

APPENDIX 3

MTFS Summary	Forecast 2025/26			Forecast 2026/27			Forecast 2027/28		
	Low Gap	Medium Gap	High Gap	Low Gap	Medium Gap	High Gap	Low Gap	Medium Gap	High Gap
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Pay Pressure	2,769	3,462	4,154	2,880	3,635	4,403	2,995	3,817	4,668
Pay Grades Pressure	1,300	1,300	1,300	0	0	0	0	0	0
Price Inflation (inc Energy)	250	250	250	250	250	500	250	250	500
CTRS	500	500	950	350	500	700	350	500	700
Fire Levy	400	500	600	200	300	400	200	300	400
Social Services	3,000	5,000	6,000	2,000	3,000	5,000	2,000	3,000	5,000
Childrens Services	2,600	3,900	5,900	2,000	3,000	4,000	2,000	3,000	4,000
Schools Inflation	3,000	4,000	5,000	3,000	4,000	5,000	3,000	4,000	5,000
Schools Demography	350	700	800	350	700	800	350	700	800
Investment in Priorities	0	250	500	967	967	1,500	892	892	1,000
Additional Service Pressures	1,000	1,500	2,000	1,000	1,500	2,000	1,000	1,500	2,000
Total Pressures	15,169	21,362	27,454	12,997	17,852	24,303	13,037	17,959	24,068
Inc/dec in Revenue Support Grant	-2,008	602	2,008	-2,002	1,001	2,002	-2,002	0	2,002
Council Tax Increase	-8,944	-6,822	-4,700	-4,764	-4,764	-4,764	-5,055	-5,055	-5,055
Total Increase in Revenue	-10,952	-6,219	-2,692	-6,766	-3,763	-2,762	-7,057	-5,055	-3,053
Annual Budget Gap	4,217	15,143	24,762	6,231	14,089	21,541	5,980	12,904	21,015
Cumulative Budget Gap	4,217	15,143	24,762	10,448	29,231	46,303	16,428	42,135	67,318

Note on Main Assumptions:

- Pay: based on 4% (L), 5%(M) and 6% (H) increase for each year
- Priorities: 25/26 - Carbon Project only
26/27 - Carbon (£250k), and Coastal Schemes (£717)
27/28 - Carbon (£250k), Schools Building (£506k) and Archives (£136k)
- Childrens Pressure: 25/26 - Based on current overspend plus known additional placements. Worst case assumes additional new complex placements will occur
- Social Care Pressure: 25/26 - Mid case based on last year's ongoing pressures only (ie one-off pressures excluded). Inflation may lessen the scale of fee increases but other issues such as re-contracting and the 'Let's agree to agree' methodology may increase costs.
- Schools Pressure: No detailed calculation done yet but broadly in line with pay pressure elsewhere (most of inflation is pay)
- Revenue Support Grant: Based on Wales Fiscal Analysis data (-0.3%, -0.5%, 0%). No other analysis available at this stage.
- Council Tax: 25/26: 6% (L), 9% (M) & 12% (H)
26/27 and 27/8: all scenarios based on the long term average of 5.5%