**Narrative for 5 year budget forecast report**

**November 2018**

**General Comments**

The report includes all pages of the working document which include:

* Summary – Headline figures
* Income – Breakdown of all actual and forecast income
* Expenditure - Breakdown of all actual and forecast income
* Pupil Numbers – covers expected pupil numbers for the next 5 years

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

* Pupil numbers in Year 7 will be 248 each year from 2018/19 onwards
* Includes 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 248
* 19-20 GAG income is based on the likely AWPU agreed by schools forum and revised based on actual October 18 census numbers
* 18-19 PP reduced in line with funding and future estimates reduced as a pre-caution
* Teachers pay grant is included
* Government “little extras” grant is included
* Apprenticeship levy and MEITT training grant (minus fee) are included in income

**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 Teachers pay increases are now built into the latest calculators.
* 19-20 onwards, Teachers pay rises forecast at 2% and re-calculated based on new pay scale values
* 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