

Schools Forum – 5 July 2016

Review of Notice of Concern protocol

Recommendation

1. Schools Forum approve Option 1, an amendment to the protocol in connection with the issuing of a Notice of Concern to schools.

Report of the Deputy Chief Executive and Director for People:

PART A

Why is it coming here – what decision is required?

2. Any amendments to the Notice of Concern protocol should be approved by Schools Forum.

Reasons for recommendation

3. To reduce the risk of deficit from any phase of sponsored Academy, members could consider reviewing the protocol for issuing the notice of concern to an earlier stage in the process.
4. This would protect the dedicated schools grant contingency pot at an earlier stage and therefore reduce the risk of deficits on transfer to sponsored academy.
5. This should either be:
 - a. Option 1 – When judged to be Requiring Improvement or Special Measures by Ofsted.
 - b. Option 2 – When judged to be in Special Measure by Ofsted

PART B

Background:

6. Following receipt of a breakdown of Schools Specific Contingency for 2014/15 a query arose as to the reasons for a significant schools deficit being charged to this budget when a school became a sponsored academy
7. The query was in relation the reasons why a notice of concern
8. The query was in relation the reasons why a notice of concern did not prevent the deficit occurring.
9. A notice of concern is not able to guarantee prevention of a deficit but is designed to minimise the risk of a deficit occurring.

10. To reduce the risk of deficit from any phase of sponsored Academy, members could consider reviewing the protocol for issuing the notice of concern to an earlier stage in the process
11. A Notice of Concern is currently issued upon receipt of a sponsored academy order
12. Academy orders are generally issued less than 2 months from conversion so give little time to take any corrective budget action.
13. Reports to Schools Forum usually have only 1 notice being issued at any time however this month 5 have been issued due to directive academy orders and therefore indicates a rise in the likelihood of deficits occurring.
14. Table of school in Requiring Improvement or Special Measures categories

	Requiring Improvement	Special Measures	Total
No of School	45	5	50
No concern	27	3	30
Slight Concern	8	1	9
Medium concern	8	1	9
High Concern	2		2

15. The table above would indicate that in both Requiring Improvement and Special Measures categories the number of schools within a category and also showing at least slight concern financially is on average 40%. There is therefore a significant risk of deficits resulting from Requiring Improvement category schools which would be charged to central contingency if they were to become sponsored academies.
16. Currently under the Service Delivery Agreement Entrust Finance deals with an average of 5 Notices of Concern per year.

Year	No of Notice of concerns issued
2010	7
2011	4
2012	3
2013	9
2014	8
2015	2
2016	5

17. Whilst a change to Option 1 would only result in no additional Notice of Concern being issued they would have been issued at an earlier stage. Option 2 would result in an additional 45 Notices of Concern being issued.

Report author:

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List of background papers:

Protocol for the Issue of a Notice of Concern Feb 2012