Slough Borough Council

REPORT TO:	**Cabinet**
DATE:	**15 December 2025**
SUBJECT:	**Annual Business 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 Finance, Children's Services and Lifelong Learning**
KEY DECISION:	**YES**
EXEMPT:	**NO**
DECISION SUBJECT TO CALL IN:	**YES**
APPENDICES:	**Appendix 1 - SCF Draft Business Plan 2026-29** **Appendix 2 – SCF key performance indicator performance**

1 Summary and Recommendations

1.1 This report seeks approval of the Slough Children First (SCF) Business and Improvement Plan for 2026 to 2029 (Appendix 1). As SCF is wholly owned by the Council, it is bound by its Articles to submit its draft Business Plan for approval by the Council. The Business 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 Plan.

Recommendations:

Cabinet is recommended to:

- Approve the SCF's Business Plan for 2026 to 2029 at Appendix 1, noting that the contract sum and any invest to save proposals will be agreed separately.
- Delegate authority to the Chief Executive, in consultation with the Lead Member for Finance, Children's Services and Lifelong Learning, to agree minor amendments to the Business Plan before publication and during the financial year.
- Delegate authority to the Executive Director for Corporate Resources, in consultation with the Lead Member for Finance, Children's Services and Lifelong Learning, to agree changes to the 2025/26 Contract Sum if necessary.

- Note that the contract sum for 2026/27 will be considered and approved as part of the Council's budget setting process.
- Note the contractual performance as set out in Appendix 2.
- Delegate authority to the Chief Executive, in consultation with the Leader of the Council, to amend the Articles of Association to effect changes to the board composition.

Reason:

SCF requires a high quality, medium-term Business Plan setting out its strategic priorities and financial strategy. This plan covers a 3-year period, however it should be noted that the service delivery contract has been extended until 31 July 2028 and is capable of termination at an earlier date. The requested contract sum for 2026/27 will be reviewed and agreed as part of the Council's budget setting. The Council is keen to work with SCF on a longer-term transformation plan, which will be supported by a move to local authorities securing multi-year settlements. Delegated authority is sought for the Chief Executive to agree in-year changes to the business plan, however any fundamental changes will be reported back to Cabinet for approval.

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. The Council commissioned a review from Mutual Ventures to provide assurance on practice improvement, performance and value for money.

Commissioner Review

MHCLG Commissioners Comments – *"The coming years will be financially challenging, given the ongoing pressure on the Councils budgets and local increases in levels of need for children's services. It is of paramount importance that SCF continues to work with the Council to ensure a mutual understanding of existing and emerging pressures and reaches agreement on the level of funding available, which will be finalised as part of the contract sum negotiations. Alternative scenarios (such as a form of repayable finance), sensitivities and risks ought to be considered, should it not be possible to secure the extra revenue and capital funding as outlined in the business plan."*

Options Considered

2.1. The following options were considered:

Option	Pros	Cons	Recommended
Option 1: Approval of business plan	• Ensures compliance with Articles of Association. • Ensures SCF has a longer-term business strategy to manage its services. • The new plan will be owned by SCF Chief Executive and Board.	• The plan assumes funding that has not been agreed by the Council and may put pressure on other services. • The service delivery contract has been extended until July 2028 and may be terminated earlier, therefore services are unlikely to be delivered by SCF for the duration of the plan.	**Recommended** **The plan sets out a clear strategy for service delivery of critical statutory services. Even if the services are transferred back to the Council, the strategy will remain relevant.**
Option 2: Not approve the business plan	• The business plan for 2025 will continue to apply.	• 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 2025 plan.	**Not recommended**

Background

2.2. SCF's objects are set out in its Articles of Association. The business 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.

2.3. The business plan is assessed against the requirements of the service delivery contract, which stipulates the following key areas:

(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.

Strategic Framework

2.4. The plan sets out six strategic priorities as follows:

1. Early Help and Access – Strengthening community-based support and reducing escalation.
2. Education and Preparation for Adulthood – Improving pathways for NEET young people and care leavers.
3. Stable Homes – Increasing in-house provision and reducing reliance on costly placements.
4. Workforce Excellence – Expanding recruitment, training, and retention through clear progression and wellbeing support.
5. Children's Participation – Embedding youth voice in decision-making and system design.
6. Partnership Driven Services – Aligning planning, commissioning, and delivery across sectors.

Working with partners

2.5. Partnership driven services is a key strategic priority and is referenced in the plan in relation to moving towards a model of the DfE Families First. This requires development of a service model that includes a family help team and multi-agency child protection teams, including the establishment of a lead child protection practitioner role. Leadership of the reforms is via the local safeguarding partnership.

Priorities and objectives

2.6. Further detail is provided on the strategic priorities including key commitments and local drivers. However there is less information on how these commitments will be delivered and measured. This is an issue raised by the Boston Consulting Group in relation to corporate planning for the Council, however the Mutual Ventures review identified a better link between operational practice and financial planning.

2.7. The Mutual Ventures review indicated that re-commissioning short breaks and moving to an increase in direct payments and fewer packages by 3rd parties was an area that could deliver financial savings as well as better meeting need.

2.8. There is a planned move to the new DfE Families first model during the lifetime of the business plan, with a focus on family group conferencing and edge of care services. Working with families will need to continue to be a focus to ensure a Family Help model integrates early help, child in need and multi-agency professionals under a single framework.

Financial strategy and plans

2.9. The Council commissioned a review of SCF by Mutual Ventures and this was reported to Cabinet in September 2025. The review highlighted the success of the business planning since 2022 in terms of alignment between operational trends and financial modelling. It is essential that future planning maintains the discipline of linking financial forecasts to measurable operational outcomes. As a result of the Mutual Ventures review, SCF has reconsidered its child population forecasts, however there are other areas that appear to have optimistic assessments based on current evidence. This includes assumptions around increasing the number of in-house foster carers and Special Guardianships. In addition, national factors such as the number and placement of asylum seekers, including children, impact on projections.

2.10. The business plan highlights that the service is demand led. The plan has been modelled using ONS data and past trends to highlight the key metrics to forecast future demand. A declining younger population is assessed to lead to reduced demand overall. This is still modelled on the basis of current categorisation of children in need, child protection, looked after and care leaver. However implementation of the new social care reforms will lead to a change in terminology with teams structured around early help, multi-agency child protection and looked after, with an increased focus on reunification with families.

2.11. The Mutual Ventures review highlighted that in 2024 less than 20% of contacts progressed to referral, but 99% of referrals led of assessment, 60% of which did not result in further social work intervention. There is therefore a question over whether there is potential over-assessment and a need to refine threshold application.

2.12. A key growth area is deemed to be an increase in care experienced young people requiring financial support due to national shortages in housing and delays in Home Office decision-making in relation to asylum applications. This has already led to increased demand in 2025/26 compared to projections and

2.13. The workforce projections are based on a move to a Families First structure, increasing middle management capacity through the introduction of lead roles to free up heads of service. This is leading to a small reduction in overall staffing and a further reduction in agency due to the success of the social work training programmes.

2.14. A reduction in placement costs is based on an increase in foster carers, including one resilience foster carer as an alternative to high cost residential or external fostering and the edge of care team providing more support to allow children to remain with families or reunify after a period in care. Mutual Ventures highlighted the risks of these assumptions based on past experience particularly in relation to recruitment of foster carers and it is of note that in 2025/26 the service overspent on placements for a small number of children with complex needs.

Profit and loss account

2.15. The projected profit and loss from 2026/27 shows a net growth in 2026/27 of £1,162k.

2.16. The growth is due to an estimated increase in the volume of care leavers requiring accommodation due to a lack of alternative housing options and delays in Home Office decision-making on refugee status. Savings are assumed from rate reductions in placement costs via alternative and cheaper options and reduction in reliance on agency staff and introduction of technology, including generative AI, reducing administrative tasks. Savings are also assumed based on increasing the numbers of foster carers, based on numbers currently being assessed.

Cash flow statement

2.17. The 12 month cash flow included in the business plan indicates that SCF will be able to manage within its means for the next financial year. However, the request for in-year funding indicates that a relatively small increase in demand and complex cases can have a significant impact on expenditure.

Revenue budget and working capital requirements

2.18. The balance sheet indicated a movement from a surplus in 2024/25 of £249k to a deficit of £55k in 2025/26 due to a loss forecast in 2025/26, however this is dependent on the outcome of an in-year contract sum increase. SCF was able to return its £5m working capital loan to the Council, saving interest of the loan, on the basis it is able to draw down from a facility agreement for the remainder of the contract.

2.19. Council officers are scrutinising the proposed contract sum increase for both 2025/26 and 2026/27, including asking SCF to provide information on any measures taken to reduce the requirement. As a result of this ongoing due diligence, the report recommends delegated authority to approve any variation for 2025/26. The 2026/27 contract sum and any capital requirements will be considered as part of the Council's budget process.

Capital expenditure requirements

2.20. The business plan references an opportunity to use a Council owned asset as a 7 bed semi-independent provision for 16-18 year olds who can live with a small amount of support. There is another proposal not currently referenced in the business plan to investigate purchase of a property to operate as a semi-independent unit alongside a contact centre and care leaver hub. There is no detailed business case for these proposals, but this approach to invest to save models is to be welcomed when there is a strong evidence base for delivering savings in the future.

2.21. Most significant is the proposed conversion of a large property, currently owned by SBC, to develop into a 10-bed provision for car experienced young people who can live independently, as well as a care leavers hub. This will require an estimated £1m of capital investment, with proposed savings of £250k per year.

2.22. SCF is not requesting capital for these projects, but is requesting the Council consider investing in these proposals on an invest to save basis. The Council's property team will review these opportunities, work with SCF and Council officers on detailed business cases and present any proposal to Cabinet for decision.

Contractual performance

2.23. Appendix 2 contains the contractual performance update to September 2025. Further performance data is provided in the business plan. The main red risk area is around multi-agency working. There are some positive relationships and areas of practice, however funding constraints and changes in structures increases risks in this area. This will be a key focus in the implementation of the national social care reforms.

3. Implications of the Recommendation

3.1. <u>Financial implications</u>

3.1.1 Financial information is presented in the main body of the report.

3.1.2 SCF has utlised the in-year contractual mechanism to request an increase in its contract sum for 2025/26 of £0.740m. The breakdown is set out below. In addition to funding the higher than assumed pay award and implementation of the national social care reforms, the increase is due to care leaver growth, due to delays in Home Office decision-making and a lower than assumed number of care leavers moving into self sufficient accommodation. There are also some complex needs cases resulting in high weekly placement costs of up to £10k per week. This is reflective of costs experienced in other authorities and demonstrates the demand driven nature of the service. Delegation is sought to the Executive Director of

Corporate Resources to agree any in-year contract sum increase once evidence of mitigation has been fully considered.

Pressures		
SBC Income	-£	150,000
Pay inflation	-£	175,524
Social Care Reforms costs	-£	296,000
Care Leaver Growth	-£	366,902
P6 Forecast	**-£**	**988,426**
Less 24/25 Surplus	£	248,728
In year Funding Request	**-£**	**739,697**

Furthermore, as set out in paragraph 2.15, an increase of £1.162m is proposed for the 2026/27 contract sum, along with £0.150m estimated capital funding in 2026/27 and an additional £1m capital in 2027/28.

The Council is in the process of preparing its 2026/27 budget and medium-term financial strategy, including the capital programme. Regarding the proposed revenue cost increase, inflationary provision for such matters is built into planning assumptions. The capital requirements will need to be considered along with associated savings planned. The due diligence under way in respect of this request is set out in section 2.19. Before any request is agreed, assurance will be needed to demonstrate that all possible measures have been implemented to moderate the requests, consistent with the Council's overall budget position, transformation approach and the spending controls in place.

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.

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 Council has adopted six equality objectives as set out below with an analysis of how the SCF Business Plan supports delivery of these.

Objective 1
Improve Outcomes for Children and Young People who are more likely to be disadvantaged based on their protected characteristics, including SEND (Special Educational Needs and Disability).

SCF provides services for children with disabilities and is expected to work closely with the Council's SEND team to support children with SEND, including those with Education, Health and Care Plans.

Objective 2
Work with partners, including housing providers, to target health inequalities and well-being between those from different protected characteristic groups.

A key area of focus is identifying accommodation and support options for care experienced young people, 17% of whom are unaccompanied asylum seeking children. This requires a multi-agency approach to increase independence and opportunities for education, training and employment as children transition to adulthood.

Objective 3
Work with partners to improve Community Safety, in particular focusing on violence experienced by women and girls.

SCF is responsible for youth justice services and a key partner in the youth justice partnership. This includes a need to increase support for victims of crime and restorative justice. SCF has an edge of care and adolescent team to support children and young people at risk of harms outside the home.

Objective 4
The council uses a robust and comprehensive set of employment data to inform its workforce strategy and management practice, as well as benchmarking and sharing best practice.

SCF collects employment data and has its own HR staff, whilst working closely and adopting the Council's policies and practices. The board receive employment data, including data on sickness, grievances and starter and leaver data. Objective 5
The council actively ensures that the profile of its workforce (including the profile of major providers of commissioned services) reflects the community it serves/local labour market.

The service has a high proportion of female staff reflecting data elsewhere in children's social care and had a diverse ethnicity workforce with regular celebration events hosted to reflect this diversity.

Objective 6
Political and Executive leaders demonstrate personal knowledge and understanding of local communities and continue to show commitment to reducing inequality.

The lead member of children's services and the Chair of the Corporate Parenting Panel have a close interest in delivery of services and provide challenge and oversight in their respective roles. Both are experienced, long standing elected members of the Council with knowledge of local communities.

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 or 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.