

Agenda Item 11	Appendix
Assumptions used in the creation of the MTFP	B

Assumptions used in the creation of the proposed MTFP

1. MTFP based on current budget including current gainshare
2. Assumed Council tax remains at the current level (£36 for a Band D equivalent) in-line with the budget the Mayor is proposing.
3. New project ideas come through SAF process, outside MTFP cycle.
4. Pay inflation included at 4% in 2025-26 then 3% pa from 2026-27
5. Allowance has been made for incremental pay drift
6. Non-pay inflation: At contractual or assumed rates using range of specific inflation indices
7. New house building leads to Council Taxbase increase of 1.7% pa where not forecast by the collection authority.
8. Only secured income included
9. No borrowing outside bus reform (see below) to fund capital programme
10. Where income sources reduce/end staffing costs are reduced in line at same time
11. General Reserves (excluding passenger transport) built in at 2% of year 1 revenue expenditure excluding Adult Education Budgets (reflecting relative certainty of revenue expenditure)
12. Programme and Corporate Response Funds for unexpected requirements of £1.435m each year from 2025-26.
13. Assume the Programme Response Fund allocated out to one off spend as intended.
14. Continuous improvement part of BAU so no dedicated Improvement Programme funding after 2024-25.
15. Treasury management income reduces from £9.5m in 24/26 to £5.6m in 2025-26, £2.3m in 2026-27, £1.3m in 2027-28 and 2028-29 reflecting anticipated reductions in cash volumes and interest rates.
16. Treasury forecasts based on cash flow forecast and OBR interest rate projections
17. Overprogramming on capital programme to reflect potential slippage from issues outside CPCA control. Set at 5.2% of programme gross budget 2024-2029 and 9.0% of programme controllable budget 2024-29 (excluding highways grants passported to highways authorities)
18. 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)

Passenger Transport specific

19. Assumed costs and revenues associated with the decision to franchise are included. While not predetermining the outcome, this is in-line with the preferred option of the OBC approved by the Combined Authority Board.
20. Income from the current Mayoral precept continues to be ringfenced for passenger transport.
21. Expenditure and service income/grants taken from approved Bus Reform OBC resulting in future year's operational deficits.
22. Tiger Pass is continued in 24/25 until allocated funding is exhausted.
23. Service reserve for bus service operations created from forecast underspends in 2024/25 totaling £5.7m.
24. Transport levy from Cambridgeshire County Council and Peterborough City Council increases by 2% pa in 2025-26, 4% pa in 2026-27 and 2027-28 then 2% in 2028-29.
25. Bus Service Improvement Plan funding is only secured for 25/26 (in-line with point 8)
26. No funds received from Greater Cambridge Partnership.