

Budget Scenarios – Impact on MTFP

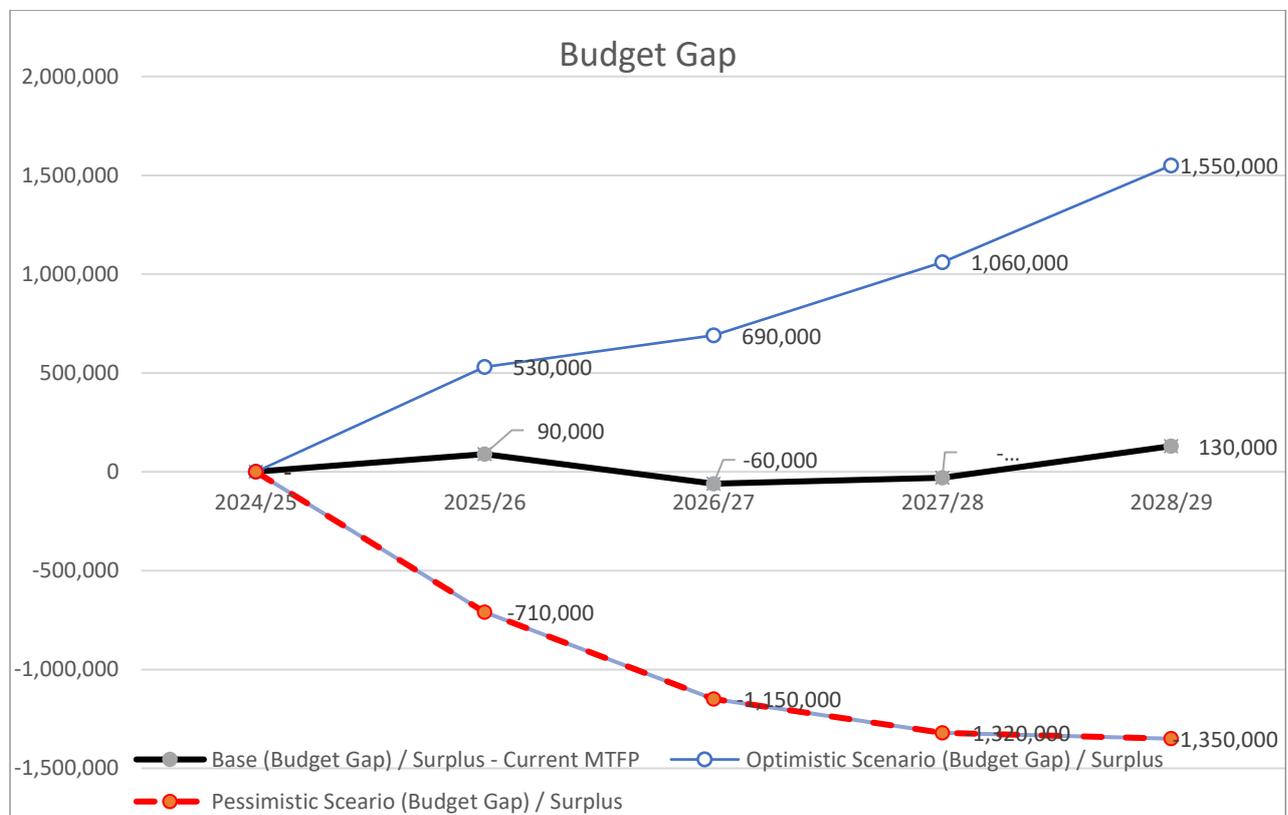
As detailed in the report there are assumptions made in the MTFP and changes to those assumptions result in a different outcome in terms of the forecast budget gaps and surpluses. Chart 1 shows how over the MTFP period the financial results of the organisation could be different.

It compares:

- the current MTFP forecast - the base position
- the pessimistic scenario – where the assumptions for each area of expenditure has increased and funding has reduced
- the optimistic scenario – where the assumptions for each area of expenditure has reduced and funding has increased

It is important to recognise however, that the base version of the plan (the MTFP presented in the main report, presents the most likely set of outcomes given known information).

Chart 1 – Comparison of Budget Gaps under different scenarios



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Chart 2 shows the impact of changes to the pay assumption in isolation

Chart 2 - Impact on budget gap of change in pay assumption from 3% to 5.5%

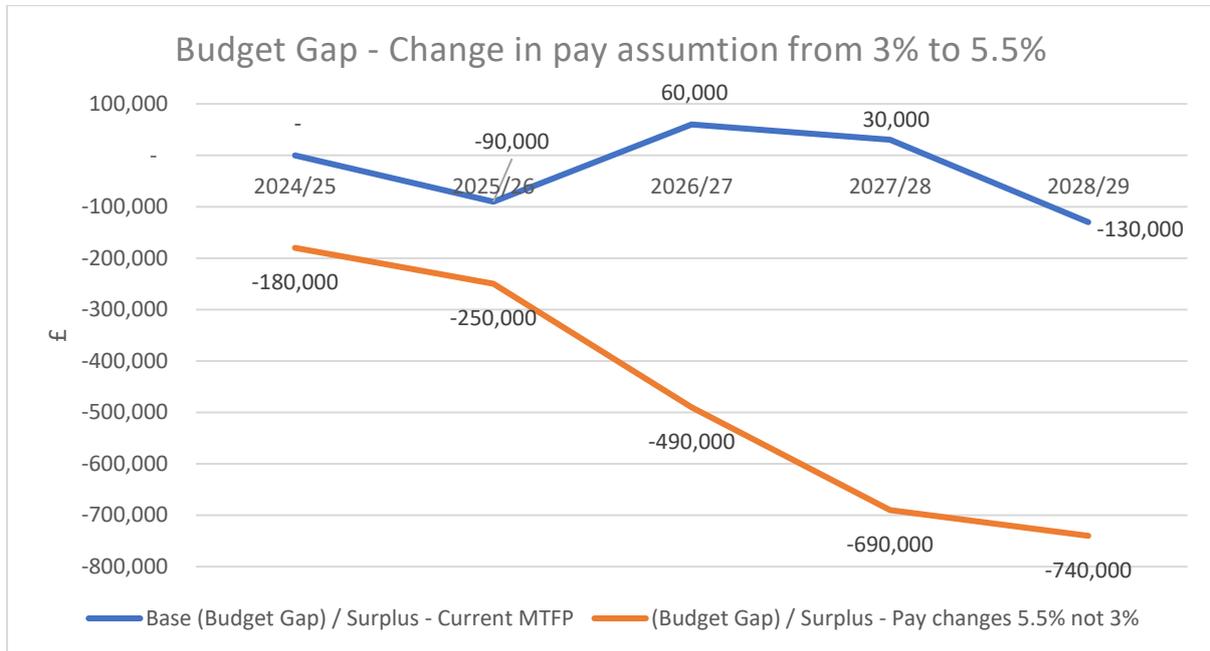


Chart 3 shows the impact of removing the funding guarantee in 2025/26

Chart 3 - Impact on no funding guarantee in 2025/26

