**Narrative for 3 year budget forecast report**

**Feb 2023**

The 2022-23 Budget column shows figures as per the original budget.

The 2022-23 Updated column includes virements and variations that are included in the Budget position report for Jan 2023

**General Comments**

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

* Teachers pension grant for 6th form will continue to be paid separately but the pay grant has now been rolled into basic funding
* Pupil numbers have been updated to reflect current on roll as at Oct 2022 (census) and intakes of 240 in year 7 and 180 in year 12 each year moving forward.
* Assumed a loss of 5% of students between Yr12 and Yr13 each year to reflect the larger % of internal students admitted which will hopefully minimise movement

**Income**

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

* Supplementary Grant has been increased for the current year and 2022-23 based on published allocations. 2023-24 has been assumed as per 2022-23.
* Lettings income has been reduced this year to reflect the expected position and to reflect the sports hall being out of use for exam periods.
* ESFA GAG funding for 2023-24 forecast based on preliminary figures from schools forum (additional assumed increase of 2% applied for 2024-25)
* 16-19 funding in 2023-24 has been forecast using the recently released toolkit and data from our latest census (no assumed increase included for 2024-25).

**Expenditure**

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

* Teachers pay award for Sept 2023 and Sept 2024 forecast at 2.5%.
* Support staff pay award for April 2023 forecast at 3% and April 2024 and 2025 at £2.5%
* Additional expenditure as per the budget forecast and narrative have been added.
* 2023-24 Curriculum Department budgets assumes a 10% increase.
* 2023-24 onwards – Staffing costs forecast using the staff salary calculators and applying the increases detailed above.
* 2023-24 Energy forecast at a third of the current costs. This is based on current market positions and updates. 2024-25 costs increased by 10%.

**Summary**

The biggest variations since the last report are:

* 2022-23 improved in-year position and expected carry forward increase of £105k
* 2023-24
  + £98k increase in forecast General Annual Grant and Additional Grants
  + (£20k) reduction in forecast staffing costs
  + (£90k) reduction in forecast energy costs

**Risks & Opportunities**

* Energy markets are currently down to pre-crisis levels and look set to stay there (although no-where near as low as they were 3 years ago).
* Teachers and Support Staff pay awards are a risk depending on size and if they are funded or not
* Actual funding figures for 2023-24 will not be known until the statements are released (usually end of Feb).
* If we were to admit 200 into year 12 instead of 180, there is a possible additional £97k income in 2024-25 (this does come with some operational issues).

**Report Guide**

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

The report includes all pages of the working document:

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