Slough Borough Council

REPORT TO:	Cabinet
DATE:	17 July 2023
SUBJECT:	Approval of annual Business and Improvement Plan for Slough Children First Limited (SCF)
CHIEF OFFICER:	Stephen Brown – Chief Executive
CONTACT OFFICER:	Sarah Wilson – Head of Legal
WARD(S):	All
PORTFOLIO:	Councillor Smith – Leader of the Council Councillor Kelly – Lead Member Children's Services
KEY DECISION:	YES
EXEMPT:	NO
DECISION SUBJECT TO CALL IN:	YES
APPENDICES:	Appendix A - SCF Draft Business and Improvement Plan 2023 to 2026

1 Summary and Recommendations

1.1 This report seeks approval of the Slough Children First (SCF) Business and Improvement Plan for 2023 to 2026 (Appendix A), on an interim basis as well as noting the position on retrospective in-year change requests for the previous two financial years to fund historic deficits. . As SCF is wholly owned by the Council, it is bound by its articles to submit its draft Business and Improvement Plan for approval by the Council. The Business and Improvement Plan is a critical document governing how SCF conducts its business, and it is not permitted to enter into transactions, agreements, or contracts unless they are in accordance with its Business and Improvement Plan.

Recommendations:

Cabinet is recommended to:

a) Approve the SCF's Business and Improvement Plan for 2023 to 2026 at Appendix A on an interim basis.
b) Request that the SCF board provide the Council will quarterly update reports setting out progress, risks, and options for further savings, the first to be reported to Cabinet in the Autumn 2023, such report to explicitly include a

medium term financial strategy to show how SCF can move to a financially sustainable position and updating on a new contractual performance framework.

c) Note the request for funding of deficits from 2021/22 and 2022/23 and defer consideration of the same until the first update on delivery against the Business and Improvement Plan is submitted.

Reason:

SCF requires a high quality, long-term Business and Improvement Plan setting out its strategic priorities and financial strategy. The previous year's plan was only approved on an interim basis and the re-submitted plan was subject to a review by Mutual Ventures with Cabinet agreeing not to approve it in February 2023 and to require an updated version to be submitted in July 2023. SCF has a new executive leadership team who have worked with the Company board and in collaboration with corporate colleagues to put together a Business and Improvement Plan to support SCF to deliver high quality and cost-effective services. This plan requests further significant financial support for the financial year 2023/24 over and above what was agreed by Cabinet in February 2023. In addition, whilst the plan sets out savings, these are likely to contain demand pressure, as opposed to deliver savings in accordance with what was assumed in the Council's MTFS. Unfortunately this puts pressure on other Council services and could lead to savings needing to be made to services that provide support to children and families as part of a wider early help system, which in turn puts further pressure on statutory and discretionary children's social care services.

It is recognised that the executive leadership team in SCF is new and following the Ofsted inspection immediately put in place a focused 12-week improvement plan to avoid drift and delay whilst the continuous (permanent) Business and Improvement Plan is going through this formal approval process. The work to deliver the 12- week plan has already started to improve service delivery and deliver financial savings. The Council must continue to monitor SCF's performance to ensure that limited available funding is directed to the right place and supporting the Council's improvement journey. For this reason, it is recommended that a report is brought back in 3 months' time with a progress update based on information presented to the SCF's quarterly contract monitoring meetings. The Council will consider the requests to provide funding for the historic deficit arising from overspends in the previous two financial years at the same time.

2 Report - Introduction

2.1. SCF became wholly owned by the Council on 1 April 2021, with new articles of association setting out its governance arrangements. The Articles of Association set out a list of reserved matters, which must be approved by the Council, as the sole owner of the Company.

2.2. SCF delivers prescribed statutory and discretionary children's social care functions under a direction of the Secretary of State and in accordance with a service delivery contract between SCF and the Council. Improvement activity across children's services is a critical part of the Council's improvement journey and the Council should work with the new SCF executive leadership team to ensure that the services can be delivered in a cost-effective way, contributing to the delivery of required financial savings to enable the Council to become financially sustainable within the medium term.

2.3. A new Chief Executive for SCF (also the Executive Director of People – Children / statutory director of children's services) commenced in role in January 2023. On the day of her arrival Ofsted commenced its inspection of children's services and found that overall the service 'requires improvement to be good,' but the impact of leaders is 'inadequate.' The People Scrutiny Panel task and finish report recommended an enhanced focus on partnership working, alongside other recommendations for SCF which have been incorporated into the Business and Improvement Plan. The submitted draft Business and Improvement Plan is a significant improvement on the previous plan, with clear and focused improvement plans linked to savings, however it also requires significantly more funding than the Council has budgeted for, which puts pressure on other council services and on the Council's long-term viability.

2.4. The Department of Education (DfE) has appointed a Commissioner, Paul Moffat to oversee Children's Services improvement who has had oversight of this plan. He is currently the interim Chair of SCF, although plans are in place to appoint a new permanent Chair.

<u>Commissioner Review</u>

The Department for Levelling Up, Housing and Communities (DLUHC) commissioners were consulted on this report and a number of comments on the detail of the report have been responded to prior to publication.

The DfE commissioner is currently the Chair of SCF and has been involved in discussions on the Business and Improvement Plan at board level.

<u>Options Considered</u>

2.5. The following options were considered:

Option	Pros	Cons	Recommended
Option 1: Approval of business and improvement plan	• Ensures compliance with Articles of Association. • Ensures SCF has a longer-term business strategy to manage its services. • The new plan will have the ownership of the new Chief Executive and Board of SCF.	• The plan does not set out details of how risks are to be managed or provide assurance on deliverability of some of the plans. • The plan assumes funding that has not been agreed by the Council and will put pressure on other services.	**Not recommended**
Option 2: ***Approval of business and improvement plan on an interim basis, with further requirements.***	• Ensures compliance with Articles of Association. • Allows time for the plan to be properly scrutinised and feedback given. • Avoids the previous Business Plan being rolled over.	• SCF will have to invest more officer and board time in collaboration with colleagues from SBC to prepare an update report.	**Recommended** **Officers will work with SCF executive leadership team on monitoring data and delivery plans to support**

	• Allows for progress against targets to be considered and for more ambitious targets to be set where supported by data. • Allows for focused discussions with Council services on how to support with further financial savings within SCF, for example housing. • Allows for an update to be given on progress against the plan, including further information on a medium term financial strategy to ensure SCF will be financially sustainable in future years.		**delivery of the Business and Improvement Plan**
Option 3: Do not approve the Business and Improvement Plan	• The Council does not approve the business and improvement plan and requires an updated version to be prepared in a new timetable. • The business and improvement plan can set out a more realistic and affordable medium term financial strategy.	• The previous interim Business and Improvement Plan will apply, which does not address how SCF will seek to deliver financial savings in the current context. • SCF is not able to demonstrate improvement in its Business and Improvement Planning processes, an issue that was flagged in the governance review. • Time and resource will be put into updating the plan which would be better put into effective delivery plans.	**Not recommended**

Background

2.6. SCF's objects are set out in its Articles of Association. These are to provide social care, youth justice and other related services and support to children, young people, and their families for the advancement of the community, and in particular:

(a) to keep children and young people safe from harm;

(b) to provide high quality and coordinated services in connection with children, young people, and their families, including in relation to children's safeguarding, children in care and at the edge of care, children leaving care and adoption and fostering services;

(c) to innovate and to secure improvements in the quality and effectiveness of the services provided to children, young people, and their families in respect of social care, family support and youth offending services and demonstrate value for money in doing so;

(d) to advance and promote social care, family support and youth offending services available to children, young people, and their families;

(e) to work collaboratively with other agencies to identify the individual social care needs of children and young people and to establish suitable arrangements to prepare for and meet such needs;

(f) to make a positive and effective contribution to multi-agency early intervention support for children, young people, and their families to avoid the need for more intensive social care support;

(g) to ensure that effective care planning and appropriate intervention is in place which protects children from harm, reduces the need for children to be in care unless absolutely necessary, and supports those in care;

(h) to establish and operate arrangements based on best practice and innovation and to work in partnership with all agencies involved with children, young people, and their families to encourage and support children and young people to achieve positive outcomes; and

(i) to establish, promote and encourage the development of collaborative working arrangements between individuals and organisations in the field of information, advice, guidance, and support to deliver high standards of social care, family support and youth offending services to children and young people.

2.7. The Council requested that these objectives were specifically referenced in the Business and Improvement Plan and this has now been actioned. SCF also sets out a vision and ambition for children, priorities, and enablers. The enablers form the basis of the Director of Children's Services report to the Getting to Good Board chaired by the DfE Commissioner. There is a financial focus to the plan, including savings targets for 2023/24 and 2024/25 as well as the previously mentioned 12-week improvement plan and the subsequent continuous improvement plan.

2.8. As part of ensuring appropriate scrutiny and challenge, the draft of the previous plan was reviewed by Mutual Ventures, who were commissioned by the DfE and by a task and finish group of members from the People Scrutiny Panel. Key findings from these reviews are set out below:

Affordability of services

2.9. Mutual Ventures made it clear that both the Council and SCF need to be clear about the affordability of services and have full confidence in the proposed plans, given the Council's tightening financial envelope. Mutual Ventures assessed that SCF's previous business plan under-estimated the cost of invest to save proposals and inflationary pressure and was potentially over-ambitious regarding placement rates and vacancy factor. However, in other areas, it viewed the proposals as not being ambitious enough. It is important to note that some matters have moved on considerably since the Mutual Ventures review and there is a new executive leadership team in SCF who are bringing fresh experience and challenge. Therefore, whilst it is relevant to consider the analysis contained in the review, appropriate weight needs to be given to it in view of these changes.

2.10. The figure below is an extract from the Mutual Ventures report which was published as an appendix to the February cabinet report. This indicates that the 2023/24 funding requirement was £39.330m, however this took account of a £3.387m deficit. If this deficit is funded via adjustment of previous years' contract sums, the budget requirement is £35.943m. The Council agreed a contract sum in excess of this figure, but the current Business and Improvement Plan is indicating that a further £4.4m is required over and above this figure.

Figure 16. Comparison of business plan with review outputs, in £'000.

Current SCF contract value

SCF Business plan position

Revisions to Business plan resulting from review findings.

Includes:
- Adjustments for technical errors
- Revision to optimism bias in assumptions
- Application of alternative population growth forecasts
- Correction and revision to inflation assumptions

Revised funding requirement

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
SCF BUSINESS PLAN (Appendix D)							
SBC core contract	31,700	32,350	32,770	33,170	33,573	33,966	34,361
Contribution to Virtual School	100	100	100	100	100	100	100
Capitalisation Directive Funding	100	0	0	0	0	0	0
SCF deficit/(surplus)	5,175	3,387	2,158	1,433	420	(745)	(1,620)
TOTAL SBC FUNDING REQUIREMENT	**37,070**	**35,836**	**35,023**	**34,708**	**34,094**	**33,321**	**32,841**
ALTERNATIVE SCENARIO - REVISED ASSUMPTIONS							
Correction of errors in SCF model		(146)	(307.00)	(313.00)	(299.00)	(178.00)	(92.00)
Baseline revisions							
Placement rates		236	211	197	186	167	154
Vacancy factor		(875)	(892)	(910)	(910)	(890)	(890)
Total baseline revisions		**(639)**	**(681)**	**(713)**	**(724)**	**(723)**	**(736)**
Demographic growth revision		**64**	**22**	**(103)**	**(210)**	**(330)**	**(483)**
Savings impact revisions							
Net foster carer recruitment		220	336	435	517	585	626
Placement rates		820	890	890	847	793	740
Care leavers volume		442	480	513	460	451	523
Care leavers rates		471	587	587	587	589	587
Family Hubs / Targeted Early Help impact		151	338	524	685	731	740
Edge of Care impact		400	397	391	390	389	379
Timing of Innovate team reduction		412	371	742	371	405	(0)
Total savings revisions		**2,914**	**3,408**	**4,082**	**3,858**	**3,942**	**3,596**
Additional inflation		**1,408**	**1,760**	**1,872**	**1,953**	**2,054**	**2,104**
TOTAL REVISIONS		**3,601**	**4,202**	**4,825**	**4,574**	**4,765**	**4,388**
Less revisons funded by partners/grants		(59)	(41)	(30)	(37)	(35)	(32)
TOTAL REVISED SBC FUNDING	**37,070**	**39,330**	**39,184**	**39,503**	**38,630**	**38,007**	**37,198**

2.11. There are no specific requests for "invest to save" funding in the Business and Improvement Plan, although the detail demonstrates that additional funding is needed in the early years of the Plan to assist with delivery of savings and containing demand pressure in future years and helpful assumptions are given on the impact of these proposals. Reference is also made to applying for grant funding from the DfE to support transformational change. The savings proposals include ambitious targets to reduce placements costs and less stretching targets for some other areas. It is assumed that the proposals have built in inflation and that SCF will be able to contain further demand and inflationary pressures within its medium-term financial plans as this was built into the modelling undertaken by Mutual Ventures.

2.12. SCF will be asked to produce quarterly updates and the first update should set out a medium-term financial strategy to becoming financially sustainable and include updates on progress against the improvement plan. This will assist the Council to set its own MTFS building in sufficient funding for SCF in future years, as well as receiving assurance information to demonstrate that the services are value for money.

Proactive demand management

2.13. Mutual Ventures state that the financial outlook for SCF could be improved through a dedicated drive to focus on throughput of work, with a review of existing cases being closed where they are low risk.

2.14. The Task and Finish Group heard that managing risk and closing cases requires stable leadership and management to ensure social workers felt confident and safe in their decision-making and this is now in place.

2.15. The draft Business and Improvement Plan makes the following assumptions to reduce spending:

- a 5% reduction in families being stepped up to statutory social care by more targeting in the early help teams;
- The in-house fostering service will target six new carers by the end of 2023/24 with further recruitment planned in future years;
- Improved commissioning for accommodation for unaccompanied asylum-seeking children and commissioning support to improve participation with children and young people (subject to receipt of DfE grant funding).

2.16. It is critical that there is a renewed focus on driving down demand where appropriate and monitoring against these targets will help identify whether these are overly ambitious or not ambitious enough.

Workforce

2.17. Mutual Ventures stated that the previous invest to save proposals did not address the main reason that staff are leaving, namely caseloads. Mutual Ventures also commented on the intention to keep the two managed agency (Innovate) Teams until March 2025 as concerning, as these teams are expensive and should only be used to fill short term gaps. With stable, skilled, and confident leadership it was proposed that a more ambitious target could be set and caseload levels are now less of a concern, leading to a reduced need to rely on such teams.

The Task and Finish Group heard from frontline managers about the strong morale and the positive impact that programmes such as Step Up to Social Work and employing overseas qualified social workers were having on recruitment and retention. The latest figures indicate that the current workforce strategies are working, although more focus should be given to career development pathways and practice development and support. SCF has recently partnered with “Frontline” as further evidence of investment in practice development and support. The draft Business and Improvement Plan assumes an increase in permanent recruitment by 1% each year to reduce the costs spend on more expensive agency arrangements. This is building on the current successful programmes already in place which have seen an increase in the ratio of permanent to agency/vacancy which now sits at 77:23. This has enabled the release of one managed agency team 20 months earlier than planned and the second 18 months earlier.

Early Help

2.18. SCF is expected to and does positively and effectively contribute to multi-agency early intervention support for children, young people, and their families to avoid the need for more intensive social care support.

2.19. The Mutual Ventures report noted that all the original invest to save proposals will strengthen the service offer and there should not be a ‘pick and mix’ approach.

2.20. The Task and Finish Group noted the national evidence of the need to focus on the wider children's workforce and ensuring that the wider partnership worked effectively to support children and young people.

2.21. An in-year funding request to support increasing the size of the targeted early help service was agreed in 2022/23 and there is evidence that this has started to have an impact on reducing reliance on statutory intervention for families. This service should also have a focus on multi-agency working and encouraging other agencies to take the lead on specific aspects of early help support.

2.22. The assumptions made in relation to an effective early help system have been highlighted in the proactive demand management section above.

Edge of Care

2.23. The Edge of Care team is intended to focus on preventing family breakdown and contextual safeguarding (safeguarding children from risks outside the home including criminal or sexual exploitation and youth violence).

2.24. The Task and Finish Group also heard from practitioners who had seen the success of a previous Innovate Team which consisted of multi-disciplinary practitioners who supported young people and families in crisis.

2.25. An edge of care team is intended to support reunification of children coming home from care in appropriate cases and reduce placement costs.

Deliverability and leadership capability

2.26. Mutual Ventures raised concerns about delivery capacity and capability and that SCF needs to strengthen its governance arrangements, business plan monitoring processes and benefits management discipline, work which is now underway. This includes strengthening the finance function, developing a structured approach to demonstrate value for money, having in place robust governance and board oversight arrangements and comprehensive risk assessment processes.

2.27. Some of these issues have also been identified as part of the Council's governance review of SCF. The Council appointed an Executive Director – People (Children) who is also the statutory Director of Children's Services who is seconded into SCF and appointed by SCF as the Chief Executive. This permanent appointment has led to a permanent leadership team however, SCF also needs to consider how to improve its programme management capability to ensure improved governance and delivery of projects. The appointment of a new Business and Improvement Planning manager is a positive step to ensure this. Robust and timely reporting of the delivery of the Business and Improvement Plan will ensure that the board receives the information it needs to exercise its governance functions appropriately.

2.28. SCF now has a new Director of Operations in addition to the new Chief Executive and some additional capacity at board level, with a process overseen by the DfE to recruit a new Chair to the Board.

Partnerships

2.29. Both Mutual Ventures and the Task and Finish Group refer to the critical importance of the wider partnerships. Other Local Authority areas that have made sustained progress are good at engaging and collaborating at a strategic and operational level. Engaging partners is one of SCF's enablers for improvement.

2.30. It is positive to see a priority around partnership working, both with the Council and wider children's workforce, including the community and voluntary sector. One of the enablers is also around engaging partners.

2.31. Reducing demand on statutory social care and investing in early help is a partnership responsibility and this cannot be achieved by SCF or the Council alone. Requesting an update in 3 months will allow the Council to review SCF's progress in ensuring both the statutory partnerships and individual partner agencies are fully contributing to supporting families and children in Slough to thrive.

Governance and contractual requirements for approval of the business plan

2.32. Article 7 sets out the requirements for an annual business plan. This requires that for each year, no later than 30 September in the preceding year, the board of directors should prepare and submit a draft business plan for approval by the Council covering the next 3 years. The content of each business plan shall include relevant information under each of the following headings:

(a) introduction;
(b) strategic framework;
I working with partners;
(d) priorities and objectives;
(e) financial strategy and plans;
(f) profit and loss account;
(g) cash flow statement;
(h) revenue budget and working capital requirements; and
(i) capital expenditure requirements.

2.33. The Business and Improvement Plan can be varied each year, but that will also require prior written approval of the Council. If, prior to the state of the year, the board of directors has not sought the approval of the Council then for as long as approval has not been secured, the business plan for the previous year shall continue to apply.

2.34. Since February 2014, the Slough Children's Services have been subject to intervention from the Department for Education. The draft Business and Improvement Plan sets out a focused 12-week plan and a continuous improvement plan intended to provide a roadmap and an accountability framework for how it will deliver good services to enable the intervention to be removed.

2.35. In addition to the Business and Improvement Plan, if SCF finds itself in a position whereby it cannot balance its budget in year, there is a contractual mechanism to allow it to submit an in-year change request for increased funding either on an invest to save or demand pressures basis. There is a detailed process to follow to ensure the requests can be properly considered by the Council and to manage any disputes between the parties. SCF has submitted 6 in-year change requests for 2021/22 and 2022/23 to deal with its historic overspends. The Council did approve similar requests last year but requested that submission of further requests be delayed pending receipt of the revised Business and Improvement Plan. The requests are summarised below:

Unaccompanied Asylum-Seeking Children (UASC)

2.36. The Council supported a previous request for funding to support an increase in the numbers of UASC, but for 2022/23 this was only for a 6-month period. On the basis of the previous request, it was assumed the annual figure would be about £450k and provision was made for additional funding in the contract sum set for 2023/24. However, the 2022/23 figure is now £742k, which is partly due to an increase in numbers from 31 in September 2022 to 45 in March 2023. SCF is clear about the need to recoup all monies from the Home Office and has social workers with increasing skills in undertaking age-assessments and decision making on whether to defend age assessment challenges. Updates will be presented in the quarterly reports.

Legal Costs

2.37. These costs include court fees, legal fees from the Reading joint legal team, counsel's fees, and expert fees. The costs are largely dependent on the number of care cases and other legal proceedings such as judicial reviews but are also impacted by more complex cases and judicial continuity issues requiring more hearings or court delays. The new leadership is looking to reduce the number of proceedings in the future by focusing on child in need, child protection and PLO processes. Benchmarking data needs to be used to demonstrate cost efficiency. The Business and Improvement Plan rightly focuses on early help and edge of care team, and these should lead to a reduction in the number of proceedings in the future.

Salary pressures

2.38. The salary pressures were not unforeseen and should have been budgeted for by SCF. However, it is positive that the workforce strategy has led to the Innovate teams being released earlier than expected and the ratio of permanent to agency has improved significantly providing evidence to indicate that the strategy is working.

Loss of transformation grant

2.39. The loss of DfE grant in 2022 has been covered by the increased contract sum for 2023/24, however it would have been more prudent if SCF had considered its options at the point the grant was stopped, rather than continuing to fund services for which it had no budget. The Business and Improvement Plan refers to applications for grant funding from DfE and if provided, SCF needs to have and has requested project management capacity to ensure the funds are used in accordance with the terms of the grant.

Placement pressures

2.40. The Mutual Ventures report contains revisions based on unrealistic assumptions on unit cost and placement budgets. The request states that costs are low statistically, however no benchmarking data is presented to allow comparisons to be made. Costs have increased significantly since August 2022. The Scrutiny task and finish group raised concerns about increases in fostering households being undeliverable, which would place further pressure on the placements budget. The placements budget is clearly strongly linked to the number of children in care and most solutions are relatively long term. The quarterly reports should contain a detailed section on placement budgets, including benchmarking data and progress against savings proposals, including risks.

Care leavers/care experienced young people

2.41. The historic overspend is £430k, not including spend on UASC. It is not clear why this was not foreseeable or what consideration was given to the risks or reducing the cost of support. Most of the overspend has been funded by grant, which is positive. Further work needs to take place between SCF and the Council's housing service to understand how delays in housing panels can lead to overspends and how the risk of this is raised corporately.

2.42. The Council will formally consider whether to provide funding to cover historic deficits upon receipt of the first update. This will allow the Council to see whether the current proposals to reduce costs are delivering against their aims and to understand whether SCF is able to manage within its contract sum, and potentially identify further savings in-year which could offset the accumulated deficit.

3. Implications of the Recommendation

3.1. Financial implications

3.1.1. Full Council in February 2023 approved a contract fee for 2023/24 of £36.067million - an increase of £4.632m from the previous fee.

3.1.2. SCF have requested one off funding amounting to £5.312 in respect 2021/22 and 2022/23, outside of the agreed budget setting process. This is summarised in the table below:

21/22 and 22/23 One off Bids for funding

	£m
DfE Transformation Grant loss	0.348
Salary Pressures	1.432
Placements	2.180
Other Child Support	0.095
Unaccompanied Asylum-Seeking Children	0.742
Legal Costs	0.515
Total Additional Budget Pressures 2023-24	**5.312**

The Council has already agreed over £2m of funding for specific in-year change requests (agreed in September and December 2022 cabinet meetings). Some additional provisions have been set aside to cover additional requests for historic deficits and these are contained within the Council's Outturn position, although these funds have also been held as contingency against other risks/pressures.

3.1.3 At the time the 2023/24 Council budget was set, it was on the basis of SCF staying within with the agreed contract fee of £36.067m. However, the Council has now received an indication for additional ongoing funding for 2023/24, outside of the budget process amounting to £4.447m. This will need to be considered as part of the Council's outturn position, P3 forecast and the updated Council's MTFS.

3.1.4 The assumed contract sums in the draft plan for 2024/25 and 2025/26 will put significant pressure on the Council's financial strategy, including requiring savings from other Council services, as there are no further savings being submitted from SCF services. If these increases in funding are agreed, SCF will need to contain any demand and inflationary pressure within these contract sums. It needs to manage its risks and provide clear evidence-based business cases for any funding on an invest to save basis and demonstrate that it has the delivery capability to deliver such proposals.

3.1.5 The Company has no reserves and relies on the £5m loan from the Council for cash-flow. This loan will permit SCF to be financially solvent, however it must ensure that this loan is only used for cashflow purposes and not utilised for service delivery pressures. The Council expects repayment of the loan in full at the end of the service delivery contract, which ends in 2026 if not extended and this carries a high risk for the Council

3.2 Legal implications

3.2.1 The Secretary of State for Education has powers to issue a direction in relation to specified social services functions relating to children under s.497A of the Education Act 1996. Various directions have been issued in relation to statutory functions in Slough since 2014. The sixth statutory direction was issued in April 2021. This requires that the Council secures that prescribed children's services functions are performed by SCF and the Council jointly and other prescribed children's services functions are performed by SCF on behalf of the Council. The Council was also directed to enter into a new service agreement to implement the discharge of these functions and continue to comply with any instructions of the Secretary of State, his representatives and the Children's Services Commissioner in relation to ensuring that the Council's children's social care functions are performed to the required standard.

3.3 Risk management implications

3.3.1 There are risks that the company will not achieve its agreed budget as highlighted in the report. The Council is mitigating this risk through regular financial and performance monitoring meeting and reports to Cabinet on a quarterly basis against the plan. The risks to children and families as a result of risks arising from the lack of a Business and Improvement Plan and effective leadership within SCF are covered in the Council's corporate risk register and in the governance review, which are regularly monitored by the Audit and Corporate Governance Committee.

3.4 Environmental implications

3.4.1 None

3.5 Equality implications

3.5.1 The Council has a duty contained in section 149 of the Equality Act to have due regard to the need to:

a) eliminate discrimination, harassment, victimisation, and other conduct that is prohibited by or under this Act;

b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

3.5.2 The broad purpose of this duty is to integrate considerations of equality into day-today business and to keep them under review in decision making, the design of policies and the delivery of services. As a body delivering public functions, SCF is expected to comply with this duty.

3.5.3 High quality and cost-effective children's services are critical to supporting both the Council and SCF to meet their equality duties, particularly in relation to advancing equality of opportunity by way of reducing inequalities that exist between certain groups of vulnerable children and their families and the wider population. As part of the update reports, it is expected that information will be presented on how SCF is meeting its equality duties and how this is supporting the Council to meet its own duties.

3.6 Procurement implications

3.6.4 There are no procurement implications from this proposal. SCF operates within the "Teckal Exemption" meaning that the Council does not have to undertake a procurement process to commission services from it. This exemption is on the basis that the Council has adequate control over SCF and that at least 80% of SCF's services are provided to the Council.

3.7 Workforce implications

3.7.1 None.

3.8 Property implications

3.8.1 SCF will need to consider its future building requirements as part of the Council's wider asset disposal programme. At present SCF operates from 3 separate buildings, including leasing office space in Observatory House, operating a contact centre in Cippenham, and operating a respite centre in Priors Close and these are all seen as required operational assets.

4. Background Papers

None.