

THE VALE OF GLAMORGAN COUNCIL

CABINET: 26TH FEBRUARY, 2026

REFERENCE FROM START WELL SCRUTINY COMMITTEE: 19TH JANUARY, 2026

“581 VALE OF GLAMORGAN COUNCIL: SCHOOL BALANCES (REF) –

The reference from Cabinet of 18th December, 2025 as contained within the agenda was presented by the Director of Learning and Skills in conjunction with the Director of Corporate Resources and the Head of Strategy, Community Learning and Resources.

It was noted that Audit Wales had reviewed the Council’s arrangements for managing school budget deficits.

Key findings were that a quarter of schools in deficit had not submitted required recovery plans. Despite actions by the Council, school overspends were not reducing sufficiently. It was identified that there were shortcomings in risk reporting which limited effective oversight by scrutiny and cabinet.

Audit Wales had identified three recommendations:

- Strengthen oversight and set realistic milestones;
- Ensure all schools submit robust recovery plans and clarify intervention criteria;
- Learn from other Local Authorities and apply additional actions to support improvement.

The Council had developed an Action Plan to address all three recommendations.

The Head of Strategy, Community Learning and Resources provided an update position and advised that seven schools currently required intensified support after several rounds of revised recovery plans.

Recent third-round plans showed a 55% reduction in projected 3-year deficits and a 20% reduction in year-one deficits. External consultancy support had identified approximately £700k in potential savings across the initial cohort, with significant work underway on:

- Curriculum delivery models;
- Timetabling efficiencies;
- Cluster-based and multi-school sharing of staff or services;
- Reducing reliance on agency staffing;
- Reform of school funding formulae;

- Support for school leadership and partnership working.

Councillor H. Payne commented that it was well known that all Local Authorities in Wales were under extreme cost pressures and referred to the budget for Additional Learning Needs and the high quality of provision provided in Vale, which meant that the Council was a victim of its own success. Councillor Payne queried whether a review of management structures in schools was being undertaken and were their plans for schools with a more sustainable financial position to 'buddy up' with those that were in deficit. In response, the Head of Strategy, Community Learning and Resources stated that it was important to consider that no two schools were the same with each having its own challenges. A difficult area was the implementation of Welsh Government guidance within the local context of individual schools, so some of the work the Council was doing, was working with other Local Authorities that could assist to develop a baseline. Another important area to look at in all schools was the delivery of the curriculum and some of those different delivery models. The growth in numbers and complexities around Additional Learning Needs reflected changes to society, and all the new challenges for schools represented an opportunity to look at changes to practices. Schools should not be facing those challenges in isolation and so there was opportunity to look at staff skills to meet the needs of children and maintain inclusivity.

Councillor S. Haines queried which Local Authorities had the Vale of Glamorgan been benchmarking with and what tools were they using. In addition, Councillor Haines queried plans for those schools that may struggle to achieve a balanced budget even with the interventions proposed. In reply, the Head of Strategy, Community Learning and Resources advised that the Council had been working with Monmouth and Torfaen. In terms of benchmarking a lot of that included the level of school deficits, the types of school and from a school organisational perspective. That meant looking at formulas, the form and efficiency of school entry and the types of interventions used in other areas such as timetabling and the use of community schools. With regard to those schools with significant financial challenges, the Head of Strategy, Community Learning and Resources stated that it was a difficult for the Council as all schools were different so there was not one straight forward answer. Overall, in terms of challenges around educational funding, the Vale of Glamorgan was not unique among Local Authorities. Information gathered since June last year had identified that there was scope for schools to improve their budget positions and some good practice had been identified. Some of the direct support provided by the Council to the schools included detailed budget monitoring and accountancy planning and additional support had been provided in terms of teaching and learning. There were also some very good innovative practices that schools could adopt as income streams, and an area of focus had been the use and sustainability of agency staff and temporary contracts. In addition, the procurement of specialist or technical services had been looked at with opportunities to purchase as a school cluster to benefit from economies of scale.

In response to a query from Councillor A. Asbrey, the Head of Strategy, Community Learning and Resources clarified that there were systemic funding problems across Wales that were not specific to the Vale of Glamorgan. However, data for the Vale had highlighted large variations between schools with similar contexts.

Regarding the use of agencies, the Head of Strategy, Community Learning and Resources advised that there were several models that could be adopted. Schools operating on an individual basis were the most challenging from a financial perspective, so there were opportunities for schools to work within a cluster or with other schools within its local area or even from a school improvement perspective. It was important for school staff to have connections to the pupils, but who also knew the curriculum.

Dr. M. Price queried whether the Council could write off school deficits and voiced a concern that Headteachers were highlighting that schools had legal obligations to provide a good standard of education, to work with the pupils with additional learning needs and look after children and provide a safe environment. Dr. Price commented that he was concerned that schools with the severest financial challenges were being singled out and placed under huge pressure when it was evident that there was not enough financial support for those schools to meet their legal requirements. That could mean that efficiency pressures may lead to staff burnout. The Head of Strategy, Community Learning and Resources in response intimated that schools were not being singled out but there were difficult conversations taking place with those schools which were outliers in terms of their budget deficits. The current level of deficits was now a Council Corporate Risk, and the Council had to take action and support schools directly to tackle their budgetary pressures. As mentioned previously there was a predicted 55% reduction in projected 3-year deficits which indicated that schools were making progress, but more work and support was required. It was also important to recognise that the impact of the deficits would place pressure on other Council services not only in the Education Department, but a key priority for the Council was around sustainability for the 25,000 children in schools across the Vale.

G. Scott (Welsh Medium Education) echoed the comments of Dr. Price as a school governor, emphasising the stress levels of Headteachers, teaching staff and senior leaders and referred to increased staff absences due to the levels of stress. G. Scott queried what support was being offered to those schools outside of the seven that had been identified for close intervention, but which had a smaller level of deficit and what learning was be transferred across. G. Scott also highlighted the impact from instances where schools had lost experienced, higher pay scale teachers due to budgetary challenges and queried what safeguards were in place to ensure that did not take place. In reply, the Head of Strategy, Community Learning and Resources stated that the point of transferring learning and knowledge to all schools was really important and there were short, medium and long-term aspects. Short term actions and easy wins around infrastructure and procurement were being implemented now, with schools beginning to see results of those changes. In terms of medium-term actions, those were around school improvement and work with the Education Endowment Foundation to change practices within schools on a consistent basis. Those would take longer to implement as they were more complicated, but there would be school to school interaction around what changes worked best. The work bringing together Business Managers within schools was also yielding positive outcomes and producing efficiency savings, for example in terms of the type of software used by schools. There were also positive changes around communication channels used with schools which meant that sharing of information was more efficient. Meetings with Headteachers also included workshops around learning and

solving problems. Opportunities for learning was greatly valued and had already produced positive outcomes.

M. Werrett (Church in Wales), stated that from her direct observations working with schools and Headteachers there was a huge concern about the wellbeing and pressure on Headteachers, with workloads being unsustainable. With many schools having to reduce staff numbers meant that Headteachers were carrying out all sorts of roles within schools from maintenance to supervising disruptive pupils removed from class. M. Werrett queried what was the Council doing to look after school leaders. In response, the Head of Strategy, Community Learning and Resources agreed that there was a concern about the impact on Headteachers and reflected upon the importance of the reducing risks to the Council if it were to overspend, which could have a major impact on all pupils across the Vale of Glamorgan. He agreed that there was a need to create capacity and to reduce bureaucracy and other challenges so that schools could focus on teaching and learning. Governing bodies were also looking after the wellbeing of Headteachers. Furthermore, there was never an expectation for schools to face the problems on their own, so it was a collective responsibility involving the Council. It was vital for Headteachers to be engaged and to have regular conversations about how best to tackle issues and for the Council to work with them to solve problems and look at ways to create capacity.

Councillor L. Burnett (Executive Leader and Cabinet Member for Performance and Resources), with permission to speak, commented that the Council could not ignore the budget deficits within schools, as the Council itself had to return a balanced budget each year. The implications of not achieving a balanced budget were severe. The Vale of Glamorgan had historically funded education above its Indicative Budget Assessment (IBA) and it had not top-sliced budgets. There was a continued commitment of collaboration with schools, but there was a need for consistency before arguing nationally for improved funding.

The Chair, Councillor R. Thomas, queried how were the budget deficits issues allowed to deteriorate. In response, the Head of Strategy, Community Learning and Resources advised for most schools budgetary issues developed quite quickly, some of which had doubled over a period of one year. Council intervention with schools had begun last June.

The Chair also queried how management structures and curriculum models affected costs and whether there had been an assessment of the number of any possible redundancies. It was confirmed that staffing decisions remained with schools, and no Council projection currently existed.

Finally, the Chair asked if the financial challenges would have an impact on recruitment and retention. In response the Head of Strategy, Community Learning and Resources stated that it would make them more challenging, especially as roles became more specialised. Those were likely to be even more challenging within the Welsh medium sector and support for Additional Learning Needs.

There being no further comments or queries, the Committee

RECOMMENDED –

(1) T H A T the findings from Audit Wales’ review of School Balances (Appendix A to the report), and the response to the review findings and Audit Wales’ recommendations (Appendix B to the report), including the proposed new corporate risk on School deficits (Appendix C to the report) be noted

(2) T H A T the comments of the Start Well Scrutiny Committee be referred to Cabinet for its consideration. Comments related to:

- The importance of safeguarding the wellbeing of Headteachers and school staff;
- Concerns around recruitment/retention, staff burnout, leadership sustainability, and high expectations;
- Pressure caused by Additional Learning Need demand, staffing needs, and curriculum requirements be emphasised;
- A concern that schools were being pushed beyond capacity;
- Problems were systemic across Wales, not Vale specific, but Vale data showed large variations between schools with similar contexts;
- Need for consistent practice across the LA.

(3) T H A T the Start Well Scrutiny Committee receive a report detailing the updated financial position for schools at its meeting scheduled for 16th March, 2026.

Reasons for recommendations

(1) Having regard to the contents of the report and discussions at the meeting.

(2) To advise Cabinet of the views and concerns of the Start Well Scrutiny Committee.

(3) To provide an up to date financial position statement on school balances.”