

APPENDIX 2

| MTFP 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 | -1,760 | -1,760 | -1,760 | 1,760 | 1,760 | 1,760 | 1,300 | 1,300 | 1,300 |
| Price Inflation | 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 |
| Adults Social Care and Homelessness | 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 | 12,109 | 18,302 | 24,394 | 14,757 | 19,612 | 26,063 | 14,337 | 19,259 | 25,368 |
| 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 | 1,157 | 12,083 | 21,702 | 7,991 | 15,849 | 23,301 | 7,280 | 14,204 | 22,315 |
| Cumulative Budget Gap | 1,157 | 12,083 | 21,702 | 9,148 | 27,931 | 45,003 | 16,428 | 42,135 | 67,318 |

Note on Main Assumptions:

- Pay: based on 4% (L), 5%(M) and 6% (H) increase for each year
- Pay Grading: Pressure has been moved 2 years due to WG commitment to a revised national pay spine
- 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
- Adults 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%