

SLOUGH BOROUGH COUNCIL

REPORT TO:	Cabinet
DATE:	16 December 2024
SUBJECT:	Approval of annual Business and Improvement Plan for Slough Children First Limited (SCF)
CHIEF OFFICER:	Will Tuckley – Chief Executive
CONTACT OFFICER:	Sarah Wilson – Assistant Director Legal and Governance
WARD(S):	All
PORTFOLIO:	Councillor Smith – Leader of the Council Councillor Bedi – Lead Member Children’s Services
KEY DECISION:	YES
EXEMPT:	NO
DECISION SUBJECT TO CALL IN:	YES
APPENDICES:	Appendix 1 - SCF Draft Business Improvement Plan 2025-2028

1 Summary and Recommendations

1.1 This report seeks approval of the Slough Children First (SCF) Business Improvement Plan for 2025 to 2028 (Appendix 1). As SCF is wholly owned by the Council, it is bound by its Articles to submit its draft Business Improvement Plan for approval by the Council. The Business 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 Improvement Plan.

Recommendations:

Cabinet is recommended to:

- Approve the SCF’s Business Improvement Plan for 2025 to 2028 at Appendix 1.
- Delegate authority to the Chief Executive, in consultation with the Lead Member for Children’s Services, to agree minor amendments to the Business Improvement Plan before final presentation to the Board for approval and publication and during the financial year.
- Note that the contract sum for 2025/26 will be finalised and approved as part of the Council’s budget setting process.

Reason:

SCF requires a high quality, long-term Business Improvement Plan setting out its strategic priorities and financial strategy. This plan covers a 3 year period, however it should be noted that the contract end date is September 2026, although this is capable of extension.

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 and delivering the right level of service to children and families. Cabinet approved a new suite of contractual key performance indicators last year and SCF produced an Annual Report for 2023/24. The Business Improvement Plan focuses on areas such as preventative services offering earlier support, enhanced digital solutions and staff retention as a way of delivering cost efficient and quality services.

Commissioner Review

The DfE commissioner has been consulted on this report and his feedback has been taken into account.

The MHCLG commissioners are content for this report to be considered.

Options Considered

2.1. The following options were considered:

Option	Pros	Cons	Recommended
Option 1: Approval of business improvement plan	<ul style="list-style-type: none">• Ensures compliance with Articles of Association.• Ensures SCF has a longer-term business strategy to manage its services and contribute to the Council’s statutory duties to deliver children’s social care services..• The new plan will be owned by SCF Chief Executive and Board.	<ul style="list-style-type: none">• The plan assumes funding that has not been agreed by the Council and may put pressure on other services.	Recommended
Option 2: Not approve the business and improvement plan or amended contractual key performance indicators	<ul style="list-style-type: none">• The business and improvement plan for 2024 will continue to apply.	<ul style="list-style-type: none">• There is a missed opportunity to review and approve an up to date plan.• SCF will be failing to meet its contractual and governance obligations to have an up to date business plan and may need to seek approval for decisions that are not in accordance with the 2024 plan.	Not recommended

Background

- 2.2. SBC's children's social care functions have been delivered under the statutory intervention of the Department for Education (DfE) since 2014, when the Council was directed to set up an independent trust to deliver its children's services. The last direction was issued in August 2023, which required delivery of prescribed functions via a separate company and compliance and cooperation with the DfE and the appointed DfE commissioner. In addition, in August 2023, the Secretary of State for Education issued a direction in relation to special educational needs and disability (SEND) services, following a joint area inspection. Whilst these primarily relate to the Council's education services, the inspection highlighted failings in relation to social care services delivered via SCF to children and young people with SEND.
- 2.3. SCF's objects are set out in its Articles of Association. The draft Business Improvement Plan presents a new 3 year vision and means of delivering on its six priorities. The overarching vision remains that children in Slough are Happy, Safe and Loved, Thriving. It sets out an approach to improvement focusing on three key stages of performing, reforming and transforming, with a roadmap indicating key milestones to be achieved in 2025, 2026 and 2027. These plans will be kept under review to ensure they align with the Council's improvement and recovery plans and new target operating model.
- 2.4. The plan sets out the key highlights from 2024, including the launch of a new Corporate Parenting Strategy, closer collaboration in relation to services for children and young people with Special Educational Needs and Disabilities (SEND), strengthening work to support families at an earlier stage, relaunching the Loca Offer for care experienced young people, improved governance and scrutiny in relation to placements and increased opportunities for children and young people to participate and engage in service delivery decisions. The transformation roadmap shows a focus on family help, support for young people at the edge of care, youth justice, consideration of a family drug and alcohol court, reduction in statutory intervention via improvements to family group conferencing to help children remain with their parents, providing stable homes for children with complex needs and disabilities and embedding of the Slough Academy to ensure a stable, highly skilled permanent workforce.
- 2.5. The plan references participation by children and young people and this happening at a more strategic level, including young people being involved in interviewing a new non-executive director and in staff recruitment. In future years, it would be positive to see involvement of children, young people and families in development and measuring delivery outcomes in the business improvement plan.
- 2.6. Children's social care services are delivered via SCF as part of a direction by the Department for Education (DfE) and in accordance with a service delivery contract from the Council. Whilst the Council is the sole owner of SCF, the DfE have the right to be consulted and consent to key decisions and to determine when services can return to the Council. The plan covers a period after the end date of the current contract. It references that over the next 3 years, consideration will be given to how services delivered by SCF are able to reintegrate back into the Council, whilst ensuring that the best interests of vulnerable children and young people are not compromised. The Council and SCF are undertaking reviews of corporate services at present. This has highlighted those services that are fully delivered by the Council,

those where there is a hybrid approach and those that are fully delivered in SCF. Consideration is being given to a staged approach, whereby services that are reliant on single individuals or small teams and clearly align with a Council service are considered for consolidation first, with the larger corporate services such as finance and HR being considered as a second phase. This also takes account of the need to stabilise and improve corporate teams within the Council and where an early consolidation may risk hindering improvement. Finally some services, whilst seen as corporate services, are closely embedded in service delivery teams and have specialist knowledge of children's social care. An example being the commissioning function, where the post holder is an experienced commissioner of placements for children. There is already good Council/SCF working across commissioning teams and consideration as to the best model will be considered as part of a wider strategic commissioning review led by the Council.

- 2.7. SCF has flagged several challenges in meeting its vision and priorities. These include SBC's financial situation, as the vast majority of its funding comes from SCF, the pressures on families experiencing financial hardship, family disengagement following the Covid 19 pandemic, Slough's close proximity to London adding complexity and leading to young people being more vulnerable to exploitation and safeguarding concerns outside the home and a rising obesity issue in the Borough in an already complex system where healthy life expectancy is ten years younger than in the neighbouring Borough.
- 2.8. The business improvement plan contains information on financial performance. This demonstrates that SCF has reduced its costs since 2023/24 and is projecting delivering under its originally agreed contract sum in 2024/25. This includes absorbing a reduction in DfE grant from £1,073,000 in 2023/24 to £710,000 in 2024/25 and anticipated grant reduction in 2025/26 with further reductions expected in future years. SCF has been asked to focus on value for money and provide assurance information to demonstrate it is delivering this to support the Council to meet its best value duty. In 2022, the DfE commissioned a review by Mutual Ventures on the SCF business plan. This identified that SCF was insufficiently funded for its operations and recommended that the funding required in 2023/24 was £39.3m, dropping to £39.2m in 2024/25 and increasing to £39.5m in 2025/26. This was subject to various assumptions and therefore should be treated with caution. But it does provide some high-level information to indicate that the investment in specific areas have led to reductions in cost at a greater level than predicted in 2022.

SBC funding requirement	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
SCF Business Plan							
- Core Contract	£31.7m	£32.3m	£32.8m	£33.2m	£33.6m	£34.0m	£34.4m
- Other SBC funding	£0.2m	£0.1m	£0.1m	£0.1m	£0.1m	£0.1m	£0.1m
- Deficit/(Surplus)	£5.2m	£3.4m	£2.2m	£1.4m	£0.4m	(£0.7m)	(£1.6m)
- TOTAL	£37.1m	£35.8m	£35.0m	£34.7m	£34.1m	£33.3m	£32.8m
Additional financial pressures identified		£3.5m	£4.2m	£4.8m	£4.5m	£4.7m	£4.4m
Revised SBC funding requirement		£39.3m	£39.2m	£39.5m	£38.6m	£38.0m	£37.2m

- 2.9. SCF also has a new finance committee which is focused on reviewing financial performance and considering value for money at Board level. The business and improvement plan has a new section on value for money, providing some evidence and benchmarking to compare with other local authorities. Council officers have discussed with SCF officers the need to continue to evidence value for money and have reviewed the Mutual Ventures review and other best practice evidence to provide assurance that SCF is focusing on the right areas to manage demand pressures. In 2020 People Too partnered with CIPFA to take a new look at what

performance data says about management of demand for children's social care. The work concluded that even with a desktop analysis it was possible to see patterns, trends and correlation between different elements of demand and cost data and where challenges in one part of the system were impacting upon another. The findings included the following:

- A whole systems approach which begins with an **effective approach to Early Help and Prevention**, an **effective "front door"**, and a **cost-effective approach to managing placements**
- A focus on **re-integration from care**, especially in the early stages of care, and on achieving permanency as an outcome from care
- A focus on **placement stability**, in particular for children and young people with more complex needs for whom it would be more challenging to find appropriate alternative placements
- A review of the approach to the **Recruitment and Retention of Foster Carers** and consideration of a higher tier "wrap around" foster carer offer to support children and young people with more complex needs
- Good quality **commissioning of external placements** and the development and strengthening of commissioning and contract management practice.

2.10. The business improvement plan has been reviewed against these insights and against the MacAlister Review and new Government guidance. The plan sets out plans for years 1, 2 and 3 in terms of priorities for change:

- (a) **Family help** – this focuses on preventing problems arising, intervening early when they do arise and specialist and targeted intervention for those who require it. There is established research that investing in early support is a more cost effective way to support communities and this also aligns with the MacAlister Review and the Government's Guide for children and young people: Stable Homes, Built on Love. It also includes utilising non-social worker staff to lead professionals working with families, opening up opportunities for family support workers, youth workers, domestic abuse of drug and alcohol support workers under the oversight of a qualified social work manager. This links to the Government's Ambition 1 under the Stable Homes, Built on Love guide.
- (b) **Robust Front Door** – this proposes changes in the way professionals and the community ask for and access help and advice and is intended to reduce demand and ensure the correct services are implemented earlier. This is intended to deliver savings from 2026/27.
- (c) **Adolescent Support Services** – this focuses on edge of care and risk of exploitation and safeguarding issues outside the home with plans for a co-produced Youth Safety Strategy in 2026.
- (d) **Youth Justice** – this picks up learning from the recent youth justice inspection, with a robust improvement plan to be implemented by Spring 2025 and a self-assessment in the Summer of 2025. The inspection report has not yet been published, but this is anticipated in the New Year. There is a plan to launch a new universal youth model in 2026 working closely with the VCS.
- (e) **Building stable homes** – exploring investment in extensions, conversions and revocations of foster carer homes to improve placement sufficiency and stability for children and young people.
- (f) **Family Drug and Alcohol Court** – considering implementation of such a court across Berkshire to support complex cases in a timely way and increase permanency. Research has shown that FDAC can generate savings for local authorities, health and criminal justice agencies, as well as being good for families

and children. This is on the assumption that these cases would have progressed via standard care proceedings. SCF has reduced the number of care proceedings by investing in early support and taking a risk based approach to decision-making. Further work is required to identify any cashable savings from an FDAC approach.

- (g) **Family Group Conferencing** – the focus links to the MacAlister Review in relation to supporting families to help children remain with their parents and wider family groups and developing lifelong relationships even if children are unable to live with their birth family.
- (h) **Stable Homes – Residential Home** – this focuses on children and young people with complex needs, including disability to provide increased options for high-quality care and preventing the need to use high cost out of area placements.
- (i) **Services for children in care and care experienced young people** – in 2025 the focus is on increased participation by children and young people, including those with specialist needs such as unaccompanied asylum-seeking children and work with the Council’s housing team to agree a housing pathway. The measure also expects improvements in access to good education, employment and training opportunities.
- (j) **Slough Academy – Recruitment and Retention** - SCF has made positive progress in terms of recruiting permanent staff and offering training and development opportunities for those wishing to qualify as social workers. It is proposed to continue with this work including maximising resources within the new Slough Academy.

2.11. On 29 October 2024, the Council’s Corporate Improvement Scrutiny Committee reviewed SCF’s Annual Report and early proposals for its business and improvement plan. Members asked about contractual performance and how they could use this data to focus on scrutiny activities. The Leader explained the boards he attended and officers explained that there was a contractual mechanism in place led by officers to review performance. It was suggested that scrutiny members were likely to add more value focusing on one or two areas of performance and considering them in depth. Scrutiny members had already timetabled a review of performance in relation to children not in education, employment or training and if this could focus on children in care and care experienced children, this would add value. Members asked about the £5m loan and risks of non-payment as well as the risks of DfE grant reducing. Members also asked about any children living in unregistered placements and were told about two young children living in CQC registered placements whilst waiting for homes to be ready and Ofsted registration to come through. These were children with disabilities and complex needs and therefore challenging to identify the right placement for them. Members asked about digital transformation and were informed that this was relatively small scale and about using existing technology better. Finally, members asked about complaints data and were given assurance that the Executive Director of Children’s Service had oversight of this, that communication was the main issue and training had been put in place in response to complaints.

3. Implications of the Recommendation

3.1. Financial implications

3.1.1 In its budget setting process for 2024/25, the Council set a contract sum of £39,044,000. This was slightly lower than the assumed requirement set out in the Mutual Ventures review presented in paragraph 2.8 above. SCF are forecasting a lower level of demand in key areas and this has resulted in an agreement to reduce the contract sum to approximately £37,038,000 for 2024/25. For 2025/26, SCF is

requesting a contract sum of £38,353,000. This is a reduction from the assumed requirement of £39,500,000 as set out in the Mutual Ventures report presented in paragraph 2.8 below. This is based on assumptions in relation to tapering of the DfE grant, which is linked to a review of corporate services, therefore an indicative figure has been included in the Business Improvement Plan.

- 3.1.3 The Council's financial situation is that it requires SCF to contribute to savings requirements in order for the Council to meet its medium term financial strategy. Having realistic projections of the contract sum required for future years and ensuring that SCF does not require in-year adjustments is critical for the Council's financial planning and sustainability. The Council has asked SCF to deliver additional savings, however these come with a degree of risk and if demand is higher than predicted, SCF may need to utilise the in-year contractual mechanism. The Council is proposing to set aside a small contingency in next year's budget to deal with increases in service demand.
- 3.1.4 The new contractual performance indicators include indicators around short- and medium-term financial performance and value for money. This is a significant change for the historic arrangements, when performance was solely measured by reference to quality of practice for children's social care functions.
- 3.1.5 The Council has provided SCF with a working capital loan of £5m. SCF is due to repay this loan at the end of the contract term in 2026.

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.
- 3.2.2 The seventh statutory direction was issued in August 2023. 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. The seventh direction contains reference to the DLUHC appointed commissioners requiring the DfE commissioner to work in partnership with these commissioners to contribute to the work to rebuild the finance and governance capacity of the Council and to secure its compliance with the best value duty in so far as it relates to children's services. The DfE commissioner is expected to review the delivery of children's services, determine improvement priorities, including scope, budgets and governance arrangements and ensure that any work on future delivery is led and informed by him, taking into account the work of the DLUHC commissioners.
- 3.2.3 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;
- (c) 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.

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 meetings and reports to Cabinet on key matters. 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 risk reporting to the board. The Council needs to ensure these risks are properly reflected in its own risk management systems and this is an area of focus in the governance action plan.

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-to-day 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.

3.6 Corporate parenting implications

- 3.6.1 Section 1 of the Children and Social Work Act 2017 sets out statutory corporate parenting principles which the Council must have regard to when exercising its

functions in relation to looked after children and young people. These include acting in their best interests and promoting their physical and mental health and well-being, encouraging the expression of views, wishes and feelings and ensuring these are taken into account, ensuring these children and young people are safe, stable in their home lives, relationships, education and work and preparing them for adulthood and independent living.

3.6.2 The statutory guidance emphasises that these principles must not be seen in a vacuum and should shape the mindset and culture of every part of the local authority and are intended to ensure that councils have high aspirations for children in their care and young people who have experienced being in care.

4. Background Papers

None.