative increased surplus balance (average £105k).
- Final outturn position £3.4m

The Chair invited views in relation to quality of learning and provision supplied.

PT noted schools had an improved position due to grants received in year, however, the timing of budgets and setting deficit budgets had been at significant detriment to offer and interventions to individual/groups of children, along with reduction of staff.

NN echoed minimum staffing and reduction of interventions/support offered at primary level which would impact on secondaries. Some secondaries had reduced year 7 offer of support and differing universal provision. The ALN team were undertaking ongoing work with secondaries on universal provision to ensure continuity of transition across Cardiff.

NA highlighted staff reductions, particularly TAs, adding pressure to complexity of ALN needs.

WH echoed comments made, pointing out a reduction in school leadership teams, increased workload, duties and pressure on staff.

AJ noted impact on morale, with staff covering other roles as schools struggle to maintain provision. When staff leave specialist knowledge and expertise was often lost to the whole of the education system, particularly when support staff moved to alternative roles outside of education.

CP agreed with observations, noting impact of additional workload pressure on HTs/DHTs covering roles previously carried out by other members of staff. The long-term impact of reduced support on our most vulnerable pupils was difficult to gauge presently but was likely to be significant.

The Chair cautioned being mindful of budget effects on wellbeing.

#### Secondary sector outturn

- Accumulative balance eroded to £3m.
- Deficit balances increased to £2.3m (average £286)
- Despite the number of schools with surplus balance continuing to decrease (total surplus outturn £5.3m), the average surplus balance had increased to £530k, mitigating the reduction in number of schools in surplus balances.
- Reduction in number of in-year deficit and in 2024/25 a reduction in the average in year deficit.
- Both the number of schools with in-year surplus increased and totality of in-year surplus balance, reducing the rate of balance drawdown.
- Of the schools that were in deficit on the 31<sup>st</sup> of March 2024, four Schools increased their deficit by an average of £275k, one school ended the financial year with an in-year surplus of £523k.

#### Secondary schools governor approved budget and outturn

- Accumulative deficit was estimated at £1.4m, with seven schools in a £2.8m of deficit and eleven schools in a £1.3m surplus.
- Of the seven schools that had an agreed deficit, six schools ended with a deficit of £1.8m, and one in a surplus of £17k. The improvement of £1m in-year was due to school specific changes and additional in year grants.
- Of the eleven Schools that had a Governor approved surplus budget, two schools ended in a deficit position, average £250k, and nine finished in the year with a surplus on average of £587k. The improvement of £4.5m was

	<p>due to additional grants of £540k and £2.9m of specific changes within schools in-year.</p> <p>The Chair invited observations from secondary school colleagues.</p> <p>SD echoed concerns raised by primary colleagues, even schools posting surpluses were having to review staffing and make cuts to provision, streamlining curriculum offers. Concerns on workload, particularly for leadership teams, were echoed at secondary level.</p> <p>ME echoed comments, noting added uncertainty with the unknown top slice of IT and Ed Tech, delaying school decisions. More timely information would be helpful in setting the budget.</p> <p>DS questioned information on 2025/26 budgets. EA confirmed similar analysis on governor approved budgets would be brought to the next SBF (<b>action</b>). Confirmation from schools on surplus and deficit budgets was pending.</p> <p><u>Special schools outturn</u></p> <ul style="list-style-type: none"> <li>• One school remains in deficit (£148k).</li> <li>• Average surplus (£118k) was reducing.</li> <li>• Most special schools achieved a decrease in-year deficits, with a lower average, resulting in a reduction in the accumulative balance (£565k).</li> <li>• The outturn position for both deficit and surplus schools ended the financial year in a better position that at Governor approved budget.</li> <li>• As the sector was less reliant on grants (including in-year), due to low pupil numbers, improvement was due to in-year performance and improved financial position.</li> </ul> <p>WM noted increased demand for the special school sector and increased class numbers, required to balance financial position.</p>	
4.0	<b>SBF ToR</b>	
4.1	<p>EA noted the SBF ToR was based on Schools Forum (Wales) Regulations 2003 and procurement directives. Financial thresholds had since become outdated (particularly regarding contracts for supplies and services exceeding the threshold for procurement). The SBF to be consulted on contracts for supplies and services exceeding the current thresholds, set at:-</p> <ul style="list-style-type: none"> <li>• Services £172,514</li> <li>• Supplies £172,514</li> <li>• Works £4,322,012</li> </ul> <p>A twice-yearly contracts report was suggested, with thresholds refreshed.</p> <p>NN suggested an annual report to understand contracts engaged with as part of education/school's budget, and a breakdown of costs, providing clarity and transparency.</p> <p><b>Action:</b> an update will be provided at the next meeting.</p> <p><b>Action:</b> The Chair and Vice Chair will review SBF membership, in line with the ToR, outside of this meeting. The Chair will remind diocese of the opportunity to</p>	IA, EA

	represent at SBF. Thoughts and observations on the ToR were invited from the forum to the Chair and EA.	Chair, Vice Chair
5.0	<b>Schools Deficit Budget Protocol</b>	
5.1	<p>EA briefed the forum on updates to Schools Deficit Budget Protocol, providing improved clarity on schools' responsibilities and expectations from the LA, including:</p> <ul style="list-style-type: none"> <li>• Increased communication between school and the LA where a school could not set a three-year recovery plan, with potential meetings to discuss and determine feasibility of establishing a medium-term recovery plan.</li> <li>• Failure of the governing body to keep within the terms of the agreement would result in a meeting with the school and the authority.</li> <li>• Schools would be in breach of financial regulations should they set a deficit budget that had not been approved by the Director of Education and Corporate Director, Resources. This would result in a formal Notice of Concern being issued to the Governing Body and might result in the suspension of delegated financial powers.</li> <li>• For clarity all staffing approvals must be submitted prior to recruitment. Any other staffing changes must be approved prior to any decision being communicated to affected staff.</li> <li>• Any staffing adjustments requiring a recruitment process to be undertaken would only proceed after agreement by the Head of Finance, prior to advertisement, after the school has evidenced, with agreement from Human Resources, that use of all possible avenues of the redeployment pool had been undertaken.</li> <li>• Any staffing adjustments requiring expenditure would only be allowed upon the express agreement of the Head of Finance.</li> <li>• Governing bodies are only allowed to make staffing adjustments where there is no financial commitment in the current year and term of the financial plan.</li> <li>• Schools requesting to set a deficit, that have chequebook status, will be referred to the Head of Finance and be required to provide a full cash flow projection, which will be evaluated and considered as part of the deficit procedure. The authority will provide statement of expected cashflows to schools, detailing expected income (monthly budget allocation and quarterly grant receipts) and expected recovery of funds from processing payroll (based on current payroll) to assist.</li> <li>• At monitoring junctures of month 6 (by mid-November) and 9 (early February), any deterioration in the anticipated deficit from the position from the agreed governor approved budget or other concerns raised, will lead to escalation to Head of Finance and Director of Education. Divergence from the Governor Approved budget particularly on agency staff costs and external income from fees and charges will be reviewed by the authority.</li> </ul> <p>Intervention will increase across four stages:</p> <ul style="list-style-type: none"> <li>• Stage 1 – A School that is showing a deteriorating financial position at month 6 and month 9 monitoring position, will be required to provide a statement, explaining the divergence from the governor approved budget, which will be assessed by the authority. The Local authority can request a written statement if a specific concern has been raised during financial monitoring. Any written statement will need to address the causes of any deterioration</li> </ul>	

and what actions will be taken to address deterioration, with clear timelines indicated.

- Stage 2- A School that fails to take the necessary action will be required to attend a meeting with the Director of Education and the Corporate Director, Resources or a representative of each officer, to give an explanation as to why progress to date has not been satisfactory. The action the Local Authority recommends will be outlined in a letter sent to the Headteacher and Chair of Governors and the school given one month to respond.
- Stage 3 – Where progress at stage 1 is not satisfactory a formal Notice of Concern will be issued. An assessment will be undertaken by the LA to identify the further support the school may require.
- Stage 4 – Suspension of delegated of financial powers. Where the Local Authority considers that insufficient progress has been made by the Headteacher and governing body, a decision will be made by the by the Director of Education and Corporate Director, Resources to suspend delegation. Under suspended delegation, the Local Authority would take control of the school's budget with all budgetary decisions being the responsibility of the Local Authority. School staff would be responsible for the day-to-day financial administration and would be required to report to the Local Authority.

The Chair noted clear changes made and advocated being mindful of the speed schools need to undertake decisions, requiring an agile response from the LA.

SP asked whether protocol related to internal and/or external recruitment for vacated roles. EA confirmed any decision where there was opportunity to avoid increasing the school's financial cost, requiring authorisation. The Chair underlined any staffing changes where movement incurs costs to the school's budget.

AJ welcomed increased emphasis on consideration of redeployment prior to recruitment.

NN asked whether proposals coincided with leadership leaving and opportunities for collaboration/federation, EA confirmed they were not linked. The approach to deficit protocol was refined to strengthen consistency and equity across the school system.

ME highlighted beneficial staffing changes to the school and requirement to promptly advertise, i.e., following resignations. MG pointed out the need for active controls, officers would continue to respond quickly. Cases for reduction would be welcomed; increased costs proposals would be acted on promptly. **Action:** Process to be confirmed in the document – who approves and commitment to respond within a certain period, to provide assurance to headteachers.

The Chair reiterated need for financial control and assurance. MG emphasised clear cases would expediate response.

EA will provide full cashflow projections early next week (monthly budgeted allocation, quarterly LAEG allocation and dates of recovery of payroll costs) for all cheque book schools, ensuring clear communications for the start of the year.

Monitoring of chequebook status would be enhanced, enforcing removal of chequebook status where moving into deficit.

IA, EA

	<p>ME pointed out schools' struggle with cashflow due to late payments from the authority and delayed grant incomes from WG, prompt payments would be helpful. Monthly payments were challenging.</p> <p>EA noted the authority's treasury management income target. Cashflow was used as effectively as possible, with payments to schools following cashflow into the authority. The documents outlined formalised cashflow management between the authority and schools and work ahead, ensuring robust processes. Enhanced monitoring would also identify reasons behind schools falling into deficit, be assessed internally and fed back to SBF.</p> <p>Changes to the deficit protocol were working assumptions. EA will discuss the process with MG and IA to consider changes required.</p> <p>NN noted the school's finance officer routinely considers/affirms whether the school has sufficient funding for recruitment.</p> <p><b>Action:</b> School's deficit protocol will be brought back to the forum.</p>	Clerk
6.0	<b>Formula Adjustments</b>	
6.1	<p>EA noted:</p> <ul style="list-style-type: none"> <li>• Proposal to communicate assumed changes to School Formula by Funding Stream in January SBF (changes to formula per sector).</li> <li>• Decisions are looked to be undertaken in a timely manner to receive comments on proposed changes before finalisation.</li> <li>• Material changes after January would be communicated to SBF through the Chair.</li> <li>• Proposal for any changes to budget realignment after January SBF would be put to the Chair for consultation.</li> <li>• Discretion for minor changes, ensuring formula runs smoothly.</li> <li>• Impact of changes will be monitored internally.</li> <li>• Changes would be shown per sector and include a sample school analysis of changes.</li> <li>• Introduction of two annual reports/statements:             <ol style="list-style-type: none"> <li>1. Schools outturn report                 <ul style="list-style-type: none"> <li>➤ Report on balances/performance compared to Governor Approved Budget</li> <li>➤ Grants allocation</li> <li>➤ Delegated schools pooled budgets – detail per sector</li> <li>➤ Section 52 outturn report – thematic spend details</li> </ul> </li> <li>2. Delegated school funding report                 <ul style="list-style-type: none"> <li>➤ Detailing budget changes per sector</li> <li>➤ Assumptions used for setting budget and allocation of funding</li> <li>➤ Analysis of current allocation with prior year allocation, inc snapshot and prior year to current year funding analysis per sector.</li> </ul> </li> </ol> </li> </ul> <p>NA welcomed information on budget changes year on year, questioning changes to teachers' workload agreement, as the line was missing. EA confirmed realignment of funds from workforce planning and performance management were net nil, moved from one line to two.</p>	



	<ul style="list-style-type: none"> <li>Engage with schools to ensure implications of pupil mobility are fully understood.</li> <li>Model financial impact and appropriate funding assumptions.</li> <li>Initial conversation in the financial year for later implementation.</li> </ul> <p><u>Stakeholder Engagement</u></p> <ul style="list-style-type: none"> <li>Proposal to set up working groups, one SBF member in each, per review.</li> <li>Volunteers from SBF were invited to email the Chair.</li> <li>Feedback into the forum at various junctures in the year, review in November.</li> <li>Confirmation of assumptions and changes through the 'snapshot' and sample of representative schools in January's SBF.</li> <li>Other groups requiring engagement: <ul style="list-style-type: none"> <li>➤ ALN Strategy Group</li> <li>➤ School Buildings Group</li> <li>➤ Nursery School Leaders</li> <li>➤ Post 16 – Chair of Conference and other Heads.</li> <li>➤ Lump Sum/AWPU requires further work and commitment – working group for primary and secondary sectors.</li> </ul> </li> </ul> <p>Thoughts on working group and level of engagement were invited.</p> <p><b>Action:</b> The Clerk to circulate the presentation to members after the meeting. Members to email the Chair if they would like to participate in the working groups. Members were asked to review the presentation and assist with workstreams where they can.</p> <p>(NN and GR volunteered to participate.)</p> <p>NN questioned when information on SLAs as part of the formula/funding/budgets would be communicated. EA noted delayed translation; information on SLAs would be released to schools shortly.</p>	Clerk, Chair, SBF
7.0	<b>2026-27 Workplan</b>	
7.1	EA outlined a draft workplan showing timing, standing items and other items for the year, dates were subject to change.	
	The Chair greatly thanked EA on behalf of the forum for the work undertaken and proposals put forward.	
8.0	<b>Ed Tech/ICT Investment in Schools</b>	
8.1	RP noted work undertaken at conferences and thanked stakeholder groups for their input. A communication will be issued to the forum shortly outlining the LA's position on key areas i.e., protection of cyber security. A Q&A document will be included in the update.	
	NN requested earlier notifications to assist schools in their budgetary planning.	
9.0	<b>Family Engagement Grants 2025/26</b>	
9.1	EA noted schools were assessing options on use of the family engagement grant.	

	<p>NN noted all schools received communication on submitting bids for cluster/school-to-school working – bid to be submitted by 16<sup>th</sup> May. Funding available was unclear.</p> <p>MG confirmed the ask from schools was to be understood, to inform modelling of funding for schools/grant allocation.</p> <p><b>Action:</b> The outcome of allocation mechanism will be an agenda item for the next meeting. All grant decisions will continue to be brought to the SBF.</p> <p>(Schools were allocated family engagement officers.)</p>	Clerk
10.0	<b>Any Other Business</b>	
10.1	SS drew attention to a range of surveys on supply costs emailed this morning and asked that these be completed. An update will be provided at a later meeting.	
11.0	Summary of actions from this meeting	
11.1	<ul style="list-style-type: none"> <li>Analysis on 2025/26 governor approved budgets would be brought to the next SBF.</li> <li>Tools to assist headteachers in their planning will be refined following further discussions and brought to the SBF in September 2025.</li> <li>Financial planning/implementation of the new model of funding for SAO's will be discussed at SBF in November 2025 / January 2026 following progression of reviews.</li> <li>IA will provide indications on the difference in figures between the formula methods of 2024/25 and 2025/26, for assurance to SBF members.</li> <li>Changes/assumptions within the formula, including examination fees in secondary schools will be confirmed in January 2026 as a sensitivity test.</li> <li>MO'B will provide in-depth detail on the SLA, packages and matters schools must arrange outside of the full package.</li> <li>An update at the next SBF on annual report for contracts engaged with (as part of education/school's budget) and a breakdown of costs.</li> <li>The Chair and Vice Chair will review SBF membership, in line with the ToR, outside of this meeting. The Chair will remind diocese of the opportunity to represent at SBF.</li> <li>Thoughts and observations on the ToR were invited from the forum to the Chair and EA, to be brought back to the forum.</li> <li>School's Deficit Protocol will be brought back to the forum.</li> <li>Requests for staffing changes/recruitment process to be confirmed within the Deficit Budget Protocol – who approves and LA commitment to respond within a certain period.</li> </ul>	<p>EA, Clerk</p> <p>EA Clerk</p> <p>EA</p> <p>IA</p> <p>EA, IA</p> <p>MO'B</p> <p>IA, EA, Clerk</p> <p>Chair, Vice Chair</p> <p>SBF</p> <p>Clerk</p> <p>IA, EA</p>

	<ul style="list-style-type: none"> <li>• Clerk to circulate the presentation on Formula Adjustments to members after the meeting. Members to email the Chair if they would like to participate in the working groups. Members were asked to review the presentation and assist with workstreams where they can.</li> </ul>	Clerk SBF
	<ul style="list-style-type: none"> <li>• Members to contact the Chair if they would like to assist work on forward plans.</li> </ul>	SBF
	<ul style="list-style-type: none"> <li>• Initial presentation on balance between lump sum and AWPU funding (per sector) will be provided at the next SBF, informed by a desktop exercise with some school leadership participation. An update will be provided in November following further participation with various stakeholders.</li> </ul>	EA
	<ul style="list-style-type: none"> <li>• Work was underway to ensure special school banding descriptors were relevant and reflect current levels of need. Output of work will be presented at the next SBF.</li> </ul>	EA
	<ul style="list-style-type: none"> <li>• Family Engagement Grants 2025/26 mechanism of allocation to be an agenda item at the next SBF.</li> </ul>	Clerk

### Acronym Reference

ALN	Additional Learning Needs
ALP	Additional Learning Programme
BSR	Budget Strategy Report
SBF	School Budget Forum
CC	Cardiff Council
CCHF/HF	Cardiff Council Hardship Fund/ Hardship Fund
CNE	Complex Needs Enhancement
CT	Council Tax
DSB	Delegated School Budget
EOTAS	Education Other Than at School
FP	Financial Plan
FS	Financial Services
FSM	Free School Meals
FY	Financial Year
HR	Human Resources
LA	Local Authority
LAS	Local Authority Settlement
LFMO	Local Financial Management Officer
LG	Local Government
LGHF	Local Government Hardship Fund
MEAG	Minority Ethnic & Gypsy, Roma & Traveller Learners
MSF	Mutual Supply Fund
MTBS	Medium Term Budget Strategy
MTFB	Medium Term Financial Budgets
MTFM	Medium Term Financial Management
MTFP	Medium Term Financial Plan
NI	National Insurance
PA	Pay Award
PDG	Pupil Deprivation Grant

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg

Q_	Quarter_ (number relating to)
RLW	Real Living Wage
SAO	School Attendance Officer
SB	School Balance
SBF	School Budget Forum
SEN	Special Education Needs
SLA	Service Level Agreement
SOP	School Organisation Programme
TU	Trade Union
WG	Welsh Government