

2020-21 Pressure Proposal Form

The Senior Responsible Officer (SRO) for the proposal should complete the forms. Please use a separate form for each pressure.

The information provided in this pressure proposal will be used to enable consideration of whether to include the pressure in the MTFP and to assist with further mitigation of the pressure.

Pressure Title:	Pay award and teachers pension contributions	Lead/Responsible Officer:	Nikki Wellington
Your Ref No:	PCYP004	Directorate:	CYP
Version No:	0.1	Section:	Support Services
Date:	11/12/2019		

1. Pressure Description

Why is this pressure required?
Following a recent valuation of the teachers' pension, the employers contribution is anticipated to increase from 16.5% to 23.6%. Full funding was provided to schools for 2019-20 and the proposal is to fully fund the additional 5 months of pressure from April 2020 to August 2020. This will ensure that school budgets have been afforded the full pressure in their budgets. In addition to this the average pay increase for our teachers was 2.7% which is above the funding already provided in the medium term financial plan. Therefore the proposal is to provide additional funding to ensure that the pay award is met in full.

Show how the budget pressure has been evidenced and will increase the current service budget. This must cover each year implicated. This section must also cover any other efficiency that will arise from the pressure.

What is the evidence for the pressure? How has it been estimated?								
The evidence is the national teachers pay award and pension increases. This has been used to estimate the costs for each school.								
Service area	Current Budget £	Proposed Cash Pressure £	Proposed non cash efficiencies	Target year				Total pressure proposed
				20/21	21/22	22/23	23/24	
Pension pressure	£784,000	£689,000		£689,000				£689,000
Teachers Pay award	£0	£491,000		£491,000				£489,000

2. Objectives of Investment

What are the objectives of investing in the identified pressure?
The objective is to ensure that schools receive adequate funding to be able pay the pension increase and meet the pay award for teaching staff.
Expected positive impacts
<ul style="list-style-type: none"> Meet the pension pressure in full Meet the pay award in full Maintain current staffing ratios.
Expected negative impacts
<ul style="list-style-type: none"> The increased pressure of the service will continue to add to the pressure on the wider budgets of MCC and may lead to savings to be met elsewhere.

3. Actions required to minimise the pressure

Describe the key activities that will be undertaken to minimise the investment required and the action holders. This includes any actions contributed to by other services. Give the timescales to complete the work. This must also factor in any business activities that will need to be done differently or cease in order to achieve the proposal.

Action	Officer/ Service responsible	Timescale
Both these pressure are as a result of national decisions and therefore they need to be met. MCC, along with all the Local Authorities in Wales will continue to lobby Welsh Government for funding to meet these.		

4. Additional skills/ business needs

Describe any additional skills, resource and capability needed in order to carry out the proposed successfully. For example new expertise etc.

Any additional capability required	Where will this come from	Any other resource/ business need (non-financial)
None		

5. Consultation

Have you undertaken any initial consultation on the need for this pressure to be included in the MTFP?		
Name	Organisation/department	Date
No		

Will any further consultation be needed?		
Name	Organisation/ department	Date
Headteachers	MCC Heads Meetings	16 th January 2020

6. Measuring performance on the proposal

How do you intend to measure the impact of the investing in the pressure identified? This will include budget measures and further possible measures that cover process, staff and customers. Targets need to be set over the duration of the proposal where appropriate.

Focus - Budget/Process/Staff/Customer	Indicator	Target 2020/21	Target 2021/22	Target 2022/23	Target 2023/24
School budgets	Level of school balances for 2020-21				

7. Key Risks and Issues

Are there any potential barriers and risks that will need to be managed in delivering the outcomes expected from investing in the pressure identified, including any negative impacts identified in section 1 that need to be accounted for. Also, set out the steps that will be taken to mitigate these risks.

Barrier or Risk	Strategic/ Operational	Reason why identified (evidence)	Risk Level (High, Medium or Low) Based on a score assessing the probability & impact	Mitigating Actions
Risk costs will continue to increase.	Operational	Budget pressures in recent years	Medium	Request for funding from Welsh Government.

8. Assumptions

Describe any assumptions made that underpin the justification for the option.

Assumption	Reason why assumption is being made (evidence)	Decision Maker
Pension contribution remains static	The fund has just been valued and therefore it is assumed that the valuation accounts for current and known future pressures	National decision
Pay award remains at 2.7%	Awarded on a national basis annually from 1 st September. Future pay award is not known	National decision.

9. Monitoring the pressure proposal

The pressure proposal will be monitored through directorate budget monitoring. This will lead into corporate budget monitoring. In addition, the action plan, performance measures and the risk assessment must be transferred into the service plans for the business area in order to monitor and challenge the delivery of the pressure proposal, including the performance being achieved and the level of impact.