

EDUCATION DIRECTORATE

MINUTES OF THE MEETING OF CARDIFF SCHOOLS' BUDGET FORUM



Time: 8.30am – 10.30am
Date: 14th January 2026
Location: Microsoft Teams
Present: Chair – Andrew Skinner (AS), Nic Naish (NN), Cllr Sarah Merry (SM), Cllr Chris Weaver (CW), Melanie Godfrey (MG), Helen Williams (HW), Richard Portas (RP), Ian Allwood (IA), Eifion Austin (EA), Jennie Hughes (JH), Stuart Davies (SD), Angela Jardine (AJ), Nicola Price (NP), Paul Tucker (PT), Tim Adams (TA), Marc Belli (MB), Gareth Davies (GD); David Silver (DS), Wayne Murphy (WM), Abigale Cuthbert (AC), Nick Alexander (NA), Suzanne Scarlett (SS), Rachael Fisher (RF), Gareth James (GJ), Gareth Rein (GR), Carys Prytherch (CP), Will Howlett (WH), Sarah-Marie Jones (SMJ), D Rees (DR), Ivor Gittins (IG), Education Management Clerk

Apologies: Sarah Parry (SP), Emma Richards (ER), Sara Allen (SA), Matthew Evans (ME), Diane Gill (DG), Cllr Joel Williams (JW), Suzanne Williams (SW), Patrick Brunnock (PB)

Ref	Conclusions/Actions	Who
1.0	Apologies and welcome	
1.1	The Chair welcomed members and accepted apologies.	
2.0	Minutes of the previous meeting / matters and actions arising from the previous meeting	
2.1	The minutes of the previous meeting were approved as an accurate record.	
3.0	Budget Consultation	
3.1	<p>IA noted the live Council Budget 2026/27 consultation launched by Cabinet in late December, due to close on 1st February 2026.</p> <p>Attention was drawn to paragraph 36, of the Cabinet Report, highlighting the current modelling position for schools reflecting no savings proposed from the total delegated schools' budgets, and a planned budget increase for 2026/27 of £13.9m (4.2%), the same percentage increase as the Council's funding increase from Welsh Government. (This figure increases to £19.4m (5.9%) considering funding received in 2025/26, placed on a permanent basis from 2026/27 onwards.)</p> <p>Whilst these figures represent the total allocation to schools, it should be recognised that this will vary by individual school, based on funding formula factors. Comments or questions were invited.</p> <p>IA drew attention to two questions for Cardiff residents on the consultation document regarding funding in education and schools.</p> <p>MB noted possible challenge with WG decisions on teacher pay increases at a national level, referring to central government indications that any future increases</p>	

	<p>would be absorbed by individual school budgets. Assurances from officers were sought for Cardiff schools.</p> <p>IA noted WG assume a level of assumptions in pay awards when announcing budgets. Cardiff assumptions were similar to other Welsh local authorities. Should there be a significant pay award above assumptions WG, LA's and schools would consider options. Historically, additional monies were received from WG where pay awards were higher than assumptions built in.</p> <p>MB was reassured by the response and requested an indication/modelling on what the 5.9% global figure would look like for schools with standard FSMs, lower FSMs and larger schools, to assist budget planning and understand impacts on staffing, prior to March. IA noted further information on the funding formula and complexities will be provided later in the meeting.</p> <p>Cllr Merry gave assurances that although Cardiff LA will challenge headteachers, officers endeavour to work with headteachers in Cardiff schools, an approach to budgets demonstrated over the years.</p>	
4.0	ALN Proposal	
4.1	<p>RP noted ALN proposals, with significant changes looked to be brought forward.</p> <ul style="list-style-type: none"> • Over the last 4-5 years 350 formal ALN places were delivered, including special school and SRB places. • Schemes were funded from several sources and prioritised by demand (type of need/quantum), geographical spread and capacity to accommodate a base. • Places were funded through the formula. • Demand has grown significantly, prompting a new citywide approach. • The Education Inclusion strategy was brought forward in October 2025, reframing ALN and the wider programme. Action 4, meeting the needs of all learners being key, including bringing forward more special school provision and SRB provision. • An assessment was undertaken, with an extensive review on data quality (to be repeated annually), to improve forecasts. • Test to fit ALN specialist placements/review of each site is being undertaken. • 48 proposals are under consideration. • Deliverable specialist places will be brought forwards as soon as possible to reduce pressure on the school system, utilising expertise and leadership within the system. • Cabinet approved phase one in December 2025 (399 additional places in academic year 2026/27 and a further 173 by academic year 2031/32). • Phases 2 and 3 seek to create additional places. • Ty Gwyn is looked to be enlarged. • Existing SRBs will continue to be monitored on compliance. 	
4.2	<p>ALN Specialist Placements – Financial Context</p> <p>EA noted significant financial implications to the ALN proposals put forward.</p> <ul style="list-style-type: none"> • School's accumulative balances were decreasing, pupils in mainstream provision awaiting specialist placement being one factor. 	

	<ul style="list-style-type: none"> • Out of County (non-LA maintained school) placement growth budget has increased by circa 66% over the past five years to meet specialist placement demand – more costly than maintained placements. • Current financial modelling to satisfy Out of County placement growth indicates an increase of circa £40m over the next ten years. • Proposals discussed look to address these factors swifter than anticipated, to relieve cost pressures. • Enhanced financial modelling has been undertaken to understand financial impact and inform flows of funding between centrally retained education budgets and school budgets, whilst ensuring affordability for the Capital programme. • Due to significant increases in specialist placements, uncertainties remain on financial impact, which will inform funding flow. Work to reduce uncertainties ahead of School Formula Allocation is ongoing. • RP and MG are leading a programme of delivery arrangements with other directorates within the LA. • There is risk to the number of planned September 2026 places, funded through the school formula, not fully materialising, potentially increasing retention in pooled budgets to ensure flexible utilisation of places. The ALN Provision grant would offset growth in retained budgets where possible (WG to determine grant amount). • Impact on school transport costs due to increased specialist provision, although a number of local placements would be created. 	
5.0	Delegated School Funding / School Formula Update	
5.1	<p>EA noted:</p> <ul style="list-style-type: none"> • The budget consultation proposes an increase to school funding of £13.9m in 2026/27 (4.2% cost increase), funding pay inflations for 2026/27 and demographic growth in each sector. • An increase in specialist provision from September 2026 is anticipated, to account for circa £5.75m of the increase (current assumptions). • Changes within the formula will be required, to reflect greater emphasis on specialist provision. Due to uncertainties communications will be enhanced through SBF and school leaders, especially where increasing/establishing provision. • Transparency on funding decisions and changes within the formula will be enhanced and checked with stakeholders. • Due to potential removal of the mainstream sector waiting list (specialist provision provided), members were asked whether it was appropriate for the global ALN mainstream funding to be reduced within the Formula and transferred to fund the increase in specialist places (ALN mainstream formula is deprivation weighted). Reflecting specialist placements meeting requirements of ALN pupils. <p>RF raised concerns some schools may have several children waiting for specialist placement, pointing out should ALN mainstream funding be reduced perhaps a fraction of the children might receive access to the increased specialist places. Schools were experiencing pressure with taking care and keeping safe children awaiting specialist places. How the increase in specialist places would be managed whilst fairly funding mainstream, ensuring no tip in balance, affecting some schools (with a higher proportion waiting) more than others was questioned.</p>	

EA explained the cost reduction where schools have a high waiting list cohort, transferred to a specialist placement, would be significant. It was likely that the reduction in ALN funding would be circa 10 to 20% of that cost reduction.

RF highlighted possible significant impact on individual schools, as places would not be increased immediately schools would continue to experience pressures with children waiting. Primary schools in particular had noticed an increase of children inputting annually, the figure was not static. Although in principle it was agreed that the proposal should work, reservations were held should the ALN global fund decline that it would be balanced/fair for all schools and accessible for all pupils waiting.

The Chair echoed concerns raised.

EA noted added complexity with an assumption that some of the ALN mainstream funding funds a significant proportion of teaching assistants, due to the reduction in employers pension contribution this would also deliver a cost saving. He will reflect on the points raised and liaise with members after the meeting.

RF noted some schools that do not employ TAs would be impacted differently.

MG highlighted a step change, required due to costs and projected increases of circa £40m over the next ten years. Members were asked to bear in mind in the short term there would be impact and turbulence (as with any change). As complex cases move to the specialist sector, officers will consider how to ensure appropriate governance is in place with funding switches undertaken in a fair way, adding a caveat that 100% fairness cannot be achieved with any formula allocation and officers will endeavour to mitigate. Pace is vital to reduce waiting lists as a priority, striving to create an additional c400 places by September 2026. Working at pace is looked to reduce impact on schools.

EA noted an overall solution to the school system shown from financial modelling on the proposals, particularly in the long-term. Discussion today focuses on managing funding flow in the short-term.

He pointed out additional pressure with increased private/independent sector fees from late December, one organisation had increased cost per place for 2026/27 financial year by 20%, another sought to double costs. These cost increases were not factored into the financial modelling undertaken prior to late December.

The Chair welcomed balance of the whole picture.

NN noted members broadly welcomed increased ALN/SRB places, and pointed out challenges with recruitment, and emerging mainstream ALN learners requiring additional support, perhaps with reduced funds, however the LA has always managed volatility from changes and was confident this would continue.

EA confirmed pressures were understood and volatility would be minimised. He will undertake further modelling and suggested discussing in smaller groups by sector, prior to the next SBF.

MB supported the principle of schools having SRBs but was cautious on creating more subgroups, suggesting instead that the message on invest to save and consequences be shared at the upcoming school conferences. He highlighted the SBF was not a decision-making body, whilst members represent the interests of different phases, he understood the LA's decision on why change was needed and needed at pace due to the impact on budgets. Changes would lead to greater outcomes. Although there was some risk in reducing the overall pot, ensuring sufficient support for emerging BESD etc.

GR noted a finite amount of money and welcomed the bold leadership, agreeing action needs to be taken but heeded being cognisant of the decision and negative consequences, drawing attention to advice provided to schools against one-to-one models, with many schools moving to a no one to one model (other than very few cases with funding for specific needs). It would likely lead to school staff reductions (despite caveats on pension contribution etc), which may not meet the needs of children and perhaps lead to a greater increase in ALNs. Catch up provision would be affected and standards might fall.

GJ agreed with points made, and recommended the LA reassure heads in conferences and continuing/half termly deficit meetings that the consideration will not be seen negatively against schools that may tip into deficit or deepen deficit due to the changes. The Chair echoed communications were key.

EA noted the deficit protocol (issued to all schools for consistent correspondence) would be released ahead of the Formula and drop-in sessions/team meetings arranged.

IA highlighted Finance cannot work at pace without understanding the implications of changes to the funding Formula, pointing out two funding blocks this year (1st April to 31st August and 1st September to 31st March) including 400 additional specialist places. To avoid reallocations of money, and mitigate churn during the year, an amount may be withheld initially to deal with contingencies (risk to recruiting sufficient staff and availability of buildings), particularly for schools with those places. Effect on deficit budgets (increase/decrease or static) were unknown with multiple moves to consider, views were being heard and EA carefully navigating through, mindful of the points raised earlier.

AC noted small schools often receive learners with additional needs awaiting placements as some parents/carers perceive a smaller school would be a more beneficial environment. Staff were stable, losing staff would be difficult. Some children had been waiting for specialist placement for several years. Attention was drawn to the redundancy pool and concerns raised on redundancy costs, adding to deficit. Secondments, particularly for well-established staff with significant training and experience was recommended, especially for recruitment to new provision. Support for the staff to move to specialist provision was suggested, many may not apply for SRB roles due to unknowns, although many already work well with children with ALNs.

IA confirmed officers will be cautious not to lose a school financially due to the changes. However, whilst ALNs were increasing mainstream pupil numbers were reducing, in composition, a greater proportion of ALN specialist places are required. Redundancies and schools worsening in financial deficits will be avoided where possible. Schools are looked to be provided with the fairest funding possible.

	<p>AJ echoed points raised on staffing considerations, challenge in staff retention and decreasing population in mainstream provision, recommending being more explicit on the redeployment policy (reminder to governors) and promoting opportunities available for all staff (hoped to be retained in Cardiff) so that expertise (teaching and support) would not be lost when implementing changes.</p> <p>MG confirmed bold leadership in an anticipated year of churn, with focus on mitigating and reducing projected growth of up to £50m in independent provision, funding instead Cardiff schools and provision needed. All were asked to remain collectively focused under pressure whilst striving to move specialist and ALN provision for learners to the LA school system within three to five years.</p> <p>EA noted multi-dimensional funding streams with monitoring of central education costs retained, which could be utilised to fund places should growth not occur.</p>	
5.2	<p><u>Formula Allocation</u></p> <p>EA noted last year more pupils were funded in September than the actual number of pupils in schools and suggested enhanced scrutiny on the number of pupils funded through the formula, challenging pupil number returns from schools, to minimise pupil number adjustment in the subsequent year and retain a higher AWPU value/amount (by not funding excessive places).</p> <p>WH noted many schools were surprised with clawbacks from changes in pupil numbers due to pupils leaving in-year and high number of pupils moving to a specialist placement, creating instability for schools. Budgets were built based on pupil numbers at the time, clarity and timeframes must be aligned.</p> <p>EA explained part of the value of the pupil adjustment funds specialist provision (assumed some of the pupils within the pupil number adjustment would have moved into specialist provision and be funded through the AWPU initially) and suggested adjusting the formula funding flow by removing the AWPU to fund the specialist provision. WH considered it possible, although challenge would remain in planning the school budget.</p> <p>NN echoed difficulties with pupil number fluctuation. Live data on pupil numbers, more reactive to actual pupil numbers at set frame times would be welcomed. Schools have little notice on pupils securing specialist places and therefore leaving. He suggested the LA discuss with the small number of schools that have historically overestimated pupil numbers, for them to better understand the mechanism. Action: EA will raise in school conferences and liaise with JH on the number of pupils expected to move to specialist places in September 2026, for schools to be notified prior to budget setting. Post meeting note - This action point will not be met due to the timing of the additional SBF/Sector conferences and workload. Alternative action has been undertaken on reviewing the school number returns as received and comparison with current Reception admission data. Live checks show discrepancies between expected numbers and schools returns were not significant.</p> <p>EA suggested earlier sight per school of clawback for actual number of pupils. PT fed back it was an anticipated element and accepted as part of the bigger picture. MB requested papers in advance of the meeting, for members to digest, consider proposals and fully prepare for discussion, pointing out schools could mitigate</p>	EA

	<p>clawback by providing accurate actual numbers. Grants must follow the child with fairness and equity.</p> <p>MG noted headteachers within subgroups would work through the finer details to understand the impact of propositions and mitigate/reduce volatility. MB welcomed knowledge on high level questions in advance, to enable full contribution. The Chair fully supported MB's comments and will work with officers to ensure advance information wherever possible.</p> <p>GR questioned the result to the LA and schools' budgets of making changes to the movement of AWPU money. EA noted perhaps with enhanced scrutiny volatility would be minimised and funding in-year would reflect pupils likely to materialise, without multi-year dimension within the formula. The change would result in an increased AWPU value due to the overall amount being divided between actual (lower) figures, with full schools having more money in-year.</p> <p>GR pointed out primary schools plan their budget for pupil figures informed by the number of first choice applications received, however not all arrive at the schools, and some pupils may leave mid-year. Projecting figures with high pupil fluctuation/mobility was difficult. Projection is undertaken considering previous figures and current applications, but the final figure cannot be guaranteed. Clawback at a later point is reasonable. EA acknowledged added uncertainty due to pupil mobility, scrutiny on number of pupils in-year could increase AWPU value or might identify funding (excess for pupils that do not materialise and clawed back in a future year) that may be directed to specialist placement materialising in September 2026.</p> <p>GR pointed out school's intake of pupils thrice yearly. EA underlined minimisation of clawback in 2026/27 and funding identified used to fund specialist placement on a termly basis. Work on live data would be undertaken between finance and education for a more nuanced funding oversight.</p>	
5.3	<p><u>Specialist Placements</u></p> <p>In light of the increase in specialist placements EA questioned proceeding with other formula changes in year (i.e. increased Lump Sum in primaries), or not, to minimise volatility between schools funding (further modelling to be provided). Current uncertainties and difficult funding picture next year were highlighted, how to proceed will be considered over the next month or so.</p> <p>The Chair noted significant variables with ALN and cautioned adjusting the Formula further, introducing further variables may compound fiscal volatility. NN echoed the point and welcomed reducing other volatile aspects, DS also advised against further changes until affects (including school transport) from ALN proposals were known.</p>	
6.0	MSF 2026/27 proposal	
6.1	<p>EA noted a review of the MSF; further consultation will be undertaken with stakeholders:</p> <p>Sickness Cover Current Clause</p> <ul style="list-style-type: none"> Daily contribution for 2025/26 academic year - £135 per day for teaching staff and £80 per day for support staff. 	

	<ul style="list-style-type: none"> The contribution has not kept pace with supply cost market price. Where additional costs are incurred by the school, the school may claim the additional costs (supply costs incurred by the school over and above the reimbursement figure calculated on the daily rate). <p>Proposal</p> <ul style="list-style-type: none"> To remove caveat (typically not included by other sickness cover providers) and increase the daily rate covered. This would reduce the administrative burden on schools and LA finance, streamlining the claim process. <p>NN welcomed updating the figures with the broad average costs, recommending schools should understand this would increase MSF costs and expected costs.</p> <p>The Chair supported the reduction of administration burden.</p> <p>MG noted the agenda item will be suggested for SAJC.</p> <p>AJ would welcome reimbursement of actual costs where feasible. TA recommended movement towards a Cardiff supply pool (financially beneficial).</p>	Clerk
7.0	Any Other Business	
7.1	<p>An additional meeting will be arranged for 11th February. Papers will be circulated in advance of the meeting.</p> <p>NN requested on behalf of colleagues an update on the Ed Tech/IT SLA options available, due imminently. MG will follow up after the meeting.</p> <p>The Chair thanked members for their time, input and feedback.</p>	Clerk, LA officers MG
8.0	Summary of actions	
8.1	<p>a. MSF 2026/27 proposal to be suggested to SAJC as an agenda item.</p> <p>b. An additional meeting will be arranged for 11th February. Papers will be circulated in advance of the meeting.</p> <p>c. MG will follow up an update on the Ed Tech/IT SLA options available after the meeting.</p>	Clerk Clerk, LA officers MG

Acronym Reference

ADEW	Association of Directors of Education in Wales
ALN	Additional Learning Needs
ALP	Additional Learning Programme
AWPU	Average Weighted Pupil Unit
BESD	Behavioural, Emotional and Social Difficulties
BSR	Budget Strategy Report
SBF	School Budget Forum
CC	Cardiff Council

CCHF/HF	Cardiff Council Hardship Fund/ Hardship Fund
CNE	Complex Needs Enhancement
CoC	Chair of Conferences
CoG	Chair of Governors
CSC	Central South Consortium
CT	Council Tax
DSB	Delegated School Budget
EHW	Emotional Health and Well-being
EOTAS	Education Other Than at School
EIG	Education Improvement Grant
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
NoR	Numbers on Roll
PA	Pay Award
PL	Professional Learning
PDG	Pupil Deprivation Grant
PLG	Professional Learning Grant
Q_	Quarter_ (number relating to)
RLW	Real Living Wage
RSG	Revenue Support Grant
SAO	School Attendance Officer
SB	School Balance
SBF	School Budget Forum
SEN	Special Education Needs
SLA	Service Level Agreement
SOP	School Organisation Programme
SRB	Special Resource Base
TU	Trade Union
UFSM	Universal Free School Meals
WG	Welsh Government