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Welsh Government
Consultation – summary of response

Guidance on the School Funding, Budget Statements and Outturn Statements No. 2 (Wales) Regulations 2026 - summary of responses

7 August 2026

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Overview

The Welsh Government undertook a consultation between 27 March and 19 June 2026 to gather views on the draft 'Guidance for local authorities on the School Funding, Budget Statements and Outturn Statements (Wales) Regulations 2026' and the draft 'Statutory guidance on schemes for financing local authority maintained schools'.

This document provides a summary of responses to the consultation and shows how the Welsh Government is responding to them.

Action required

This document is for information only.

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

[The School Funding, Budget Statements and Outturn Statements \(No. 2\) \(Wales\) Regulations 2026](#)

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Additional copies

This summary of response and copies of all the consultation documentation are published in electronic form only and can be accessed on the Welsh Government's website.

Link to the consultation documentation: [Guidance on the School Funding, Budget Statements and Outturn Statements \(Wales\) Regulations 2026 | GOV.WALES](#)

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Introduction

The consultation sought to gather views on the clarity and usefulness of 2 guidance documents in relation to the School Funding, Budget Statements and Outturn Statements (Wales) Regulations 2026 (“the 2026 Regulations”).

The draft guidance documents were provided in the consultation. The draft guidance documents at the time referred to the 2026 Regulations, which have since been revoked and replaced with the School Funding, Budget Statements and Outturn Statements (No. 2) (Wales) Regulations (“the No. 2 Regulations”) to correct some minor errors. The substantive effects of the No. 2 Regulations are unchanged, and no significant additional impacts have been identified. References to the 2026 Regulations will be replaced with references to the No. 2 Regulations.

The ‘Guidance for local authorities on the School Funding, Budget Statements and Outturn Statements (Wales) Regulations 2026’ provides general guidance on the 2026 Regulations (now the No. 2 Regulations), apart from Part 4 and Schedule 4, in relation to financial schemes. This guidance is issued under section 60 of the Government of Wales Act 2006. There is no statutory duty to have regard to this guidance, but the Welsh Ministers would expect those to whom it is addressed to take it into account when considering matters to which it relates.

The ‘Statutory guidance on financial schemes for financing local authority maintained schools’ is issued by the Welsh Ministers pursuant to section 48(4) and paragraph 2A(2) of Schedule 14 to the [School Standards and Framework Act 1998](#) (“the SSFA 1998”). It is statutory guidance and as such local authorities must have regard to it when revising their financial schemes. The guidance is aimed at local authorities. However, they should seek their own legal advice as to what the law requires.

These guidance documents have been developed following stakeholder requests for Welsh Government guidance on the 2026 Regulations (now the No. 2 Regulations). They are intended to support interpretation of the No. 2 Regulations and promote a consistent approach to implementation across local authorities.

What is the current position?

The No. 2 Regulations make provision for the funding of maintained schools in Wales and establish the financial framework for local authorities and schools. They also specify information about local authority expenditure on education which must be contained in budget statement of planned expenditure and outturn statement of actual expenditure.

The purpose of the changes made by the No. 2 Regulations is to provide greater transparency, comparability and consistency in the school funding system. This will allow informed budget discussions at all levels. They also ensure they reflect current policy and legislation and update terminology accordingly.

Summary of responses

The consultation ran from 27 March to 19 June 2026. We received a total of 11 responses, including responses from local authorities and trade unions. Responses are kept anonymous by default. A list of names and organisations that responded and didn't wish to remain anonymous can be found at Annex A.

Officials also consulted directly with the School Funding Review Working Group, which includes local authority finance leads, during the drafting of the guidance.

Most of the questions asked for an 'agree' or 'disagree' response, along with any supporting comments. Not all respondents answered every question. However, all responses that answered at least one question or provided comments on the proposals were considered.

This summary is not an exhaustive record of all the comments made, and the absence of a particular issue does not indicate that it has been ignored or is less important.

In this summary we have grouped the analysis of consultation responses in relation to each of the 2 guidance documents.

Analysis of responses

Overview

Responses to the consultation were generally positive and demonstrated strong support for both the draft 'Guidance for local authorities on the School Funding, Budget Statements and Outturn Statements (Wales) Regulations 2026' and the draft 'Statutory guidance on schemes for financing local authority maintained schools'. Respondents welcomed the clearer explanation of school funding arrangements and recognised the potential for the guidance to improve transparency, accountability and understanding of funding decisions.

While respondents supported the overall direction of the guidance, a consistent theme was the desire for additional practical examples and templates. Many respondents felt these would support more consistent interpretation and application across local authorities.

Questions 1 to 7 – Draft 'Guidance for local authorities on the School Funding, Budget Statements and Outturn Statements (Wales) Regulations 2026'

Respondents broadly agreed that the draft general guidance provides clarity regarding the School Funding, Budget Statements and Outturn Statements (Wales) Regulations 2026. Many commented that the guidance is clear, logical and supports understanding of the Regulations. The description of the funding framework, the relationships between different budget categories and the explanation of delegation arrangements were generally viewed as particularly helpful. Although the guidance is aimed at local authorities, respondents commented that the explanations provided should also assist governing bodies and other stakeholders in understanding the requirements. However, some noted that the use of technical language may reduce accessibility for certain audiences.

Suggestions included providing guidance encouraging local authorities to explain their funding formulae to support stakeholder understanding, providing information on review periods, setting out how collected data will be used and minor formatting suggestions.

Several respondents welcomed the increased emphasis on transparency and the clearer distinction between core and discretionary delegation. Some respondents also highlighted the potential for improved comparability of funding information between schools and local authorities.

The importance of consistency across Wales was a recurring theme. Respondents considered that the guidance should help promote a more consistent approach among local authorities and, in particular, highlighted the presentation of funding formulae, classification of expenditure, delegation arrangements and reporting practices as areas where greater consistency could improve transparency and comparability. Respondents generally considered that the guidance supports a more common understanding and interpretation of the requirements, thereby helping to encourage greater consistency in implementation across local authorities.

Another recurring theme was the value of supplementing the guidance with practical examples. Respondents suggested that examples of good practice, case studies and Welsh Government templates could further support understanding and promote a more consistent approach across local authorities.

A small number of respondents raised broader issues relating to school funding and governance arrangements, including calls for stronger national parameters and minimum requirements in areas such as funding arrangements and the operation of School Budget Forums. While these are important considerations within the wider school funding landscape, they fall beyond the specific scope and purpose of the guidance consulted upon.

Questions 8 to 11 – Draft ‘Statutory guidance on schemes for financing local authority maintained schools’

Respondents generally agreed that the draft statutory guidance provides a clearer framework for local authority schemes for financing schools. The guidance was viewed as improving understanding of the respective roles and responsibilities of local authorities, governing bodies and schools. Respondents also commented that the guidance is clear, well-structured and understandable.

As with the general guidance, respondents welcomed the overall approach but suggested that the inclusion of additional examples and practical illustrations would further support understanding and promote consistent application across local authorities. A template for financing schemes is frequently requested.

A number of respondents requested further guidance in relation to deficit recovery arrangements and management of schools operating in deficit, including decision-making around expenditure and the application of deficit thresholds. A small number also sought clarification regarding consultation requirements. These comments primarily related to operational financial management and local policy matters rather than issues directly addressed by the statutory guidance.

While these issues fall outside the scope of the guidance consulted upon, they may be considered separately as part of future stakeholder engagement and support activities.

Welsh language

Most respondents considered that the guidance would have little or no direct impact on the Welsh language. No significant adverse impacts were identified. Some respondents highlighted opportunities to promote bilingual communication, ensure equitable treatment of Welsh medium provision and provide bilingual supporting materials.

One respondent raised a number of issues regarding the quality and accuracy of the Welsh language version of the consultation documents. The respondent acknowledged that these issues had subsequently been corrected following communications with officials.

Other issues raised

A number of responses raised broader matters concerning education funding levels, local authority budget setting timetables, governance arrangements, publication of School Budget Forum information and wider transparency of school funding data. While these issues were not directly within the scope of the consultation, they demonstrate a wider stakeholder interest in improving understanding and accessibility of school funding information.

Welsh Government response

Consultation responses indicated strong support for both the draft 'Guidance for local authorities on the School Funding, Budget Statements and Outturn Statements (Wales) Regulations 2026' and the draft 'Statutory guidance on schemes for financing local authority maintained schools'. Respondents agreed that the guidance improves clarity, transparency and understanding of school funding arrangements and provides a robust framework for supporting implementation of the Regulations.

Officials will consider whether any amendments are required to further strengthen the guidance in light of the consultation responses received.

The main suggestions focused on the inclusion of additional examples, templates and implementation support to promote consistency and understanding. A number of responses also raised wider issues relating to school funding policy, local authority practice and operational matters that fall outside the scope of the guidance. While these issues will not be addressed through the guidance, the Welsh Government will consider them as part of future engagement with stakeholders and the development of supplementary good practice materials.

Next steps

The Welsh Government is grateful to everyone who took the time to respond to this consultation. As a summary document, not all the points raised in responses will not have been reflected fully, but each response has been considered carefully.

The Welsh Government intends to publish the 2 guidance documents substantially as proposed, taking into consideration the feedback received during this consultation.

To support consistent implementation, the Welsh Government will provide a budget statement template, accompanied by guidance notes, for use at local authority discretion. The template is intended to promote greater consistency in reporting across Wales, improve transparency, support comparability of financial information for schools and stakeholders, and help reduce the administrative burden on local authorities by providing a standardised and ready-to-use format. The Welsh Government strongly recommends all local authorities use the provided template.

The School Funding, Budget Statements and Outturn Statements (No. 2) (Wales) Regulations 2026 were made on 29 June 2026 and come into force on 31 January 2027. The Regulations apply in relation to financial years beginning on or after 1 April 2027. All local authorities will be required to comply with the new requirements from that date.

The final guidance for local authorities on the School Funding, Budget Statements and Outturn Statements (No. 2) (Wales) Regulations 2026 and the statutory guidance on schemes for financing local authority maintained schools will be published as soon as possible to support local authorities in preparing for implementation.

Welsh Government officials are also working closely with local authorities and are delivering a programme of tailored training and engagement sessions across Wales to support understanding and implementation of the new requirements.

The Welsh Government will continue to consider feedback from stakeholders and keep the guidance under review to ensure it remains clear, relevant and effective in supporting transparency and understanding of school funding arrangements.

Annex A – List of respondents

A total of 11 responses were received to this consultation. Responses are kept anonymous by default. Those listed here are the people and organisations who gave their permission to publish their name.

Association of School and College Leaders

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NASUWT Cymru