**Narrative for Budget 2022-23**

This year budget holders have completed request forms again indicating their need for Essential, Desired, and Aspirational spend, marking a return to zero based budgeting.

In all cases we have been able to fund both essential and desired budget requests and the aspirational requests will be considered as we progress through the year.

The revenue brought forward is £354,439 *(£303,749 2021-22),* of which reserves are £161,079 *(£70,145 2021-22).*

The initial Contingency allocation is £323,664 (plus astro sinking fund).

*For 2021-22 the initial contingency was £178,749 (plus astro sinking fund)*.

This year the astro sinking fund is reflected on the budget as “Unallocated funds” which just reflects the fact that we do not intend to use them even as part of the contingency funds.

A comparison of budget values set this year against values set last year, as well as actual spending last year, can be made by looking at the first three columns on the latest 5 year forecast. Column 1 shows the initial agreed budget for 2021-22 as set in June 2021. Column 2 shows the forecast final income and expenditure for 2021-22 as calculated in June 2022. Column 3 shows the budget figures set for 2022-23.

**Income**

* Revenue and Capital balances brought forward from 2021-22 (forecast) are as per Appendix 1 tab.
* Balances brought forward are taken from the 2021-22 Outturn Budget Position Report for June 2022.
* All ESFA income other than TPG and TPEG are taken from published figures.
* TPEG and TPG are for 6th form only and have been calculated following ESFA guidance.
* SEN income has been calculated using the list of students expected in September 2022.

**Expenditure**

* Staffing costs have been calculated based on expected staffing in September 2022. Teachers pay rises are estimated at 3% and Support staff pay rises are estimated at 2% for April 2022 and 3% for April 2023.
* Energy forecast is based on 10% increase for electricity and 40% increase for gas.
* Licences & subscriptions cost centre has been increased significantly to reflect solutions that have been committed to for September.
* Pupil premium expenditure has been budgeted to support the Pupil Premium Strategy.