**Narrative for 5 year budget forecast report**

 **September 2018**

**General Comments**

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

* New design for the forward forecast has been used. This matches the budget line for line making it much easier to compare and work with.
* A 5 year plan has been released rather than 3 because of the impact on the next 2 years which means we need to discuss years 4 and 5 with governors, certainly throughout this year
* V1 includes the full impact of the teacher pay rises and leaves a provision for the TPS pension increase
* V2 includes the full impact of the teacher pay rises and assumes the DFE will actually fully fund the TPS pension increase as promised
* Pupil numbers in Year 7 will be 248 each year from 2018/19 onwards
* Both versions include the expected 19-20 Falling Rolls income of £75,970
* 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 248 from 2018-19
* 19-20 GAG income is based on the likely AWPU agreed by schools forum
* 18-19 PP reduced in line with funding and future estimates reduced as a pre-caution
* Expected Teacher pay grant is included in both versions

**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
* The agreed support staff pay increases and LGPS contributions are built into the latest staff calculators.
* 19-20 onwards, support staff pay rises forecast at 2%
* 2018-19 and 19-20 Teachers pay rises included
* 2020-21 onwards, teachers pay rises forecast at 2%
* Most budgets frozen for 2019-20 to get through difficult year
* Astro sinking fund contributions re-distributed to allow total to be reached in an affordable way

**Other Factors**

* We must report to the schools forum each year to receive the falling rolls allocation. 2018-19 allocation evidence has been submitted, but the £75,000 for 2019-20 will need to be evidenced and agreed.
* Teachers pension costs are supposed to be funded for 2019-20 but will be reviewed as part of the next spending review for 2020 onwards