

## Slough Children First Governance review – Progress update to June 2023

Aim	RAG Rating				Actions recommended	Update as at June 2023	Lead person
	0	1	0	0			
	9	1	2	6			
	2	2	2	2			
	0	0	0	0			
	2	2	2	2			
	2	2	3	3			
<p>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</p>					<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>New Corporate Improvement Scrutiny Committee considering work programme.</p> <p>Audit &amp; Corporate Governance Committee receiving reports quarterly.</p> <p>SCF not subject to internal Council processes – contractual provisions used.</p> <p>Two council nominated NEDs appointed and meetings with council officers taking place.</p>	<p>Monitoring Officer / Scrutiny Officer Head of Legal s.151</p> <p>Head of Legal</p>
<p>C2 There should be evidence of a culture of challenge and clarity relating to the purpose, efficiency, effectiveness, specific objectives, and freedoms of the entity</p>					<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>Clarify role of scrutiny committees/panels.</p>	<p>The business plan was submitted in draft with a recommendation that this is approved as an interim plan with regular updates to Cabinet, based on need for significant increase in funding and to ensure deliverability and budget monitoring is robust. Historic in-year request for funding for FY 2021/22 and 2022/23 have now been submitted.</p> <p>See above.</p>	<p>SCF Director of Finance</p> <p>Monitoring Officer /</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>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>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>Committee to monitor progress against governance action plan</p> <p>SBC in process or reviewing and renewing its Corporate Plan in 2023. The new plan is intended to place more focus on need for children to thrive which will align with SCF vision and priorities.</p> <p>Board development day with facilitator and attendance by council officers. 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. This will be an area of focus for the new Chair of the Board.</p> <p>Attendance by Head of Legal and SBC Chief Executive at board development day and continued attendance by Head of Legal and finance colleagues to board meetings and informal meetings as appropriate, including pre-board finance meetings.</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 has now produced an improved business plan which contains short, medium and longer term plans on improvements required. This has been informed by the feedback from the Ofsted inspection, People Scrutiny Panel task and finish group recommendations and the Council's emerging new corporate plan.</p>	<p>Scrutiny Officer Head of Legal</p> <p>SBC Chief Executive</p> <p>SCF Chair/SCF CE</p> <p>SCF Chair/SCF CE</p> <p>SBC Head of Legal</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>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 and subject to discussion with SCF CE and new Chair of Board. These should be linked to the updated improvement plans in the business plan.</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>Council officers meet regularly to review SCF and regular meetings with Exec Director of Children’s Services to ensure that there is close liaison and to reduce unnecessary duplication or bureaucracy, whilst maintaining appropriate governance and ensuring compliance with contractual provisions.</p>	<p>SBC Contract Manager/ SCF CE</p> <p>SBC CE</p> <p>SBC Contract Manager/ Finance lead and Head of Legal</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 developed, in a shareholder’s agreement (or as set out in the company’s governing articles of association)</p>				<p>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 no changes made. Two council NEDs are in place.</p> <p>Reserved matters are set out clearly in Articles and shareholder representative function established.</p>	<p>SBC Principal Lawyer/ SBC Chair</p>
<p>C5 There should be evidence that the individual undertaking</p>				<p>The Principal Lawyer to continue acting as equivalent of “shareholder</p>	<p>Regular meetings with council officers to discuss company governance, as well as meetings with Exec Director of People – Children.</p>	<p>Head of Legal/ SBC</p>

<p>the shareholder role is provided with suitable training and support commensurate with the role</p>				<p>rep” under delegation from chief executive.</p>	<p>Regular reporting to cabinet and Audit and Corporate Governance Committee.</p> <p>ToR of Cabinet Committee amended to include company governance matters.</p>	<p>Chief Executive</p>
<p>C6 There should be evidence of formal periodic shareholder/ Chair/CEO meetings with effective supporting papers to inform subsequent company board meetings</p>				<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>Regular meetings at operational and strategy level taking place, with notes. New council officers in finance have been identified to support these meetings.</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>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>DfE commissioners/ DCS / SBC Chief Executive</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>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>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>Meeting with council NEDs to understand level of information being presented to board.</p> <p>Council representatives to be invited on an as and when basis related to a specific item. This includes the lead member for children’s services, who should no longer attend board meetings as a participating observer.</p> <p>Finance officer attended recent SCF Audit and corporate governance committee meeting.</p> <p>New council NED is experienced board member and board consists of individual who have considerable experience on company boards. Facilitated board development day is a significant improvement to provide support for the board and time for it to form as a team.</p> <p>Suggestion to have pre-board finance briefings with support from council finance officers are being put in place to assist board members.</p>	<p>SCF Director of Finance</p> <p>SCF Chair</p> <p>SCF Chair</p>
<p>C8 There should be evidence of a clear set of KPIs that fall out of the business planning process</p>					<p>SCF to review KPIs and other performance indicators as set out in service delivery contract.</p>	<p>The new SCF CE and Director of Operations to formally review contractual KPIs and will make recommendations on any changes required. These should be linked to the improvement plans in the new draft business plan.</p>	<p>SCF CE/ Director of Operations</p> <p>SBC Head of Legal</p>
<p>C9 There should be evidence that senior company staff are performance managed against KPIs</p>					<p>The RNAC to be responsible for reviewing effectiveness of the board and sub committees and to provide assurance evidence to SBC.</p>	<p>SCF Chair has set 2023/24 objectives for new SCF. There is a clear short term improvement plan which provides a framework for performance management. In future the views of the Council need to be taken into account in objective setting and appraisals of SCF CE.</p>	<p>SCF chairman and chair of RNAC</p>

					<p>The SCF CE is responsible for performance managing the executive leadership team.</p>	<p>SCF CE has appointed a new Director of Operations and has appointed a new Director of Finance subject to ratification by 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>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.</p> <p>Mutual Ventures report provided to People Scrutiny task and finish group and published as part of formal report.</p> <p>Submissions made to pay historic deficits for 2021/22 and 2022/23 with supporting evidence.</p> <p>The submitted business plan which was considered by board does have evidence of value for money, including savings proposals and assumptions from investment in specific areas, although this is mainly to contain demand as opposed to deliver immediate savings over and above the contract sum. It is anticipated that this investment will lead to savings in future years.</p> <p>The new council NED should provide an additional focus on financial management and value for money and there will be regular meetings with him to hear his views on this.</p>	<p>SBC Head of Legal</p> <p>SCF Chair/SCF CE</p> <p>SCF Director of Finance/ SCF Chair</p> <p>SCF Council NED leading on finance.</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 escalation and reporting</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.</p> <p>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>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>The draft business plan sets out strategic level risks and there is a clear link to the priorities and improvement plan. The Council should be sent further detail of risk management reports submitted and considered by board members to provide further assurance that risk is being considered at appropriate level.</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>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 access to audited accounts for its entities</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 governance processes and internal audits undertaken on behalf of SCF board as part of its internal controls.</p> <p>The s.151 officer has a new internal audit team who can consider its role for SCF and other council owned companies. Current working relationships are positive.</p>	<p>SBC s.151 officer</p> <p>SBC s.151 officer</p>
<p>C14 A business case which assessed the risk</p>					<p>The Council should consider whether it wishes to commission an options</p>	<p>Mutual Ventures report included a section on alternative delivery models. Roundtable meeting with</p>	<p>SBC Chief Executive</p>

involved in establishing the entity and recommended its establishment, taking account of other potential delivery models, should be available to review.	Red	Yellow	Yellow	Green	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.	DfE, DLUHC commissioners, SBC and SCF to discuss options. Whilst SCF remained under statutory intervention this is primarily a matter for the DfE and the focus is rightly on ensuring the services delivered are good. Currently the DfE Commissioner is employing a light touch regarding considering alternative delivery models.	
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	Yellow	Yellow	Yellow	Green	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 but does align to the Council's priorities. Recommendations from the task and finish group report have been incorporated and there are financial sections with details of savings for the next two years and assumptions on how these savings are being delivered. It is accepted the environment for children's social care is challenging and there is increased demand. There is a clear improvement plan focused on the right areas and clearly linked to the priorities.	SCF CE/SCF Chair
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	Green	Green	Ensure that relevant individuals understand the contractual and governance mechanisms and that these are adhered to and non-compliance is reported.	There are clear contractual provisions in place for service delivery and support services.	SBC Contract Manager
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	Green	Green	Green	Green	New agreements were put in place in 2021.	Deed of variations completed as required, including for pension arrangements.	SBC Contract Manager

<p>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</p>					<p>Evidence of induction and training for directors and senior managers in SCF to be provided.</p>	<p>The board has had a development day and there is an interim arrangement in place for the Chair. It is important that the new Chair is experienced in company governance and ensures that conflicts of interest are appropriately managed.</p>	<p>SCF Chief Executive / Chairman</p>
<p>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</p>					<p>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>Code of Conduct for Employees covers management of conflicts of interest. Guidance given to new council nominated NED. No elected member appointed to board.</p> <p>SCF CE not invited to meetings to discuss risks around SCF governance where this would lead to a conflict of interest, but separate meetings held to ensure CE is aware of council's position. Clear separation of functions, with reports being presented to Cabinet not authored by SCF officers or joint officer.</p> <p>Conflict of interest protocol appended to secondment agreement for SCF CE and provided to post holder.</p>	<p>SBC Monitoring Officer / Principal Lawyer</p>
<p>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</p>					<p>No action required.</p>	<p>No update required.</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 also promote diversity</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>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.</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 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>There is an interim chair in place. The new chair will be appointed on 2nd July 2023, with involvement from the Council and will need to be set objectives with involvement of the Council.</p>	<p>SCF CE</p> <p>DfE/ SBC CE</p>
<p>E1 The entity's articles of association should be clear, up-to-date, and reflective of how the entity is run</p>					<p>No action required.</p>	<p>No update required.</p>	<p>SBC Principal Lawyer</p>
<p>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</p>					<p>Business plan to be updated and approved by the Council.</p> <p>In future years, annual business plans must be submitted within the</p>	<p>The Board took difficult decision not to approve draft business plan in February 2023. It has now submitted a draft business plan which is to be considered by Cabinet in July 2023 with a recommendation this is approved on an interim basis with regular updates provided. The business plan has a clear short and longer term improvement plan and financial information/assumptions on savings.</p>	<p>SCF Chief Executive / SBC Chief Executive</p> <p>SCF CE / Chair</p>

					deadlines set out in the SDC and must have been subject to appropriate scrutiny by the board.		
E3 There should be evidence that the board meets regularly to consider, review and record discussions and conclusions					<p>Samples of minutes and dates of meetings to be provided to the Council for assurance.</p> <p>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>Council officers have been invited to and attended board meetings on an as and when basis.</p> <p>Sample minutes will be requested and supplied to provide further assurance, plus there are regular meetings with Council NEDs to seek views on board discussion.</p>	<p>SBC Head of Legal</p> <p>SCF CE / Chairman</p>
E4 There should be evidence of delivery of strategies and plans, including scrutinising key operational and finance performance information					<p>Evidence of board challenge to be provided to the Council.</p> <p>Internal scheme of delegation to be provided to the Council. 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>Council officers have attended board meetings and seen improved quality of reporting. Pre-board finance meetings will now be held with council finance officers to assist the board with financial scrutiny.</p> <p>No progress on internal scheme of delegation, although an example of SBC internal scheme has been sent through.</p> <p>The committee structure should be reviewed by the new SCF Chair.</p>	<p>SCF Director of Finance / Chairman</p> <p>SCF Chief Executive</p> <p>SCF Chair</p>
E5 There should be evidence of the desired culture and behaviours					<p>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.</p>	<p>The board had a facilitated development day, with attendance from Council's CE and Head of Legal to ensure alignment of priorities. There is a new council NED with board and finance experience. A number of the board are experienced board members.</p> <p>The SCF CE has worked with the interim Chair on ensuring the board is focused on strategic decision-</p>	<p>SCF Chairman</p> <p>SCF Chair / SCF CE</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.	making and that challenge is constructive. This will be the responsibility of the new Chair in the future.	
E6 The company structures should be regularly scrutinised in order to ensure they remain fit for purpose					SCF to include its organisational structure in its annual business plan	<p>The executive leadership team structure is being reviewed with the departure of the Director of Finance.</p> <p>The new Chair should consider whether the board structure meets the needs of SCF.</p>	<p>SCF Chief Executive</p> <p>SCF Chair</p>
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					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.	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.	SCF Chairman / SCF CE
E8 There should be evidence that directors have sufficient skills and experience to run the entity					<p>Evidence of induction and training to be supplied</p> <p>Evidence of process for evaluating effectiveness of board to be supplied</p> <p>SCF to undertake a review of the Board effectiveness and to evaluate the effectiveness of individual directors, including executive directors.</p>	<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.</p> <p>Process in place to recruit new Chair, with involvement of Council CE. Interviews scheduled to take place on 3<sup>rd</sup> July 2023</p>	<p>SCF Chairman</p> <p>SCF Chairman</p>
E9 There should be evidence that directors' behaviours are aligned					Evidence to be supplied	Details of appraisal meetings by former SCF CE have been supplied. Board evaluation is a focus for RNAC and the development day. A number of board	SCF Chairman

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						<p>members are experienced company directors, with a range of skills including audit, financial management and HR.</p> <p>There is a process in place for recruitment of new Chair led by the DfE, which should include ensuring the individual is experienced in company governance.</p>	SCF Chairman / SCF CE
E10 The scope of directors' authorities should be documented and clear to all parties					<p>Internal scheme of delegation to be supplied, including terms of reference for committees</p> <p>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 board structure will be a focus for the new SCF Chair.</p>	SCF Chief Executive / SCF Chairman
E11 There should be evidence that the board has a diverse membership with the collective skills and attributes needed to lead the entity effectively					Council to review who to nominate as council nominated directors	The Council has appointed an individual as an officer who will also act as a council director and has finance experience and experience on a board of a children's company delivering statutory services.	SBC Chief Executive
E12 There should be evidence that board membership is reviewed regularly for composition and fitness for purpose					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>A skills audit is to be commissioned by RNAC.</p>	SCF Chairman

<p>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</p>	 				<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>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>SCF to consider commissioning support from SBC or an external provider on reviewing its risk management procedures and delivering training on risk management.</p>	<p>This should be a focus of the new SCF Chair.</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 lead member no longer attends board meetings as a participating observer and council representatives are invited on an as and when basis with a clear purpose.</p> <p>Risk log in place however, further review of documents relating to risk management required to provide further assurance, particularly around financial risk management.</p>	<p>Chair of SCF A&amp;CGC</p> <p>SCF Chief Executive</p>
<p>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</p>					<p>Details of last skills audit to be supplied</p>	<p>Skills audit supplied and informed council nominated director appointment.</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>

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					Training records to be supplied.	<p>The board has held a development day and RNAC is responsible for ensuring board evaluation and a development programme.</p> <p>Further information on training programme to be supplied as further assurance.</p>	<p>SCF Chief Executive</p> <p>SCF Chairman</p>
E16 There is evidence that the role of executive directors is clearly defined and documented					Role profiles for all executive directors to be supplied	<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 a permanent Director of Operations. SCF had recently reviewed its executive leadership team and has appointed a Director of Finance. Role profiles in place for these roles.</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					<p>Further evidence to be supplied by SCF</p> <p>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>Head of Legal and finance lead attended board meetings. The reports supplied and debate and constructive challenge was evidenced.</p> <p>Meeting with Council NEDs on an ongoing basis to provide further assurance.</p>	<p>SCF Chairman</p> <p>SCF Chairman</p>
E18 There is documented evidence that the board values					Sample of minutes of meetings to be provided for assurance purposes	The meetings in February indicated there is a greater understanding of the legitimate role of NEDs. The board development day is a positive way of ensuring	SCF Chairman

<p>the role of non executive directors, and their views are influential in the board's decisions</p>					<p>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>that the board and executive leadership team work together closely and understand each other's roles.</p> <p>Further samples and meetings are required to provide further assurance.</p>	<p>SCF Chairman</p>
<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</p>					<p>Evidence to be supplied</p> <p>The Council to formally request information and evidence to demonstrate the appraisal process in place to assess the effectiveness of the Chair.</p>	<p>The SCF Chair has attended the Council's scrutiny meeting to answer questions and listen to the debate.</p> <p>SCF has an interim Chair and is in process of recruiting a new Chair. The interviews are scheduled for 3<sup>rd</sup> July.</p> <p>DfE Commissioner to supply details of meetings held to demonstrate that the chairman is fulfilling the role to the satisfaction of the DfE</p>	<p>SCF Chairman /</p> <p>.</p> <p>DfE Commissioner</p>
<p>E20 There should be a fully documented and approved 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>Evidence to be supplied and evaluation of performance of the board in terms of monitoring and management of financial performance.</p> <p>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>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>The new draft business plan better aligns with the Council's emerging corporate plan, takes account of the findings of the MV review and the People Scrutiny task and finish report. There is still concern about affordability, risk and deliverability, which partly reflects the national pressures on children's social care.</p> <p>It is recommended that Cabinet receive quarterly updates to keep delivery against the plan under review.</p>	<p>SCF Chairman</p> <p>SCF Chairman/ SCF CE</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>To be addressed in future business plans</p> <p>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 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.</p>	<p>SCF has been given an increased contract sum to reflect agreed in-year funding increases and the MV review. Its draft business plan requests a considerable increase in funding for 2023/24 as well as payment of historic deficits. This is placing considerable financial pressure on the Council and impacts on its MTFS.</p> <p>Pre Board finance meetings between SBC 151 officer, the NEDs representing the Council and SCF to consider financial issues to ensure SCF Board and the Council are financially better aligned.</p>	<p>SCF Chairman and SCF Chief Executive</p> <p>SCF Chief Executive/SBC 151 Director of Finance</p>
<p>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</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 and further requests submitted to cover historic deficits.</p> <p>In Sept 2022 the Mutual Ventures report analysed assumptions and identified concerns about optimism bias.</p> <p>This is a focus of the newly appointed council director and the ACG Committee and will need to be a focus of the new Chair.</p> <p>A new Financial Director was appointed on 29<sup>th</sup> June.</p>	<p>SCF Director of Finance</p> <p>SCF Chairman</p>

<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 of financial instruments entered by the company</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 is a focus of the ACG committee and SCF auditors have been held to account.</p> <p>New finance audit currently taking place June/July 2023. Consideration being given to changing auditors next year due to concerns about progress.</p>	<p>SBC s.151 Officer</p>
<p>E24 Documented financial policies and procedures should be available</p>					<p>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>	<p>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.</p>	<p>SCF Director of Finance</p> <p>SCF Director of Finance</p>
<p>E25 There should be evidence of an effective annual internal audit programme</p>					<p>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>