

**CAMBRIDGESHIRE SCHOOL FUNDING FORMULA 2018/19**

*To:* Cambridgeshire Schools Forum  
*Date:* 9 March 2018  
*From:* Jon Lee – Head of Integrated Finance Services

**1.0 INTRODUCTION**

- 1.1 At the 19 January 2018 Schools Forum it was agreed to hold a working group meeting to establish an agreed collective position on the key issues for schools funding in Cambridgeshire. The intention of the working group is to consider the key issues and messages for each of the following Dedicated Schools Grant (DSG) funding blocks - early years, high needs and the schools block.

The working group is scheduled to meet on the 7 March 2018 and a verbal update will be provided to the Schools Forum at the meeting on 9 March 2018.

**2.0 BACKGROUND**

- 2.1 Following the National Funding Formula (NFF) and the setting of the Cambridgeshire schools funding formula for 2018/19 there continues to be concern, despite the increased funding for many Cambridgeshire schools, that overall schools continue to experience financial pressures. These pressures result from general non-pay inflation, pay inflation and national salary increases and other costs such as the apprenticeship levy. As a result many schools continue to have to make budget savings or the increases in funding are simply offsetting existing financial pressures.
- 2.2 Each of the funding blocks is under pressure perhaps with the High Needs Block being the most significant area of concern. In recent years transfers from the Schools Block have been made to support the cost of educating pupils with High Needs. However under the hard NFF it is expected that the ability to continue transferring funding from the Schools Block will not exist. This means that actions are needed to reduce the cost and / or level of spend in respect of the authority's High Needs arrangements. The Authority is undertaking a strategic review to consider potential options as reported to Schools Forum in January 2018.
- 2.3 The Early Years sector is also under pressure, in particular due to the increasing demand for 2, 3 and 4 year olds places across the county. In addition the increased entitlement of 30 hours for eligible families has created further demand for places presenting the sector with a further challenge.
- 2.4 When these specific pressures in each area of the DSG are coupled with the growth that is being experienced in the county, then it is likely that there will be ongoing challenges for schools, other providers and the Authority in ensuring budgets remain sustainable whilst delivering improving attainment across the county.

**3.0 ACTIONS AND RECOMMENDATIONS**

- 3.1 **Schools Forum are asked to note and consider the update provided from the working group and to consider any next steps or further work.**