**Narrative for 3 year budget forecast report**

**November 2017**

**General Comments**

I have continued to forecast based on the assumption that the Schools Forum will vote through a MFG rate of -0.5% and increased KS4 AWPU from next year. I have also continued to use existing IDACI figures and weightings as there is no indication at this stage that these will change.

The revised forecast is showing a possible deficit of (£69,543) in 2019-20. This has increased slightly from the previous report mainly due to increased staff expenditure estimates (previously estimated at £130k form 2018-19), and LGPS contribution increases. The increased costs have been mostly offset by the increase to expected income from 2019-10 based on a higher intake to Year 7.

The following general conditions and assumptions have been used for this forecast:

* Pupil numbers in Year 7 will be 240 each year from 2018/19 onwards
* Pupil numbers in Year 12 will be 195
* The sixth form numbers have been reduced in Year 12 2018/19 to reflect the small Year 11 entering sixth form. This will effect funding for 2019/20 and 2020/21
* Best estimate of cost increases across the years based on current information

**Income**

The following key conditions and assumptions have been used for forecasting income.

* Year 7 intake increased to 240 from 2018-19 (funding increase from 2019-20)
* ESG funding removed completely from 2018 onwards
* MFG calculated for 2018-19 and 2019-20 using predicted AWPU figures and current IDACI values and weightings at a rate of -0.5%

**Expenditure**

The following key conditions and assumptions have been used for forecasting expenditure.

* Latest predicted staffing model for 2018-19 has been used to calculate staffing costs
* DFC expenditure increased this year
* LGPS contributions increased by 1% April 2018 and a further 1% April 2019 (recorded in the “LGPS deficit” row on the spreadsheet)
* April ’19 onwards TPS pension increased by 2%
* 2017/18 onwards 1% manually added to all salaries and 2% to teachers main scale

**Other Factors**

* Forum may vote to set the MFG at -0% which will improve our position
* NFF and DFE promises of funding at £4800 per pupil by 2019-20 are being monitored
* Carry forwards may increase if we are able to continue to identify cost saving throughout the year