**Narrative for 5 year budget forecast report**

 **JUN 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 estimated at £4,250 per student
* 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 grant to continue each year (or equivalent funding)
* Teacher Pay Grant removed 2020-21 onwards

**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
* 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 2019-20 has been used to calculate staffing costs
* 2010-20 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**

* ESFA income 19-20 onwards includes Teachers pension Grant
* SEN income 19-20 onwards is significantly higher due to the number of EHCP students expected
* 2019-20 onwards – Lettings income reduced as we are unlikely to hit our target this year

**Expenditure**

* Teaching staff calculations now include higher pension rates
* Higher expected costs 19-20 onwards based on actual budget set are now included

**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 Aug 2020
* Pupil Premium numbers in 19-29 could be higher which would bring more income. Allocation announcements expected by July.