

Schools Forum – 7 December 2016

Notices of Concern and review of the protocol

Recommendation

1. Schools Forum approve the updated Notice of Concern Protocol.
2. Members note the issue of a Notice of Concern to the schools identified below

Report of the Deputy Chief Executive and Director for People:

PART A

Why is it coming here – what decision is required?

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

Reasons for recommendation

4. To reduce the risk of deficit from any phase of sponsored Academy, members decided to review the protocol for issuing the notice of concern to an earlier stage in the process.
5. 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.
6. Following a report in July 2016 members decided that rather than wait for an academy order for academy sponsorship a notice should be issued in the following circumstances:
 - a. When judged to be Special Measures by Ofsted.
 - b. When judged to be Requiring Improvement and also causing financial concern
7. An objective criteria is therefore required in order to determine when a school may be causing financial cause.

PART B

Background:

8. 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
9. The query was in relation the reasons why a notice of concern did not prevent the deficit occurring.
10. A notice of concern is not able to guarantee prevention of a deficit but is designed to minimise the risk of a deficit occurring.

11. To reduce the risk of deficit from any phase of sponsored Academy, members reviewed the protocol for issuing the notice of concern to an earlier stage in the process
12. A Notice of Concern was not issued until receipt of a sponsored academy order
13. Academy orders are generally issued less than 2 months from conversion so give little time to take any corrective budget action.
14. The increase in the number of notices being issued due to directive sponsored academy orders indicates a rise in the likelihood of deficits occurring.
15. Table of school in Requiring Improvement or Special Measures categories as at July 2016

	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

16. 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.
17. Based on the above information, members decided that those in special measure should be issued with a notice of concern however those requiring improvement should only be issued with a notice if they were also causing financial concern. An objective rather than subjective criteria is therefore required to determine whether a notice should be issued.
18. The following are indicators currently used to determine the level of concern over a schools financial situation.
 1. More than 50% of reserves used to set the budget
 2. Predicted reserves of less than 5% of Schools Budget Share or the amount required to set a balanced budget in the following financial year, whichever is the greatest.
 3. Greater than average % spend within the year as detailed in the following table

Month	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Average % spent	8.3	16.7	25.0	33.3	41.7	50.0	58.3	66.7	75.0	83.3	91.7	100.0

19. It is therefore recommended that where a school is judged to be requiring improvement and at least one of the above criteria is present then a notice of concern will be issued until either Ofsted amend their judgement or the financial concerns are addressed.

20. Since the last meeting of the Schools Forum the County Council has issued the following Notice of Concern for the reason given:

Horton Lodge Community Special
Bird's Bush Primary School

Inability to set a balanced budget
Sponsored Directive Academy Order

21. Since the last meeting of the Schools Forum the County Council has not withdrawn any Notices of Concern.

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List of background papers:

Updated Protocol for the Issue of a Notice of Concern Nov 2016