**Narrative for 5 year budget forecast report**

**MAR 2019**

**General Comments**

The report includes all pages of the working document:

* Summary – Headline figures \* Teacher numbers and KPI’s are now shown on this page
* 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:

* 6th Form per pupil funding estimate has been reduced 2020-21 onwards
* Includes the expected 19-20 Falling Rolls income of £75,970
* Best estimate of cost increases across the years based on current information
* Teachers pension increase costs (7% - £280k) are fully funded on an ongoing basis

**Income**

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

* Year 7 intake 248 for 2019/20 then 240 each year
* Year 12 intake 190 for 2019/20 and 2020/21, then 160 each year
* 2019-20 GAG income is taken directly form the funding statement
* 2019/20 MFG taken from the funding statement
* 2020/21 MFG based on +0% per pupil assuming all AWPU and weightings remain the same
* 18-19 PP reduced in line with funding and future estimates reduced as a pre-caution
* Teachers pay grant (including April to Aug 2020) is included
* Additional DFC is included at £60k
* Expected 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 and 2019-20 has been used to calculate staffing costs
* 2019-20 onwards, support staff pay rises forecast at 2%
* 2019-20 onwards, Teachers pay rises forecast at 2%
* Astro sinking fund contributions re-distributed to allow total to be reached in an affordable way

**Comparison to previous forecast**

**Income**

* 2019-20 actual GAG income(inc. MFG) was a little higher than estimated
* 2019-20 6th form funding was lower than estimated by around £35k.
* 2020-21 onwards, 6th form funding estimates have been reduced in-line with the reduced per pupil funding we will receive in 2019-20
* 2018-19 carry forward is now expected to be a little higher due to in year changes reported in the Outturn etc.
* Teacher pay grant will now be paid from April to Aug 2020 adding around £27k to 2020-21 income

**Expenditure**

* 2018-19 increased expenditure such as Pupil Exclusion and Supply costs that are over budget have been included
* 2019-20 onwards, savings on the forecast Teaching staff salaries have been included to reflect an English teacher who is paid on UPS leaving who has been replaced with an NQT.

We had also forecast the need for an additional NQT (or part-time teacher) in English from next year but due to some changes that have been made to timetabling options, this is no longer required.

These two changes alone have saved around £50k per year moving forward.

**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 fully funded for 2019-20 but no guarantees beyond that
* ECC & Schools Forum could agree +0.5% MFG of minimum £4,800 per pupil funding for 2020-21
* Staffing may need to increase again in 2020 or 2021
* Teachers pay grant could be extended beyond March 2020
* Comprehensive spending review in 2020