

Updated Medium-Term Financial Plan

Description	2025/26 £m	2026/27 £m	2027/28 £m
Increase in Aggregate External Finance (rebase plus 4.5%, 1%, 1%)	(25.116)	(3.740)	(3.777)
Increase in Council Tax (7.9%, 3.9%, 3.9%)	(9.162)	(4.119)	(4.293)
UK Government Funding for NI Increase	(5.913)	-	-
Total Funding to Support Budget	(40.191)	(7.859)	(8.070)
General Fund Services Inflationary Pressures			
NJC Pay Award - 3% in April 2025, 2.5% in April 2026 and 2% in April 2027	4.994	4.347	3.565
NJC - Increase in Employer Pension Contributions (0.5%, 0%, 0%)	0.590	-	-
Increase in Employer Pension Contributions (Centrally Employed Teaching Staff)	0.199	-	-
Increase in Employer National Insurance Contributions	3.397	-	-
Non-Pay Inflation (2%, 2%, 2%)	3.662	3.743	3.817
Total General Fund Services Inflationary Pressures	12.842	8.090	7.382
General Fund Inescapable Service Pressures			
Corporate Services	0.550	-	-
General Fund Housing	1.556	-	-
Public Protection, Community and Leisure Services	0.473	-	-
Education & Lifelong Learning	2.156	-	-
Miscellaneous Finance	5.142	2.182	1.437
Social Services	7.888	5.332	5.711
Total General Fund Inescapable Service Pressures	17.764	7.514	7.148
Transfers In/Out of the Financial Settlement			
Implementation of the Performance and Improvement Framework	(0.040)	-	-
No-one left out	0.662	-	-
Discretionary Homelessness Prevention	0.234	-	-
Strategic Coordinator	0.060	-	-
Fire Pay and Pensions	0.208	-	-
Net Transfers In/Out of the Financial Settlement	1.124	-	-
Schools Cost Pressures			
Teachers Pay Award (3% from Sep 2025 then 2.5%, 2%)	4.813	2.808	2.349
NJC Pay Award - 3% in April 2025, 2.5% in April 2026 and 2% in April 2027	0.567	0.500	0.410
Increase in Employer Pension Contributions (NJC Staff) - 0.5%, 0%, 0%	0.097	-	-
Increase in Employer Pension Contributions (Teaching Staff)	3.526	-	-
Increase in Employer National Insurance Contributions	2.516	-	-
Non-Pay Inflation (2%, 2%, 2%)	0.575	0.586	0.599
Other Net Schools Service Pressures	0.000	0.523	(0.230)
Total Schools Cost Pressures	12.094	4.417	3.128
Proposed Savings/Use of Reserves			
Permanent savings proposals	(12.068)	(2.045)	(0.630)
Fees and Charges increase - (5%, 2%, 2%)	(0.908)	(0.391)	(0.399)
Mobilising Team Caerphilly Savings Target	(5.300)	(5.500)	(3.400)
Temporary savings proposals	(3.118)	(0.114)	0.000
One-off use of reserves	(4.312)	-	-
Proposed Savings/Use of Reserves	(25.707)	(8.050)	(4.429)
Reinstatement of Temporary Savings Proposals and Use of Reserves	22.073	7.431	0.114
Annual Shortfall	0.000	11.542	5.273
Cumulative Shortfall	0.000	11.542	16.815