

<b>Agenda Item 10</b>	<b>Appendix</b>
<b>Corporate Strategy and Business Plan 2023/25 Refresh/2024-25 CA Budget and Medium-Term Financial Plan to 2027-28</b>	<b>B</b>

### **ASSUMPTIONS USED IN THE CREATION OF THE DRAFT MTFP FOR CONSULTATION**

1. MTFP (excluding budget option regarding the bus network) based on current budget including current gainshare & precept levels
2. Pay inflation: 4% pa from 2024-25
3. Non-pay inflation: At contractual or assumed rates using range of specific inflation indices
4. Transport levy from Cambridgeshire County Council and Peterborough City Council increases by 2% pa
5. New house building leads to Council Taxbase increase of 2% pa from 2024-25
6. Bus Service Improvement Programme+ grant does not continue after 2024-25
7. No funds received from Greater Cambridge Partnership
8. No Franchise or Enhanced Partnership delivery expenditure included
9. Only secured income included, but grants held back assumed to be released (but see below under point 15)
10. No borrowing to fund Capital programme so no revenue financing costs
11. Where income sources reduce/end staffing costs are reduced in line at same time
12. General Reserves built in at 2% of revenue expenditure (reflecting relative certainty of revenue expenditure)
13. Programme & Corporate Response Funds for unexpected requirements of £1.435m each year from 2024-25
14. No dedicated Improvement Programme funding after 2023-24
15. Treasury Management Funds forecast to total £8.5m this year, but propose holding £1.7m back unallocated to manage potential risk from grants held back (see point 9 above)
16. Assume remainder of this year's treasury income (except £1.7m held back in point 15. above) and vast majority of the Programme Response Fund allocated out to one off spend at Bord on 29<sup>th</sup> November.
17. Treasury management income reduces to £4.5m in 2024-25, £2.0m in 2025-26, £1.5m in 2026-27 and £1.1m in 2027-28 reflecting anticipated reductions in cash volumes and interest rates
18. Treasury forecasts based on cash flow forecast and OBR interest rate projections
19. Overprogramming on capital programme to reflect potential slippage from issues outside CPCA control. Set at 4.3% of programme gross budget 2023-2028 and 6.0% of programme controllable budget 2023-28 (excluding highways grants passported to highways authorities)
20. MTFP includes central/corporate efficiency target from 2025-26 (£100k in 2025-26 rising to £200k pa from 2026-27 onwards) (£500k cumulative saving total)