

## **APPENDIX 5**

### **DEALING WITH THE SCHOOLS' BUDGET IN 2020/21**

1. Whilst developing a savings strategy and draft budget for 2020/21, a way ahead was agreed in order to avoid transferring a substantial savings target for Gwynedd schools again this year. The proposal includes one efficiency saving for the schools, worth £31k (0.04% of the delegated funding quantum) amongst £1.9m of savings the Council will realise by 2020/21. Of course, it was decided in the Cabinet on 17 December 2019 not to cut £464k from the teaching staff budget heading (a potential saving was in mind). Therefore, by 2020/21 there will be no change to the current pupil:teacher ratio in the school budget allocation formula.
2. The schools' budget will increase this year due to the usual "demography" adjustments, which derive from changes in the number of pupils. The actual number of pupils in September 2019 is used to calculate 2020/21 allocations. The position varies from school to school, but on the whole the effect of an increase in pupil numbers means that the schools' budget in its entirety will increase £300k, which includes a reduction -£152k primary and an increase +£452k secondary.
3. The Westminster Government have increased the Teachers' Pension Scheme employers' contribution rate from 16.5% to 23.6% from September 2019. This will cost £1.2m for the 5 months in 2020/21 which is a full year effect of £2.8m, with the £1.6m already added. It is 7% of the teachers' pay bill, but a 40% increase in employers' pension contributions.
4. It can be seen in the 'bids' part of this report (Appendix 2) that there is a recommendation to agree to fund bids worth £334k, towards the Education Department's transport budgets, which means that the cost of 'Education' increases again between 2019/20 and 2020/21. Certainly, having taken inflation of over £2.3m and teachers' pensions of £1.2m into consideration, the schools' budget will be much higher in 2020/21 than the 2019/20 level.
5. Whilst specific grants (worth £2m) for teachers' salaries and pensions have transferred into the settlement, a number of Welsh Government's specific grants continue in Education in 2020/21 on a similar level to 2019/20. Also, there will be a new grant for ALN which could be worth £280k for Education in Gwynedd.