

<b>Item No.</b> <b>8</b>	<b>Classification</b> OPEN	<b>Committee:</b> Education, Youth & Leisure Scrutiny Sub-Committee	<b>Date</b> 3 <sup>rd</sup> Dec 2003
<b>Title of Report</b>		<b>Education Finance Settlement 2004-5</b>	
<b>Ward(s) or groups affected</b>		<b>All</b>	
<b>From</b>		<b>STRATEGIC DIRECTOR OF EDUCATION &amp; CULTURE</b>	

## **1 Purpose**

- 1.1 To advise the Education, Youth and Leisure Scrutiny Committee of the provisional Education finance settlement following the announcement by the Secretary of State for Education and Skills on 29<sup>th</sup> October 2003.

## **2 Recommendations**

- 2.1 That the Education, Youth and Leisure Scrutiny Committee notes the education finance settlement for Southwark in 2004-5.

## **3. Background Information**

- 3.1 The Secretary of State on 17th July 2003 announced that the school funding system for 2004-5 would be more stable and provide additional resources so to provide a more secure funding framework for the next two years for schools and Councils. Consequently, he agreed to bring forward the announcement of the education finance settlement to early November 2003 ahead of the main RSG announcement to give schools and Councils an earlier indication to support better forward financial planning. Scrutiny committee received a report on 3rd September 2003 describing the timetable for the annual Council's 2004-5 budget and the arrangements for the agreement of the education budget with this. The Executive received a report on 25th November 2003 describing the finance settlement for the Council as a whole. See appendix 1 for the Council's budget setting timetable.

## **4. Education Finance Settlement**

- 4.1 The announcement by the Secretary of State on 29th October 2003 set out the schools and education services funding arrangements for the financial years of 2004-05 and 2005-06. The new package aims to support schools and Councils through guaranteeing a minimum increase in every school's per pupil budget, providing extra resources at LEA level for schools with additional pressures and providing a package of support to help struggling schools bring their budgets back to balance. The package announced aims to support schools in three ways:-

- A guaranteed minimum increase in every school's per pupil budget.
- Additional resources at LEA level which can be targeted at schools with additional pressures.

- A package of transitional support to help schools facing the greatest difficulty in bringing their budgets back to balance.

4.2 The five key 'issues' – or financial challenges – from 2003/04 were:

- A low floor (3.2% pupil, after teachers' pensions) for calculating the grant settlement.
- A reduction in the Standards Fund (£400m).
- Some – a small minority – authorities not passporting.
- Pressures on central spending in the Schools Budget.
- A range of individual schools' budget increases.

4.3 For 2004/06, the big 'headlines' are stability and predictability. The Government is keen to ensure that the problems of 2003/04 do not recur. This represents a distinct shift from the 2003/04 priority of moving to a fairer distribution. For 2004/06, the existing architecture of EFG/Revenue Support Grant /Schools Budget/Fair Funding plus DfES grants is retained but there will be guarantees based on the 2003/04 funding levels – plus 'Transitional Support', recognising where spending is higher than funding. There will be a minimum guaranteed funding increase for each school – rather than each LEA, backed up with comparable increases for every LEA.

4.4 The minimum increase in the Schools Formula Spending Share will be set at 5 per cent per pupil in 2004-05 to ensure that the guarantee to schools is backed by adequate resources at the LEA level, This is a minimum increase – most LEAs will receive increases above this level. we expect the ceiling to be at least 6.5% per pupil. We are ensuring that for the next two years each authority's increase in central government support will be at least equal to the increase in their SFSS. The government will also provide additional resources for other local services, including Children's Social Services, to support spending in those services.

4.5 DfES proposals will ensure that every LEA has sufficient funding to enable it to passport its increase in SFSS in full into a matching increase in its Schools Budget. The Secretary of State said in July that there is a clear expectation from Government's that every LEA will passport barring wholly exceptional circumstances. The deadline for LEAs to give notice of their proposed Schools Budget has been brought forward to 31 December 2003. The Secretary of State will be prepared if necessary to use his reserve power to set a minimum Schools Budget for an LEA where he considers that LEA's proposed Schools Budget to be inadequate.

4.6 The government requires that central spending within the Schools Budget should rise no faster than the Individual Schools Budget over the next two years. However, they do recognise that that there are some specific circumstances where central budgets may be obliged to rise faster than individual schools' budgets. Consequently, LEAs may therefore request an exemption from the limit if local circumstances dictate but these exemptions will be considered carefully on a case-by-case basis, taking account of views expressed by the local Schools Forum.

4.7 DfES have published the following breakdown of the 3.4% estimated average costs that schools will face in 2004-5 making good its promise to show more openly its estimates of

(unavoidable) cost pressures on schools:

<b>3 Cost Pressures</b>			
<i>Estimated average cost pressures on schools of 3.4%:</i>			
	%a ge of Sch ools , Spe ndi ng	%a ge pre ssu re	Addition to minimu m funding level
Tea cher s' Pay:	60 %	3.4 %	2.0%
Headline Award: Overhang from 2002 pay award; Pay drift, etc; Leadership Group points			
Sup port Staf f Pay:	19 %	4.3 %	0.8%
<b>Headline Award; Re-grading, etc; LG Pensions</b>			
Non -pay Cost s	21 %	2.5 %	0.5%
TO TA L	100 %		3.4%

4.8 The main points around the Minimum Schools Guarantee are:

- Headline figure: +4% on schools' initial budget for 2003-04 where pupil numbers stay the same.
- Excludes Learning and Skills Council (LSC); Rates; funding for named pupils (eg SEN statement).

- 5-16 pupil number changes treated on a marginal cost basis: 80% of unit cost for primary; 87½% for secondary.
- Different arrangement for special schools, very small (75 pupil or fewer schools).
- Obligatory element in Fair Funding formulae.

4.9 There will be:

- No further cuts to Standards Fund in 2004-05 and 2005-06: Introduction of 'School Development Grant'.
- Generally, schools and LEAs guaranteed at least 4% cash increase in Standards Fund.
- New guarantee to School Standards Grant: at least 4% per pupil increase for every school (100% funded by DfES).
- LSC funding for 6<sup>th</sup> forms to offer comparable 4% increase guarantee
- The costs of threshold pay will be fully funded next year. Schools will be able to draw down from DfES on a demand-led basis as at present.

4.10 Transitional support is the big new element this time round and its main elements are:

- Transitional grant in 2004-05 for LEAs with lowest increases, 2002-03 to 2004-05. Approx £120m, one third of LEAs.
- 'Advance of grant' available for others (maximum 0.2% of 2004-05 resources or £300k).
- Conditions: passporting; 'costed and credible' plan to bring schools into financial balance.
- New LEA flexibility to target funds to schools with particular problems.
- KPMG / National College for School Leadership / head teacher associations support for schools' financial management.

## 5. The Education Finance Settlement for Southwark

5.1 Officers have been modeling for a number of months the 2004-5 predicted national education funding formula for Southwark based on a number of consultation documents that DfES has issued to pilot LEAs and discussions held at various education finance conferences and with other Councils. Work has been well advanced in anticipating the governments proposals for the 2004-5 national education funding formula so as to support the advance timetable for the Council's policy and resourcing strategy and for consultation with the Schools Forum.

5.2 The Education Act 2002 introduced a new funding regime at the LEA level in 2003-4 with new definitions of what is defined by the "LEA Budget" for central functions and the "Schools Budget" for expenditure on pupils. Overall, the regime was designed to maximise the funds available at school level, to give schools as much power over spending decisions as possible. It was also intended to provide greater clarity for all parties by improving transparency between funding for activities traditionally thought of as "central" and those that are schools based. See appendix 2 and 6 for a brief description of the funding methodology for education services introduced since 2003-4.

5.3 All expenditure to support LEA funded primary, secondary and special schools is contained within the Schools Budget (SB). The total amount that is delegated to schools and under the control of Governing Bodies that have delegated powers of management is known as the Individual Schools Budget (ISB). The resource allocation formulas for both mainstream and special schools are applied to this sum. The remainder of the non ISB Schools budget covers a range of services including

specifically Special Education Needs Services for pupils i.e. provision of SEN statements etc. The LEA Budget includes those services that support the strategic management and statutory responsibilities of the LEA to pupils, families and schools i.e. Home to Schools Transport services, Education Welfare Services, Education Psychology services.

- 5.4 The Council's current policy is to spend at Education FSS (Formula Spending Share) in 2004-5 that means passporting the full increase in Education FSS (not just Schools FSS). The Council pursued the same policy in 2003-4. The current provisional settlement in 2004-5 is an EFSS of £172.032M compared to £165.159 in 2003-4 an increase of £6.873M. This is an increase of 6.3% after taking into account the funding mechanisms 'floors' and 'ceilings'. Consequently, Southwark has received a good settlement compared to other LEAs but would have lost funding through the redistribution effect of the 'floors' and 'ceilings' methodology. See appendix 3 showing the Councils overall 2004-5 finance settlement and appendix 4 showing comparisons with other London Councils.
- 5.5 The table below provides a more detailed comparison of the services blocks within EFSS in 2003-4 and 2004-5. The Schools Formula Spending Share (SFSS) of £151.613M represents a 6.8% increase and is at the schools formula funding ceiling and represents a very good settlement for Southwark. The SFSS increased by £6.134M compared to £145.479M in 2003-4. The indicative LEA block has increased by £793K compared to 2003-4.

<b>Southwark Education Settlement 2003-4 and 2004-5</b>					
		<b>2003/4</b>		<b>2004/5</b>	<b>Increase</b>
		<b>£'000s</b>		<b>£'000s</b>	<b>£'000s</b>
<b>ISB</b>		124,514		129,365	
<b>Non ISB</b>		20,965		22,248	
<b>SFSS</b>		<b>145,479</b>		<b>151,613</b>	6,134
<b>LEA</b>		19,680		20,419	
<b>EFSS</b>		<b>165,159</b>		<b>172,032</b>	6,873

- 5.6 The LEA has already consulted with the Council's Schools Forum on the education settlement in 2004-5 and the implications for schools budgets. The Schools Forum have been provided with draft indicative budgets based on the per pupil guarantee using estimated education settlement funding figures for Southwark prior to the announcement of the provisional finance settlement. Overall the increase in SFSS is expected to be sufficient to enable the Council to meet the per pupil guarantee but also target those schools where they face unavoidable in-year cost pressures as a result of lower than average LMS funding they received in 2003-4 because of falling rolls etc.

The Council is expected to identify these schools at the earliest possible stage based on an assessment of the schools finances in 2003-4 and to retain a new category of expenditure known as 'headroom' within the Schools Budget to provide short-term support to them outside the LMS formula. This is aimed to tackle potential unsustainable growth in schools deficits.

5.7 Overall, the regulation require he increase in the size of the non-delegated schools budget to be limited to ensure that funding goes into schools budgets (ISB) and not retained centrally so that these increases are not greater than the increase in the ISB. If the Council wishes to relax the limit in the increase to the non-delegated schools budget then the Council will have to demonstrate the following to the Secretary of State:-

- ▶ Whether the Council can show that the higher expenditure was unavoidable.
- ▶ The effectiveness of the Council's review of the priorities of its non-delegated schools budget.
- ▶ Whether the Schools Forum and schools in general support the submission by the Council to the DfES.
- ▶ What additional spending on the non-delegated schools budget has not been funded by over passporting to the Schools Budget.

5.8 The Council is required by the Secretary of State to notify him of their proposed schools budget by 31<sup>st</sup> December 2003. However, the DfES do not expect Councils to have taken final decisions on their budgets by 31<sup>st</sup> December but legally the Council is required to inform Governing Bodies of their proposed schools budgets. Failure to notify the Secretary of State of the proposed budget may result in a minimum level of schools budget being set for the Council. Further the Secretary of State is required to act by 14<sup>th</sup> January 2004 in giving notice determining a minimum schools budget because of failure to notify by the Council or the level of schools budget is deemed to be too low. Councils will be able to object to the Secretary of State's determination of the level of schools budget and provide reasons in writing.

5.9 Further, Councils may decide to revise their schools budget proposed on 31<sup>st</sup> December 2003 after further consideration. However, they will also be subject to the requirement to explain their decision to the Secretary of State who will have the power to determine a minimum level of schools budget if in his judgment this is necessary. Also, DfES have extended the deadline to 13<sup>th</sup> February 2004 for Councils to make representation if they wish the limit on non-delegated services within the Schools Budget to be relaxed. The Council is legally required to formally consult with the Schools Forum on the education budget by the end of January although the consultation is not legally binding.

**6. Resource Implications**

Described in this report.

**7. Supplementary Advice From Other Officers**

None.

**8. Concurrent Report of the Borough Solicitor and Secretary**

None

## 9. Equal Opportunities Implications

None.

## 10. Consultation

None.

**Background Documents**

Background Papers	Held At	Contact
DfES and ODPM Finance Guidance Circulars	Performance and Resources John Smith House	Martin McGrath (55068)

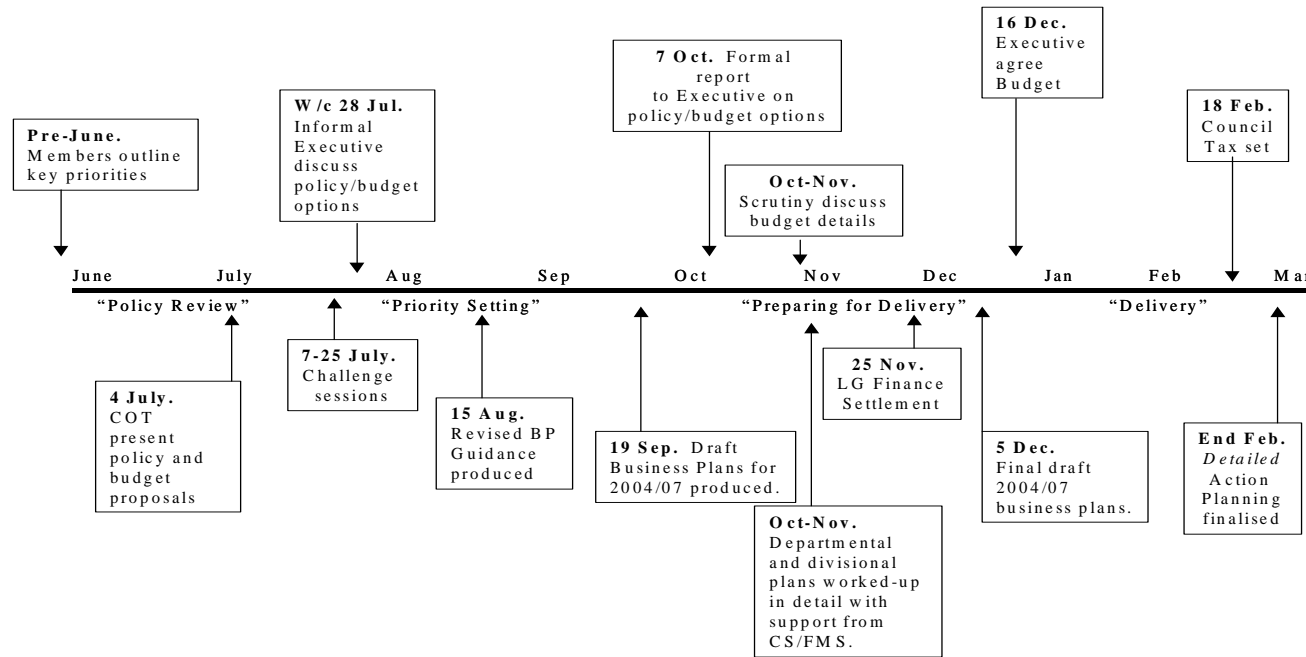
<b>Lead Officer</b>	Sam Eastop, Acting Director of Education & Culture Services	
<b>Report Author</b>	Martin McGrath (Performance & Resources)	
<b>Version</b>	Final	
<b>Dated</b>	28.11.03	
<b>Key Decision?</b>	Yes/No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Borough Solicitor & Secretary	Yes/No	Yes/No
Chief Finance Officer	Yes/No	Yes/No
<i>List other Officers here</i>		
Executive Member	Yes/No	Yes/No
Date final report sent to Constitutional Support Services	28.11.03	





# Council's Budget making timetable 2003-4

Integrating the business and budget planning cycle – timeline



### *The Former System*

The former Education SSA comprised of five sub-blocks: Under 5s, primary, secondary, post-16 and other. The calculation of the SSA elements for each of these reflected different client groups and associated unit costs. Cost adjustments were incorporated in the formula to reflect the increased costs associated with additional educational needs, the sparsity of the population in an area and differences in the costs of provision between areas. Historical patterns of past spending were used to determine the weights attached to each of these factors.

### *The Current System*

#### *LEA & Schools' Blocks*

In the current system, education funding is divided into two blocks: one for school provision; and one for Local Education Authority functions. Approximately 88% of education funding is in the schools block, and the remainder in the LEA block. Each block is distributed through separate formulae.

#### *Schools' Blocks*

##### *General Structure of Formulae*

The schools block is divided into 4 sub-blocks:

- Under 5s;
- Primary;
- Secondary; and
- High cost pupils.

The formulae for distributing the under 5s, primary and secondary sub-blocks all have a similar structure:

- a basic per-pupil entitlement, with top ups for
- significant deprivation; and
- for areas where it costs more to recruit and retain teachers.

The formula for distributing the primary sub-block also has an addition for sparsity, to reflect the higher cost of maintaining small primary schools in sparse areas.

The basic entitlement for every pupil is derived top down from the spending control totals for each sub block. There are different values for under 5s, primary and secondary, reflecting the differing basic costs of educating pupils in these age ranges.

#### *Top up for Deprivation*

The top up for deprivation or Additional Educational Needs (AEN) has three elements:  
*incidence* - an estimate of the number of pupils with AEN in each authority;

- a measure of poverty, perhaps children in families in receipt of Income Support, for social needs; and
- English as an Additional Language (EAL) for language learning needs in primary, or
- Ethnicity, reflecting the lower achievement and high social need of some ethnic groups (including English speaking groups) for secondary.

In two of the four options modelled, a wider definition of poverty is used involving the inclusion of children in families in receipt of Working Families Tax Credit (WFTC) in

recognition of the fact that many low earning families are likely to have similar social needs to the unemployed.

*cost* - the amount that each AEN pupil attracts;  
measured as:

- school cost - the cost of paying for additional resources such as teaching assistants;
- opportunity costs - reflecting the diversion of resources such as teacher time towards pupils with AEN in place of support that ideally would be provided by a learning support assistant or similar person;

Two of the four options also allocated resources to what are termed “unmet” need, i.e. additional support schools felt that pupils needed but were unable to provide within their resources

*threshold* – which specifies a proportion of AEN pupils below which it would be over-exact to make a distinction between authorities.

set at:

- 5 LEAs, or
- 30 LEAs, or
- 50 LEAs.

### *Under 5's sub-block*

The Under 5's sub-block follows the same structure as the primary and secondary block with a basic entitlement with top ups for significant deprivation and area costs. Consideration is being given to the options for future funding of early years education places. These include a hybrid arrangement for funding three year olds in the first two years of the new system, with all existing places funded through the formula, and new places funded through specific grant. Three year olds are funded at a part-time equivalent rate; four year olds are funded at a full-time equivalent rate.

### *High Cost Pupils sub-block*

The high cost pupils sub-block delivers additional funding for pupils with high levels of need, such as pupils in special schools, Pupil Referral Units, and those with statements – in total around 4% of the pupil population. Some of this funding may be retained centrally by LEAs: fees for pupils at non-maintained and independent special schools and specialist support for high cost SEN are two examples. In addition, funding for the education psychology service and for the statementing process itself is part of the LEA block.

The proportion of high cost pupils in each LEA is estimated using the population of children aged 3 to 15, weighted by Income Support and Low Birth Weight. The precise weights used in the formula are judgmental.

### *The LEA Funding Assessment*

The formula is based on recent spending patterns across all LEAs, as reported in S52 statements and allocates funding as follows:

- 26% according to the numbers of pupils in an authority's schools – to reflect the functions LEAs have in relation to all schools in their area;
- 37% on the number of pupils resident in an authority – to reflect the statutory responsibilities LEA have for these pupils, wherever they are educated;
- 10% on sparsity, largely to reflect the higher costs of home to school transport in sparse areas; and

- 27% on a mixture of Income Support and English as an additional language (EAL), to reflect the additional needs of deprived areas.

### *Cost of Living Approach to Area Costs*

There were two possible approaches to area cost adjustments considered at the time the changes were introduced. The current approach is earnings based and works by comparing salaries for eight occupational groups (including teachers). This is known as the General Labour Market approach. An alternative approach would be to compare the cost of housing across authorities since the major barrier to recruitment and retention is the cost of acquiring a home. It is possible that the house price approach could be used for schools and the GLM approach for the LEA block. The 'Labour Market' approach was adopted.

### *Limits on education allocations from year to year*

In 2003-4 there was a guarantee that no authority's schools should lose out in real terms as the new system was implemented. DfES considered how best to deliver this guarantee: a minimum increase on a per-pupil basis. Alongside this the DfES introduced an upper limit to the increase an authority could receive – this is necessary to pay for the lower limit that some LEAs might expect to receive. This led to the creation of 'ceilings' and 'floors' so as to limit the increases in funding received by some LEAs to ensure there was minimum funding for those LEAs where they might suffer as a result.

## Formula Spending Shares (FSS) - London Authorities

Appendix 3

Local Authority	Education	Personal Social Services	Police	Fire	Highway Maintenance	Environmental, Protective and Cultural Services	Capital Financing	Total
GREATER LONDON								
City of London	1.302	3.200	35.981		5.860	28.650	3.061	78.053
Camden	100.916	98.481			8.334	85.947	11.454	305.133
Greenwich	160.700	94.952			8.667	63.516	9.429	337.264
Hackney	140.163	123.182			6.196	82.591	10.953	363.085
Hammersmith and Fulham	82.024	77.285			5.724	63.869	8.831	237.733
Islington	120.072	98.823			5.759	71.460	8.310	304.425
Kensington and Chelsea	54.988	66.208			6.477	66.958	13.805	208.435
Lambeth	150.404	132.705			8.480	93.464	11.957	397.010
Lewisham	165.212	111.565			8.338	74.934	10.644	370.693
Southwark	172.032	134.022			8.514	91.606	11.981	418.155
Tower Hamlets	188.854	124.112			6.388	87.998	13.343	420.694
Wandsworth	126.896	101.417			9.235	82.597	12.270	332.415
Westminster	90.506	82.530			16.226	109.537	11.650	310.450
Barking and Dagenham	115.035	61.294			4.848	42.128	2.594	225.898
Barnet	171.198	89.703			9.451	74.045	6.972	351.370
Bexley	134.381	52.638			7.795	44.815	10.655	250.283
Brent	158.393	95.959			8.138	77.191	13.678	353.360
Bromley	162.787	68.350			11.220	57.975	9.076	309.409
Croydon	190.281	89.121			10.938	74.686	12.925	377.951
Ealing	167.005	98.466			10.214	80.139	13.223	369.047
Enfield	183.868	79.266			8.831	66.891	14.624	353.480
Haringey	144.595	86.434			6.117	65.446	18.881	321.474
Harrow	115.053	55.711			6.741	48.270	8.412	234.187
Havering	130.444	52.027			9.106	44.625	4.842	241.045
Hillingdon	147.900	62.760			9.986	54.079	9.571	284.297
Hounslow	134.342	65.391			6.801	53.263	9.143	268.939
Kingston upon Thames	69.904	35.042			4.947	32.331	7.538	149.763
Merton	85.364	51.098			6.563	45.216	10.248	198.490
Newham	219.210	100.985			7.463	77.595	21.160	426.412
Redbridge	149.909	63.217			6.992	56.431	8.755	285.305
Richmond upon Thames	71.850	41.248			5.866	37.596	5.677	162.237
Sutton	105.644	45.896			6.164	38.959	7.118	203.781
Waltham Forest	146.315	75.790			6.578	58.819	10.621	298.123

# Education and School Formula Spending Shares (EFSS SFSS) - London Authorities

Appendix 4

LEA#	LEA	ODPM No.	Overall Funding levels 2004-05			SFSS to LEAFSS split		Funding per pupil 2004-05		SFSS increases		Pupils 3 to 15 pupil number changes	EFSS increases	
			SFSS £m	LEA FSS £m	EFSS £m	Proportion SFSS	Proportion LEA FSS	Final SFSS £ pp after damping	Final EFSS £ pp after damping	SFSS inc per pup after F&C	SFSS overall inc		LEA block increase cash	EFSS inc pp after f&c
201	City of London	R370	0.872	0.430	1.302	67%	33%	3,528	5,271	6.8%	9.9%	2.9%	3.76%	4.7%
202	Camden	R371	88.445	12.471	100.916	88%	12%	4,498	5,133	5.0%	5.6%	0.6%	3.76%	4.8%
203	Greenwich	R372	141.717	18.983	160.700	88%	12%	4,151	4,707	6.8%	6.6%	-0.2%	3.76%	6.5%
204	Hackney	R373	122.390	17.773	140.163	87%	13%	4,691	5,372	6.8%	6.4%	-0.4%	3.76%	6.5%
205	Hammersmith and Fulham	R374	72.423	9.601	82.024	88%	12%	4,408	4,992	5.0%	5.5%	0.5%	3.76%	4.8%
206	Islington	R375	104.985	15.087	120.072	87%	13%	4,481	5,124	6.8%	5.8%	-0.9%	3.76%	6.5%
207	Kensington and Chelsea	R376	48.979	6.009	54.988	89%	11%	4,560	5,119	5.0%	6.5%	1.5%	3.00%	4.6%
208	Lambeth	R377	131.158	19.247	150.404	87%	13%	4,554	5,223	5.0%	4.1%	-0.9%	3.76%	5.0%
209	Lewisham	R378	143.208	22.003	165.212	87%	13%	4,213	4,860	6.0%	5.5%	-0.5%	3.00%	5.7%
210	Southwark	R379	151.614	20.418	172.032	88%	12%	4,404	4,997	6.8%	7.9%	1.0%	3.76%	6.3%
211	Tower Hamlets	R380	165.917	22.937	188.854	88%	12%	4,764	5,422	6.8%	7.3%	0.5%	3.76%	6.4%
212	Wandsworth	R381	112.801	14.095	126.896	89%	11%	4,035	4,539	6.3%	8.0%	1.6%	3.76%	5.8%
213	Westminster	R382	80.478	10.028	90.506	89%	11%	4,420	4,971	5.8%	7.3%	1.5%	3.76%	5.4%
301	Barking and Dagenham	R383	101.911	13.124	115.035	89%	11%	3,467	3,914	5.0%	6.1%	1.0%	3.76%	4.7%
302	Barnet	R384	153.535	17.663	171.198	90%	10%	3,488	3,889	6.8%	5.9%	-0.9%	3.76%	6.6%
303	Bexley	R385	120.557	13.824	134.381	90%	10%	3,187	3,553	5.0%	4.8%	-0.2%	3.00%	4.8%
304	Brent	R386	139.169	19.223	158.393	88%	12%	3,871	4,405	6.8%	8.1%	1.2%	3.76%	6.3%
305	Bromley	R387	146.733	16.054	162.787	90%	10%	3,239	3,593	5.0%	4.8%	-0.2%	3.00%	4.8%
306	Croydon	R388	169.897	20.384	190.281	89%	11%	3,405	3,813	5.0%	5.0%	0.0%	3.00%	4.8%
307	Ealing	R389	147.509	19.495	167.005	88%	12%	3,701	4,190	6.8%	6.4%	-0.4%	3.76%	6.5%
308	Enfield	R390	164.090	19.778	183.868	89%	11%	3,521	3,946	5.0%	6.1%	1.1%	3.41%	4.7%
309	Haringey	R391	126.787	17.809	144.595	88%	12%	3,903	4,452	5.0%	6.7%	1.7%	3.76%	4.6%
310	Harrow	R392	102.807	12.246	115.053	89%	11%	3,511	3,929	6.8%	6.5%	-0.2%	3.76%	6.5%
311	Havering	R393	117.395	13.049	130.444	90%	10%	3,172	3,524	5.0%	5.2%	0.1%	3.00%	4.8%
312	Hillingdon	R394	132.320	15.580	147.900	89%	11%	3,386	3,784	6.8%	7.6%	0.8%	3.76%	6.4%
313	Hounslow	R395	119.259	15.083	134.342	89%	11%	3,656	4,119	6.2%	5.6%	-0.6%	3.76%	6.0%
314	Kingston upon Thames	R396	62.591	7.314	69.904	90%	10%	3,236	3,615	6.8%	6.9%	0.1%	3.76%	6.5%
315	Merton	R397	76.243	9.121	85.364	89%	11%	3,449	3,862	6.8%	6.1%	-0.7%	3.76%	6.5%
316	Newham	R398	193.432	25.778	219.210	88%	12%	3,954	4,481	5.7%	5.3%	-0.4%	3.76%	5.5%
317	Redbridge	R399	134.178	15.731	149.909	90%	10%	3,367	3,762	5.6%	5.8%	0.2%	3.76%	5.3%
318	Richmond upon Thames	R400	64.819	7.030	71.850	90%	10%	3,177	3,522	5.2%	5.6%	0.4%	3.76%	5.0%
319	Sutton	R401	94.954	10.690	105.644	90%	10%	3,324	3,698	5.0%	6.9%	1.8%	3.76%	4.7%

## Change in grant in 2004/05 compared to Schools FSS - London Authorities

Appendix 5

Local Authority	Final Grant Increase	Schools FSS Increase	% Passporting of total grant
City of London	3.589	0.079	2.2%
Camden	11.964	4.844	40.5%
Greenwich	14.347	8.806	61.4%
Hackney	16.041	7.369	45.9%
Hammersmith and Fulham	8.871	3.799	42.8%
Islington	10.559	5.743	54.4%
Kensington and Chelsea	4.508	3.359	74.5%
Lambeth	10.090	5.142	51.0%
Lewisham	14.807	7.439	50.2%
Southwark	18.067	11.082	61.3%
Tower Hamlets	18.972	11.307	59.6%
Wandsworth	8.336	8.336	100.0%
Westminster	7.544	5.499	72.9%
Barking and Dagenham	9.579	5.968	62.3%
Barnet	8.536	8.536	100.0%
Bexley	5.788	5.508	95.2%
Brent	14.312	10.451	73.0%
Bromley	7.575	7.575	100.0%
Croydon	9.600	8.495	88.5%
Ealing	13.804	8.820	63.9%
Enfield	13.698	9.878	72.1%
Haringey	8.215	8.010	97.5%
Harrow	8.437	6.311	74.8%
Havering	5.837	5.837	100.0%
Hillingdon	10.646	9.379	88.1%
Hounslow	8.793	6.308	71.7%
Kingston upon Thames	4.990	4.038	80.9%
Merton	7.052	4.385	62.2%
Newham	17.868	9.710	54.3%
Redbridge	10.996	7.560	68.8%
Richmond upon Thames	3.730	3.730	100.0%
Sutton	7.357	6.761	91.9%
Waltham Forest	7.679	5.392	70.2%

# Education Formula Spending Shares (EFSS) - Formula

EDUCATION FUNDING SYSTEM DIAGRAM						
<b>A</b>	Basic Entitlement x No. of 5-10 pupils	Basic Entitlement x No. of 11-15 pupils	Basic Entitlement x (No. of 4yo FTE + 0.5* 3yo PTE)		Resident Unit Cost x 3-18 residents + Pupil Unit Cost x 3-18 pupils	Pop 13-19 Unit Cost x 13-19 population
	+	+	+		+	+
<b>B</b>	AEN extra Unit Cost x Estimated No AEN pupils above threshold	AEN extra Unit Cost x Estimated No AEN pupils above threshold	AEN extra Unit Cost x Estimated No AEN pupils above threshold	Additional HCP Unit Cost * No HCP pupils	Income Support unit cost x Income Support indicator x resident IS weight * 3-18 Residents	Income Support unit cost x Income Support indicator x 13-19 Population
	+				+	+
					Income Support unit cost x Income Support indicator x 3-18 Pupils	Ethnicity unit cost x Ethnicity indicator x 13-19 population
					+	
<b>C</b>	Sparsity Unit Cost x sparsity Index x No 5-10 pupils	=	=	=	Sparsity Unit Cost x Sparsity Indicator x 3-18 Residents	
	=				=	=
<b>D</b>	Pre-ACA Primary total	Pre-ACA Secondary total	Pre-ACA U5 total	Pre-ACA HCP total	Pre-ACA LEA Central Functions total	Pre-ACA Youth and Community total
					X ACA Index	
	X ACA Index	X ACA Index	X ACA Index	X ACA Index	LEA Central Functions sub-total	X ACA Index
					+	
					Plus Fixed Cost factor plus FE residual pension amount	
					=	
<b>E</b>	PRIMARY sub-block	SECONDARY sub-block	UNDER 5 sub-block	HCP sub-block	LEA Central Functions sub-block	Youth and Community sub-block
<b>F</b>		SCHOOLS FORMULA SPENDING SHARE			LEA FORMULA SPENDING SHARE	
		PLUS DAMPING AMOUNT			PLUS DAMPING AMOUNT	
<b>G</b>		TOTAL SCHOOLS FORMULA SPENDING SHARE AFTER DAMPENING			TOTAL LEA FORMULA SPENDING SHARE AFTER DAMPENING	
<b>H</b>		TOTAL EDUCATION FORMULA SPENDING SHARE				