

## Slough Borough Council

<b>REPORT TO:</b>	<b>Cabinet</b>
<b>DATE:</b>	15 September 2025
<b>SUBJECT:</b>	Slough Children First Limited (SCF) Annual Report 2024/25
<b>PORTFOLIO:</b>	Cllr Dexter Smith – Leader of the Council Cllr Puja Bedi – Lead Member for Education and Children’s Services
<b>CHIEF OFFICER:</b>	Will Tuckley – Chief Executive
<b>CONTACT OFFICER:</b>	Sarah Wilson – Assistant Director Legal and Governance
<b>WARD(S):</b>	All
<b>KEY DECISION:</b>	YES
<b>EXEMPT:</b>	NO
<b>DECISION SUBJECT TO CALL IN:</b>	YES
<b>APPENDICES:</b>	Appendix 1 – SCF Annual Report Appendix 2 – Mutual Ventures

### 1 Summary and Recommendations

1.1 This report provides Slough Children First’s (SCF) annual report for 2024/25. SCF became wholly owned by the Council in April 2021. Cabinet approved an up-to-date Business Improvement Plan in December 2024. SCF delivers statutory children’s services on behalf of the Council in accordance with a direction of the Secretary of State for Education. The Council commissioned an independent review of SCF’s governance, performance and value for money by Mutual Ventures to inform future decision-making.

#### Recommendations:

Cabinet is recommended to:

- Note SCF’s Annual Report for 2024/25 appended at Appendix 1.
- Note the review by Mutual Ventures appended at Appendix 2.
- Approve the next steps set out from paragraph 2.10.

## **Reason:**

To ensure that Cabinet is provided with an update on progress in SCF in the previous financial year to form part of the annual review of the arrangement and to formally agree the next steps in relation to governance of SCF and delivery of statutory children's social care services.

## **Commissioner's Comments**

This report is outside the scope for pre-publication commissioner review; please check the [Commissioners' instruction 5 to CLT to sign off papers](#) for further details.

## **2 Report**

### **Introductory Paragraph**

2.1 SCF delivers statutory children's social care functions under a direction of the Secretary of State for Education and in accordance with a service delivery contract (SDC) between SCF and the Council. Improvement activity to support this across children's services are a critical part of the Council's improvement journey and the Council and SCF need to work together 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.

### **Slough Corporate Plan**

2.2 The Council's overriding purpose, as set out in its Corporate Plan, is to close the healthy life expectancy gap by focusing on children. It has set a priority to be a borough for children and young people to thrive. Delivery of statutory children's social care services within SCF are key to achieving the purpose and principles set out in the Corporate Plan, however they are part of a much wider systems and partnership to ensure that the needs of children, young people and their families are met.

### **Options considered:**

SCF is required to submit an annual report to the Council as part of a contractual annual review process. Whilst this is not a reserved matter that requires Cabinet approval, this is a first step in agreeing the annual business plan, which is reserved to Cabinet. As such this report has been presented to Cabinet for formal noting.

The Council commissioned a high-level review from Mutual Ventures to provide an independent assessment of progress made since a review commissioned by DfE in 2022. This review makes recommendations for the Council to consider, which Cabinet is asked to approve. This review is in line with the Council's new Council Owned/Controlled Entities Protocol approved by Council in May 2025, which sets out an expectation that there will be an external board effectiveness review at least every three years.

For the above reasons, no other options were considered appropriate.

### **Annual Review**

2.2 The service delivery contract (SDC) sets out the contractual arrangements between the Council and SCF and includes the process for annual review at Schedule 3.

2.3 Schedule 3 sets out a key component of the Council's strategic oversight and review of the SDC. The aims and objectives of the annual review are to:

- Consider the quality of practice and the outcomes for children, young people and families in the borough of Slough;
- Facilitate the Council's quality assurance of the operation of the contractual arrangement;
- Enable the Council to review the discharge of its statutory functions as delivered by SCF;
- Consider whether changes are required;
- Consider relevant factors in relation to the setting of future years' contract sums.

2.4 The annual review process requires SCF to prepare an annual report prior to 30 June in every contract year. The annual report should include the following:

- A summary of SCF's performance (and SBC's performance in relation to support services) in the previous financial year.
- The cost of performing the services in the preceding contract year in comparison with its budget.
- A summary of the demand analysis in the preceding financial year, including any increases in demand against assumptions.
- The expected demand for services in the two contract years immediately following the annual review.
- The effects of any changes in children's social care legislation or guidance on the delivery of services and any actual or anticipated changes in law.
- The strategic priorities and outcomes likely to be relevant to the commissioning in the following contract year.
- A summary of any social, demographic or other relevant factors.
- The results of any audits or surveys including a summary of the outcomes of any surveys of service users and relevant stakeholders and third parties in relation to the services carried out during the previous contract year.
- A high-level review of central Government funding, including details of any anticipated funding directed to the services in the previous financial year and future years;
- Matters relating to the risk register.
- The outcome of any regulatory inspections.

2.5 The Annual Report for 2024/25 has been approved by the SCF Board. The following are key areas to flag:

- KPI dashboards and qualitative audits indicate a maturing Quality Assurance framework and a culture of continuous improvement. The timeliness of assessments are seen as an area of strength, with further work required on case reporting and supervision.
- SCF and the Council were asked to carry out a review of support services to identify efficiencies from the DfE running cost grant from 2025/26. The review considered activity metrics, finances, an assessment of quality of service provision, opportunities for improvement and savings, benchmarking and KPIs. Whilst some opportunities were identified, there was no current capacity to immediately merge some functions, but that there was already close collaboration with services such as commissioning. Due to the national social care reforms and the need to focus transformation and change capacity on this area, it was felt that the critical functions required to support successful implementation were best left with SCF for the short-term. Whilst it was not possible to identify significant savings from a merger of

support services, the business improvement plan preceded on the basis of a reduction in DfE grant.

- SCF agreed to a reduction in its contract sum of £2,820k, reducing the contract sum for 2024/25 from £39,049 to £36,229k. In addition SCF made a small surplus of £248k which it has retained to use towards pressures in 2025/26. The reduction in costs was mainly attributable to lower than expected Unaccompanied Asylum Seeking Children, additional oversight from an external placement panel and a reduction in legal costs due to fewer cases in proceedings.
- Demand analysis indicates a reduction in the number of children in need, bringing it more in line with statistical neighbours, a reduction in the number of children subject to child protection plans, being lower than statistical neighbours and a reduction in looked after children, again being lower than statistical neighbours.
- There has been an increased focus on support for care experienced young people over 21 and up to 25 to ensure those who are eligible and require support have access to it.
- The main legislative and regulatory changes flagged include mandatory reporting of child sexual abuse and the national social care reforms set out in the Children's Wellbeing and Schools Bill. These Bills are making their way through the parliamentary process and have tight timescales for implementation. The updated Working Together to Safeguard Children Guidance places more emphasis on multi-agency collaboration, including a child centred approach with a whole family focus.
- The main strategic priorities remain those set out in the Corporate Parenting Strategy, those arising from the national care reforms, namely family help, multi-agency child protection and family led decision-making. SCF is developing a conversational model moving away from electronic referrals to social workers taking calls directly.
- Auditing work has identified improvements in throughput of work and provided an opportunity for reflective practice and learning and respectful challenge and feedback. There remains some issues with inconsistency gradings and thresholds, gaps in completion and quality of moderation and a poor feedback loop. Learning identified included missed opportunities to assess risk relating to male caregivers, over-reliance on process instead of outcomes and a need for a cultural shift in embedding learning and promoting ownership.
- A staff survey was undertaken and key themes included the need for stronger internal communication, improved leadership visibility and clearer career development pathways.
- There was no internal audit activity in 2024/25, however 30 days have been allocated in the approved SBC Internal Audit Plan for 2025/26.
- Government grants have been consolidated into a single Children and Families Grant and a new Children's Social Care Prevention Grant.
- SCF has adopted the Council's new risk management matrix. The only red risk relates to data production issues which have been highlighted at the contract monitoring meeting and shared plans are in place.

## **Mutual Ventures Review**

2.6 Mutual Ventures were commissioned to conduct a high level and time limited review of progress against their previous review in 2022, focusing on reviewing SCF's Business Improvement Plan and wider improvement programme, reviewing its immediate and longer term financial plans to provide an independent assessment of whether SCF is providing value for money and reviewing the governance structure, including considering the direction of travel for convergence with the Council.

2.7 The review noted the following positive developments:

- SCF has made significant progress in setting a more realistic budget and achieving tighter budget management since 2022.
- SCF has implemented several of the “invest to save” proposals from 2022, including edge of care, family assessment and family hubs with evidence of positive net impact.
- SCF has achieved significant progress in workforce stabilisation, having phased out the Innovate Teams, increased permanent staffing and reduced staff absenteeism. The focus on “grow your own” social worker programme has led to improved retention, although there was not a detailed review of casework to comment on the link to improved quality of practice.
- There are improved relationships at officer, board and member levels and increased leadership stability.
- Demand is being managed proactively focusing on throughput of work and closing low-risk cases. This has resulted in a significant reducing in both the number of children in care and the average care proceedings duration.
- The new STAR (strength based, trauma informed, attachment aware, restorative practice) approach supports with reducing expensive statutory intervention and meeting the needs of children, young people and families.

2.8 The areas of concern or need for future development were flagged as follows:

- A need to strengthen leadership capacity, potentially through a single post focused on quality improvements and service transformation.
- Partnership working with external partners has not progressed as desired. The Safeguarding Partnership suspended its regular programme of multi-agency audits in 2023 and this has not yet recommenced and police and health engagement in the Improvement Board has been limited. There are no firm plans in place for multi-agency child protection teams, which form a critical element of the national reforms.
- Business intelligence for performance management still requires further attention, with a lack of reliable business intelligence and / or real time dashboards informed by its case management systems.
- Some financial projections have not been validated by robust evidence. This adds risk but also inflated projections. For example, the population increases could overly inflate the cost baselines by £500k per year, but the potentially overly ambitious shift from IFAs to in-house fostering / SGOs may not result in the proposed savings of £950k per year.
- The reduction in DfE grant requires further savings to address this or an increase in the Contract Sum. SCF’s long-term financial sustainability is intertwined with the Council’s broader financial recovery.
- The dual accountability of the Director of Children’s Services can create tension and ambiguity, which is recognised by not yet fully resolved and there is considerable cut-across with the number of forums, scrutiny and oversight meetings.
- There was feedback that non-executive directors are having to work more than their allocated days and can become overly involved in operational matters, hindering their ability to operate more strategically. The current practice is unsustainable and the Board should revisit rationalising its structure and that of its sub-committees to ensure that board members operate at the time and level expected and explore streamlining the forums further.

2.9 On convergence, Mutual Ventures made the following observations:

- The decision to reintegrate is heavily context specific and several case studies were provided to evidence this.

- The assessment was full convergence of SCF into SBC at the end of the contract in August 2026 would be premature due to the need to balance capacity with potentially competing priorities, improvements are not necessarily sustained and there remains a risk of slipping backwards, applying the maturity matrix there remains a need for sustained excellence in strategic commissioning, frontline practice, embedding a learning culture and performance management and strong multi-agency safeguarding and partnership working, the Council's readiness is critical and reintegration while the Council remains under MHCLG intervention could risk diluting the focus on children's services improvement and timing of any local government reorganisation could risk double disruption for SCF staff.

## **Next Steps**

### **Action 1 – Board Governance**

- 2.10 The Council has already formally written to the SCF Chair setting out its view that a smaller and more focused board is required as an immediate step. This includes a reduction of non-executive directors by one, removal of two executive directors from the board and a reduction in the number of board committees by one.
- 2.11 The Board has also been invited to consider how it can align its board activities with the Council's wider improvement plans to reduce duplication.
- 2.12 A review of the Articles of Association has taken place to effect changes which were discussed in previous years and to ensure they are fit for purpose with a reduced board.

### **Action 2 – Children' Services Improvement Board**

- 2.13 The Council has proposed that the lead member for children's services leads an improvement board which sits under the Council's commissioner led Best Value Board. However the Department for Education have confirmed its expectation that there a separate improvement board for children's social care led by the DfE Improvement Advisor and for SEND led by the DfE Commissioner. Therefore the Council and SCF need to consider how this structure can feed in wider improvement plans to avoid duplication of effort and governance.
- 2.14 SCF is reviewing its arrangements for oversight of transformation and improvement work in response to the Mutual Ventures report. This will be reviewed and discussed in contract monitoring meetings and plans updated in the refreshed business improvement plan.
- 2.15 Representatives from partner agencies can be invited to attend the board to ensure improvements are seen as multi-agency and not overly led by either the Council or SCF. Updates on improvements to multi-agency arrangements is a focus of the contract monitoring meetings as it is a key performance indicator.

### **Action 3 – Business Intelligence**

- 2.16 The Council's Director of Digital, Data and Technology has formally responded to concerns raised by the SCF Chair confirming that SCF is being prioritised in the work plan to improve the availability and quality of management information.

### **Action 4 – Review of financial projections**

- 2.17 Financial performance is reported to each contract meeting and these discussions with inform the review of SCF's medium term financial plans to be set out in its Business Improvement Plan. Cabinet is expected to approve this in December 2025 so that it aligns with the Council's budget planning cycle.

### 3.1 Financial implications

- 3.1.1 The annual report sets out the financial performance for SCF during 2024/25. The company achieved a surplus outturn with income in excess of expenditure of £248k alongside a one-off budgeted contract sum reduction of £2,820k which was given back to SBC. Further detailed narrative of the outturn variances and explanation is set out in the annual report in the attached appendix.
- 3.1.2 It is intended that the surplus will be retained by SCF for future years as the current projection for 2025/26 is a deficit of £627k due to the expenditure required to implement the DfE mandated Social Care Reforms, an additional 1% on the pay award and loss of income.
- 3.1.3 At the end of financial year 2024/25 SCF were able to repay the working capital loan of £5m in March 2025. Although this was due to be repaid at the end of the contract, due to positive and sustainable cash balances it was repaid early, and replaced with a revolving working capital arrangement.
- 3.1.4 The 2024/25 surplus outturn position was achieved through additional income from 100% of the Payment by Results funding through the Strengthening Families programme, additional SBC funding to support Transformation and Improvement, prior year Home Office settlement funding claims for Unaccompanied Asylum Seeking children claims and other additional grants.
- 3.1.5 Savings in expenditure included placements being lower than budget due to fewer children in care and oversight at panels scrutinising costs and rates, as well as legal savings from reducing number of care proceedings and lower disbursement costs.
- 3.1.6 Looking ahead to 2026/27, risks remain around reduced health contributions to packages of care and the removal of DfE income associated with the costs of running SCF as a separate company.

### 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 direction 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.
- 3.2.2 Whilst the Council is the sole owner of SCF, there is a governance side agreement with the Department for Education, which means that there is a requirement to consult and/or obtain consent from the Secretary of State before key decisions are made. These include governance decisions such as appointment of directors and the chief executive, as well as contractual decisions such as exercising step in rights.

### 3.3 Risk management implication

#### 3.3.1 Risks

<b>Risk</b>	<b>Inherent Risk</b>	<b>Mitigation</b>	<b>Residual Risk</b>
Children at risk of harm.	High	Recent inspections and audit actions have confirmed improvements in the quality of practice, although the Ofsted rating remains requires improvement.	Medium
Financial	High	Close financial monitoring of the budget and setting the Contract Sum based on good evidence, including external review.	Medium
Legal / Regulatory	High  The Council is under statutory intervention of the DfE as well as statutory intervention of MHCLG. The Youth Justice Inspection found the service to be inadequate and an immediate action plan was put in place to address the issues and risks raised.  The DfE has noted improvements and appointed an Improvement Advisor to replace the previous Commissioner.	Improved governance processed in relation to contract management and monitoring of improvement activity.  Recruitment and retention activity to ensure appropriate skills in staffing and leadership roles.  Access to appropriate external support.	Medium

### 3.4 Environmental implications

None

### 3.5 Equality implications

SCF provides social care services to protect some of the most vulnerable children and supports families from a diverse background. If SCF fails to adequately deliver its services this will impact on children and working age adults with children to a greater extent than the wider population. In addition, it will negatively impact on children and parents with disabilities who are more likely to need the support of SCF. Certain ethnic groups and gender are disproportionately represented within the community supported by SCF and will therefore be disproportionately impacted by any change in the delivery of services.

### 3.6 Corporate Parenting implications

The Council has corporate parenting duties. SCF delivers several services which contribute towards meeting these duties, however the duties also apply to other Council services. An emphasis on positive working relationships between the Council and SCF and partnership working are key to meeting the corporate parenting duties and supporting looked after children and care experienced young people.

### 3.7 Procurement implications

The services have been commissioned from SCF in accordance with a direction of the Secretary of State for Education. SCF is solely involved in delivery of children's social care services for SBC and is wholly owned by SBC, which means there is no need to competitively tender for services.

### 3.8 Workforce implications

None, however any convergence of SCF functions into SBC will have significant workforce implications and there will be a need for engagement with staff and compliance with TUPE requirements.

## **4. Background Papers**

None.