

Slough Children First Governance review – Progress update up to February 2023

APPENDIX 1

Aim	09/2022 RAG rating	11/2022 RAG rating	02/2023 RAG rating	Actions recommended	Update as at February 2023	Lead person
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	Green =	<p>Clarify role of scrutiny committees/panels.</p> <p>Clarity over role of Audit & 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 made recommendations to Cabinet, SCF Board of Directors and to SBC Chief Executive for wider partnership arrangements. Work commended by DLUHC commissioners.</p> <p>Audit & Corporate Governance Committee receiving reports quarterly.</p> <p>SCF not subject to internal Council processes – contractual provisions used.</p> <p>Review undertaken and draft changes to articles agreed by SCF board and DfE. DLUHC Lead Commissioner requested that changes are delayed pending further discussions. This will be reviewed as part of progress on “getting to good” arrangements.</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 the purpose, efficiency, effectiveness,	Amber	Green	Amber ↓	<p>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 contract sum re-negotiation and business plan submissions.</p>	<p>Submission of in-year change requests provides assurance of increased understanding of contractual mechanism at board level.</p> <p>The business plan was submitted in draft with a request for significant increase in the Contract Sum, which did not properly take account of the Council’s financial situation. The board review of the draft appeared to be late in the process.</p>	<p>SCF Director of Finance</p>

<p>specific objectives, and freedoms of the entity</p>				<p>Clarify role of scrutiny committees/ panels.</p> <p>Clarity over role of Audit & Corporate Governance Committee</p> <p>SBC to review business plan to ensure it aligns with its own corporate plan and priorities.</p> <p>The induction programme for new directors to include training/briefing on contractual requirements.</p> <p>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.</p> <p>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 has now reported on review of business plan.</p> <p>Committee to monitor progress against governance action plan.</p> <p>More work is needed on this area and SBC in process or reviewing and renewing its Corporate Plan in 2023.</p> <p>Changes made and regular meetings with independent NEDs to review continued improvements.</p> <p>Systems are not yet in place to ensure that documents are submitted in accordance with contractual and governance timescales.</p> <p>Ongoing progress and regular meetings with Chairman of Board and independent NED leading on governance. Attendance by Principal Lawyer at RNAC. Planned attendance by Principal Lawyer and SBC Chief Executive at board meetings to review reports and debate.</p> <p>For the second year, the draft business plan has not been submitted to this deadline. The delay was partly attributable to the Mutual Ventures review. The new SCF CE commenced in role in January 2023 and will take a lead on ensuring there is a good quality business plan which contains short, medium and longer term plans on improvements required. This will</p>	<p>Monitoring Officer / Scrutiny Officer</p> <p>SBC Chief Executive</p> <p>SCF Chair/SCF CE</p> <p>SCF Chair/SCF CE</p> <p>SBC Principal Lawyer</p> <p>SCF CE</p>
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					be informed by the feedback from the Ofsted inspection, People Scrutiny Panel task and finish group recommendations and the Council's new corporate plan.	
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)	Green	Green	Green =	<p>September 2022 update 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>KPIs in process of review and to be discussed with new SCF CE. 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 and DLUHC commissioners.</p> <p>Complete. CLT report 9 November 2022 outlining risks and options. Principal Lawyer, s.151 officer and SBC CE meet regularly 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>
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	Green	Green	Green =	<p>September 2022 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 changed agreed by SCF RNAC and DfE. Lead DLUHC Commissioner requested delay to agreeing changes to take account of further discussions.</p> <p>Reserved matters are set out clearly in Articles and shareholder representative function established.</p>	<p>SBC Principal Lawyer/ SBC Chair</p>

entity has 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	Green =	September 2022 update The Principal Lawyer to continue acting as equivalent of “shareholder rep” under delegation from chief executive.	Delegation formalised by new CE via governance group meeting. New regular meetings between Principal Lawyer, s.151 officer and SBC CE. Regular reporting to cabinet and Audit and Corporate Governance Committee. ToR of Cabinet Committee amended to include company governance matters.	Principal Lawyer/ SBC Chief Executive
C6 There should be evidence of formal periodic shareholder/ Chair/CEO meetings with effective supporting papers to	Green	Green	Green =	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. The role of the TSG should be reviewed to avoid duplication between this and the contract management meetings.	Strategic commissioner group meetings happening regularly, agenda’ed and minuted. Delay due to arrival of new SCF CE and Ofsted inspection meant that draft business plan was reviewed and discussed outside of strategic commissioning group meeting. Principal Lawyer invited to board meeting, where decision taken not to approve business plan for submission to SBC. New Getting to Good board under leadership of new DfE commissioner. Meetings between DfE	SBC Chief Executive DfE commissioners/ DCS /

inform subsequent company board meetings				<p>September 2022 The SBC Chief Executive to continue to chair the strategic commissioning group, with the Principal Lawyer in attendance, 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>commissioner and SBC officers to reduce duplication and overlap.</p> <p>Elected members no longer invited to strategic commissioning group meetings, but cabinet authority sought where required, cabinet committee terms of reference expanded and lead members briefed appropriately.</p> <p>Contract management arrangements to be reviewed to reflect the significant time commitment required to contract manage the SCF contract.</p>	<p>SBC Chief Executive</p> <p>SCB Contract Manager</p>
C7 There should be documented evidence of transparent member and officer scrutiny, oversight, and approval of business plans	Amber	Amber	Green ↑	<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>September 2022 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</p>	<p>Principal Lawyer attended board meeting in February 2023 – viewed debate on business plan and board directors challenging both the detail and the wider strategy. Board took difficult decision not to approve business plan for submission to Council, due to need to review it in light of Ofsted feedback, new SCF CE and Director of Operations and desire to align with Council’s Corporate Plan. This demonstrates a maturity in the board being able to constructively challenge executive leadership team and “own” the strategic direction of SCF.</p> <p>Meeting and correspondence on options – SCF board needs to consider role of a participating observer. There is still no clarity on how conflicts of interest are managed or what duties of confidentiality is owed. Board to consider whether individuals should be invited on a subject specific basis, as opposed to having standing “participating observers”.</p>	<p>SCF Director of Finance</p> <p>SCF Chair</p> <p>SCF Chair, in consultation with DfE</p>

				<p>growing in confidence in their ability to challenge assumptions and risks, there is still limited evidence of proper scrutiny of 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>	<p>Audit and Corporate Governance Committee observed by Principal Lawyer and evidence of comprehensive reports, including on financial governance and financial policies.</p> <p>Steps taken to appoint an additional NED, offer made to recruit individual as council officer and for him to be council director.</p>	Commissioner.
C8 There should be evidence of a clear set of KPIs that fall out of the business planning process	Amber	Amber	Amber =	<p>September 2022 update</p> <p>SCF to review KPIs and other performance indicators as set out in service delivery contract.</p>	<p>Recommendations from People Scrutiny Task and Finish Group and outcome of Ofsted inspection should be considered in review. Discussion with NED chairing committee leading on quality of practice.</p> <p>The new SCF CE and Director of Operations will formally review contractual KPIs and will make recommendations on any changes required.</p>	SCF CE/ Director of Operations
C9 There should be evidence that	Red	Red	Amber ↑	<p>September 2022 update</p> <p>The RNAC to be responsible for reviewing effectiveness of the</p>	<p>SCF Chair completed appraisal of former SCF CE on 6 December 2022 with priority areas around effective</p>	SCF chairman

<p>senior company staff are performance managed against KPIs</p>				<p>board and sub committees and to provide assurance evidence to SBC.</p>	<p>leadership, representation, engagement, improvement delivery, and promotion of Slough children’s needs and interests. Board views taken into account. Verbal feedback provided to RNAC on 12 January 2023. SCF Chair will be setting 2023/24 objectives for new SCF CE by 31 March 2023.</p> <p>Former SCF CE undertook appraisals of two of three direct reports in week commencing 19 December 2022. Views of board taken into account and verbal update to RNAC.</p> <p>In future the views of the Council need to be taken into account in objective setting and appraisals of senior executives in SCF.</p>	<p>and chair of RNAC.</p>
<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>Amber =</p>	<p>September 2022 update 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>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 and published as part of formal report.</p> <p>In-year mechanism used twice in 2022/23 with continued work on improvements to evidence base.</p>	<p>SBC Principal Lawyer/ SBC Contracts Manager</p> <p>SCF Chair/SCF CE</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>Audit and Corporate Governance Committee set up and met on 15 February 2023 and has ToR based on Financial Reporting Council best practice. New council NED appointed. Committee structure to be reviewed taking account of new executive leadership team and feedback from Ofsted. Value for money and performance need to feature through all board committees.</p> <p>The SCF board took a decision not to agree the draft business plan, which requested a significant increase requested in the Contract Sum for 2023/24 (in excess of what was recommended by MV). This demonstrated a maturity in the Board's ability to hold the executive leadership team to account and to take account of the need to review the Ofsted findings and take account of the views of the new SCF CE and Director of Operations.</p>	<p>SCF Director of Finance/ SCF Chair</p>
<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</p>	<p>Amber</p>	<p>Amber</p>	<p>Amber =</p>	<p>September 2022 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 reported to People Scrutiny Panel with recommendations to Cabinet, SCF Board and wider partnership.</p> <p>Corporate risk register reviewed by SBC CLT in relation to risks to children, young people and families and monitored by Audit and Corporate Government Committee.</p> <p>Risks to be reviewed in response to Ofsted inspection.</p>	<p>Monitoring Officer / Scrutiny Officer</p> <p>SBC Contract Manager/S CF Operations Director/ SCF CE</p>

escalation and reporting						
C12 There should be evidence of a consistent approach across the council when it comes to engaging with its entities	Green	Green	Green =	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.	No update required.	
C13 The council should have clear and unfettered access to audited accounts for its entities	Green	Green	Green =	<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>4 August 2022 update 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>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 governance processes and internal audits undertaken on behalf of SCF board as part of its internal controls.</p> <p>No further progress update. Opportunity to progress this with proposed new in-house internal audit team.</p>	<p>SBC s.151 officer</p> <p>SBC s.151 officer</p>
C14 A business case which assessed the risk involved in establishing the entity and recommended its establishment	Red	Amber	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>September 2022 update</p>	Mutual Ventures report includes a section on alternative delivery models. Roundtable meeting with DfE, DLUHC commissioners, SBC and SCF to discuss options.	SBC Chief Executive

, taking account of other potential delivery models, should be available to review				Council officers to engage with DfE officials and the DfE commissioner on commissioning an options appraisal to consider alternative delivery models.	No further progress update. This will be a focus of new SCF CE and DfE Commissioner in discussion with DLUHC Commissioners.	SBC Chief Executive
C15 Objectives of the entity should be clearly defined and documented, and regularly 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	Amber	Amber	Amber =	September 2022 update 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.	The draft business plan did not clearly align to either the objects in the Articles, the service delivery contract or the Council's priorities. Some of the recommendations from the task and finish group report and MV review have been taken into account, but significant work is required to ensure SCF's operation supports council policy and strategy. SCF Board took difficult decision not to approve draft and to request a delay in submission of business plan to take account of Ofsted findings and views of new executive leadership team. The SCF CE has ownership for the new business plan, which needs to be submitted early in the next financial year and before any requests for in-year funding.	SCF CE/SCF Chair
C16 Agreements should be documented between the council and	Green	Green	Green =	Ensure that relevant individuals understand the contractual and governance mechanisms and that these are adhered to and non-compliance is reported.	In-year contract mechanisms being used, regular contract meetings, including strategic commissioning group meetings.	SBC Contract Manager

<p>the entity for any support or services provided by either party to the other party</p>				<p>4 August 2022 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>Further changes to contract arrangements and specifically KPIs awaiting views of new SCF CE and outcome of Ofsted inspection. This will allow one deed of variation to cover a number of proposed changes.</p>	<p>SBC Contract Manager</p>
<p>C17 All agreements should be clear, up-to-date, and regularly monitored and reviewed, with any changes to agreements documented so that a clear audit trail exists</p>	<p>Green</p>	<p>Green</p>	<p>Green =</p>	<p>New agreements were put in place in 2021.</p>	<p>Any required deed of variation will be put in place once arrangements have been fully reviewed and changes agreed.</p>	<p>SBC Contract Manager</p>
<p>C18 There should be evidence that a culture exists whereby actual or potential conflicts of interests are identified, declared, and</p>	<p>Amber</p>	<p>Amber</p>	<p>Amber =</p>	<p>Evidence of induction and training for directors and senior managers in SCF to be provided.</p> <p>September 2022 update Training to be provided by SCF on conflicts of interest on a company wide basis.</p>	<p>No training or induction programme submitted. The board are planning a development day and RNAC is leading on development support of the board.</p> <p>The Principal Lawyer attended a board meeting. It was not clear out conflicts of interest were being managed, including with the Lead Member for Children's Services attending as a participating observer. A meeting has taken place between Principal Lawyer, SCF Chair and NED leading on governance to address this. Declarations of interest is an item on agendas.</p>	<p>SCF Chief Executive / Chairman</p> <p>SCF Chief Executive / Chair</p>

acted upon, including evidence of appropriate training across the organisation					A&CG Committee has agreed to a central register for declarations of interests to be reviewed at the next meeting. Declarations of interest are a standing item on each committee/board agenda.	
C19 The council should have clear and up-to-date policies and processes to consistently manage actual conflicts or potential conflicts of interest, including a clear process for investigations and procedures for appropriate disciplinary actions in the event of breaches	Green	Green	Green =	September 2022 update 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.	Code of Conduct for Employees covers management of conflicts of interest. Guidance given to new council nominated NED and Principal Lawyer offered to provide advice and support if required. No elected member appointed to board. SCF CE not invited to CLT meeting to discuss current risks around SCF governance. Clear separation of functions, with reports being presented to Cabinet not authored by SCF officers or joint officer. Conflict of interest protocol appended to secondment agreement for SCF CE and provided to post holder.	SBC Monitoring Officer / Principal Lawyer
C20 The roles, responsibilities and	Green	Green	Green =	No action required.	Cabinet Committee terms of reference amended to include company governance, although Audit and Corporate Governance Committee will continue to be	

<p>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</p>					<p>responsible for monitoring progress against the SCF governance review.</p>	
<p>C21 There should be evidence that appointments to the board are subject to a documented formal, rigorous, and transparent procedure based on merit and published objective criteria which</p>	<p>Amber</p>	<p>Amber</p>	<p>Green ↑</p>	<p>Declarations of interest to be provided by SCF to the Council as evidence of compliance</p> <p>A review of the board to be undertaken to identify which council officers or members should be nominated to the board and options for appointing an officer to a specific role to undertake council director duties.</p> <p>Evidence to be submitted by SCF of the annual evaluation process of the board and individual directors.</p>	<p>Declarations of interest registers not provided, although declarations of interest is an agenda item at board and committee meetings.</p> <p>Articles reviewed and suggested amendments made regarding board composition. Adoption has been delayed at request of DLUHC lead commissioner. An individual has been identified who appears to have expertise in a similar role. An offer has been made to appoint as council officer and to be appointed as council director.</p> <p>The SCF chair completed appraisals and 2023 objective setting for the three independent NEDs and the council nominated NED in mid January 2023. The appraisal aspect involved a review of the previous year and future challenges, board operation and improvement opportunities, what went well and less</p>	<p>SCF Director of Finance</p> <p>Principal Lawyer/SBC Chief Executive</p> <p>SCF Chair / DfE</p>

also promote diversity				<p>September 2022 update 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>well re personal contribution and learning, and mutual feedback for improved performance. The chair will be building key themes from those appraisals into the board awayday for which a date is to be agreed by the end of the financial year.</p> <p>SCF Chairman has been set new objectives.</p> <p>Next steps is to ensure that the Council's views are an explicit part of appraisal and objective setting process for Chair, NEDs and executive directors. The SCF Chair and RNAC are committed to working with the Council to agree these processes for 2023/24.</p>	SCF Chairman
E1 The entity's articles of association should be clear, up-to-date, and reflective of how the entity is run	Green	Green	Green =	No action required.	The Articles have been reviewed and minor changes are being considered by SCF board. These have not yet been adopted due to request for delay by DLUHC Lead Commissioner.	SBC Principal Lawyer
E2 There should be evidence of an up-to-date business plan that is reflective of the current circumstance	Red	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>The Board took difficult decision not to approve draft business plan. Whilst this was an understandable decision and supported by Principal Lawyer, with clear rationale given to Cabinet for reasons for delay, it does mean that the Council is reliant on an interim plan from 2022/23.</p> <p>Work with new DfE commissioner and new SCF CE on a different leadership model focused on managing</p>	<p>SCF Chief Executive / SBC Chief Executive</p> <p>SCF CE / Chair</p>

s and environment in which the entity operates					caseloads within existing resource, programme management support to ensure delivery of invest to save proposals and ensuring good governance and financial management.	
E3 There should be evidence that the board meets regularly to consider, review and record discussions and conclusions	Amber	Amber	Amber =	<p>Samples of minutes and dates of meetings to be provided to the Council for assurance.</p> <p>September 2022 update 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 is likely to include attendance by Council officers as observers on an annual basis.</p>	<p>Principal Lawyer attended board meeting at observer in February 2023. Board had agenda and reports and there was evidence of good debate and discussion. The minutes from previous meeting misrepresented Council's position on involving SCF senior staff in scrutiny report, which may indicate need for board to ask Council for its position as opposed to relying on verbal update from SCF staff.</p> <p>Principal Lawyer will attend board meeting on quarterly basis and committee meetings as required. Monthly meetings being set up between Principal Lawyer and independent NED leading on governance and there is regular correspondence between the SCF Chair and Principal Lawyer. The SBC CE has requested to attend a board meeting.</p>	<p>SCF Director of Finance / SCF CE / Chairman</p> <p>SCF CE / Chairman</p> <p>SBC Principal Lawyer</p>
E4 There should be evidence of delivery of strategies and plans, including scrutinising key operational	Amber	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>September 2022 update Remove Councillor Hulme from list of members of committees and if the lead member is to</p>	<p>Principal Lawyer attended board meeting at observer in February 2023. Board had agenda and reports and there was evidence of good debate and discussion. The minutes from previous meeting misrepresented Council's position on involving SCF senior staff in scrutiny report, which may indicate need for board to ask Council for its position as opposed to relying on verbal update from SCF staff.</p>	<p>SCF Director of Finance / Chairman</p> <p>SCF Chief Executive</p>

and finance performance information				<p>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 on internal scheme of delegation, although an example of SBC internal scheme has been sent through. A new draft of financial regulations has been prepared and will be reviewed by A&CG Committee in advance of approval at board level.</p> <p>Discussion on clarifying role of participating observer, but potential conflicts of interest need to be managed better by use of protocol. The board need to consider the purpose of having a participating observer attend board meetings.</p> <p>Articles reviewed and amendments made for review by SCF. DfE consulted on proposed changes and Principal Lawyer attended RNAC to explain proposed changes. DLUHC Lead Commissioner requested that changes are not progressed at this stage.</p> <p>To be considered further once Ofsted feedback known and with arrival of new council NED.</p>	<p>SBC Principal Lawyer</p> <p>SCF Chair</p>
E5 There should be evidence of the desired culture and behaviours	Amber	Amber	Amber =	<p>Evidence to be provided by SCF.</p> <p>September 2022 update 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.</p>	<p>The arrival of a new SCF CE and Director of Operations provides an opportunity for change. Early signs are positive and the board meeting and committee meeting in February demonstrates a greater level of constructive challenge from board members. The council director is adding value in terms of his knowledge of Slough and particularly the demographics of the town and history of the services. The SCF CE is arranging a board development day</p>	<p>SCF Chairman / SCF Chief Executive</p> <p>SCF Chair / SCF CE</p>

				<p>In accordance with good governance instituted recommendations, SCF will undertake a survey of key stakeholders on this.</p> <p>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>	<p>and it is hoped that the new council director will be able to attend.</p>	
<p>E6 The company structures should be regularly scrutinised in order to ensure they remain fit for purpose</p>	Amber	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>September 2022 update The organisational structure is included in the latest version of the business plan. The senior leadership team structure and management teams beneath to be reviewed in light of the Mutual Ventures report.</p>	<p>This will be a focus for the new SCF CE and there are opportunities for sharing support services which may deliver further efficiencies.</p>	<p>SCF Chief Executive</p> <p>SCF Chief Executive</p>
<p>E7 There should be evidence that the board has clear policies and procedures for its</p>	Amber	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>The SCF board has committed to putting in place terms of appointment for any NED who does not have one in place and ensuring there is a conflict of interest policy and arranging for recording conflicts and interests. This is being led by RNAC.</p>	<p>SCF Chief Executive</p>

members to ensure that actual or potential conflicts of interests are identified, declared, and acted upon				<p>September 2022 update 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>		SCF Chairman / SCF CE
E8 There should be evidence that directors have sufficient skills and experience to run the entity	Amber	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>September 2022 update SCF to undertake a review of the Board effectiveness and to evaluate the effectiveness of individual directors, including executive directors.</p>	Individual performance evaluation meetings have taken place for board members. RNAC is considering independent support for a skills audit of the board. A new council director has been appointed who has experience as a NED for a children's company.	SCF Chairman SCF Chairman
E9 There should be evidence that directors' behaviours are aligned with the requirements of the Companies Act 2006 and the Nolan Principles as	Amber	Amber	Amber =	<p>Evidence to be supplied</p> <p>September 2022 update 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</p>	Details of appraisal meetings by former SCF CE have been supplied. Board evaluation will be a focus on RNAC and the planned development day.	SCF Chairman SCF Chairman / SCF CE

well as Cabinet Office's Code of Conduct for Board Members of Public Bodies				in an appraisal, training undertaken, extracts of board minutes demonstrating behaviours as examples.		
E10 The scope of directors' authorities should be documented and clear to all parties	Red	Red	Amber ↑	<p>Internal scheme of delegation to be supplied, including terms of reference for committees</p> <p>September 2022 update 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>The ToR of each committee have been reviewed and agreed at board level. Financial policies were reviewed at ACG Committee in February. More work is required on internal schemes of delegation to ensure staff at different levels understand their authority to make decisions that are not related to children's casework.</p> <p>The Principal Lawyer has supplied a template for the internal scheme of delegation.</p>	<p>SCF Chief Executive</p> <p>SCF Chairman</p>
E11 There should be evidence that the board has a diverse membership with the collective skills and attributes needed to lead the	Green	Green	Green =	Council to review who to nominate as council nominated directors	<p>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.</p> <p>The Articles have not been amended at request of DLUHC Lead Commissioner.</p> <p>The Council has appointed an individual as an officer who will also act as a council director, which means two of the maximum of three places are now filled.</p>	SBC Chief Executive

entity effectively						
E12 There should be evidence that board membership is reviewed regularly for composition and fitness for purpose	Amber	Amber	Green ↑	Evidence to be supplied of evaluation process	<p>The SCF Chair was evaluated by the DfE Commissioner with input from independent NEDs. There needs to be more formal process for obtaining views of the Council and other stakeholders.</p> <p>The composition of the board has been reviewed and planned changes to the Articles to reflect best practice, however the Lead Commissioner has requested this be put on hold.</p> <p>A skills audit is to be commissioned by RNAC.</p>	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	Amber ↑	<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>September 2022 update 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 member continues to attend board meetings.</p>	<p>The ACGC has responsibility for risk management and at its meeting in February 2023 review the risk register. This will be a standing agenda item.</p> <p>Lead member for children's services removed as risk owner. The board is considering the role of participating observers and whether individuals should be invited on a subject specific basis.</p>	<p>SCF Chief Executive</p> <p>SCF Chief Executive</p> <p>SCF Chairman / SCF Chief Executive</p> <p>SCF Chairman</p>

				SCF to consider commissioning support from SBC or an external provider on reviewing its risk management procedures and delivering training on risk management.		
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	Green =	<p>Details of last skills audit to be supplied</p> <p>September 2022 update 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. These have not been adopted on request from the DLUHC Lead Commissioner.</p> <p>A new council director has been appointed.</p> <p>RNAC is considering commissioning external support for a skills audit.</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 understanding and supported in their roles	Amber	Amber	Amber =	<p>Training records to be supplied.</p> <p>September 2022 update 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. Training records should be collated and sent to the Council and a board development programme to include training</p>	<p>The board is planning a development day and RNAC is responsible for ensuring board evaluation and a development programme.</p>	<p>SCF Chief Executive</p> <p>SCF Chairman</p>

				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	Amber =	<p>Role profiles for all executive directors to be supplied</p> <p>September 2022 update 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>	<p>The SCF CE was appointed following a competitive process and has a role profile and the secondment agreement sets out the separation of functions between SBC and SCF roles and a protocol for managing conflicts of interest.</p> <p>SCF has an interim in place as Director of Operations. There is an opportunity to consider the involvement of the Council in the recruitment to the permanent post.</p>	<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 , and standards of conduct	Amber	Amber	Amber =	<p>Further evidence to be supplied by SCF</p> <p>September 2022 update 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>	<p>Principal Lawyer and SBC CE requested to attend board meetings to review reports and debate. Principal Lawyer attended part of board meeting and part of ACG Committee meeting in February 2023. The reports supplied and debate and constructive challenge was evidenced. This needs to be kept under review and a new business plan supplied before further assurance can be given.</p>	<p>SCF Chairman</p> <p>SCF Chairman</p>

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	Amber =	<p>Sample of minutes of meetings to be provided for assurance purposes</p> <p>September 2022 update 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>	<p>The meetings in February indicated there is a greater understanding of the legitimate role of NEDs. Further samples and meetings are required to provide further assurance.</p>	<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	Amber =	<p>Evidence to be supplied</p> <p>September 2022 update The Council to formally request information and evidence to demonstrate the appraisal process in place to assess the effectiveness of the Chair.</p>	<p>There is a closer working relationship between SCF Chair and Principal Lawyer as member representative. The SCF Chair has attended the Council's scrutiny meeting to answer questions and listen to the debate.</p> <p>This will be a focus of the Cabinet Committee and board members, including the chair, will be invited to attend.</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 business plan that is consistent with and no	Red	Red	Red =	<p>Evidence to be supplied and evaluation of performance of the board in terms of monitoring and management of financial performance.</p> <p>September 2022 update Whilst there is evidence of challenge on the business plan</p>	<p>The SCF board took the difficult decision not to approve the business plan due to arrival of new SCF CE, Ofsted inspection and concerns that it is not a plan that will be easily understood by the staff. The SCF CE has committee to producing a new business plan in the first quarter of 2023/23.</p> <p>This provides an opportunity for the business plan to align with the Council's corporate plan, to take account</p>	<p>SCF Chairman</p> <p>SCF Chairman/SBC</p>

<p>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>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>of the findings of the MV review and the People Scrutiny task and finish report.</p> <p>SCF has more work to do to reflect a structure and service that is affordable to SBC and to live within its budgetary envelope.</p>	<p>Principal Lawyer</p>
<p>E21 The financial transactions and values attributable to the company within the council's medium term financial plan should agree with the projections in the business plan</p>	<p>Red</p>	<p>Red</p>	<p>Red =</p>	<p>To be addressed in future business plans</p> <p>September 2022 update 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 being given to the board to undertake its functions. Whilst SCF can review whether further financial expertise is</p>	<p>To be addressed in the future business plan. SCF has been given an increased contract sum to reflect agreed in-year funding increases and the MV review. It now needs to produce a plan that aligns with SBC's MTFS.</p>	<p>SCF Chairman and SCF Chief Executive</p> <p>SCF Chairman / SCF Director of Finance</p>

				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.		
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	Red =	<p>September 2022 update</p> <p>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.</p> <p>SCF Board should consider whether reports should have a financial implications section as standard.</p>	<p>Two in-year change requests submitted in 2022/23, although significant involvement of SBC officers to enable officer recommendation to be made to Cabinet.</p> <p>Mutual Ventures report analysed assumptions and identified concerns about optimism bias.</p> <p>It is likely this will be a focus of the newly appointed council director and the ACG Committee.</p>	<p>SCF Director of Finance</p> <p>SCF Chairman</p>
E23 There should be evidence of an annual audit letter from the council's external auditors, confirming the degree of confidence they hold in respect of consolidation or treatment	Amber	Amber	Red ↓	<p>September 2022 update</p> <p>Assurance processes in place regarding treatment of financial instruments and consolidation.</p>	<p>SCF accounts process has highlighted some errors, which will need to be subject to scrutiny by the board and external auditors. This will be a focus of the ACG Committee.</p>	<p>SBC s.151 Officer</p>

of financial instruments entered by the company						
E24 Documented financial policies and procedures should be available	Red	Red	Amber ↑	Financial policies to be supplied. September 2022 update 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.	Financial policies have been reviewed and a number of policies were being considered at February meeting of ACG Committee. Further work is being done on a financial scheme of delegation and a travel expenses policy.	SCF Director of Finance SCF Director of Finance
E25 There should be evidence of an effective annual internal audit programme	Green	Green	Green =	September 2022 SBC to consider the effectiveness of the internal audit programme for SCF and the quality of internal audits undertaken in 2022/23.	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.	SBC s.151 officer / SCF Chair of Audit Committee