

## Slough Children First Governance review – Progress up to November 2022 Update

Aim	Original RAG rating	New RAG rating	Actions recommended	Update as at November 2022	Lead person /body
C1 There should be evidence that the council and senior management recognise the importance of establishing appropriate and proportionate governance arrangements for the oversight of entities	Amber	Green	<p>Clarify role of scrutiny committees/panels.</p> <p>Clarity over role of Audit &amp; Corporate Governance Committee</p> <p>Clarify extent to which SCF is subject to internal controls of the Council ie. expenditure control panel.</p> <p>Review of the Articles of Association to consider whether to recommend changes to the number of Council nominated NEDs and independent NEDs and the quorum rules.</p>	<p>Scrutiny task and finish group focused on business plan process.</p> <p>Audit &amp; Corporate Governance Committee focused on reviewing governance action plan.</p> <p>SCF not subject to internal Council processes – contractual provisions used.</p> <p>Review undertaken and draft Articles sent to SCF and DfE for review. Changes include requirement for Council approval to third party contracts over £500k, reduced number of council nominated directors to 2, increased independent directors to up to 5 and removed quorum restriction requiring council nominated director to attend all board meetings.</p>	<p>Monitoring Officer / Scrutiny Officer Principal Lawyer</p> <p>s.151</p> <p>Principal Lawyer</p>
C2 There should be evidence of a culture of challenge and clarity relating to	Amber	Green	SCF need to ensure that whoever is undertaking company secretariat functions is ensuring that the board of directors fully understand the contractual mechanisms and the requirements for	Submission of in-year change requests provides assurance of increased understanding of contractual mechanism at board level.	SCF Director of Finance

<p>the purpose, efficiency, effectiveness, specific objectives, and freedoms of the entity</p>			<p>contract sum re-negotiation and business plan submissions.</p> <p>Clarify role of scrutiny committees/ panels.</p> <p>Clarity over role of Audit &amp; Corporate Governance Committee</p> <p>SBC to review business plan to ensure it aligns with its own corporate plan and priorities.</p> <p><b>September 2022 update</b>  The induction programme for new directors to include training/briefing on contractual requirements.  Annual timetable of deadlines for submission of documents to the Council for approval to be provided by SCF to the Council.</p> <p>Report on governance review to be taken to Cabinet in October 2022, alongside a review of financial sustainability of SCF as commissioned by the DfE.  The annual business plan to be provided to the Council by 30 September each year to allow it to be taken through scrutiny and cabinet prior to approval of the contract sum as part of the Council's budget setting.</p>	<p>Scrutiny task and finish group set up to review business plan.</p> <p>Committee to monitor governance action plan.</p> <p>To await outcome of scrutiny task and finish group.</p> <p>Changes made and regular meetings with independent NED to review continued improvements.</p> <p>Complete</p> <p>Ongoing progress and regular meetings with independent NED leading on governance and attendance at board by Principal Lawyer planned.</p>	<p>Monitoring Officer / Scrutiny Officer</p> <p>SBC Chief Executive</p> <p>SCF Chair/SCF CE</p> <p>SBC Principal Lawyer</p> <p>SCF CE</p>
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<p>C3 There should be a clearly designated council shareholder role or function which is both understood and recognised by the council and the entity (and documented in terms of reference)</p>	<p>Green</p>	<p>Green</p>	<p><b>September 2022 update</b>  A formal review of the KPIs and other performance indicators to be undertaken.</p> <p>Engagement with DfE on an options appraisal to consider delivery models for children’s services in Slough.</p> <p>Contract liaison group to continue and to report to contractual and other forums as appropriate.</p>	<p>Awaiting recommended KPIs from SCF officers. To be reviewed with new DfE commissioner as part of review of Getting to Good Board.</p> <p>Round table meeting took place on 16 November 2022. Cabinet authority to progress discussions given to officers in October 2022. Regular meetings with new DfE commissioner.</p> <p>Complete.  CLT report 9 November 2022 outlining risks and options.  Principal Lawyer, s.151 officer and SBC CE meet fortnightly to review governance risks.</p>	<p>SBC Contract Manager/ SCF CE</p> <p>s.151 officer/SBC CE</p> <p>SBC Contract Manager/ Principal Lawyer</p>
<p>C4 There should be clarity regarding the role of shareholder, with reserved matters clearly documented and updated as required, reflecting any changes made as the entity has</p>	<p>Green</p>	<p>Green</p>	<p><b>September 2022</b>  A review of the articles of association be undertaken particularly in relation to number of independent NEDs and council nominated NEDs and quorum rules.</p>	<p>Review undertaken and draft Articles sent to SCF for review. Proposed changes include requirement for Council approval to third party contracts over £500k, reduced number of council nominated directors to 2, clarification that council nominated directors are not remunerated and increased number of independent directors to up to 5 and removal of quorum restriction requiring council nominated director to attend all board meetings.</p>	<p>SBC Principal Lawyer/ SBC Chair</p>

developed, in a shareholder's agreement (or as set out in the company's governing articles of association)					
C5 There should be evidence that the individual undertaking the shareholder role is provided with suitable training and support commensurate with the role	Green	Green	<p><b>September 2022 update</b></p> <p>The Principal Lawyer to continue acting as equivalent of "shareholder rep" under delegation from chief executive, as opposed to the new Monitoring Officer.</p>	<p>Delegation formalised by new CE via governance group meeting.</p> <p>New fortnightly meetings between Principal Lawyer, s.151 officer and SBC CE.</p> <p>Regular reporting to cabinet and Audit and Corporate Governance Committee.</p>	Principal Lawyer/ SBC Chief Executive
C6 There should be evidence of formal periodic shareholder/ Chair/CEO meetings with effective supporting papers to inform subsequent company board meetings	Green	Green	<p>Regular strategic contract meetings should be arranged, with the Council having internal agenda planning meetings in advance. These should be chaired by the Council's chief executive.</p> <p>The role of the TSG should be reviewed to avoid duplication between this and the contract management meetings.</p> <p><b>September 2022</b></p> <p>The SBC Chief Executive to continue to chair the strategic commissioning group, with the Principal Lawyer in attendance,</p>	<p>Strategic commissioner group meetings happening regularly, agenda'ed and minuted.</p> <p>New Getting to Good board under leadership of new DfE commissioner. Meetings between DfE commissioner and SBC officers to reduce duplication and overlap.</p>	<p>SBC Chief Executive</p> <p>DfE commissioners/ DCS / SBC Chief Executive</p>

			<p>as well as other appropriate officers. The elected members should not be invited to these meetings, as this should be an officer forum, but appropriate briefings should be provided and formal updates taken to cabinet as appropriate and as part of the annual business plan approval process.</p>	<p>Elected members no longer invited to strategic commissioning group meetings, but cabinet authority sought where required and lead members briefed appropriately.</p>	<p>SCB Contract Manager</p>
<p>C7 There should be documented evidence of transparent member and officer scrutiny, oversight, and approval of business plans</p>	<p>Amber</p>	<p>Amber</p>	<p>SCF to provide copies of board minutes to demonstrate that the board of directors appropriately challenged the business plan, to understand how plans were submitted that were later identified as undeliverable.</p> <p><b>September 2022</b> If the lead member for children’s services is to attend board meetings as a participating observer, a protocol should be draw up to SCF setting out conditions, including confidentiality requirements.</p> <p>Whilst there is some evidence of good challenge by the board on the business plan and the NEDs in particular appear to be growing in confidence in their ability to challenge assumptions and risks, there is still limited evidence of proper scrutiny of</p>	<p>SCF Chair set new objectives. Further evidence required to demonstrate improvement.</p> <p>No progress update.</p> <p>Focus of new DfE commissioner.</p>	<p>SCF Director of Finance</p> <p>SCF Chair</p> <p>SCF Chair, in consultation with DfE</p>

			<p>financial management, deliverability of projects and management of risks, including around workforce, projects and demand pressures.</p> <p>Consideration to be given to what support could be provided to the board from an independent Director of Children's Services from another local authority or from external organisations such as the LGA or Institute of Directors. This should include how to scrutinise financial management and risks and hold executive officers to account for a statutory, demand led service and how to review and challenge performance data.</p>		Commissioner.
C8 There should be evidence of a clear set of KPIs that fall out of the business planning process	Amber	Amber	<p><b>September 2022 update</b></p> <p>SCF to review KPIs and other performance indicators as set out in service delivery contract.</p>	No progress update, but focus on new DfE commissioner in relation to ensuring separation of contract management function and Getting to Good board.	SCF CE/ Director of Operations
C9 There should be evidence that senior company staff are performance managed against KPIs	Red	Red	<p><b>September 2022 update</b></p> <p>The RNAC to be responsible for reviewing effectiveness of the board and sub committees and to provide assurance evidence to SBC.</p>	No progress update, although SCF is in the process of reviewing its board structure and terms of reference of its committees.	SCF chairman and chair of RNAC.

<p>C10 There should be evidence of ongoing assessment of value-for-money and quality offered by the entity through an adequately resourced monitoring function</p>	<p>Red</p>	<p>Amber</p>	<p><b>September 2022 update</b>  SBC to request sight of external reports and internal assessments of value for money and quality on a minimum of an annual basis, to be incorporated into the Annual Report submitted by SCF. The outcome of these should be included in reports to elected members.</p> <p>SCF to ensure it utilises the in-year change mechanism to deal with demand pressures and invest to save pressures and the information provided is in accordance with the contractual requirements and backed up by independent evidence where available.</p> <p>SCF to consider which of its committees should be responsible for assessing and monitoring value for money and performance and to provide minutes of meetings to SBC upon request, as well as provide the opportunity for Council officers to attend on at least an annual basis. If a finance committee is required, this should not be delayed pending a further council nominated director being appointed. The independent NEDs should have the capability to chair such a committee.</p>	<p>Mutual Ventures report reviewed and roundtable meeting with DfE, DLUHC commissioners, SCF and SBC. Mutual Ventures report provided to People Scrutiny task and finish group on confidential basis and redacted version to be published as part of business plan approval by Cabinet.</p> <p>In-year mechanism used twice in 2022/23 with continued work on improvements to evidence base.</p> <p>No progress update, but independent NED leading on governance and has proposed amendments to Audit Committee terms of reference.</p>	<p>SBC Principal Lawyer/ SBC Contracts Manager</p> <p>SCF Chair/SCF CE</p> <p>SCF Director of Finance/ SCF Chair</p>
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<p>C11 There should be ongoing assessment of risks relating to the entity, supported by processes to ensure that risks are managed as part of the council's overall risk management approach, with appropriate escalation and reporting</p>	<p>Amber</p>	<p>Amber</p>	<p><b>September 2022</b>          Consideration to be given to scrutiny's role in scrutinising the performance of SCF and other Council companies as part of the wider scrutiny review.</p> <p>There should be a formal review of KPIs and agenda'ed discussions on risk at contract monitoring group meetings, reported up to strategic commissioning group where appropriate. This should be in addition to risks being included in the Council's corporate risk register and reported to Audit and Corporate Governance Committee.</p>	<p>People Scrutiny task and finish group set up to review business plan.</p> <p>Corporate risk register reviewed by SBC CLT in relation to risks to children, young people and families.</p>	<p>Monitoring Officer / Scrutiny Officer</p> <p>SBC Contract Manager/S CF Operations Director/ SCF CE</p>
<p>C12 There should be evidence of a consistent approach across the council when it comes to engaging with its entities</p>	<p>Green</p>	<p>Green</p>	<p>SCF is a company set up under direction of the Secretary of State for Education. It also manages statutory services. There is a rationale for it being managed differently to the Council's other entities. It is also of a size that it has a separate process for finalising and auditing its accounts.</p>	<p>No update required.</p>	
<p>C13 The council should have clear and unfettered</p>	<p>Green</p>	<p>Green</p>	<p>The Council should ensure that its internal auditors programme in audits relating to the functions of SCF, as well as the governance of the company.</p>	<p>An independent NED is leading on a review of the audit function within SCF. This will include clarity on internal audits undertaken on behalf of the Council to test its own</p>	<p>SBC s.151 officer</p>



access to audited accounts for its entities			<p><b>4 August 2022 update</b> Internal audit do include SCF in its audit plan. More focus needs to be given to agreeing the annual audit plan to ensure it is properly addressing risks.</p>	<p>governance processes and internal audits undertaken on behalf of SCF board as part of its internal controls.</p> <p>No progress update. Opportunity to progress this with proposed new in-house internal audit team.</p>	SBC s.151 officer
C14 A business case which assessed the risk involved in establishing the entity and recommended its establishment, taking account of other potential delivery models, should be available to review	Red	Amber	<p>The Council should consider whether it wishes to commission an options appraisal for the future operating model, however whilst the services are under statutory intervention, this should be commissioned with the agreement of the DfE and the appointed commissioner.</p> <p><b>September 2022 update</b> Council officers to engage with DfE officials and the DfE commissioner on commissioning an options appraisal to consider alternative delivery models.</p>	<p>Mutual Ventures report includes a section on alternative delivery models. Roundtable meeting with DfE, DLUHC commissioners, SBC and SCF to discuss options.</p> <p>Further meetings planned, but subject to agreement of DfE.</p>	SBC Chief Executive
C15 Objectives of the entity should be clearly defined and documented, and regularly	Amber	Amber	<p><b>September 2022 update</b> Future year's business plans should have clear objectives linked to the Articles of Association and service delivery contract as well as to the Council's priorities. These priorities must include value for money, as well as quality of practice.</p>	<p>Discussion at strategic commissioning group on 25 November 2022. Business plan due to be approved in February / March 2022, informed by recommendation from People Scrutiny task and finish group.</p>	SCF CE/SCF Chair

reviewed to ensure that its operation continues to support council policy and strategy, including periodically reviewing the business case to ensure it is still valid					
C16 Agreements should be documented between the council and the entity for any support or services provided by either party to the other party	Green	Green	<p>Ensure that relevant individuals understand the contractual and governance mechanisms and that these are adhered to and non-compliance is reported.</p> <p><b>4 August 2022</b> Meeting held between SBC and SCF re. Governance and contract matters. Simplifying contract meetings. Strategic commissioning group meetings need to be properly agenda'ed and prioritised by senior leaders in both organisations.</p>	<p>In-year contract mechanisms being used, regular contract meetings, including strategic commissioning group meetings.</p> <p>Further changes to contract arrangements are awaiting views of SCF officers and new DfE commissioner in relation to KPIs. This will allow one deed of variation to cover a number of proposed changes.</p>	<p>SBC Contract Manager</p> <p>SBC Contract Manager</p>
C17 All agreements should be clear, up-to-date, and regularly monitored and	Green	Green	New agreements were put in place in 2021.	Any required deed of variation will be put in place once arrangements have been fully reviewed and changes agreed.	SBC Contract Manager

reviewed, with any changes to agreements documented so that a clear audit trail exists					
C18 There should be evidence that a culture exists whereby actual or potential conflicts of interests are identified, declared, and acted upon, including evidence of appropriate training across the organisation	Amber	Amber	<p>Evidence of induction and training for directors and senior managers in SCF to be provided.</p> <p><b>September 2022 update</b> Training to be provided by SCF on conflicts of interest on a company wide basis.</p>	<p>No progress update.</p> <p>No progress update, although consistent terms of appointment for all NEDs and this includes section on conflicts of interest.</p>	<p>SCF Chief Executive / Chairman</p> <p>SCF Chief Executive / Chair</p>
C19 The council should have clear and up-to-date policies and processes to consistently manage actual conflicts or potential conflicts of	Green	Green	<p><b>September 2022 update</b> The Council will deliver training / support on management of conflicts of interest for its officers or elected members who are to be nominated or appointed to an outside body.</p>	<p>Guidance given to new council nominated NED and Principal Lawyer offered to provide advice and support if required. No elected member appointed to board.</p> <p>SCF CE not invited to CLT meeting to discuss current risks around SCF governance. Clear separation of functions,</p>	<p>SBC Monitoring Officer / Principal Lawyer</p>

interest, including a clear process for investigations and procedures for appropriate disciplinary actions in the event of breaches				with reports being presented to Cabinet not authored by SCF officers or joint officer.	
C20 The roles, responsibilities and reporting lines of officers and members who are involved in council oversight of the entities, the provision of services between the entities or the running of the entities should be clearly defined and documented	Green	Green	No action required.	No update required.	
C21 There should be evidence that	Amber	Amber	Declarations of interest to be provided by SCF to the Council as evidence of compliance	No progress update.	SCF Director of Finance

<p>appointments to the board are subject to a documented formal, rigorous, and transparent procedure based on merit and published objective criteria which also promote diversity</p>			<p>A review of the board to be undertaken to identify which council officers or members should be nominated to the board or whether the Council should nominate independent persons (consideration to be given to remuneration as there is currently a restriction on remunerating council nominated members).</p> <p>Evidence to be submitted by SCF of the annual evaluation process of the board and individual directors.</p> <p><b>September 2022 update</b> Further information is required to provide assurance there is an effective system of evaluation and performance management of the whole board and individual executive directors. It is concerning that no evidence has been provided of performance management of executive directors and the chief executive and the information provided by SCF suggests an annual appraisal will be completed at the end of the first year, when the post holder is an interim and only intended to be in post for 12 months.</p>	<p>Articles reviewed and suggested amendments made regarding board composition.</p> <p>No progress update, although SCF Chairman has been set new objectives.</p> <p>SCF Chairman has been set new objectives.</p>	<p>Principal Lawyer/SBC Chief Executive</p> <p>SCF Chair / DfE</p> <p>SCF Chairman</p>
<p>E1 The entity's articles of association should be clear,</p>	<p>Green</p>	<p>Green</p>	<p>No action required.</p>	<p>The Articles have been reviewed and minor changes are being considered by SCF board.</p>	<p>SBC Principal Lawyer</p>

up-to-date, and reflective of how the entity is run					
E2 There should be evidence of an up-to-date business plan that is reflective of the current circumstances and environment in which the entity operates	Red	Red	<p>Business plan to be updated and approved by the Council.</p> <p>In future years, annual business plans must be submitted within the deadlines set out in the SDC and must have been subject to appropriate scrutiny by the board.</p>	<p>To be approved as part of SBC budget setting.</p> <p>Work with new DfE commissioner on a different leadership model focused on managing caseloads within existing resource, programme management support to ensure delivery of invest to save proposals and ensuring good governance and financial management.</p>	<p>SCF Chief Executive / SBC Chief Executive</p> <p>SCF CE / Chair</p>
E3 There should be evidence that the board meets regularly to consider, review and record discussions and conclusions	Amber	Amber	<p>Samples of minutes and dates of meetings to be provided to the Council for assurance.</p> <p><b>September 2022 update</b> Whilst dates of meetings have been given, no documentary evidence has been supplied of agendas or extracts of minutes to demonstrate the quality of the discussion and conclusions. Further evidence is required to provide assurance on this.</p> <p>The Principal Lawyer to attend meeting on 22 September 2022 to discuss governance review and levels of assurance required moving forward. This</p>	<p>No progress update.</p> <p>No progress update.</p> <p>Principal Lawyer will attend board meeting on quarterly basis. Monthly meetings being set up between Principal Lawyer and independent NED leading on governance.</p>	<p>SCF Director of Finance / SCF CE / Chairman</p> <p>SCF CE / Chairman</p> <p>SBC Principal Lawyer</p>

			is likely to include attendance by Council officers as observers on an annual basis.		
E4 There should be evidence of delivery of strategies and plans, including scrutinising key operational and finance performance information	Amber	Amber	<p>Evidence of board challenge to be provided to the Council.</p> <p>Internal scheme of delegation to be provided to the Council.</p> <p><b>September 2022 update</b> Remove Councillor Hulme from list of members of committees and if the lead member is to attend board meetings, draft a protocol setting out her role and management of any issues such as access to confidential information.</p> <p>Review the articles of association to consider whether the split of independent NEDs and council nominated NEDs is appropriate, given the lack of membership of a finance committee and need for at least one independent NED to chair more than one committee.</p> <p>Review best practice to consider whether 5 committees of the board are required and whether quality of practice and finance and business could be merged into an operational practice committee, to avoid financial performance and quality of practice being considered in isolation.</p>	<p>No progress update</p> <p>No progress update.</p> <p>No progress update.</p> <p>Articles reviewed and amendments made for review by SCF. DfE informally consulted on proposed changes.</p> <p>No progress update, likely to require consideration by new DfE commissioner.</p>	<p>SCF Director of Finance / Chairman</p> <p>SCF Chief Executive</p> <p>SBC Principal Lawyer</p> <p>SCF Chair</p>

E5 There should be evidence of the desired culture and behaviours	Amber	Amber	<p>Evidence to be provided by SCF.</p> <p><b>September 2022 update</b>  The SCF Board to consider its current set of values and behaviour as part of its annual review and put in place any required actions in response.  In accordance with good governance instituted recommendations, SCF will undertake a survey of key stakeholders on this.  Working with the Council, SCF Chairman to review the make up of the board in relation to number of independent NEDs and council nominated NEDs to ensure appropriate skills, experience and knowledge.</p>	No progress update – to be reviewed as part of business planning process.	<p>SCF Chairman / SCF Chief Executive</p> <p>SCF Chair / SCF CE</p>
E6 The company structures should be regularly scrutinised in order to ensure they remain fit for purpose	Amber	Amber	<p>SCF to include its organisational structure in its annual business plan</p> <p>Consideration given to financial benchmarking data to be included in reporting</p> <p><b>September 2022 update</b>  The organisational structure is included in the latest version of the business plan.  The senior leadership team structure and management teams beneath to be</p>	To be reviewed as part of considering Mutual Ventures report and in consultation with new DfE commissioner.	<p>SCF Chief Executive</p> <p>SCF Chief Executive</p>



			reviewed in light of the Mutual Ventures report.		
E7 There should be evidence that the board has clear policies and procedures for its members to ensure that actual or potential conflicts of interests are identified, declared, and acted upon	Amber	Amber	<p>SCF to provide details of its codes of conduct for staff, terms of appointment for independent NEDs, declaration and registers of interests and policies for managing conflicts of interests in general.</p> <p><b>September 2022 update</b> Written assurance given, but no documentary evidence. SCF to supply a copy of the terms of appointment for independent NEDs, its code of conduct for staff which applied to executive directors and an extract of minutes to demonstrate the effectiveness of its current systems.</p>	No progress update.	<p>SCF Chief Executive</p> <p>SCF Chairman / SCF CE</p>
E8 There should be evidence that directors have sufficient skills and experience to run the entity	Amber	Amber	<p>Evidence of induction and training to be supplied</p> <p>Evidence of process for evaluating effectiveness of board to be supplied</p> <p><b>September 2022 update</b> SCF to undertake a review of the Board effectiveness and to evaluate the effectiveness of individual directors, including executive directors.</p>	No progress update, although new objectives set for SCF Chairman.	<p>SCF Chairman</p> <p>SCF Chairman</p>
E9 There should be evidence that directors' behaviours are	Amber	Amber	<p>Evidence to be supplied</p> <p><b>September 2022 update</b></p>	No progress update.	SCF Chairman

aligned with the requirements of the Companies Act 2006 and the Nolan Principles as well as Cabinet Office's Code of Conduct for Board Members of Public Bodies			No documentary evidence supplied, although the Council was involved in recruitment processes for the SCF Chair, independent NEDs and council nominated NEDs. Further information required in relation to the two remaining executive directors. Evidence could include reference to objectives in an appraisal, training undertaken, extracts of board minutes demonstrating behaviours as examples.		SCF Chairman / SCF CE
E10 The scope of directors' authorities should be documented and clear to all parties	Red	Red	<p>Internal scheme of delegation to be supplied, including terms of reference for committees</p> <p><b>September 2022 update</b> The ToR of each committee/sub-committee should be reviewed urgently by the board and on an ongoing basis at least every two years. Documentary evidence to be supplied that there is an effective scheme of delegation in place covering all operational functions to include, but not limited to, finance, HR and procurement.</p>	<p>No progress update.</p> <p>Draft new ToR for Audit Committee supplied on 24 November 2022 for consideration by SBC.</p>	<p>SCF Chief Executive</p> <p>SCF Chairman</p>
E11 There should be evidence that the board has a diverse membership with the	Green	Green	Council to review who to nominate as council nominated directors	Articles reviewed to amend board composition and quorum rules, which will allow more flexibility to bring in external skills. Appointments made in response to detailed skills audit.	SBC Chief Executive

collective skills and attributes needed to lead the entity effectively					
E12 There should be evidence that board membership is reviewed regularly for composition and fitness for purpose	Amber	Amber	Evidence to be supplied of evaluation process	No progress update, although SCF Chairman has new objectives.	SCF Chairman
E13 There should be evidence that the board understands the organisation's risk profile and the effectiveness of key controls and regularly reviews risks and risk appetite	Red	Red	<p>Risk management procedures to be supplied</p> <p>Sample of minutes to be supplied to demonstrate consideration of risk, in particular financial risk</p> <p><b>September 2022 update</b></p> <p>Risk management strategy to be formally reviewed and agreed at the board and a copy of strategy and the minutes of discussion to be supplied to the Council.</p> <p>The lead member for children's services to be removed as risk owner and her role in attending board meetings to be clarified and a protocol to be drawn up if the lead</p>	<p>No progress update, although SBC CLT has reviewed its corporate risk register regarding risks to children, young people and families.</p> <p>No progress update, although work is ongoing on board structure and where responsibility for reviewing risk arrangements sits.</p> <p>Lead member for children's services removed as risk owner. No progress update on written protocol.</p>	<p>SCF Chief Executive</p> <p>SCF Chief Executive</p> <p>SCF Chairman / SCF Chief Executive</p>

			<p>member continues to attend board meetings.</p> <p>SCF to consider commissioning support from SBC or an external provider on reviewing its risk management procedures and delivering training on risk management.</p>	No progress update.	SCF Chairman
E14 There should be documented evidence that the board regularly undertakes a skills audit to ensure that it has an appropriate balance of skills and experience	Green	Green	<p>Details of last skills audit to be supplied</p> <p><b>September 2022 update</b> A review of the Articles of Association to be carried out to consider whether the board composition, particularly in terms of the number of independent and council nominated directors is appropriate.</p>	<p>Skills audit supplied and informed council nominated director appointment.</p> <p>Articles reviewed and amendments suggested.</p>	<p>SCF Chairman</p> <p>SCF Chairman/ SBC Principal Lawyer</p>
E15 There should be evidence of ongoing professional training provided to ensure that all board members are up-to-date in their	Amber	Amber	<p>Training records to be supplied.</p> <p><b>September 2022 update</b> Whilst a narrative has been given, no evidence of training on company director duties has been given. The lack of a budget is not an acceptable reason as if there are experienced company directors on the board, they could presumably deliver the training to the rest of the board.</p>	No progress update.	<p>SCF Chief Executive</p> <p>SCF Chairman</p>

understanding and supported in their roles			Training records should be collated and sent to the Council and a board development programme to include training and briefings on company director duties should be put in place.		
E16 There is evidence that the role of executive directors is clearly defined and documented	Amber	Amber	<p>Role profiles for all executive directors to be supplied</p> <p><b>September 2022 update</b> Role profiles to be supplied for all executive directors and if there is a plan to increase the number of executive directors following the Mutual Ventures report, the role profile should be provided in draft to the Council in advance of recruitment.</p>	No progress update.	<p>SCF Chief Executive</p> <p>SCF Chief Executive</p>
E17 Non-executive directors are in place to bring an independent judgement to bear on issues of subject matter expertise, strategy, performance, resources including key appointments,	Amber	Amber	<p>Further evidence to be supplied by SCF</p> <p><b>September 2022 update</b> Despite good evidence being supplied to demonstrate the value that NEDs are adding, this is reliant on the right information being provided at the right time and that requires a culture and governance arrangements that are receptive to constructive challenge and the need for assurance. This needs to be kept under review over the next 12 months and considered as part of the review of board effectiveness.</p>	No progress update.	<p>SCF Chairman</p> <p>SCF Chairman</p>

and standards of conduct					
E18 There is documented evidence that the board values the role of non executive directors, and their views are influential in the board's decisions	Amber	Amber	<p>Sample of minutes of meetings to be provided for assurance purposes</p> <p><b>September 2022 update</b> The review of the effectiveness of the board should consider the culture of SCF in terms of valuing the role of NEDs and of the right information being provided at the right time.</p>	No progress update.	<p>SCF Chairman</p> <p>SCF Chairman</p>
E19 There is evidence that the chair provides clear board leadership, supporting the directors and chief executive and taking account of the shareholders views	Red	Amber	<p>Evidence to be supplied</p> <p><b>September 2022 update</b> The Council to formally request information and evidence to demonstrate the appraisal process in place to assess the effectiveness of the Chair.</p>	<p>No progress update.</p> <p>DfE supplied details of new objectives for SCF Chairman – involvement of Council in appraisal to be discussed with new DfE commissioner.</p>	<p>SCF Chairman / DfE Commissioner to supply details of meetings held to demonstrate that the chairman is fulfilling the role to the satisfaction of the DfE.</p>
E20 There should be a fully documented and approved	Red	Red	Evidence to be supplied and evaluation of performance of the board in terms of monitoring and management of financial performance.	To be reviewed as part of business planning process.	SCF Chairman

<p>business plan that is consistent with and no more than 12 months older than the previous business plan. The changes within the updated business plan should accord with the trajectories that are apparent from monthly financial and non-financial performance reports</p>			<p><b>September 2022 update</b>          Whilst there is evidence of challenge on the business plan by NEDs, the business plan process has been convoluted and the historic issues with overspend have been replicated in the first year of trading, with the in-year change mechanisms not being utilised until July 2022. More evidence is required to demonstrate that the business plan is effective and focused on the right priorities. This will be informed by the Mutual Ventures report.</p>		<p>SCF Chairman/ SBC s.151 officer</p>
<p>E21 The financial transactions and values attributable to the company within the council's medium term financial plan should agree</p>	Red	Red	<p>To be addressed in future business plans</p> <p><b>September 2022 update</b>          The board should be able to effectively scrutinise and challenge financial information and agreed and monitor budgets. A training and development plan should be supplied to the Council to demonstrate that appropriate support is</p>	<p>To be reviewed as part of business plan process.</p>	<p>SCF Chairman and SCF Chief Executive</p> <p>SCF Chairman /</p>

with the projections in the business plan			being given to the board to undertake its functions. Whilst SCF can review whether further financial expertise is required on the Board, the reliance on one individual to address this issue fails to recognise the role of NEDs and the board as a collective.		SCF Director of Finance
E22 Board reports should include clear presentation of the monthly income and expenditure position of the company as well as a cash flow statement and balance sheet	Red	Red	<b>September 2022 update</b> There is insufficient information supplied to demonstrate the board is receiving appropriate financial information on a regular basis and managing the risks appropriately. An action plan to address this should be provided.  SCF Board should consider whether reports should have a financial implications section as standard.	Two in-year change requests submitted in 2022/23, although significant involvement of SBC officers to enable officer recommendation to be made to Cabinet.  Mutual Ventures report analysed assumptions and identified concerns about optimism bias.	SCF Director of Finance  SCF Chairman
E23 There should be evidence of an annual audit letter from the council's external auditors, confirming the degree of confidence they	Amber	Amber	<b>September 2022 update</b> Assurance processes in place regarding treatment of financial instruments and consolidation.	SBC external auditors are in process of reviewing arrangements for governance of connected entities.	SBC s.151 Officer



hold in respect of consolidation or treatment of financial instruments entered by the company					
E24 Documented financial policies and procedures should be available	Red	Red	<p>Financial policies to be supplied.</p> <p><b>September 2022 update</b> Financial policies to be reviewed, updated and approved by board. It is not appropriate to wait for the set up of a new finance committee, unless this is happening imminently.</p>	No progress update.	<p>SCF Director of Finance</p> <p>SCF Director of Finance</p>
E25 There should be evidence of an effective annual internal audit programme	Green	Green	<p><b>September 2022</b> SBC to consider the effectiveness of the internal audit programme for SCF and the quality of internal audits undertaken in 2022/23.</p>	<p>To be reviewed as part of in-sourcing internal audit. Independent NED leading on governance is reviewing this as part of review of committee ToR.</p>	<p>SBC s.151 officer / SCF Chair of Audit Committee</p>