**Narrative for 5 year budget forecast report**

**October 2019**

**General Comments**

The report has been modified to separate out Revenue and Capital as this is how they are handled when doing the accounts.

The Summary page includes the in-year surplus\deficit position for each and overall total, the reserves brought forward from previous year for each and overall total, and the expected carry forward for each and overall total.

The Summary page also includes the key indicators that we review each meeting.

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 calculated using the toolkit from this year and the assumed base rate of £4,118 as announced by the Government.
* 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 to continue each year (or equivalent funding)
* KS3 & KS4 GAG funding assumed at £5,000 per pupil

**Income**

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

* Year 7 intake 240 each year from 2020-21
* Year 12 intake 170 for 2020-21 and 160 from 2021-22 onwards
* 6th form income calculated using this years toolkit and a base rate of £4,118
* Assumed a loss of 15% of students between Yr12 and Yr13 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 min of £5,000 per pupil as announced by the Government
* Teachers pay and pension grants are included

**Expenditure**

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

* Latest predicted staffing model for 2019-20 onwards 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 2.75% then 2% each year
* Astro sinking fund contributions re-distributed to allow total to be reached in an affordable way

**Comparison to previous forecast (June 2019)**

**Income**

* Increases in funding levels have been included
* Reduction in forecast student numbers against actual has impacted overall funding

**Expenditure**

* Teaching staff calculations now include higher pay increase of 2.75%

**Other Factors**

* We must report to the schools forum each year to receive the falling rolls allocation so the £75,000 for 2019-20 will need to be evidenced and agreed.
* ECC & Schools Forum have not set the AWPU for funding so we are assuming they will meet the Government requirement of £5,000 per pupil as a minimum
* Staffing may need to increase again in 2020 or 2021
* Pupil Premium numbers in 2020-21 are estimated so could vary
* Pension and Pay Grants have been calculated using advice and tool on ESFA website but actual figures have not been released