

APPENDIX 5

DEALING WITH THE SCHOOLS BUDGET IN 2022/23

1. **Background:** The relevant elements of the Council's draft budget for 2022/23 was reported to the meeting on 7 February 2022 of the Schools Budget Forum, where it was noted that there will be a normal increase in the Gwynedd schools quantum this year, as the Council (unlike some local authorities) funds inflation, pay increments, and demography.
2. **Inflation:** The schools budget will increase by **£3.3m** this year for inflationary increases, including teachers' pay inflation, and an employer's National Insurance contribution increase of 1.25%. This will cover the cost of a 1.75% increase for the 5 months April – August, which is the full year effect of the September 2021 pay agreement, and the cost of the 3% increase that is estimated for the September 2022 pay agreement (for the 7 months September 2022 – March 2023) . Of course, schools' allocations for energy will also rise with the level of relevant inflation.
3. **Staff Pay Increments:** £168k will be added towards the Council's budget for 2022/23 due to net staff turnover. **£162k** of this addition will go to school budgets.
4. **Demography (pupil numbers):** The schools budget will increase this year due to the usual "demography" adjustments, resulting from changes in pupil numbers. The actual number of pupils in September 2021 will be used to calculate 2022/23 allocations. The situation differs from school to school, but overall the impact of increasing pupil numbers means that the schools budget as a whole would reduce by **£57k**, which includes a reduction of -£429k for the Primary sector and an increase of +£372k for the Secondary sector. Individual schools will expect an increase / decrease in their allocations proportionate to the change in pupil numbers in schools.
5. **Recommended Bids Approval:** The bids section (Appendix 2) of this report shows that there is a recommendation to agree to fund 2022/23 permanent 'bids' for the Education Department totalling **£457.6k**, to fund the higher cost of taxi and train transport for pupils (£150k), a Secondary Education Officer (£89.5k) and the removal of the costs of the Post-16 Travel Pass (£218.1k). In addition, it is recommended that a Free School Meals promotion officer be funded with one-off funding (£43k).
6. **No New Savings:** Again this year, in developing the Council's budget for 2022/23, a way forward has been agreed to avoid asking Gwynedd schools for additional new savings. Since the Council on 5 March 2015, in the context of 'Gwynedd Challenge', decided a £4.3m savings target in setting the 2015/16 budget, Gwynedd schools have not been asked for any additional new savings. Since 2015/16, Gwynedd Council will have realised £32.8m of savings plans, of which £4.3m (13% of savings) has been harvested from schools (which represent 30% of the Council's net expenditure).

7. **Education Specific Grants:** It appears that specific grants from Welsh Government will continue in Education in 2022/23 at a similar level to 2021/22.
8. **Overall Conclusion:** Having taken all the above factors into account, the schools budget will be significantly higher in 2022/23 than the 2021/22 cash level, but quite similar in 'real' terms (since the bids recommended for approval are on non-devolved headings).