

APPENDIX 2

MTFS Summary	Forecast 2026/27			Forecast 2027/28			Forecast 2028/29		
	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	2,880	3,635	4,403	2,995	3,817	4,668	3,000	4,000	5,000
Pay Grades Pressure	1,760	1,760	1,760	1,300	1,300	1,300	0	0	0
Price Inflation (inc Energy)	250	250	500	250	250	500	250	250	500
CTRS	350	500	700	350	500	700	350	500	700
Fire Levy	200	300	400	200	300	400	200	300	400
Adult Social Care	1,500	4,129	5,000	1,500	2,221	5,000	2,000	3,000	4,000
Childrens Services	2,000	3,000	4,000	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	0	134	800	-100	-24	800	350	500	800
Investment in Priorities	626	876	1,076	29	279	479	264	514	714
Additional Service Pressures	1,000	1,500	2,000	1,000	1,500	2,000	1,000	1,500	2,000
Contribution to Reserves	0	500	500	0	0	0	0	0	0
Total Pressures	13,566	20,584	26,139	12,524	17,143	24,847	12,414	17,564	23,114
Inc/dec in Revenue Support Grant	0	-2,152	-4,304	0	-2,174	-4,347	0	-2,195	-4,347
Council Tax Increase	-5,211	-7,499	-9,787	-5,806	-5,806	-5,806	-6,205	-6,205	-6,205
Total Increase in Revenue	-5,211	-9,651	-14,091	-5,806	-7,979	-10,153	-6,205	-8,400	-10,552
Annual Budget Gap	8,355	10,933	12,048	6,718	9,164	14,694	6,209	9,164	12,562
Cumulative Budget Gap	8,355	10,933	12,048	15,073	20,097	26,742	21,283	29,261	39,304

Note on Main Assumptions:

- Pay: based on 4% (L), 5%(M) and 6% (H) increase for each year
- Pay Grading: Pressure has been moved to 26/27 and 27/28 due to commitment to a revised national pay spine
- Priorities: 26/27 - Carbon (£250k), and Coastal Schemes (£626)
27/28 - Carbon (£250k) and Schools Building (£29k)
28/29 - Carbon (£250k), Salt Barns (£125k) and Archives (£139k)
- Childrens Pressure: High level assumptions. More detailed pressure calculations to be completed once the year end position for 2024/25 is known
- Adult Social Care: High level assumptions. More detailed pressure calculations to be completed once the year end position for 2024/25 is known
- Schools Pressure: No detailed calculation done yet but broadly in line with pay pressure elsewhere (most of inflation is pay)
- Additional Service Pressures: High level estimates
- Revenue Support Grant: Based on Wales Fiscal Analysis data (0%, 1%, 2%). Further analysis likely available after UK Gov Comprehensive Spending Review in Summer 2025.
- Council Tax: 26/27: 6% (L), 9% (M) & 12% (H)
27/28 and 28/9: all scenarios based on the long term average of 6.1%

Council Tax and Budget Gap

	2026/27		
Level of Council Tax required to bridge budget gap in total	Low 17%	Medium 23%	High 28%

(theoretical, assumes no savings achieved)