Slough Children First Business Plan Review

Final Report

16 December 2022

Mutual Ventures

To note:

- While commissioned by the Department for Education, this is an independent report produced by Mutual Ventures. There is no presumption of Government activity in relation to any of its findings.
- Sensitive information relating to privately held discussions with Local Authorities, and the names of these Local Authorities, have been exempted from this report.

Contents

Acknowledgements:

Many people were engaged and contributed to this report. The MV review team would like to extend our thanks to colleagues from Slough Children First for their transparency and willingness to share information with us. We would also like to thank stakeholders from Slough Borough Council, DLUHC Commissioners and the DfE Commissioner who talked to us on multiple occasions throughout our work.

List of those interviewed (in alphabetical order):
Max Caller, DLUHC Commissioner
Trevor Doughty, DfE Commissioner
Carol Douch, SCF Director of Operations
Andrew Fraser, SCF CEO and SBC DCS
Lesley Hagger, SCF Non-Executive Director
Cllr Christine Hulme, Lead member responsible for children's services
Tony Hunter, SCF Board Chair
Gavin Jones, DLUHC Commissioner and SBC Chief Executive
Margaret Lee, DLUHC Commissioner
Steven Mair, SBC S151 officer
Matt Marsden, SCF Director of Finance
Peter Robinson, SBC Finance Department (Interim)
Jane Senior, SBC Associate Director – People Strategy & Commissioning
Sarah Wilson – SBC Principal Lawyer

The above list does not include representatives of local authorities we spoke with about a potential partnership with Slough. In total, we held five meetings with shortlisted local authorities to sound potential partnership opportunities and further two meetings with representatives of local authorities engaged in partnerships to identify factors contributing to successful partnership arrangements.

Foreword

In June 2022, Department for Education (DfE) commissioned Mutual Ventures (MV) to carry out an independent review of the Slough Children First (SCF) business plan. This report summarises work delivered by the MV review team and our conclusions. This report builds on initial findings presented in the Interim Report issued on 19 August 2022 and presents additional more detailed analysis.

How to navigate this report:

Executive Summary provides the key messages from the review.

The main body of the report is divided into seven sections:

Section 1 sets the scene for this report, presenting the key objectives and context in which Slough children's social care services operate.

Section 2 presents a high-level overview of the revised SCF business plan for 2022-29.

Section 3 focuses on practice and service developments outlined in the 'Invest to save' proposals.

Section 4 provides detailed financial analysis, including modelling alternative outcomes for the key assumptions underpinning the financial model.

Section 5 summarises the review of the business plan deliverability, looking at capacity and capability to deliver the proposed initiatives and savings.

Section 6 outlines the key contextual issues that will impact on the deliverability of the business plan proposals and the overall Slough children's social care services improvement.

Section 7 explores potential partnership arrangements that may strengthen the deliverability of the improvement plans.

More detailed comments on selected topics are presented in appendices, including on social work practice (Appendix 1), Family Hubs delivery model (Appendix 2), business plan deliverability assessment looking at SCF capacity and capability (Appendix 3), potential partnership arrangements (Appendix 4). Details of the financial analysis are presented in a separate spreadsheet (Appendix 5).

Executive Summary

What was done:

1. The review of Slough Children First's (SCF) business plan 2022-29 was undertaken by Mutual Ventures (MV) in two stages. An initial discovery phase was undertaken between 25 July and 19 August 2022, the findings of which were summarised in an Interim Report issued on 19 August 2022.

2. A more detailed review of the business plan, including financial data analysis, was carried out in the second phase of the project undertaken between 19 August and 26 September 2022. That phase of the project also included a review of business cases underpinning the business plan and other supporting documentation.

3. Work at the second stage of the project was organised in four workstreams:
   - **Practice and services** – review of the proposed 'Invest to save' proposals and the Slough practice approach;
   - **Financial analysis** – development of a 'shadow financial model', quality assurance and sensitivity analysis of core assumptions;
   - **Business plan deliverability** – high-level review of SCF's capacity and capability to deliver business plan proposals;
   - **Partnership arrangements** – exploration of the potential option of partnering with another local authority for the provision of children's social care services.

4. This Final Report provides an updated version of the Interim Report. It builds on the initial discovery work enriched with new insights and more in-depts analytics, and addresses comments received from SCF, Slough Borough Council (SBC), DfE and Department of Levelling Up, Housing and Communities (DLUHC) Commissioners, and provides final findings and recommendations.

Key messages:

Slough statistical and financial context

5. SCF leadership and staff have shown resilience and continued efforts to improve the quality of the service, working against a very difficult backdrop of demand pressures, national shortages of social workers and the financial challenges of the Council.

6. SCF's business plan needs to be considered against a backdrop of contextual data, including demographic and socioeconomic characteristics of Slough's residents. Slough is one of the youngest local authorities in the country. It is also one of the most ethnically diverse local authorities in England with 54% of the population coming from a Black, Asian, and Minority Ethnic (BAME) background. The 2019 school census recorded around 150 languages and dialects spoken in Slough schools. This has a significant impact on reach and engagement with children's services.

7. Benchmarking analysis confirmed that **SCF unit spending on looked after children, residential care and fostering is lower compared to its statistical neighbours** and other local authorities in the South East region.

Business plan overview

8. SCF's Business Plan 2022-29 sets out their strategic priorities for the next seven years. The overall plans are supported by three business cases that set out the detail for the proposed 'Invest to save' proposals (Edge of care, Early help and Workforce).

9. SCF's financial forecasts have shifted significantly since an interim business plan was approved by SBC's Cabinet in February 2022. Savings identified in the interim business plan were set to meet the demands being made by SBC for a balanced budget and were overly optimistic.

10. The baseline position in the revised business plan shows a **cumulative deterioration in SCF's bottom-line of £21m** over the four years from 2022/23 to 2025/26 in comparison to the interim business plan. SCF's 'Invest to save' scenario within the revised business plan shows a modest improvement in this position but still shows a £18.3m deterioration in their bottom line over the same period. The majority of this cumulative impact results from increasing demand pressures. While the revised business plan presents the pressures as something that was difficult to foresee, the issues around inflationary pressures and demand should have been considered and assumptions tested appropriately.

11. The revised business plan provides what SCF believed to be a more realistic baseline position than the interim business plan. Changes in SCF personnel and the introduction of the DLUHC Commissioners allowed for a fresh look at the business plan with the opportunity for an 'invest to save' approach. However, as we set out in this report, in our opinion the revised business plan remains over optimistic about the potential level of savings.

12. A significant amount of work has gone into the revised business plan, and it deals with a huge variety of issues and complexities. Compared with business plans typically produced by other children's services alternative delivery models (trusts or companies), SCF's business plan is more comprehensive. According to SCF, this was required to meet the additional level of scrutiny due to SBC's challenging financial situation. SBC argues that in the past the Council had not been managing its arm's length companies as diligently as it could, and the new assurance regime is correcting that. We do consider it **good practice to provide a greater level of detail to support the assumptions and rationale for the 'Invest to save' proposals**. Given the tightening financial envelope, it is important that both SCF and SBC are clear about the affordability of services and have full confidence in the proposed plans.

13. Our report includes a number of comments that aim at strengthening the business plan or its next iteration in terms of its clarity of purpose and vision, financial modelling, proposed governance and monitoring arrangements. They are aimed at supporting SCF in its continuing efforts to improve commercial capabilities and embed a culture of strong operational management needed to underpin an effective service. Throughout the review the SCF leadership were receptive to our comments and welcomed feedback on how the business plan could be strengthened, showing unwavering commitment to continued service improvement.

'Invest to save' proposals

14. In our opinion, **Slough's children's social care services are at a crunch point**. For the first time in years, none of the children's social care services delivered by SCF are rated 'inadequate'. However, the **situation remains fragile**, which has been noted by Ofsted in the report from the latest focused visit to SCF in January 2022. There is a **significant risk that** without additional well-targeted funding and well-thought-out improvement plans **the service may slip back into 'inadequate'**.

15. Despite steady service improvements made over the last few years, Slough children's social care services have been significantly impacted by a **lack of stable leadership and staff shortages**. As a result, resources have been focused on supporting those who are in most need of help. The recent changes to the scope of SCF children's services and the 'Invest to save' proposals seek to redress this balance.

16. The 'Invest to save' proposals are designed to address the well-recognised issues that impede Slough children's social care services improvement across three areas:

- **Workforce** (cost of £74k in the first year, with full year costs expected to be £277k from 2023/24 onwards):
  i. The business plan rightly identifies **stability of the workforce** as the **key challenge** for the service. It is also the key prerequisite for improving both the financial and operational effectiveness of the service, and ultimately the quality of outcomes for children and young people.
  ii. The 'Invest to save' proposal focuses on an enhanced retention package. This would be implemented alongside other workforce strategies, including career development pathways, a review of non-financial benefits, on-going management support and supervision.
  iii. Benchmarking undertaken by SCF shows that the **proposed retention package** is in line with what other local authorities offer and therefore needed to maintain competitiveness of SCF's remuneration package. However, it **does not address the main reason for staff leaving** identified by SCF through exit interviews, i.e. high caseloads. If prioritisation of the 'Invest to save' proposals is required, this is the element of the business plan that we therefore recommend be marked as lowest priority; though we appreciate the concerns of SCF that without this package it may be harder to attract new staff and retain existing social workers, potentially impacting the improvement that is able to happen upstream. We do agree that there is some risk that if SCF's renumeration package is not at par with the neighbouring areas, recruitment and retention could be affected, which would need to be closely monitored by the company.
  iv. It is important to note that the national context is currently extremely challenging with most local authorities, even those with a long history of low vacancy rates, experiencing difficulties in recruiting and retaining qualified social workers. Given the national shortage of social workers, SCF may not achieve its workforce targets despite its best efforts.
  v. The proposal includes developing a family support workforce (non-social work qualified) to support social workers. This could be very helpful given the difficulty in recruiting and retaining social workers. We believe the **attention to skill mix** is a **good direction**.
  vi. It is **concerning** that SCF see the **continued use of Innovate teams** until March 2025. Such teams are expensive and were originally designed to fill in very short-term gaps. The senior leaders are acutely aware of the negative impact of using Innovate teams, but feel they have no alternative in order to limit the caseloads.
  vii. We note that it is **SCF's intention to reduce the size and cost of the Innovate teams over time**. However, we recommended that SCF undertakes concerted efforts to reduce the numbers of children in the system through a dedicated drive to focus on throughput of work. This would allow SCF to decommission the Innovate teams faster than currently planned. This is contingent on stable, skilled and confident leadership.

- **Early help**: SCF is looking to rationalise its continuum of care through investment in prevention and early help services, including the family information service, family hubs, targeted early help and community-based assessments.
    i. **Family Information Service** (cost of £114k per annum) – this is likely to deal with very low-level needs of families. This is a helpful service that will have a beneficial effect of relieving pressures at the front door, enabling other 'Invest to save' service developments. However, it will **probably not have much of an impact on caseloads in the safeguarding and Looked After Children teams**, which has been identified as the key issue in the business plan, or make significant direct financial savings.
    ii. **Development of Family Hubs** (cost of £424k per annum) **–** this may have **some impact on high caseloads** but as with the Family Information Service is **leaning towards universal services**. Whilst the development of Family Hubs will undoubtedly improve the services to families and help SCF in their ambition of 'getting to good', it will have a moderate financial impact.
    iii. **Developing Targeted Early Help** (cost between £99k and £255k per annum over the next four years) **–** this is a useful development that should have a **significant impact on the Children In Need numbers**. We see an opportunity to strengthen the focus on multi-agency work. The service may also need social workers to oversee the higher risk cases, which are not included in the design of the team.
    iv. **Establishing Community Assessment Teams** (cost of £395k per annum) **–** reducing costs requires a more holistic approach (including close cooperation with the courts). Increasing community-based assessment capacity – while a helpful initiative – is unlikely to solve care proceedings cost pressures on its own.

a. There is a strong case to **implement all the above early help service developments at the same time**. As noted above, taken in isolation, the developments will have a varying impact on children in need caseloads, e.g.:
    - the family information service would have <u>little</u> financial impact,
    - the family hubs would <u>some</u> financial impact, and
    - the targeted early help development – <u>significant</u> financial impact.

However, **all developments together might strengthen each element** (the whole is greater than the sum of each part). Implementation of the early help service developments should not be seen as a "pick and mix" approach.

- **Edge of care** (cost of £360k per annum): The proposals focus on the Family Breakdown Prevention Team and the Adolescent Contextual Safeguarding Team.
    i. The aim of both these teams is to safeguard children at risk, or involved in, criminal or sexual exploitation and serious youth violence, and prevent family breakdown.
    ii. We agree that **an edge of care team would have an impact on reducing the need for children to come into care**. Such teams have a proven record of helping families in crisis and enabling children to remain at home or with extended family members.

17. In our opinion, SCF **is looking to invest in the right areas of the service** and generally proposes well-tested solutions that are widely considered as good practice. We see the **potential to strengthen some of the proposals.** However, we believe the **broad direction and focus of the proposed initiatives are appropriate**.

18. While we agree that the 'Invest to save' proposals are appropriate and required by SCF to continue their 'Journey to Good', they may have a less significant financial impact than modelled in the

business plan. Some benefits look overly optimistic or there is a risk of double-counting the impact. However, the net financial impact of the 'Invest to save' proposals is positive – they reduce the total SCF funding requirement year on year. Detail on what the potential impact of the 'Invest to save' proposals is presented in Section 4. Financial analysis.

19. We understand that in view of the scale of the financial difficulties of SBC, it may be difficult for SCF or SBC to find resources to provide funding for 'Invest to save' proposals. If this is the case, we **cannot exclude the possibility that exceptional financial support from central government may be required** to stabilise the situation in Slough children's services.

Financial analysis

20. We developed a 'shadow financial model' to provide technical quality assurance of the financial modelling underpinning SCF's revised business plan and stress test the core assumptions.

21. We reviewed all assumptions underpinning the business plan and modelled alternative outcomes for a number of high impact assumptions or where we assessed the assumptions used were at high risk of not being achieved. We acknowledge the inherent difficulty of forecasting demand and activity of children's services. The future position of the service will depend on a number of factors that are not possible to determine at the time of developing the business plan.

22. Our review of SCF's financial model found that the assumptions underpinning the model show systematic optimism bias. This relates not only to the 'Invest to save' proposals but also to assumptions on some areas of the core services and 'business as usual' activity (such as assumptions on placement rates). Further, the assumed level of inflation in the business plan may have been reasonable when it was first conceived but does not reflect recent inflationary pressures on the UK economy.

23. The total net impact of the above factors is to create additional financial pressures on the business plan of £3.5m in 2023/24 increasing to c.£4.5m in subsequent years. This is on top of the deficit forecasted in SCF's business plan (£5.2m in 2022/23, £3.4m in 2023/24 and gradually decreasing year on year).

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

24. Our financial analysis concludes that the SCF business plan underestimates the investment required over the period of the plan and accordingly under the proposed plan SCF would not be sustainable on current levels of funding.

25. However, even based on our revised assumptions that account for optimism bias in SCF's assumptions, we conclude that the 'Invest to save' proposals have a positive net impact on SCF's baseline (i.e. the financial benefits outweigh the additional costs). In year seven of the business plan, 'Invest to save' proposals result in a combined net decrease in expenditure of £3.83m (pre inflation), with Edge of Care having the biggest impact (£2.17m), followed by Family Assessment (£1.35m) and Family Hubs (£0.51m). The workforce 'Invest to save' proposals (retention package)

contribute to increasing costs (£0.2m) but the impact of other 'Invest to save' proposals will depend on SCF's ability to recruit and retain high quality social workers.

26. In our view the financial outlook for SCF could potentially be improved but that would be critically dependent on strong, confident, capable leadership and the appointment of a permanent DCS for the medium to long term. This would require reducing the numbers of children in the system through a dedicated drive to focus on throughput of work and efforts to create additional capacity within the existing service establishment rather than increasing its capacity. The following steps would be required to drive this practice and culture shift:
    - a review of the target operating model for the intervention work to ensure it is delivered at the right stage to have an impact on children and families, and ensure risks and needs do not escalate;
    - a further monitoring and review of thresholds to assess if there is a potential to raise them in a measured and managed way, building on work already done through the Safeguarding Partnership[1];
    - a root and branch review of open cases, prioritising families where there is risk of significant harm and supporting staff to close cases where the risk is lower;
    - a focus on growing confidence in decision making at all levels of the organisation to be consistent in demand management.

    This could bring forward some of the benefits within the business plan, particularly linked to suspending the use of Innovate teams sooner than planned. This could result in up to £742k additional savings per annum. Other potential actions aimed at improving the financial impact are also possible and explored in the report.

Business plan deliverability

27. Realisation of the savings identified in SCF's business plan will require: strong, capable, confident leadership; clear and robust governance; well-defined programme architecture and experienced programme management with disciplined monitoring, reporting and benefits management.

28. Our assessment of SCF's existing delivery capacity and capability found that SCF will need to strengthen its governance arrangements, business plan monitoring processes and benefits management discipline or further risk the delivery of proposed savings.

29. We identified a number of specific shortfalls that need to be addressed to **mitigate the business plan deliverability risks**:
    - Strengthening the Company's **finance function** to ensure the Finance Director can have a more strategic role;
    - Developing a structured approach that would allow the Company to demonstrate that services provide **value for money;**
    - Developing an explicit list of all the **core assumptions** that can be stress tested and monitored;
    - Developing robust **governance and board oversight arrangements** for the business plan delivery;
    - Developing a robust business plan **monitoring process**, with effective and insightful in-year forecasting;
    - Developing SMART output and outcomes measures / **benefits realisation plan;**
    - Developing a comprehensive **risk assessment** process and monitoring risks on regular basis as part of ongoing programme management.

[1] We note that during the recent (January 2022) focused visit Ofsted found that there is a good understanding of thresholds for early help.

Contextual issues

30. We have identified the **key contextual issues** that will impact on the deliverability of the business plan proposals and the overall children's services improvement. While these issues are largely outside the scope of the business plan, in our opinion they **are mission critical**. These are:

- **Leadership stability** – There is a significant challenge with the stability of leadership within SCF. Delivery of the business plan and service improvements is dependent on strong, confident, capable leadership. It is critical that the next DCS appointee is full-time and committed to a longer term of office;
- **Transformation capacity** – Given the ambition of the service improvement plans, it may be necessary to consider strengthening the leadership capacity of SCF once the new DCS is in place. This could include a single post focused on delivering quality improvements and service transformation;
- **Relationships with SBC** – Continued improvement of the relationship between SCF and SBC is vital, including ensuring effective and proportionate oversight mechanisms as well building a strong culture of partnership and trust;
- **Scale and scope of children's services managed by SCF** – The business plan mentions an ambition for a new target operating model for children's services underpinned by "a joint aspiration for all of children's services to be within one organisation". Once SCF is in a more stable position, SBC and SCF should consider carrying out an options appraisal to identify the optimal scope of services that should be discharged to SCF vs those retained by SBC. However, this becomes less relevant if the Council is determined to bring services back in-house when the service is rated 'Good';
- **Partnerships across the wider system** – Areas that have made sustained progress in the quality of services for children are good at engagement and collaboration at both strategic and operational levels with other agencies across their geographic footprint. There is an opportunity to review and streamline partnership governance arrangements across Slough and further strengthen the multi-agency collaboration.

31. These matters will need to be addressed to ensure the proposed service improvements can take place. The report proposes some practical approaches that may be helpful to address these issues.

Partnership arrangements

32. Given the systemic challenges that impact the effectiveness of children's social care services in Slough and the scale and depth of SBC's financial challenges, we believe that **alternative options may need to be considered to achieve a more radical, sustainable service improvement** and support the deliverability of the SCF plans.

33. Notwithstanding the steady service improvements that have been made over the past years, the service remains in a fragile position, and SBC's financial difficulties make a sustained trajectory of improvement for children's services even more challenging. It is also **not unreasonable for SBC to have concerns about the deliverability of the business plan**, given the history of overspending, even if it is not atypical for children's services to overspend on their budget.

34. Accordingly, **partnering** with another organisation that has achieved and sustained 'good' or 'outstanding' children's services could help **mitigate the key risks around the deliverability** of the plan. Such a partnering arrangement may help mitigate the reputational barrier to attracting appropriately skilled and experienced recruits to SCF and improve resilience of the service, ensuring more stable leadership and quality assurance is in place. Further, **routing funding to improve the**

service via a partner organisation could mitigate concerns relating to lack of financial control and delivery capability expressed by the Council.

35. We considered some potential alternative options that may offer a vehicle to achievement of long-term stability and security for Slough's children's social care services. We have focused on options with sector-led improvement at their heart that have been tested across the country. These can broadly be categorised as:

- A franchising model – a risk-sharing arrangement where another local authority provides capacity and best-practice approaches to drive service improvement;
- A partnership model – a closer arrangement under which another local authority takes on the management and delivery of Slough's children's social care services;
- A combined authority model – where local authorities come together to operate some or all children's social care services across a larger geographical area.

36. We would expect that a partner organisation or authority may require additional funding as incentive to support Slough. Financial support from central government may be required to cover such partnership costs.

37. Non-prejudicial, exploratory conversations with potential partner local authorities confirmed that the option of **engaging with a partner** to support the improvement journey could be a **feasible way forward for SCF**. We identified one local authority that expressed interest in exploring a more substantial partnership arrangement with Slough. They have stable, resilient leadership, have consistently achieved Ofsted rating of Outstanding and have strength in depth through their leadership and mid-management levels. They have also received strong assessment of their SEND service, so could potentially assist SBC beyond the services delivered directly by SCF.

38. Addressing the current challenges around performance improvement, financial position and SBC / SCF relationships is the key prerequisite for any alternative delivery model. A partner would also require assurances that the service will be appropriately funded to deliver the improvement plan.

Overall recommendations and next steps

39. **Financial sustainability:** Our analysis indicates that the proposals presented in the business plan, including the 'Invest to save' initiatives, are necessary to continue service improvement. Without them, the service risks slipping back into inadequacy. However, under the proposed plan SCF would not be sustainable on current levels of funding. In 2023/23, the total financial pressure amounts to £6.9m. This includes an estimated £3.4m deficit forecasted in the SCF business plan plus an additional £3.5m of financial pressures identified through our analysis. Given the tightening financial envelope, we recommend that the Council and central Government Departments discuss whether and how this is funded.

40. **Proactive demand management to reduce the number of children in the system:** In our view the financial outlook for SCF could potentially be improved through a dedicated drive to focus on throughput of work. We recommend a review of existing cases with a view to closing low risk cases and ultimately reducing reliance on the Innovate teams faster than currently assumed in the business plan. Ideally, this should be done in addition to the proposed 'Invest to save' initiatives to allow the Company to realise savings faster. This would be contingent on stable, confident leadership, including the appointment of a permanent DCS for the medium to long term.

41. **Addressing deliverability risks:** This review identified a number of shortcomings that affect the deliverability of the plan. They relate to SCF finance function, the business plan programme architecture (governance arrangements, monitoring, benefits realisation plan, risk assessment) as well as the overall ability of SCF to demonstrate the service achieves maximum value for every pound spent. Our recommendations on how to mitigate the business plan deliverability risks should be implemented by SCF as a matter of urgency.

42. **Addressing contextual issues:** Our analysis identified the key contextual issues that will impact on the deliverability of the business plan proposals and the overall children's services improvement:

    - leadership stability;
    - transformation capacity;
    - relationship with SBC;
    - scale and scope of children's services managed by SCF;
    - partnerships across the wider system.

    The report is proposing some approaches that may be helpful to address these issues. We recommend they are considered by both SCF and SBC.

43. **Exploring partnership opportunities:** Exploratory soundings with potential partner local authorities confirmed that the option of engaging with a partner to support the improvement journey in Slough could be a feasible way forward for SCF. We recommend that DfE continue engagement with potential partners identified through this review (and potentially others) to explore this opportunity in more detail.

Section 1. Introduction

This section of the report sets out the project's objectives, background, and notes on the methodology. We also explore statistical context of children's social care services in Slough.

Objectives

Project aims

In June 2022, the Department for Education (DfE) commissioned Mutual Ventures (MV) to carry out an independent review of the SCF business plan. The key aims of the review are outlined below:

- Review of the revised SCF business plan for 2022/23, future proposals for 2023/24 and beyond, to assess the appropriateness of these proposals to deliver service improvement that will in turn lead to an Ofsted rating of Good
- Review of the SCF company's immediate and longer-term financial plans, to provide an independent assessment of whether the company is sustainable as a going concern and providing value for money.
- Assessment of the assumptions included in the SCF business case for reasonableness given current levels of service, demography of Slough, statistical benchmarks (where available), risk assessment and the impact of the proposals on future service need and any other relevant factors.
- Assessment of the SCF company's ability to deliver the identified savings within the specified timescale, including an assessment of the capacity, capability and availability of resources.
- Assessment of the risks identified in the SCF business case, and the extent of the mitigations identified.
- Review of processes to maximise the chances of successful delivery of change and ensure that the Board and management have appropriate oversight
- Input into proposals for the future organisation of children's social care services in Slough, such as the development of 'a child centred operating model', providing support and identifying considerations in terms of quality, deliverability and cost.

Scope of the report

This report summarises steps taken to deliver the above aims, our findings, and conclusions. This Final Report builds on the Interim Report issued on 19 August 2022. It addresses comments received from SCF, SCB, DfE and DLUHC Commissioners and provides more in-depth analysis.

Project approach

Where possible, the analysis involved a triangulation of data from a range of sources. Data collection involved the following methods:

- **Stakeholder engagement:** Semi-structured interviews conducted with the key stakeholders, including the Department of Levelling Up, Housing and Communities (DLUHC) and the Department for Education (DfE) Commissioners, representatives of SCF and SBC to confirm the basis of the analysis and understand the wider context.
- **Document and data review:** Documents provided by SCF and those in the public domain were collected and analysed. The includes the business plan, business cases associated with the business plan, underlying financial models, business plan project plan (work in progress), the 'Getting to Good' plan, performance information, contract between SCF and SCB, Ofsted reports, Cabinet

reports and several other documents and information sources that provided useful context for the review.

- **Benchmarking:** A comparison of the key indicators between Slough children's social care services and other children's social care services (including those delivered by other alternative delivery models or statistical neighbour councils). We also looked at business plans developed by all the other trusts / companies delivering children's social care services on behalf of local authorities, with an objective to identify common challenges, approaches, and good practice that SCF could learn from.

Context

Slough Borough Council financial sustainability

- Following SBC's initial request to the Department of Levelling Up, Housing and Communities (DLUHC) for a capitalisation direction of £15.2m in 2021/22 to enable them to balance their books, corporate governance and finance reviews were commissioned, resulting in the Directions regime being imposed. Best Value Commissioners were appointed by DLUHC to address the serious financial and management failures at SBC, and to scrutinise the use and management of funds by SBC.
- In July 2021, the Council paused all non-essential spending following the Section 114 notice.
- On 9 June 2022, the DLUHC Commissioners submitted their first report to the Secretary of State detailing their findings from their initial period at SBC. The report revealed Slough will require an 'unprecedented' level of financial assistance for at least six to eight years, including at least £670m in capitalisation support.
- Significant cost reductions and disposal of a large proportion of assets will be required to enable SBC to return to a financially sustainable position. All services provided by SBC, either directly or indirectly, will be required to contribute.

Slough children's social care services service improvement context

- In response to a direction from the Secretary of State for Education, SBC established Slough Children's Services Trust in October 2015 to deliver its children's social care services. In April 2021, the Trust's articles were changed to make it a wholly-owned local authority company and its name was changed to Slough Children First (SCF).
- SCF is a not-for-profit company providing children's social care and some early help services under contract from SBC. The key objective for SCF is to improve the service to the point where intervention is no longer needed, marked by an Ofsted inspection rating of at least 'Good'. SCF leadership and staff have shown resilience and continued efforts to improve the quality of the service, working against a very difficult backdrop of demand pressures, national shortages of social workers and the financial challenges of the Council.
- SCF's business plan for 2022-25 was approved by the Cabinet in February 2022 on an interim basis, pending further work on the plan and the finalisation of SBC's Improvement and Recovery Plan.
- DfE and DLUHC commissioners as well as Council officers and members have raised concerns about the deliverability of the savings in the business plan. SCF subsequently revised the business plan. The revised version of the plan which covers seven years is the subject of this review.

Key statistical landscape – socioeconomic profile of the Borough

The SCF business plan includes an overview and key data on children's landscape in Slough, which presents a very complex and diverse picture. It is not the intention of this report to repeat this information. We note that Slough has a multicultural population with diverse needs and experiences, some of which may be more difficult to reach and engage.

Demographic profile: 30% of Slough's residents are aged 18 or below. This makes Slough one of the youngest local authorities in the country (Barking and Dagenham is the only local authority where this proportion is higher, 31%). This is significantly higher than the average proportion of residents aged 18 or below in England, 22%. Although fertility rates are decreasing both nationally and locally, Slough currently has the joint second highest total fertility rate in England (Luton is top with 2.23, while Pendle, Bedford, Slough, and Elmbridge are second with 2.09)[2]. The average number of children per household is higher than nationally (0.79 children per household, vs 0.56 in the UK)[3].

Ethnic profile: Slough is one of the most ethnically diverse Boroughs in England with 54% of the population coming from a Black, Asian, and Minority Ethnic (BAME) background. A further 11% of the population are from a White non-British background. In comparison, 15% of England's population are from a BAME background and 5% from a White non-British group. The 2019 school census recorded around 150 languages and dialects spoken in Slough schools. After English, the most popular languages spoken are Urdu, Punjabi and Polish. 15.5% of households do not include anyone for whom English is the main language[4].

Economic profile: 19.5% of Slough's under 16s lived in relative low-income families in 2019/20. This is over 7,700 children and continues to increase. Due to close proximity to the Heathrow airport, crisis in aviation industry caused by the pandemic badly hit Slough residents.

Financial and workforce benchmarking

Children's social care services finance and value for money: Existing research on children's social care services costs confirms that assessments of quality and value in children's social care services are problematic. For instance, without a case-level analysis of needs and circumstances, and whether placements meet needs and achieve the best possible outcomes for children, it is not possible to make assessments of placement costs value for money[5]. Such detailed analysis was beyond the scope of this review.

However, a top-down approach based on benchmarking does go some way to understanding some of the broader issues related to local authority spend level and trends.

Benchmarking analysis carried out for the purpose of this report confirmed that SCF spending in the key service areas is lower compared to statistical neighbours and other local authorities in the South-East region (refer to Figure 1). This indicates that Slough's children's social care services are not an expensive service.

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[2] Office for National Statistics 2021 Births in England and Wales: summary tables - Office for National Statistics (ons.gov.uk)

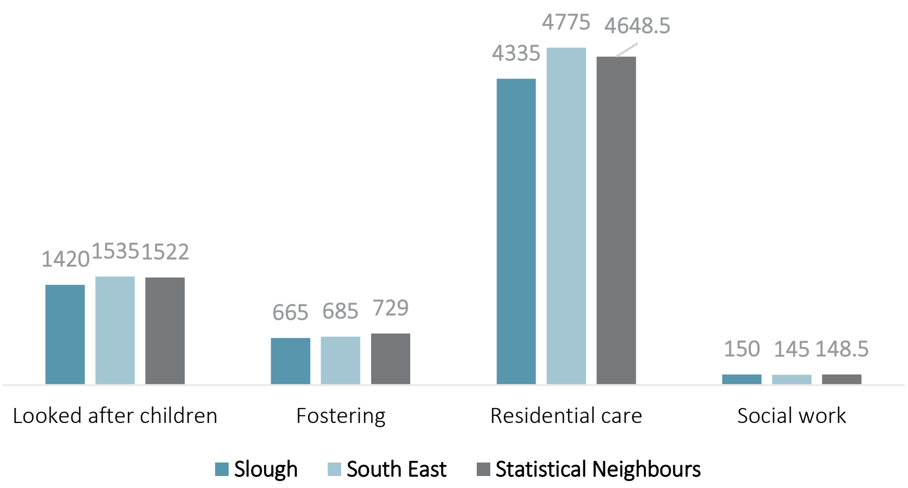
[3] Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland - Office for National Statistics (ons.gov.uk); Families and households - Office for National Statistics

[4] Slough Borough Council, Annual Equality & Diversity Report, 2020

[5] DfE, Children's social care cost pressures and variations in unit costs, Research report, January 2021 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/951146/Children_s_social_care_cost_pressures_and_variations_in_unit_costs_Jan_2021.pdf [accessed: 25th September 2022]

In 2020-21, the average weekly cost of a looked after child was £1420. This was £102 lower than the average cost in statistical neighbours and £115 lower than the average cost in the region. Fostering and residential care costs were also lower than average in the comparator group. Weekly unit social work cost (£150, calculated as social work cost per child in need) was the only area in which Slough's costs were higher than in the region (£5 per week per child difference) and in the statistical neighbours group (£1.50 difference). This may reflect the issues with workforce stability, high turnover, and reliance on agency staff.[6]

Figure 1. Weekly unit cost per key service areas (outturn 2020-21).



Source: DfE, Local Authority Interactive Tool (LAIT).

To put these benchmarks into context, we also compared volumes data for Slough, its statistical neighbours and the South East region. This aimed at confirming if the low unit costs of looked after children, fostering and residential care are not distorted by high volumes of cases, which would indicate ineffective service and would also drive the average unit cost down.

Slough has a lower rate of looked after children (51 per 10,000 children) than both its statistical neighbours (56) and regionally (53). Therefore, there is no evidence to suggest that the unit costs are distorted due to volumes.

MV comments

The above benchmarking analysis may support the views expressed by the Company during our initial stakeholder engagement that the service has been historically underfunded and the value of the contract between SBC and SCF did not match the true level of need when it was agreed initially.

These views were disputed by the Council on the basis that contract values have been agreed by the Board (initially of the Trust and then SCF) without challenge. The Council also provided an additional £10m for transformation over the period the Trust operated that was used to subsidise operational

[6] Please note that the Slough Children's Services Trust has historically not been charged for the full cost of support services via a service level agreement (SLA) with the Council (circa £1.7m). This was corrected in 2021/22 when the new SLA was introduced. We cannot exclude that this may distort social work spending figures in 2020/21. To verify this, benchmarking analysis should be repeated when 2021/22 outturn data is published by the DfE.

matters. It also agreed jointly with the DfE to write-off the Trusts accumulated losses of £5.4m incurred to 31 March 2021.

The recent 'Review of governance arrangements for SCF' carried out by the SBC Principal Lawyer sheds light on dynamics underpinning the contract sum negotiations, which might suggest that children's social care services in Slough failed to re-negotiate the contract sum to match the level of need: *There is evidence of SCF passively accepting savings targets without properly engaging with the process and assessing the deliverability of such targets. This has resulted in a culture of overspends, as opposed to use of the contractual mechanisms to have sensible, robust conversations about the need to re-negotiate the contract sum either in-year or annually.*

Our qualitative assessment of the business plan (see Section 3. 'Invest to save' proposals) has confirmed that the proposed business plan addresses existing shortfalls in service capability found in good services. Specifically, the 'Invest to save' service development proposals take the service to where it should be in terms of the offer to families and service configuration expected from a good service. On top of this, our analysis (see Section 4. Financial analysis) identified a significant financial gap in every year of the business plan. In 2023/24 it amounts to £7m (consisting of £3.4m deficit predicted in the SCF's business plan and £3.6m of further financial pressures identified by MV). This may indicate underfunding against the core contract. Please note that MV's work does not extend to revisiting the contract sum for accuracy. A separate bottom-up budget sufficiency analysis would be required to deliver this work.

Size and efficiency: Based on the ONS mid-2020 population estimates data, Slough's population is 149,577[7]. This makes Slough the 12th smallest unitary authority in England, following Isles of Scilly, Rutland, Hartlepool, Darlington, Bracknell Forest, Halton, Torbay, Redcar and Cleveland, Blackpool, Middlesbrough, and Isle of Wight.

The small size of the authority may make it more difficult to achieve economies of scale in service delivery. It is worth mentioning that in the above group of small unitary authorities, Bracknell Forest is a neighbouring Berkshire local authority with children's social care services rated as 'Outstanding'. In terms of the spending profile, Bracknell Forest's average weekly unit cost per looked after child is higher than Slough's (£1565 vs £1420). On the other hand, weekly unit residential cost is significantly lower than in Slough (£4000 vs £4335)[8]. However, these differences may not only reflect efficiency of spending, but also different socio-economic contexts. Bracknell Forest is in the least deprived quintile nationally, which will likely reflect on complexity of needs. As of 2021, 10.7% of children under 16 in Bracknell Forest lived in low-income families, as opposed to over 20% in Slough.

Children's social care services workforce: SCF's business plan and accompanying documents include extensive workforce benchmarking. As part of this review, we have looked at the key workforce statistics in Slough in comparison to other alternative delivery models. This is because one of the reasons for setting up an independent organisation is often to empower and stabilise the workforce, even where in the short term still being reliant on agency staffing, through creating a stronger sense of

[7] As explained in more detail further in the report, the first published data from the 2021 census shows that the previously published ONS mid-year dataset was underestimating the size of population in Slough, which is 158,500. However, this is the latest available population dataset with full data on residents age breakdown.
[8] Data based on 2020-21 section 251 outturn data, published by DfE, Local Authority Interactive Tool.

a single service with shared purpose. Over time, this should be reflected in improved workforce statistics.

Figure 2 presents a comparison of the key children's social care services workforce statistics for all children's trusts and other alternative delivery models, based on data published by the DfE. Data for Slough's statistical neighbours, South-East region and England is also presented for context.

- Slough has **the smallest number of FTEs** (89.4) of social workers among the analysed group. In fact, it has the 10th smallest number of FTEs nationally (followed by Wokingham (87.1), North Somerset (85.1), West Berkshire (80.7), Isle of Wight (76.1), Halton (74.8), Bracknell Forest (63.9), Windsor & Maidenhead (54.2), Rutland (21.7) and City of London (10)).
- Slough has **the highest rate of social worker turnover** (34.7%) and **rate of agency social workers** (40.9%) – over twice as high as the average for all other local authorities.
- Slough has the second highest average caseload per FTE (18.1). Among the analysed group, only Sunderland has a higher average caseload (20.8)[9].

We understand that the most recent figures for the average caseloads per FTE in Slough are now higher than this, at an average of 21 to 24 children per worker with some workers on more than 30 (Caseloads Report 9 May 2022, as seen in the Business Plan July 2022). We have used the most recently available national figures available from the DfE (2021 data) to enable comparison with other children's trusts/companies.

Figure 2. Benchmarking of Children's Social Care Services Workforce statistics.

	Number of FTEs of social workers		% of social workers vacancies		% rate of social workers turnover		% of agency social workers		Social workers absence rate		Average caseload per FTE	
	2021	*Change YoY*	2021	*Change YoY*	2021	*Change YoY*	2021	*Change YoY*	2021	*Change YoY*	2021	*Change YoY*
Slough	89.4	*9*	37.6	*-6.8*	34.7	*-5.1*	40.9	*-5.4*	1	*-3.7*	18.1	*-2*
Achieving for Children	138.5	*-7*	13.7	*1.6*	14.1	*-1.6*	13.7	*2.1*	1.5	*-1.6*	14.3	*-0.4*
Birmingham	693.7	*29.5*	27.9	*1.4*	15.7	*-2*	18.3	*3.8*	4.3	*0.9*	15.5	*-1.1*
Doncaster	190.9	*-1.7*	17.9	*0.4*	16.1	*-3.2*	16.2	*-0.6*	3.8	*0.4*	17.8	*-0.9*
Northamptonshire	329.9	*-*	39.6	*-*	16.2	*-*	26	*-*	2.5	*-*	17.5	*-*
Reading	102.3	*-5.5*	31.9	*2.1*	14	*-8.8*	23.8	*-4.2*	3.3	*1.3*	17.5	*0.5*
Sandwell	208.3	*-5.8*	27.7	*1.7*	25.7	*10.8*	31.5	*2.1*	5.6	*0.7*	16	*-4.1*
Sunderland	249.2	*27.3*	3.5	*1.4*	14.1	*3.7*	1.3	*0.4*	2.5	*0.8*	20.8	*2.4*
Worcestershire	262.5	*10.7*	16.8	*0*	16.6	*-1.4*	13.8	*-0.8*	3.2	*-0.2*	16.4	*-2*
Statistical Neighbours	207.25	*12.76*	24.08	*-2.93*	16.3	*-2.49*	21.59	*0.28*	2.42	*0.34*	15.73	*-0.41*
South East	4552.2	*-50.3*	15.8	*0.4*	14.6	*2*	16.2	*-1.1*	2.6	*0.4*	16.7	*0.5*
England	32502	*647.7*	16.7	*0.6*	15.4	*1.9*	15.5	*0.1*	3.1	*0.2*	16.3	*0*

Source: DfE, Local Authority Interactive Tool (LAIT).

[9] Children's services in Sunderland are rated outstanding and delivered by a wholly-owned company on behalf of the council.

Section 2. High level business plan overview

This section presents an initial review of the revised SCF business plan for 2022-29. It includes a high-level overview of the movements from the previous version of the plan approved by the Cabinet in February 2022. It also includes recommendations for strengthening the plan.

Background on the business plan development process

SCF is a company wholly-owned by SBC and approval of the annual plan is an SBC reserved matter under SCF's Articles of Association. The development of the current business plan has been an extremely long process, with changes to SCF's leadership, vision and proposed financial strategy taking place during that time.

The business plan was due to be presented to SBC in September 2021 but has been delayed due to a number of factors, including a change of personnel at SCF (the new chief executive of SCF and DCS commenced in role in January 2022).

SCF's business plan for 2022-25 was approved by Cabinet in February 2022 on an interim basis, pending further work on the plan and the finalisation of SBC's Improvement and Recovery Plan. The business plan looked to deliver a balanced budget in 2022/23, against a net reduction in core contract funding of £2.7m. To achieve this SCF was to deliver an estimated £4.7m of savings against the pressures of increasing demand. The business plan recognised that achieving the savings target would be a challenge and highlighted several major risks.

The DfE and DLUHC Commissioners, as well as Council officers and members, have raised concerns about the deliverability of the savings. SCF was tasked with revising the business plan. The key focus has been on ensuring the business plan is realistic, based on robust assumptions and evidence, whilst also being deliverable in Slough's challenging financial context. The revised version of the business plan is the subject of this review.

It is expected that the final business plan will be submitted to the Cabinet for approval later in 2022. Based on draft Cabinet Paper for 17 October 2022, we understand that the People Scrutiny Panel is receiving a report recommending that it set up a task and finish group to review the business plan to make recommendations to cabinet on its approval as part of the budget setting process.

MV comments

The requirement for a business plan and its development process is set out in SCF's articles and service delivery contract. In 2021/22 the company has not been compliant with these requirements, partly contributed by change in senior personnel in company. The subsequent delay was due to the DLUHC commissioners suggesting a longer term "invest to save" model, which required more time to develop. The SCF Board recognised that the business plan development journey has improved the quality of the work presented and there are multiple lessons learnt for the company to ensure the next business plan is produced on time and to a high quality.

While there seem to be valid reasons for the delay in the business plan development and approval process, the business plan development process is still an area of concern. The situation when the business plan takes nearly a year to develop is potentially destabilising both for SCF and SBC. Thought needs to be given on what processes need to be in place going forward to streamline the development of the business plan without compromising its quality. The assurance provided by the SCF Board, its understanding of requirements set out in the contract and the scrutiny it has on the plan is critical to ensure a more robust process in the future. SCF need to establish a robust governance process that ensures that business plans are developed, reviewed and submitted to the Council in timely manner, in accordance with the process set out in service delivery contract (more detail on this – see Section 5. Business plan deliverability).

Overview of the business plan structure and key proposals

SCF's Business Plan 2022-2029 sets out SCF's strategic priorities for the next seven years.

The business plan includes two scenarios:

- A ‘do nothing’ scenario, based on 2022/23 contract values with SBC throughout the 7-year term, allowing for pay and contract inflation increments on the contract value;
- An ‘Invest to save’ scenario, aimed at mitigating rising demand through an improved continuum of care to reduce escalating needs into more costly statutory services. The total investment required over a 7-year term in this scenario is £13.4m, against the savings of £30.6m.

The business plan is supported by three business cases that provide a greater level of detail on the key investment areas:

- Early Help Business Case;
- Edge of Care Business Case;
- Workforce Business Case.

SCF is working on development of the programme plan that will guide the implementation and monitoring of the initiatives included in the business plan. We have seen a work in progress version of this plan, which will be detailing the key activity and milestones for each of the proposals. In addition to this, the ‘Getting to Good’ Delivery Plan is also being finalised with input from managers across the Company. This plan aims to demonstrate how improvements will be made to achieve better outcomes for children, young people and families, and to capture progress.

MV comments

- Level of detail and scrutiny: It is clear that a considerable amount of time and effort has gone into developing the business plan and the accompanying business cases. We understand that following the corporate governance and finance reviews that were commissioned in 2021 and resulted in the Directions regime being imposed, the Council’s finance team tightened up financial oversight over wholly-owned companies and began managing contracts with suppliers more proactively. This resulted in an additional level of scrutiny during the SCF’s business plan development process. However, it is not unreasonable for SBC and DLUHC Commissioners to have concerns about the robustness of assumptions and deliverability of the proposals given the history of overspending against the agreed budget of the former Trust and then SCF. We consider the level of detail presented to be a good practice, given the significant financial ask in the ‘Invest to save’ scenario. However, we believe the length of the document has impacted negatively on the clarity of the document and its vision – there should be a clearer ‘golden thread’ between the company’s strategic priorities, improvement plan, performance framework and ‘Invest to save’ proposals.

- Timeframe: The business plan covers the seven-year term. A rationale for this has been presented by SCF as the need to embed change over a longer period to demonstrate full impact of ‘Invest to save’ proposals, as suggested by DLUHC Commissioners. However, long term projections are likely to be more prone to error. Given the historic volatility of children’s social care services budgets and consistent overspend (not only in Slough, but also nationally), we consider the forecast of a surplus to be generated by year six in the ‘Invest to save’ scenario as ‘speculative’. This is further supported by our financial modelling – an alternative scenario based on stress testing the key assumptions underpinning the financial model shows that when we correct assumptions for technical errors and consistent optimism bias, SCF remains in deficit through 2028/29 – see Section 4. Financial analysis for more detail. We also note that the business plan timeframe is not aligned with the service improvement plans (ambition to get to ‘Good’ in four years) or the existing contractual arrangements (SBC entered into a five year service delivery contract with SCF that began on the 1st April 2021, with an option to extend by two years, which means there are four remaining years in the contract, or six years including the potential extension).

- Arrangements to manage programme of change: The business plan together with business cases supporting the 'Invest to save' proposal present a significant programme of change for SCF. We would expect more detail on the programme architecture, governance and assurance. This is covered in in more detail in Section 5. Business plan deliverability, including specific recommendations on how to address the key deliverability risks.

- Journey to 'Good': The business plan includes little detail on SCF's journey to 'good'. However, we understand that the business plan is positioned as a higher-level strategic tool, and a detailed delivery plan will present clear actions aimed at getting Slough children's social care services to 'good' over the next four years.

Comparison of medium-term financial position between the interim and revised business plans

As mentioned above, the financial projections of SCF have shifted significantly between the interim and revised business plans. Below we compare the financial headlines of the two plans for the period of four years (the interim plan included financial projections till 2025/26). Please note that this analysis looks at the financial impact from SCF's profit and loss account perspective, which is not equal to the potential impact on SBC's financial position.

Changes to Slough Children First's bottom-line

Figure 3 shows the comparison of the forecasts of the end of year bottom-line SCF position in the medium term (over the next four years) based on:

- The interim business plan approved in February 2022;
- Revised business plan – 'do nothing' scenario;
- Revised business plan – 'Invest to save' scenario.

Figure 3. Comparison of the bottom-line forecasts between the interim and revised business plan: deficit / (surplus), in £'000.

	Forecast outturn 2021/22	Plan 2022/23	Plan 2023/24	Plan 2024/25	Plan 2025/26	Cumulative Plan 2022/23 - 2025/26
Interim business plan	1,318	0	(1,960)	(2,264)	(1,886)	**(6,110)**
Revised business plan - 'do nothing'	1,332	3,890	3,313	3,505	4,172	**14,880**
Difference between interim and revised business plan – 'do nothing'	*14*	*3,890*	*5,273*	*5,769*	*6,058*	***20,990***
Revised business plan - 'Invest to save'	1,332	5,175	3,388	2,158	1,433	**12,154**
Difference between interim and revised business plan – 'Invest to save''	*14*	*5,175*	*5,348*	*4,422*	*3,319*	***18,264***

The interim business plan assumed a balanced budget in the 2022/23 financial year. The following three years showed a surplus, generating a positive contribution to SBC's financial position of over £6m by the end of 2025/26.

The revised business plan 'do nothing' scenario forecasts nearly £3.9m of deficit in this financial year, followed by a similar position over the next three years. In this scenario, the cumulative deficit of SCF over four years amounts to nearly £14.9m. In the 'Invest to save' scenario the forecasted deficit in the year 2022/23 is higher, £5.2m, but reduces to £1.4m in 2025/26. The total deficit accrued over four years is £12.2m.

The revised baseline business plan shows a **cumulative deterioration in the bottom-line** of SCF **of £21m** over the four years from 2022/23 to 2025/26. SCF's 'Invest to save' scenario shows a modest improvement but still shows a £18.3m deterioration in the Company's bottom line over the same period.

Reasons for movements

Figure 4 highlights the key reasons for financial differences between the interim and revised business plan, looking at movements on annual basis over the next four years and their cumulative impact.

Figure 4. Summary of movements between the interim and the revised business plan, in £'000.

Summary of movements	2022/23 £000's	2022/23 £000's	2023/24 £000's	2023/24 £000's	2024/25 £000's	2024/25 £000's	2025/26 £000's	2025/26 £000's	Total £000's	Total £000's
Impact of pay & contract inflation	266		481		473		448		1,667	
Increase in SBC funding to meet impact of inflation	(266)		(481)		(473)		(448)		(1,667)	
Project office funding	(96)								(96)	
Growth from demands (impacting on ability to deliver savings)	3,570		4,136		4,367		4,494		16,568	
Other grant income	(492)		(311)		(361)		514		(650)	
Additional savings	(414)		(544)		(508)		(481)		(1,948)	
Other growth in costs	362		341		405		348		1,456	
Impact from reduced DFE funding	558		1,289		1,524		849		4,219	
Reduced income savings targets	402		363		342		335		1,442	
Total movement - 'do nothing'		**3,890**		**5,273**		**5,769**		**6,058**		**20,991**
Invest to save requirements	1,839		2,102		1,973		2,000		7,914	
Savings from invest to save	(555)		(2,027)		(3,319)		(4,739)		(10,640)	
Total movement - 'invest to save'		**5,175**		**5,349**		**4,422**		**3,319**		**18,265**

The majority of this impact results from increasing demand pressures (£16.6m). This is largely driven by revised caseload projections, resulting in a reduction of savings originally planned in workforce costs (e.g. faster release of the Innovate teams) and additional resources required to meet the demands.

£4.2m of movement relates to DfE transformation funding, which has been provided to Slough in the past on an exceptional basis. However, this funding has not been guaranteed, as it comes from a limited pot split across national priorities. As such, the projected figures relating to DfE funding that are currently included in SCF's revised business plan are subject to agreement with DfE and may not be reflective of how much DfE funding is actually provided in future years.

Revision to inflation rates has had a worsening impact of £1.7m.

The business plan narrative provides several reasons behind this change in SCF's projected financial position, including:

- increase in inflation rates and the escalating cost of living, which might increase the number of families living in poverty and result in more risks to children;
- growing population;
- increased numbers in UASC;
- increased demand and complexity as a long-term impact of Covid becomes more visible to the system.

However, we were also told by SCF's leadership that the interim business plan included unrealistic savings targets, which were agreed with the intention of meeting the Council's wider needs for all services (whether delivered directly or indirectly by the Council) to make savings).

MV comments

These are all known and increasingly well-evidenced pressures on children's social care services nationally. It's arguable that these pressures should have been largely known to SCF when the interim business plan was being developed. New events (such as inflationary pressures due to war in Ukraine) have had a further negative impact, however, the difference of £18.3m between the bottom line of the interim and the revised business plan's 'do nothing scenario' cannot be explained by these new events. Even though the revised business plan presents the pressures as something that was difficult to foresee, the issues around inflationary pressures and demand should have been considered and assumptions tested appropriately.

Building a clear picture of the current state of play and understanding the likely future demand is key for ensuring the financial sustainability of SCF and SBC. The additional more in-depth analysis of the current and future demand pressures included in the revised business plan is therefore welcome. We understand this was produced with the aim of making the financial plans more realistic, particularly starting with a more realistic (rather than optimistic) baseline position. However, as explored in more detail in Section 4. Financial analysis, our modelling indicates that some assumptions underpinning the revised business plan are still over optimistic. We also proposed a revised approach to forecasting demand due to demographic changes in the local population.

Overview of the vision and strategic objectives

Vision

SCF's vision is to enable all children, young people, and their families to be 'Safe, Secure and Successful'. A one-page summary of the business plan provides a helpful framework setting out how SCF plans to deliver against this vision, including its strategic aims, values, priorities, delivery vehicles and expected outcomes.

Strategic aims

The four strategic aims of SCF are:

1. Quality improvement throughout a child's journey;
2. Stability of workforce;
3. Being sustainable; and
4. Development of child focused partnerships.

These aims respond to the key challenges that the service faces and are reflected in the initiatives proposed in the business plan.

MV comments

Please note: The comments below should be read as suggestions aimed at strengthening the business plan as the key strategic document of SCF going forward. They do not address the deliverability of the plan or the financial position of SCF. In our experience, absolute clarity and focus on long-term strategy that is shared with staff and partners plays a critical role in guiding children's social care services improvement.

- Differing priorities are stated in different places across the revised business plan, which makes it more difficult to identify a consistent 'golden thread' that underpins the business plan. For example:
    - The strategic aims and priorities framework does not mention the development of prevention and early help to divert children from statutory services, which (rightly) seems to be one of the key objectives for SCF.

- The strategic aims and priorities framework does not mention caseloads, yet in a different place the business plan mentions that '*key to the strategy is getting caseloads to manageable levels*'.

- There are several 'big ticket ideas' mentioned in the narrative of the business plan that have the potential to be transformative for the service, and yet they have not been included in the strategic framework or incorporated into the actual plans:
  - Section 1.9.1. on the principles underpinning the strategic objectives mentions that SCF *'will seek to partner with other children's social care providers'*: Given the difficult situation in Slough (both SBC and children's social care services) we agree this idea is worth exploring. We have included an overview of potential partnership arrangements in Section 7 of this report.
  - Section 1.10 'How we will address the children's services issues' mentions a new target operating model underpinned by "a joint aspiration for all of children's services to be within one organisation". Again, this seems to be a major strategic objective, yet it has not been included in the key priorities framework. The business plan does not include any specific proposals or modelling to support this, but it rightly mentions that this shift will require a period of transformation and extensive consultation. We believe it is critical to get the scope of the services delivered through SCF right and have provided further comments on the potential scope of services in Section 6 of this report.

- In our opinion, proposals focused on the fourth strategic objective of SCF: 'Development of child focused partnerships' could be strengthened. In our experience, the multifaceted nature of children's social care services means that local authorities cannot succeed in delivering a high-quality service on their own; they need good strategic and operational arrangements with partners across the system. We have provided more comments and examples on how the partnership arrangements could be strengthened in Section 6 of this report.

The Slough Children First System – The Slough Approach

The business plan includes an overview of the new practice approach implemented earlier in 2022. The 'Slough Approach' is an eclectic framework based on a relationship-based approach underpinned by four key strands: attachment theory, restorative practice, strengths based, and trauma informed.

MV comments

- In our opinion the decision to modify the previous practice model because its elements were structurally weak is reasonable. We welcome the launch of a single practice approach as an important step to improve the quality of outcomes for children, young people and families. More detailed comments on social work practice and how it could be further improved are included in Appendix 1.
- The Slough Approach draws on practice frameworks which the DfE have positively evaluated as associated with effective practice and the SCF model is similar to other approaches utilised in a number of successful children's social care services departments.
- It is not possible within our brief to make a detailed judgement about current social work practice, but SCF are aware and focused on the areas of weakness which need to be addressed.
- We note that SCF is not the only organisation delivering children's social care services to have developed its own approach to practice to support the service improvement journey and there is good practice to draw on in terms of how the other approaches have been rolled out (see case study below).

Demand assumptions

Demand assumptions built into the financial model have a high impact on the profit and loss account (P&L). The model identifies four key areas of demand pressures: demographics, cost of living impacts, increasing numbers of care leavers and increasing numbers of unaccompanied asylum-seeking children (UASCs). We have looked at demand assumptions in detail as part of the financial modelling exercise outlined in Section 4. Financial Analysis and proposed alternative scenarios for some demand assumptions. Below we include some high-level comments on applying demand assumptions.

MV comments

- Level of flexibility: We are in uncertain times and nationally the children's social care sector is facing demand and workforce pressure. Other things being equal, it is not unreasonable for children's social care services to expect a level of leniency on the accuracy of long-term assumptions of demand. However, we appreciate that SBC is not in a position to be able to afford such flexibility.

- Demographics: The business plan is using the data on the planned housing developments to estimate the future demand for children's social care services, and assumes that the average number of children per household remains constant. The assumption is not likely to hold true in a rapidly ageing population. In Section 4 of the report we proposed an alternative method of forecasting the number of children, which is based on 2021 Census figures and ONS population projections.

- Impact of cost-of-living crisis: Given the importance of deprivation as a driver of demand for children's social care, SCF is right to assume that financial circumstances of families in Slough should be a key concern. However, there is no single well-established modelling approach to do it and the scale of impact is highly uncertain. In the absence of data on how many children are known to Slough Children First who live in low-income families, the business plan makes an assumption that it is 75%. However, research done by Policy in Practice with Kingston University, based on linking children's social care services and benefits datasets for 5,000 households, revealed that about half (48%) of children referred to children's social care lived in households receiving means-tested benefits administered by local authority (council tax support or housing benefit) - a proxy for low-income household. This is much lower than the assumed 75% in the business plan (but still much higher than the proportion of households receiving benefits in the general population, given that around 1 in 3 people in the UK claim benefits).

Income generation

The key source of the SCF income is the core contract with SBC. In addition to this, SCF receives central government grant contributions (e.g. Pupil Premium Plus, DA duties, Public Health, Remand, Staying Put and Personal Advisor, Asylum seekers). SCF has historically received funding from DfE relating to company costs, above what is typically provided to other Trust models, and which is expected to taper off.

Other income sources amount to £1.4m in 2022/23 (3.8% of the total income). This goes down to less than £1m in year 7 (2.5% of the total income).

MV comments

- No focus on additional income generation: One of the key principles of the business plan is to 'seek seed funding from a range of potential funders'. However, almost no detail is provided on how this will be achieved. Given the partnership working is one of the strategic objectives set out in the business plan, we would expect there could be some tangible benefits from partnership working included e.g. through increased income generation opportunities. Other children's social care services companies include more focus on pursuing income from a variety of sources in their business plans.

Case study: Achieving for Children (AfC) Business Development Strategy

AfC developed a Business Development Strategy that underpins all its income generation activity. AfC will seek to develop under three overarching themes:

- Sufficiency Strategy: AfC will develop more local provision (education, social care, health) and maximise use of this provision. Where there is surplus capacity / a mismatch of short term need to provision, vacancy rates will be managed by selling to other boroughs using a cost-plus profit margin model.
- Best practice approaches: Development of internal best practice that can be scaled up and used to generate income. These projects provide an opportunity to improve local services, generate income as well as contribute to a wider social good.
- Grants: Bidding for funding and research grants.

While not all the above income generation strategies would be relevant for Slough, it provides an example of a structured approach in this area.

Source: AfC Business Development Strategy

Placements

Cost of placements is the second largest cost item in the P&L account, following the pay and agency staff cost. In 2022/23, it was expected to reach £14.6m (37% of the total expenditure). This is forecasted to go up to £16.3m in the 'do nothing' scenario or decrease to £12.3m in the 'Invest to save' scenario.

MV comments

- This is a demand-led budget which causes challenges in forecasting expenditure. A small number of high-cost emergency placements can have a significant impact on the budget. The full longer-term impact of the pandemic is not yet known but there is anecdotal evidence suggesting that more children with complex needs are entering the social care system (due to poverty, anxiety, non-school attendance, and poor child and adult mental health).
- In Section 4. Financial analysis we proposed a number of adjustments to assumptions on placements rates and volumes.
- Given how volatile this spending can be, we recommend that tight budget monitoring and forecasting processes should be in place to enable real-time monitoring of placement expenditure. This should include predictive financial modelling and early warning on demand increases.

Corporate costs

The business plan states that £0.8m represents the true costs of being a stand-alone corporate entity. This includes Board costs and specific support costs required to manage activity of being a separate legal entity, such as separate statutory accounts, contract monitoring, data returns, support to the Board and committees, along with legal, insurance and audit fees.

MV comments

- Benchmarking: Benchmarking of corporate costs against other children's social care services alternative delivery models is difficult, as they are rarely reported in business plans or financial documents as standalone cost items. In addition, these costs will depend on the size and scope of services, which differ significantly among children's trusts. Northamptonshire Children's Trust (NCT) Business Plan lists additional trust management costs in 2021/22 at £0.99m and insurance cost at £0.45m (based on our work with NCT, we understand that the actual insurance cost was much higher than assumed in the business plan). This is significantly higher than SCF's estimate of corporate costs. However, NCT's total costs are also much higher (£138m). In other local authorities, children's trusts' corporate costs are primarily met by the councils, not by DfE.

- Impact of the potential service transfer to SBC: We have been made aware that SBC's current inclination is to move the service back to the authority once the services are rated 'Good' and the DfE removes the direction. This would generate savings in SCF's overheads. However, our financial modelling (see Section 4. Financial analysis) indicates that the additional financial pressures on SCF are much higher than the SCF's corporate costs. Therefore, bringing the service in-house does not solve the issue of the funding shortfall. Additional funding would be required regardless of a delivery model to deliver necessary improvements and ensure adequate services. In our opinion, a potential decision about service transfer to SBC should be made after confirming that transferring the services back in-house will ensure a sustained trajectory of improvement for children's social care services. It should be based on robust options appraisal. The process would also require consultation with staff and trade unions, and would incur additional transformation costs.

- Previous cases show that various options are possible. Doncaster children's services (delivered by an arm's length trust) are currently being brought back in-house. On the other hand, examples of Worcestershire and Sunderland show that even when the DfE removes power to direct children's services, local authorities may decide to keep an alternative delivery model in place if they believe this is the best choice for their children.

- For the next iteration of the business plan, we would suggest modelling an additional scenario which shows the financial impact of the transfer of services to SBC in line with the 'Getting to Good' plan, including how the realignment of the services would deliver lower overheads and what the impact would be if these savings were directed to front line delivery. One-off transformation costs should also be considered in this scenario.

Section 3. Overview of the 'Invest to save' proposals

This section focuses on the 'Invest to save' proposals. It provides an assessment of the appropriateness of these proposals to address the key issues identified by the service (stability of workforce and high caseloads). We argue that the proposals aimed at service development (continuum of care / early help and edge of care proposals) will improve the services to families and help SCF in their ambition of 'getting to good'. Without these service developments the service is at risk of slipping back to 'Inadequate'. However, they may have a less significant financial impact than modelled in the business plan. On the other hand, the potential impact of the retention package is less certain. If prioritisation of the 'Invest to save' proposals is required, this is the element of the business plan that we therefore recommend be marked as lowest priority .

To mitigate against increasing demand pressures, SCF has developed 'Invest to save' proposals. The proposals focus on the development of a demand management process through a continuum of care, including investment in the family information service, family hubs, targeted early help, edge of care and community-based assessments. In addition to this, SCF has also developed a recruitment and retention offer that is aimed at stabilising the workforce.

Our comments in this section focus on qualitative aspects of the proposals, looking at whether they are fit for purpose to address the key challenges identified by the service and based on established good practice approaches. See Section 4. Financial analysis for our review of the key assumptions and the more likely financial projection modelled. It presents more detailed information on financial impact of the individual 'Invest to save' proposals.

MV comments

- Rationale for proposals: The 'Invest to save' proposals are designed to address the well-recognised issues that impede Slough children's social care services improvement. We believe that SCF is looking to invest in the right areas. The following sections of the report present some thoughts on how the proposal could be strengthened based on best practice solutions implemented elsewhere. However, we do not question the need for change. There is significant risk that without additional well-targeted investment and well-thought-out improvement plans the **service may slip back into 'inadequate'.**

- Best practice service developments: The proposed 'Invest to save' service developments (continuum of care / early help, edge of care) are widely accepted as good practice and SCF's proposals stack up against what other local authorities are doing. They will improve the services to families and help SCF in their ambition of 'getting to good'. However, some potential financial benefits outlined in the business plan are overly optimistic.

- Synergies between various service development proposals: There is a strong case to implement all the proposed service developments at the same time. As noted in more detail below, taken in isolation, the developments will have a varying impact on children in need caseloads, e.g.:
  - the family information service would have <u>little</u> financial impact,
  - the family hubs would <u>some</u> financial impact, and
  - the targeted early help development - the <u>most</u> financial impact.

  However, **all developments together might strengthen each element** (the whole is greater than the sum of each part).

Continuum of care proposals (early help)

SCF is looking to rationalise its continuum of care through investment in prevention and early help services, including:

- a Family Information Service to be developed as part of the wider universal services;
- children's centres to be developed into four Family Hubs;
- targeted early help services;
- community-based assessments.

MV comments

- Value for money: The focus on addressing the complexity of needs through a well-designed continuum of care, ensuring that children and families receive the right support at the right time and preventing escalation of needs, is the appropriate approach. There is evidence that investing in prevention and early help for vulnerable young children and their families can be the right approach for cash-strapped local services. However, whether the proposals offer value for money will depend on the local context, scope of proposals and the effectiveness of implementation. Historically, Slough's children's social care services have struggled with delivering value for money for some of its early help initiatives. For instance, evidence from the cost-benefit analysis commissioned by the DfE suggests that 'Slough Children's Services Trust Innovation Programme' which focused on some early help services (the Domestic Abuse, Assessment, Response and Recovery workstream and the multi-agency Innovation Hub) did not achieve a net financial benefit[10]. To ensure that the early help 'Invest to save' proposals provide value for money, there should be a strong programme architecture in place which will allow to monitor financial impact and performance quality on regular basis. This ties back to our recommendations on value for money based on the business plan deliverability analysis in Section 5.

- Alignment between the key issues and proposed solutions: The business plan identifies the key issues as:
  - Workforce – fragile and high number of agency staff plus Innovate teams;
  - Caseloads – too high and identified by staff as a key reason for leaving;
  - Bottleneck of transferring work from front door service to safeguarding services where longer term work can be undertaken.

  We have looked at how the proposed service developments will address these key difficulties:
- **Family Information Service** – Numbers of initial contacts to the service are high, and include families seeking information, but not likely to need a service from SCF. By enhancing the Family Information Service, SCF is likely to fulfil the intention to reduce the volume of contacts. This will have a beneficial effect of relieving pressure of work at the front door. However, the service will deal with very low level needs of families and we don't expect it will have much of an impact on caseloads in the safeguarding and looked after children teams, or make any financial savings.
- **Development of Family Hubs –** This may have some impact on high caseloads but as with the Family Information Service is still much more leaning towards universal services. The SCF's intention is to provide a very localised service which can be sensitive and helpful to the diverse communities within the area. Whilst the development of Family Hubs will undoubtedly improve the services to families and help SCF in their ambition of 'getting to good', it may have a less significant financial impact than assumed in the business plan. We would support the plan to provide four small Family Hubs rather than one central one – such services work best when they are very local, within walking distance. Additional analysis on the number of locations, including benchmarking against other Family Hubs delivery models, is presented in Appendix 2.
- **Developing Targeted Early Help –** this is a useful development that should have a significant impact on the children in need numbers. The service may need social workers to oversee the higher risk cases (which would have to be included if there are fewer families being stepped up to safeguarding teams), but such posts are not included in the design of the team. The proposal also does not relate to the recently launched practice model.
- **Establishing Community Assessment Teams –** This is a useful development. MV's recent study on the financial impact of delays in care proceedings showed that reducing costs requires a more holistic approach (including close cooperation with the courts). Increasing community-based assessment capacity – while a helpful initiative – is unlikely to solve care

[10] Cordis Bright, Slough Children's Services Trust Innovation Programme Evaluation report, March 2020 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932779/Slough.pdf [accessed 10th August 2022]

proceedings cost pressures on its own. Slough's added ambition to reduce average proceedings duration from 37 weeks (as of May 2022) to 26 weeks or less by March 2028/29 feels stretching in the context of current proceedings durations across the country. Slough is currently performing better than local authorities nationally (based on Cafcass data, the average duration of care proceedings is 44 weeks, and only six LAs had the average length at 26 weeks or less).

- Focus on multi-agency collaboration: Given that partnership working is one of the key priorities set out in the business plan, we were surprised to see that Early Help proposals do not put more stress on multi-agency collaboration. Some of the successful Early Help models (e.g. in Sunderland and Northamptonshire presented below) rely on a very close partnership work.

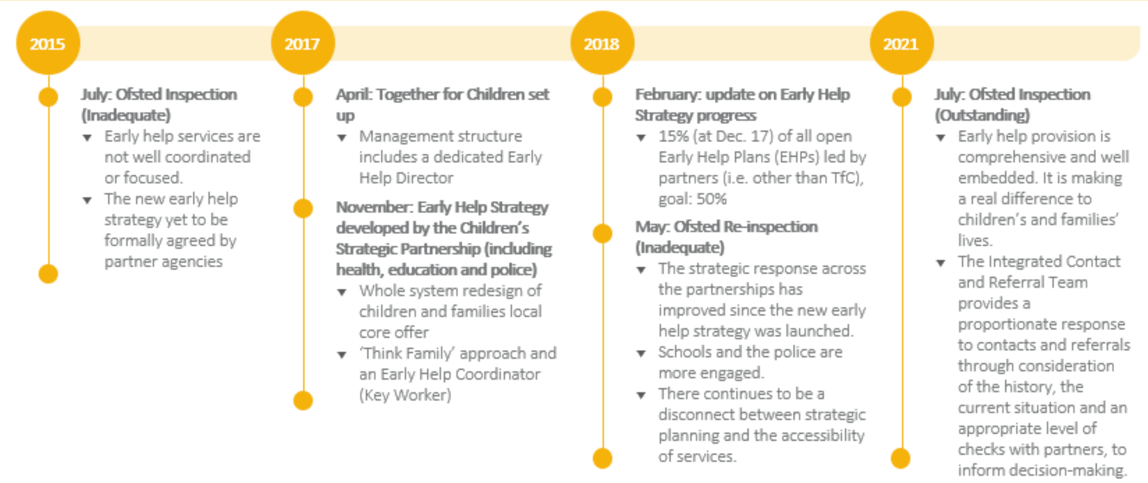
Case study: Sunderland's innovative multi-agency early help service

Children's services in Sunderland are delivered on behalf of the council by a local authority company (Together for Children). Sunderland is one of the local areas that managed to significantly improve its early help approach over the past few years. Ofsted inspection of children's social care services in 2021 found that **early help has developed into an innovative multi-agency service able to meet an increasingly complex level of need to prevent the escalation of cases to statutory services**. The Early Help Strategy was approved in 2017. However, the improvement process took several years.

How it was achieved:

- Development of multi-agency early help toolkit: Implementing a multi-agency Early Help assessment, planning and review toolkit.
- Development of a comprehensive performance framework to measure and monitor the impact of the early help offer: built into Early Help Module of Liquid Logic.
- Focus on ensuring strategic buy-in and ongoing training: Briefings held with multi-agency partners. Rolling programme of training on assessment and family support meetings in place.
- Focus on consistent strategic oversight: Dedicated Director of Early Help in place since 2017 till now.

Figure 5. Sunderland early help improvement journey.



Lessons for Slough:

- Opportunities to embed a holistic partnership approach to early help, building on the Slough Multi-Agency Early Help Strategy for Children, Young People and their Families (2019-21). This would also help to address capacity issues in early help, identified in the latest Ofsted report from February 2022.

- This would require strengthening both the strategic and operational relationships with partner agencies (joint processes, templates, resources, better understanding of thresholds, etc.).
- Given the importance of early help for SCF's performance and outcomes of children, strong strategic oversight is required.

Source: MV based on Ofsted reports and Sunderland Early Help Strategy.

Edge of care proposals

Edge of care proposals focus on the Family Breakdown Prevention Team and the Adolescent Contextual Safeguarding Team. The aim of both these teams is to safeguard children at risk of, or involved in, criminal or sexual exploitation and serious youth violence, and prevent family breakdown. The services would be adopting a well-tested North Yorkshire's 'No Wrong Door' approach.

MV comments

Whilst the proposals have many generalisations and assumptions, we do believe that an edge of care team would have an impact on reducing the need for children to come into care. Such teams have a proven record of helping families in crisis and enabling children to remain at home or with extended family members.

Workforce proposals

The business plan rightly identifies the stability of the workforce as the key challenge for the service and also the key prerequisite for improving both the financial and operational effectiveness of the service. The business plan proposes to invest in the enhanced retention package required to attract and retain social workers in an increasingly competitive market. This would be introduced alongside other strategies already in place to support workforce stability, including career development pathways, a review of non-financial benefits, ongoing management support and supervision.

MV comments

- Retention package: The proposed retention package is well researched and in line with what other local authorities offer. However, it does not address the main reason for staff leaving identified by SCF, i.e. caseloads. The analysis of the feedback received from exit interviews presented in the workforce business case provides evidence for this: "*In the last 12 months, 65 exit interviews have been with social work qualified staff. 32% of these individuals stated that caseloads/work life balance as a significant reason for leaving the organisation. This is the single most significant factor which is mentioned in exit interviews as to the reason for departure.*" In our opinion the focus on pay will not solve the problem of recruiting and retaining staff if the key issue for staff is in fact workload, not pay. In addition to this, the proposal risks creating a 'wage war' with neighbouring local authorities. If prioritisation of the 'Invest to save' proposals is required, this is the element of the business plan that we therefore recommend be marked as lowest priority. We do agree that there is some risk that if SCF's renumeration package is not at par with the neighbouring areas, recruitment and retention could be affected, which would need to be closely monitored by the company.

- Skill mix: The proposal includes developing a family support workforce (non-social work qualified) to support social workers. This could be very helpful given the difficulty in recruiting and retaining social workers. We believe the attention to skill mix is a good direction.

- Comprehensive workforce strategy: In our opinion, the retention package on its own will not solve the workforce issue. This is also recognised by SCF. That is why the business plan is underpinned by a comprehensive workforce strategy, a cornerstone of all activities in this area. We would strongly encourage SCF to continue implementation of other non-pay workforce strategies to make the company a more attractive employer. We note that for the proposals to be successful in attracting new and retaining existing staff, the workforce proposals need to be presented in a clear, appealing way and there needs to be an assurance that they will be followed through. There is some good practice in this area from previous initiatives implemented by Children's Trusts that were able to present their workforce proposals in a more structured and appealing way (see "the 12 reasons to work for Sandwell Children's Trust" case study below).

- National context: It is important to note that the national context is currently extremely challenging with most local authorities, even those with a long history of low vacancy rates, experiencing difficulties in recruiting and retaining qualified social workers. SCF is taking a number of measures to support the workforce. However, given the national shortage of social workers, despite the efforts, in the current climate it may not achieve its targets.

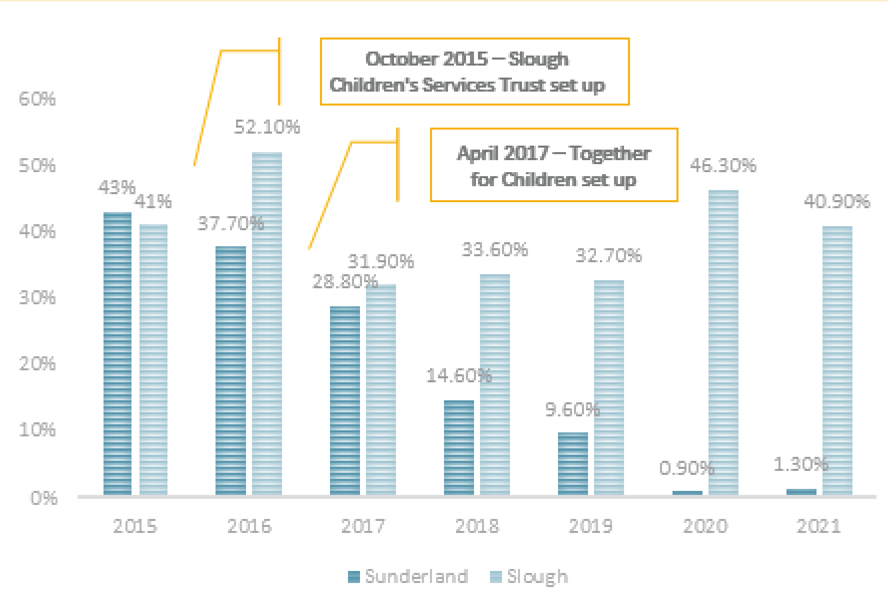
- Use of Innovate Teams: One of the key areas of concern in terms of the workforce is the dependence on Innovate Teams. This issue is recognised by SCF. Such teams are expensive and were originally designed to fill in very short-term gaps. Using them over a sustained period may cause conflict within the permanent workforce and might lead to a reduction in permanent staff. SCF argue that Innovate Teams are needed to provide additional capacity in the system, yet they are expensive, do not guarantee high quality and can be detrimental to wider staff morale. As noted in the Director of Operations report to the People Scrutiny Panel from December 2021, 'additional capacity from Innovate Teams continue to experience significant vacancies so they can't help absorb pressures from Safeguarding and Family Support despite increase in pay rates'. The senior leaders are acutely aware of the potential impact of using Innovate Teams, but feel they have no alternative in order to limit the caseloads to the levels they have achieved over the last 12 months. Reducing caseloads demands a determined effort and support from senior leaders with close attention to throughput of work. Morale of frontline staff is reported to be good, and the key to holding on to staff is to reduce their workload which will in turn, lead to more effective work being undertaken.

- Alternative approach to reducing caseloads: The underlying approach taken by SCF to reducing caseloads rests on shifting the work towards earlier intervention in order to reduce the overall numbers of children and families being worked with at a child protection or child in need level. The assumption is that as the overall numbers reduce, the need for Innovate Teams will reduce and the permanent workforce will be left with manageable caseloads. An alternative approach would be to reduce the numbers of children in the system through a dedicated drive to focus on throughput of work – prioritising families where there is risk of significant harm and supporting staff to close cases where the risk is lower. In this approach, rather than increase capacity in the workforce to meet demand, the leadership take a robust view on the prioritisation of work that can be done by the current workforce. This is only possible with stable leadership and confident middle and team managers. There is evidence of a risk averse approach in SCF (see Appendix 1 with comments on practice), which is not unusual for children's social care services who have received consistently low Ofsted ratings. With an incoming DCS who will be committed to stay longer term, and who will back staff to make difficult decisions, confidence can grow. A focus on decision-making at all levels of the organisation can assist in enabling the service to be consistent in demand management.

Case study: Workforce Strategy "the 12 reasons to work for Sandwell Children's Trust"
The creation of workforce strategy "the 12 reasons to work for Sandwell Children's Trust" has been a pivotal initiative for Sandwell to achieve its goals of attracting and retaining a stable, experienced workforce. It is a flagship document which combines all workforce-related initiatives in one strategic framework. It also is a comprehensive promise to all staff, developed by listening to their needs, that sets out a commitment to support, develop and most importantly care about the Trust's workforce. It includes initiatives that drive improvement in pay, accommodation, ICT, practice, culture and professional development. A Task and Finish Groups have been used to deliver the strategy.
Source: Business Plan 2020-23 [accessed 3rd August 2022]

Case study: Rapid decrease in agency staff workers in Sunderland (Together for Children)
One of the key aims of SCF is to increase the levels of permanent staff, with an ambitious plan to increase the percentage of permanent frontline workers from 53% to 72% by March 2028/29. This is not without precedence. Sunderland managed to decrease its rate of agency social workers from 43% in 2015 to 0.9% in 2020. However, over the same period Slough maintained a high level of reliance on agency staff. While we appreciate that the context in which Slough operates (including proximity to London) makes recruitment of permanent staff more difficult, there are some important lessons learnt from Sunderland's approach.

Figure 6. Sunderland and Slough rate of agency social workers 2015-2021.



Source: DfE, Local Authority Interactive Tool (LAIT)

Sunderland journey:
During the first year of operations of Together for Children (2017/18), the organisation had 167 agency staff at a cost of £6.14m – estimated to be £2.05m more than if they had been employed as full time staff. There were teams with nearly 100% agency staff in social work positions. This went down to one agency social worker in 2020.

How it was achieved:
- Designing a supportive structure for the social care workforce;
- Introducing a new management layer, comprising of two heads of service to support service managers and ensure appropriate management grip;
- Carrying out a skills review of staff and managers, which led to identification of a cohort of staff who were provided with extra support and coaching. Where this was not effective, staff were

supported to move to areas of work within their skill base, and where this was not possible, they were supported to move into roles external to Together for Children;

- Introducing leadership training for managers;
- Introducing a quality assurance team and practice standards for managers, social workers and other staff;
- Developing a culture of openness and collaboration;
- Recruiting additional managers and social workers – with recruitment campaign that relied heavily on word of mouth (after the changes described above were introduced).

Source: Martin Birch, Director of Children's Social Care, 'How we went from inadequate to outstanding in three years', LGC

***Senior managers** have focused on the right things. They have been **decisive in recruiting a permanent and excellent set of social workers to replace the short-term and agency staff that were previously in post**. Highly skilled managers have also been recruited and then supported with well-focused training and mentoring opportunities. In addition to recruiting experienced and good practitioners, TfC has continued to support the training of caring and skilled staff to become social workers.*

Source: Ofsted, Sunderland City Council, Inspection of children's social care services, 2021

Lessons for Slough:

- Rapid decrease in agency staff rates is possible, but it requires focus on 'getting your house in order' before intensified recruitment campaigns can bring positive results.
- Competent and committed senior managers are critical to ensure increase in permanent staff and retention.

Section 4. Financial analysis

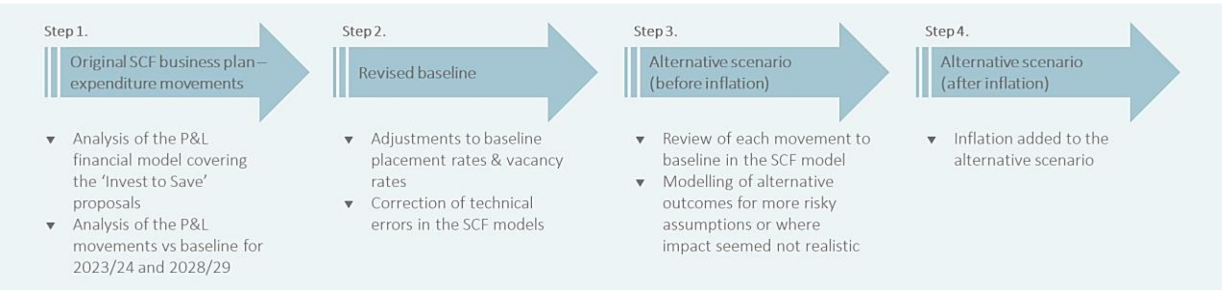
This section of the report provides detailed financial analysis, including modelling alternative outcomes for the key assumptions underpinning the financial model. Our financial analysis concludes that the SCF business plan underestimates the investment required and accordingly under the proposed plan SCF would not be sustainable on current levels of funding. We identified additional financial pressures of £3.5m in 2023/24. This is on top of the deficit forecasted in SCF's business plan (£3.4m in 2023/24 and gradually decreasing year on year).

Approach to financial analysis

We developed a 'shadow financial model' to provide quality assurance of the financial modelling underpinning the business plan and stress test the core assumptions. The shadow model collates all key data inputs and cost drivers in one spreadsheet (e.g. workforce, placements, caseloads), creating a single comprehensive picture of the P&L account. This allows for a streamlined sensitivity analysis of all the assumptions, as any change to cost drivers and other assumptions underpinning the business plan feeds through the model.

Figure 7 outlines the key steps undertaken as part of the financial analysis. It started with the analysis of expenditure movements in the original SCF business plan (step 1). We then reviewed the baseline (step 2) and assessed all assumptions, proposing an alternative more likely scenario for assumptions that in our opinion were over optimistic (step 3). This analysis excluded inflation in order to focus on the changes in the core business and operations not distorted by inflationary pressures. In step 4 we add back inflation to the alternative scenario. This results in what we believe to be a more likely financial projection.".

Figure 7. Approach to financial analysis.



The following paragraphs provide detail on the outputs of each step.

Step 1: Original SCF Business Plan

This section looks at the forecasts of movements in expenditure resulting from SCF's business plan. Figure 8 outlines a summary of net changes in expenditure between year one and year two of the business plan. It indicates that even though the overall level of expenditure before inflation remains similar, there are significant up and down cost movements expected in a number of areas.

These movements are due to both the 'Invest to save' proposals (as shown on the right hand side of the figure below) and changes to assumed business as usual costs (left hand side of the figure below). Materially, the latter include:

- Care leaver cost changes – assumed impact of £0.91m;
- Placement rate movements – assumed impact of £0.59m.

Some of the business-as-usual changes are implicit or only briefly mentioned in the business plan narrative. Given that their aggregated impact on the SCF's financial position is significant, we recommend that these activities are closely monitored and receive the same level of scrutiny as the 'Invest to save' proposals. They will have a significant impact on whether SCF will be able to deliver services within the agreed contract quantum.

Figure 8. Movement in expenditure between year one and year two of the business plan.

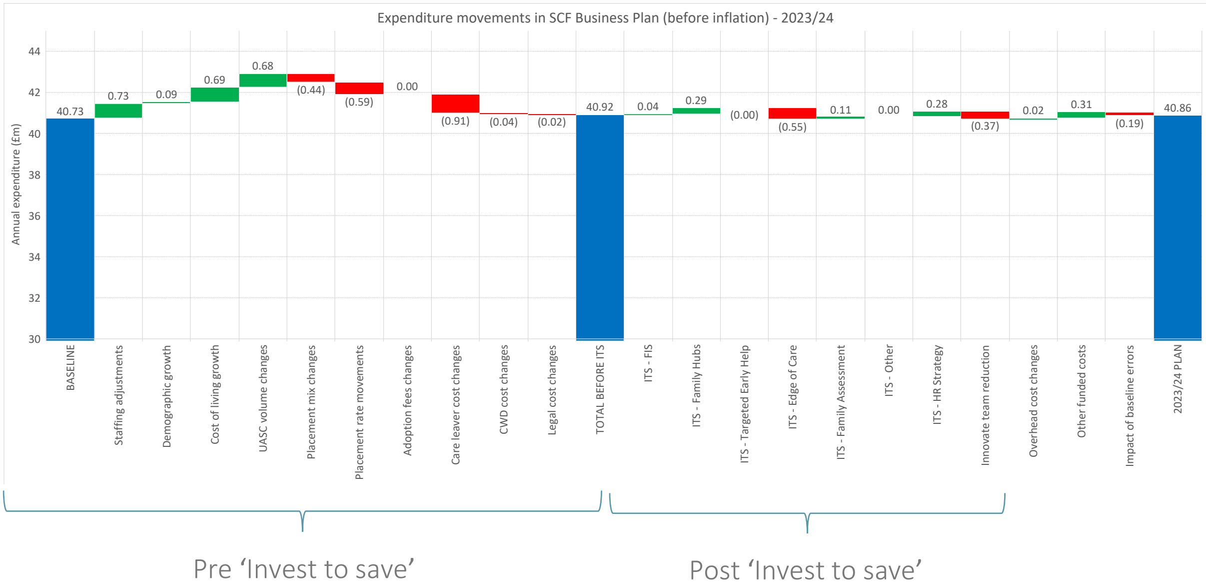
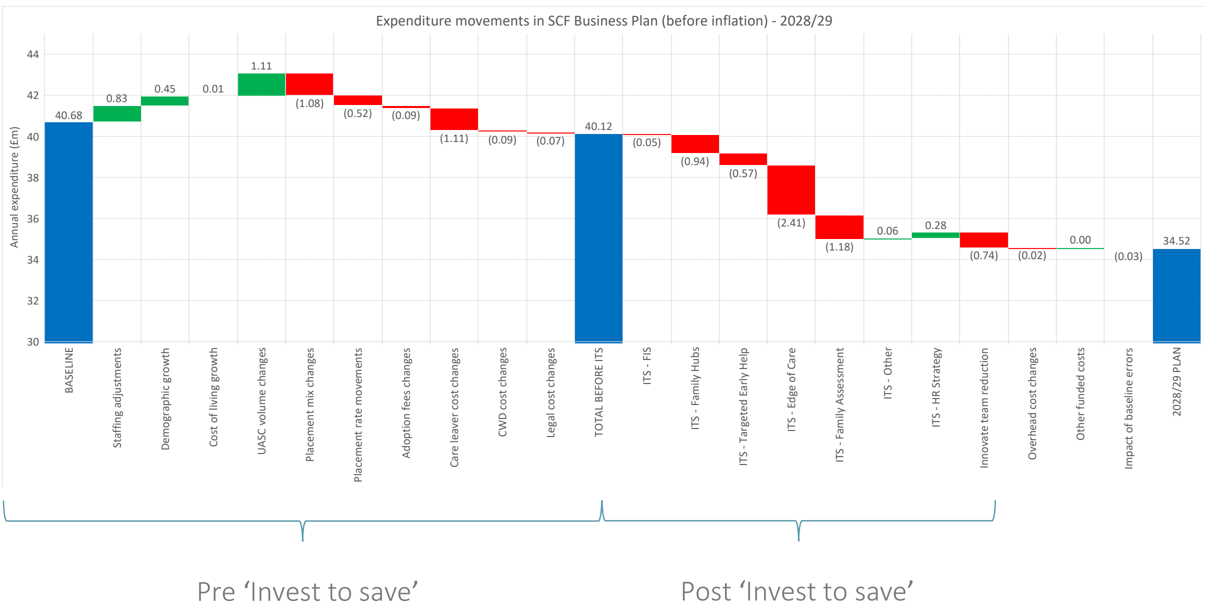


Figure 8 outlines the movement in expenditure of different areas of SCF operations between year one and year seven of the business plan and the impact of 'Invest to save' measures.

SCF's P&L forecast for the seven-year horizon of the business plan shows that pre-inflation the total expenditure would reduce from £40.68m to £34.52m. This is largely driven by the combined impact of the 'Invest to save' proposals, with Edge of Care having the biggest net impact (£2.41m), followed by Family Hubs (£1.68m). The workforce 'Invest to save' proposal focused on retention package contributes to increasing costs by £0.28m. However, it should be noted that the impact of other 'Invest to save' proposals will depend on SCF's ability to recruit and retain high quality social workers.

Figure 9 outlines the movement in expenditure of different areas of the business for SCF between year one and year seven of the business plan and the impact of 'Invest to save' measures.

Figure 9. Movement in expenditure between year one and year seven of the business plan.



Step 2: Revised Baseline

In our analysis we developed an updated baseline for SCF's business plan with adjustments to the placement rates and vacancy rates, as outlined in the figure below. We also included corrections to any technical errors found in SCF models.

Figure 10. Revised business plan baseline assumptions.

Assumption	Assumption in model that underpins the Business Plan	Assumption used for alternative projection
Baseline placement rates	▼ Residential rate (£4189 pw) based on average of Nov 21- Apr 22, including an outlier value in Dec 21. ▼ Secure rate (£2513 pw) based on low volumes between Apr 2020-Aug 2021 during which time rates appear much lower than in earlier years. Other rates based on average of May 21-Apr 22.	▼ Residential rate (£4433 pw) based on May 21-Apr 22 (consistent with method used for other placement types). ▼ Secure rate (£3433 pw) based on average since Apr 2019.
Vacancy factor	▼ Fixed at 3 SW posts + current permanent non-caseholder vacancies (equivalent to approx. 6% of baseline permanent staffing costs)	▼ 10% of costs of permanent staff for all years

This step ensures that we are modelling against what we believe is a more realistic baseline.

Step 3: Alternative Scenario – before inflation

Using our 'shadow model' we were able to conduct sensitivity analysis of the different assumptions and identify their impact on the P&L. We reviewed all assumptions underpinning the business plan and modelled alternative outcomes for a number of high impact assumptions or where we assessed the assumptions used were at high risk of not being achieved.

We acknowledge the inherent difficulty of forecasting demand and activity of children's social care services. The future position of the service will depend on a number of factors that are not possible to determine at the time of developing the business plan. However, we found a consistent optimism bias built-in to the assumptions underpinning the business plan. We proposed alternative assumptions that were used to re-calculate the financial model underpinning the business plan and show a more likely financial position of SCF.

Below are figures outlining the key assumptions that we proposed alternative scenarios for. Both figures include a description of the alternative scenario modelled and our comments on rationale for revising the assumptions. A more detailed review of all business plan assumptions with (where possible) quantified impact is available in a separate spreadsheet (Appendix 5 to this report).

Figure 11. Business as usual – key alternative assumptions modelled.

Assumption	Original SCF assumption	Alternative scenario assumption	Commentary
Demographic growth	Based on housing growth. Approx 3.2% growth over 7 years.	Based on ONS projected growth rates adjusted for a higher birth rate. Approx 0.1% fall over 7 years.	SCF assumption that ratio of children per household stays fixed seems unrealistic
Placement mix: net foster carer recruitment	Net increase in in-house foster carers of 38 over 7 years (approx 50% increase	Net 10% increase over 7 years.	Foster carer numbers are not increasing nationally; the SCF assumption feels very ambitious.
Placement rates	Reductions of rates for residential, IFA (planned and emergency) and 16-25 pathway plan placements	No reductions	Market and economic conditions are not favourable for negotiating prices down: national issue with residential & IFA placement market with demand exceeding supply and prices rising accordingly. Current inflationary pressures are also a factor. Little or no evidence in the Business Plan to suggest any certainty in projected price reductions.
Care leavers	Reduced volumes (from 44 to 30) and rates (from current £722 to £110 per week)	No reductions	Partly dependent on a reduction in the number of UASC age assessments being challenged through the courts; Initial ITT with the requirement that the cost needed to be withing Housing Benefit rates received no bids

Figure 12. 'Invest to save' proposals – key alternative assumptions modelled.

Assumption	Original SCF assumption	Alternative scenario assumption	Commentary
Family Hubs and Targeted Early Help caseload reductions	Family Hubs impact: 14% MASH contacts 20% Targeted Early Help 34% Assessment volumes 26% CIN volumes Early Help impact: 15% Assessment volumes 11% CIN volumes	Family Hubs and Early Help combined impact: 14 % MASH contacts 20% Targeted Early Help 20% Assessment volumes 20% CIN volumes	Benchmarking suggests that there is scope to reduce assessment and CIN volumes, but the scale of reduction modelled by SCF feels ambitious. Potential double counting of impact of both proposals
Edge of Care caseload reductions	10% CIN volumes 4% CP volumes 12% CLA volumes	CLA volume reduction only	Unclear on rationale for the impact on CIN and CP. CIN reduction looks particularly ambitious.

For some assumptions, we were not in a position to quantify an alternative more likely scenario. Instead, we note there is a risk attached to them. For instance, an ambition to reduce average proceedings duration to 26 weeks feels stretching in the context of current proceedings durations across the country – this may have an impact on family assessments and legal costs.

There is also additional risk associated with the bid to the DfE for costs associated with the company model (£817k in 2023/24). If the DfE funding is not granted, it would further add to the deficit position next year and beyond.

Stress testing of the key assumptions underpinning the business-as-usual assumptions and the 'Invest to save' proposals shows that the business plan overestimates the level of savings. This means it also underestimates the quantum of funding needed to implement the business plan and continue service improvement. However, even after our revisions, the 'Invest to save' service development proposals (i.e. continuum of care / early help and edge of care proposals) still generate net savings.

Figures below outline the movement in expenditure for SCF between year one and year two (Figure 13) and year 7 (Figure 12) of the business plan in our alternative scenario, including the impact of 'Invest to save' measures.

Figure 13. Movement in expenditure between year one and year two of the business plan – alternative scenario modelled by MV.

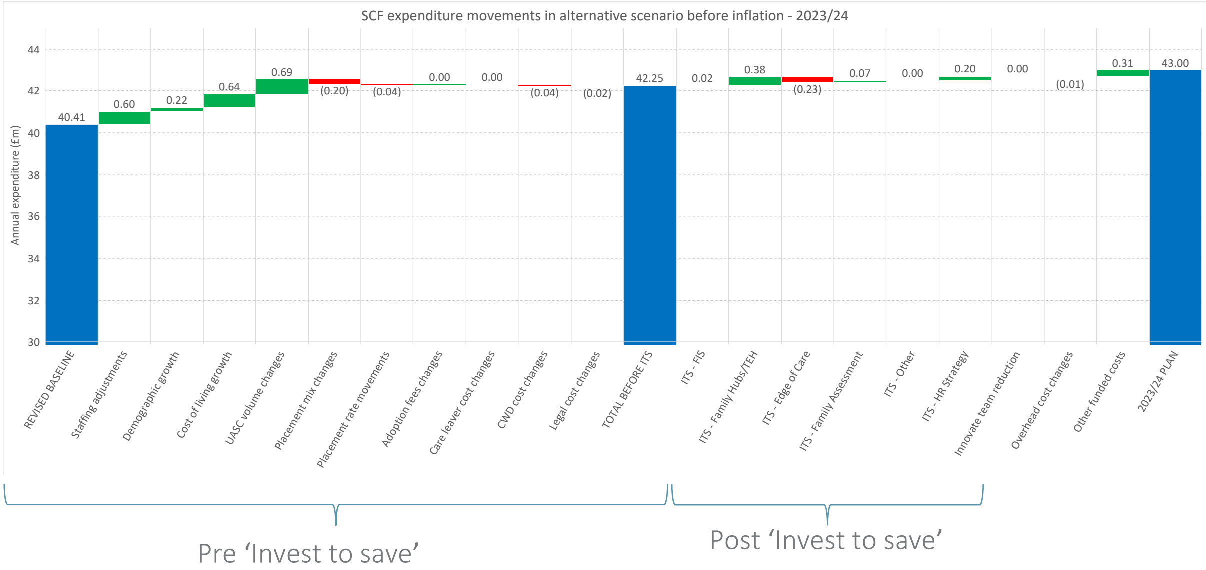
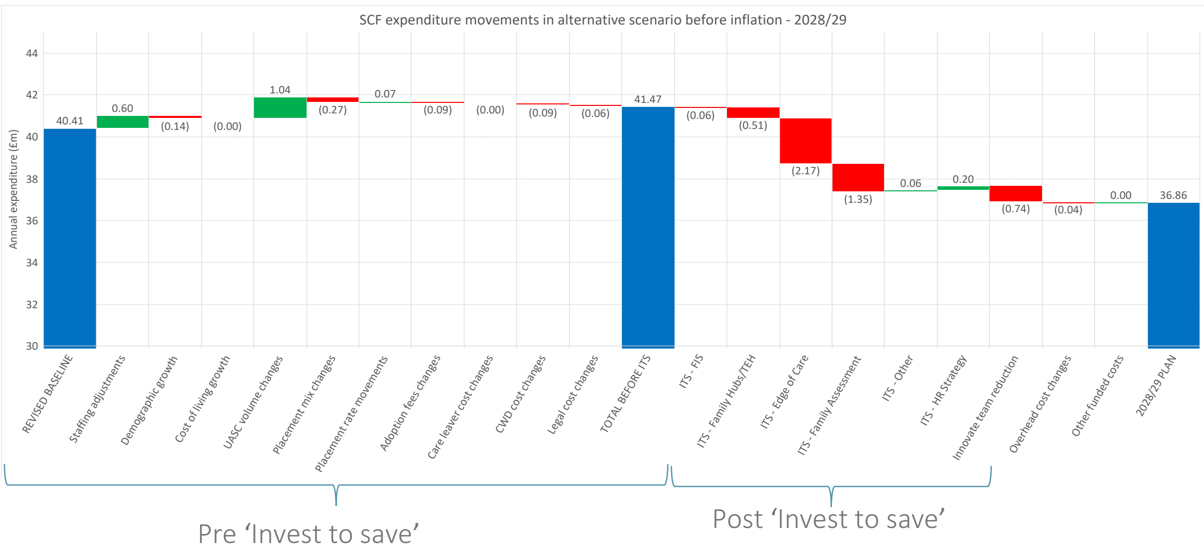


Figure 13 shows a much higher growth in expenditure in year one of the business plan when compared to SCF's forecast in their business plan as seen in Figure 8. In the alternative scenario, the savings generated through 'Invest to save' proposals in year 2 are much smaller. In addition to this, the impact of placement rates and care leaver cost improvements is also much lower.

Figure 14 below outlines the movement in expenditure for SCF between year one and year seven of the business plan in our alternative scenario and the impact of 'Invest to save' measures.

Figure 14. Movement in expenditure between year one and year seven of the business plan – alternative scenario modelled by MV.



This shows a smaller total decrease in expenditure when compared to SCF's forecast in their business plan as seen in Figure 9. The 'Invest to save' measures are still shown to be effective in reducing expenditure but not as much as in the original SCF business plan.

Our alternative P&L forecast for the seven-year horizon of the business plan shows that pre-inflation the total expenditure would reduce from £40.41m to £36.86m.

The net impact of the 'Invest to save' proposals is clear with a combined net decrease in expenditure of £3.83m, with Edge of Care having the biggest impact (£2.17m), followed by Family Assessment (£1.35m) and Family Hubs (£0.51m). As before with the original SCF business plan, the workforce 'Invest to save' proposals contribute to increasing costs (£0.2m) but the impact of other 'Invest to save' proposals will depend on SCF's ability to recruit and retain high quality social workers.

The figure below presents costs, expected savings and net impact of the 'Invest to save' proposals in two scenarios: based on the business plan assumptions and our alternative scenario. Please note that – as with all figures analysed at this stage of our analysis – the figure below presents the numbers before inflation uplifts. The return on investment is not easily comparable between the proposals. In case of the Community Family Assessments, adjustment for risk was not possible to quantify – therefore the figures included in the alternative scenario are likely to be overstated. In addition to this, we considered the impact of Family Hubs and Targeted Early Help in combination as Targeted Early Help involves a temporary investment intended to enable the long-term success of the Family Hubs.

The savings figures presented do not include the additional saving achieved through shutting down the Innovate teams (£742k pa by 28/29, modelled separately in the alternative P&L forecast).

Please note that the 'alternative scenario' modelled by MV looks at all the 'Invest to save' proposals. Modelling is based on sequential application of the changes. Therefore, differences in other assumptions (e.g. demographic growth) can also affect other figures.

Figure 15. 'Invest to save' proposals – financial position in the business plan and the alternative scenario, before inflation (£'000s).

		Impact versus baseline - SCF business plan					
Family Information Centre		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Cost	114	114	114	114	114	114
	Saving	-76	-154	-161	-162	-162	-163
	Net impact	***38***	***-40***	***-47***	***-48***	***-48***	***-49***
		Impact versus baseline - alternative scenario					
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Cost	103	103	103	103	103	103
	Saving	-79	-159	-165	-163	-161	-160
	Net impact	***24***	***-56***	***-62***	***-60***	***-59***	***-57***

Family Hubs (FH) and Targeted Early Help (TEH)	Impact versus baseline - SCF business plan						
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Cost - FH	424	424	424	424	424	424
	Saving - FH	-130	-373	-618	-865	-1113	-1362
	Cost - TEH	110	249	255	99	-4	-4
	Saving - TEH	-110	-226	-343	-461	-557	-569
	Net impact	*293*	*73*	*-282*	*-803*	*-1250*	*-1511*
	Impact versus baseline - alternative scenario						
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Cost - FH	382	382	382	382	382	382
	Cost - TEH	92	231	232	91	-1	-1
	Saving	-93	-260	-425	-583	-735	-886
	Net impact	*381*	*353*	*189*	*-110*	*-354*	*-505*

Edge of care	Impact versus baseline - SCF business plan						
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Cost	360	360	360	360	360	360
	Saving	-910	-1515	-1847	-2181	-2485	-2766
	Net impact	*-550*	*-1155*	*-1487*	*-1821*	*-2125*	*-2405*
	Impact versus baseline - alternative scenario						
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Cost	324	324	324	324	324	324
	Saving	-551	-1187	-1542	-1895	-2211	-2497
	Net impact	*-227*	*-863*	*-1218*	*-1570*	*-1886*	*-2173*

Community Family Assessments*	Impact versus baseline - SCF business plan						
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Cost	395	395	395	395	395	395
	Saving - caseloads	-191	-442	-663	-886	-1112	-1332
	Saving - legal	-93	-229	-291	-274	-258	-247
	Net impact	*112*	*-275*	*-559*	*-765*	*-974*	*-1184*
	Impact versus baseline - alternative scenario						
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Cost	356	356	356	356	356	356
	Saving - caseloads	-185	-462	-703	-942	-1182	-1413
	Saving - legal	-100	-252	-325	-313	-300	-289
	Net impact	*70*	*-358*	*-672*	*-899*	*-1127*	*-1347*

*a 26-week duration of care proceedings feels stretching, however we have not adjusted for risk due to lack of robust alternative assumptions

Step 4. Alternative scenario – after inflation

In the last step of the analysis, we added back inflation based on the below assumptions:

- 22/23 inflation amounts as per SCF Business Plan
- 23/24: 4% uplift to all pay costs, average 7% uplift to all other costs
- 24/25: 2% uplift to all costs
- 25/26 and later: 2% per annum uplift to pay costs, average 1% per annum uplift to all other costs

All inflation applied is assumed to be added to the SBC contract sum.

This results in an additional inflation pressure (over-and-above the amounts in the SCF Business Plan) of £1.4m in 2023/24, rising to £2.1m by 2028/29.

During the project, we discussed the inflation assumptions with the Company and the Council. We acknowledge that not all non-pay costs will increase in line with inflation. Individual cost items will be subject to different inflationary pressures. In particular, costs related to the Council Service Level Agreement (£2.2m) are likely to increase at a slower rate than inflation. To account for this, we have applied an inflation rate below the current BoE forecasts to all non-pay costs.

We have assumed a 7% uplift to all non-pay costs in 2023/24, which is below the current CPI level of 10.1% and below the BoE inflation projections (the BoE forecasts that CPI inflation is expected to reach over 13% in 2022 Q4, and to remain at very elevated levels throughout much of 2023, before falling to the 2% target two years ahead).

Based on the assumptions above, we developed an alternative SCF P&L account. Figure 16 below presents a comparison of business plan with review outputs. It shows the revised SBC funding requirement, which is based on the funding requirement projected in SCF's business plan and revised through:

- Correction of technical errors identified in SCF modelling;
- Baseline revision, including adjustments to placements rates and vacancy factor;
- Application of alternative growth forecasting methodology;
- Revision to savings estimates that correct for optimism bias in SCF projections; and
- Revision of assumptions on inflation.

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

Current SCF contract value

SCF Business plan position

Revisions to Business plan resulting from review findings.

Includes:

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

Revised funding requirement

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

Comparison of the revised SBC core contract values with the original P&L modelled by SCF in the business plan shows that the contract value would need to be much higher to cover the increased costs.

Looking at data for 2023/24, total additional financial pressure amounts to £3.6m (with £100k funded by other partners / grants, which results in the core SBC contract pressures of £3.5m). This is on top of the deficit forecasted in SCF's business plan (£3.4m). As a result, the total SCF funding requirement is estimated to be £39.3m. The largest factors contributing to the additional pressures are savings impact revisions (£2.9m) and additional inflation (£1.4m). As mentioned above, it is worth stressing that savings revisions refer not only to the impact of 'Invest to save', but also to the reduced business-as-usual service delivery costs. In fact, the latter have a much bigger impact on the bottom-line.

In subsequent years, total savings revisions resulting from our analysis oscillate between £4.2 and £4.8m per annum. However, the total SBC funding requirement decreases. This reflects the positive impact of 'Invest to save' proposals on the bottom line of the company, even after the assumptions are adjusted for optimism bias.

In 2028/29, the total business plan revisions create an additional funding pressure of £4.4m. However, the business plan assumed that SCF would generate a surplus of £1.6m. This means that the total funding requirement reduces to £37.2m.

MV comments

- Overall conclusion: Our financial analysis concludes that the SCF business plan underestimates the investment required over the period of the plan and accordingly under the proposed plan SCF would not be sustainable on current levels of funding.

- Changes in practice that may improve SCF's financial outlook: In our view, the financial outlook for SCF could potentially be improved, but that would be critically dependent on stable, confident leadership and the appointment of a permanent DCS for the medium to long term. This would require reducing the numbers of children in the system through a dedicated drive to focus on throughput of work, coupled with emphasis on creating additional capacity within the existing service establishment, which is already happening in the CIN work done over the last 12 months. The key steps required to implement this involve:
    - a review of the target operating model for the intervention work to ensure it is delivered at the right stage to have an impact on children and families, and ensure risks and needs do not escalate;
    - a further monitoring and review of thresholds to assess if there is a potential to raise them in a measured and managed way, building on work already done through the Safeguarding Partnership;
    - a root and branch review of open cases, with a view to prioritise families where there is risk of significant harm and supporting staff to close cases where the risk is lower;
    - focus on growing confidence in decision-making at all levels of the organisation to be consistent in demand management.

  This could bring forward some of the benefits within the business plan, particularly linked to suspending the use of Innovate teams sooner than planned. More detailed information on this approach and reverting the risk averse culture that may hold the service back is included in Appendix 1. Comments on practice approach.

- Potential impact of actions to improve the P&L: Below we outline the key actions that could have a material impact on SCF's bottom line. Some of them come with risks that should be considered through a detailed risk analysis assessment and managed appropriately:
    - **Early withdrawal** from the use of **the Innovate teams (potential impact: £742k per annum**) – As described above, this is contingent on stable, confident leadership. We acknowledge that the Company has already explored decommissioning Innovate Teams and deemed it would destabilise the service. That is why in our opinion this is only feasible as part of broader concerted efforts to drive down throughput of work;
    - **Abandoning the retention package** put forward in the workforce 'Invest to save' proposal (**potential impact: £277k per annum**) – In line with our comments on workforce presented in Section 3. 'Invest to save' proposals, we do not believe it will have a major impact on workforce unless the underlying reason for staff turnover (caseloads) is

addressed. Therefore, if prioritisation of the 'Invest to save' proposals is required, this is the element of the business plan that we therefore recommend be marked as lowest priority. We do see some risk that if SCF's renumeration package is not at par with the neighbouring areas, recruitment and retention could be affected. This would need to be closely monitored by the company. We would also strongly encourage SCF to continue implementation of other non-pay workforce strategies to make the company a more attractive employer.

- Changes to the proposed **Family Hubs delivery model** (potential impact: **£90-140k per annum**) – A more detailed assessment of the Family Hubs delivery model, looking in particular at the proposed number of locations, is provided in Appendix 2. While we support the development of four Family Hubs in principle, SCF could also explore a 'hub and spoke' model with some locations operating part-time. This could decrease the number of new staff required from 9 FTEs to 6-7 FTEs. More significant changes to the Family Hubs proposal would come at a risk of jeopardising the impact of the overall early help proposal.

MUTUAL VENTURES

Section 5. Business plan deliverability analysis

This review identified several risks that affect the deliverability of the plan. They relate to SCF finance function, the business plan programme architecture (governance arrangements, monitoring, benefits realisation plan, risk assessment) as well as the overall ability of SCF to demonstrate the service achieves maximum value for every pound spent. Our recommendations on how to mitigate the business plan deliverability risks should be implemented by SCF as a matter of urgency.

Deliverability assessment framework

As part of the review, MV was asked to comment on the business plan deliverability. We have developed a framework that draws from relevant aspects of recognised sector standards and good practice (e.g. CIPFA Financial Management Code, CIPFA / SOLACE Delivering Good Governance in Local Government) to explore SCF's capacity and capability to deliver plans and identified savings within the specified timescales. Our framework is structured around four key themes:

1. Financial accountability regime (governance, financial scrutiny and assurance);
2. Corporate planning function and robustness of financial modelling;
3. Business plan delivery assurance and benefits realisation; and
4. Interface and relationships with the Council.

The framework also looks at three management dimensions:

1. Leadership, which focuses on the strategic oversight and stewardship provided by SCF's Board members and management team;
2. People, which includes both the availability of resources, and range of skills and competencies within SCF staff; and
3. Processes, which examines SCF's approach to corporate planning and delivery of plans.

The analysis aims to identify the key risks to the deliverability of the business plan. It also presents what good looks like, encouraging greater organisational accountability and improved financial resilience. As such, we hope this analysis could be used by SCF as a catalyst for further organisational development.

Please note that this analysis is intended as a quick health check, not a comprehensive assessment of the company's organisational maturity or governance audit.

Review findings and recommendations

We held interviews with Council and SCF senior leadership to ascertain a view of as many elements of this framework as possible. The findings given here are the result of those interviews and wherever possible represent a common view which emerged from the different interviewees. Where possible, this was supported by review of documentation provided to us during the project, to ensure the review triangulates information from different sources.

Detailed review findings are included in Appendix 3. Even given the short period of time we had for our review, it was clear to us that the company is working hard to improve the deliverability of the business plan and is receptive to our feedback on how to strengthen the programme architecture. Passion and commitment of the SCF leadership was particularly notable, as was their collaborative working and regard for each other.

Below we summarise the key areas for improvement identified through our review and recommendations that are aimed at improving the deliverability of the business plan. The company is already aware of many of the areas for improvement identified and, we understand, is working to address some of them.

Figure 17. Financial capacity and capability – key areas for improvement and recommendations.

Theme	Management dimension	Key areas for improvement	Recommendations
1. Financial accountability regime (governance,	People	**Finance function is fit for purpose:** the company has access to sufficient financial	To review capacity and capability within SCF finance function to ensure it is fit for purpose and the Finance Director has an ability to 'take a step back' and focus on more strategic issues.

financial scrutiny and assurance)		resources and skills to meet its business needs.	Additional finance team resource would be beneficial, or partnering with other Children's Services may options to consider, particularly as a short term solution for strengthening SCF finance function. In our experience having an independent strategic finance function is critical for children's services alternative delivery models. The strategic finance function for the Company needs to have independence to advise the Company on its financial issues without any risk of conflict to the competing priorities of the Council. To that end SCF should have independent strategic finance function unimpeded by potential conflicts of interest that are inevitable if this is provided directly by the Council. Without such independence there would be a risk of undue influence or blurring of professional advice. The provision of transactional financial support however could be delivered by the Council via an SLA or contract for supply.
2. Corporate planning function and robustness of financial modelling	Leadership	**Value for money:** The leadership team is able to demonstrate that plans for service delivery provide value for money.	We would encourage SCF leadership team to develop a more structured approach that would allow them to demonstrate that services provide value for money. This is important given the challenging financial situation of the Council.
	Processes	**Assumptions:** The business plan and the underpinning financial model are explicit about the core assumptions. The assumptions are prudent, and stress tested through sensitivity analysis.	Next iterations of the business plan should include an explicit list of all the core assumptions presented in one place. This will facilitate ongoing monitoring of these assumptions (especially important for a demand-led service characterised by high volatility levels). All the core assumptions should be stress tested through sensitivity analysis.
3. The leadership team is overseeing the delivery of the business plan through appropriate governance arrangements, including a dedicated Programme Board, reporting to the company's Board.	Leadership	**Business plan governance:** The leadership team is overseeing the delivery of the business plan through appropriate governance arrangements, including a dedicated Programme Board, reporting to the company's Board.	Developing robust governance arrangements for the business plan delivery needs to a priority. The governance arrangements should include a single line of accountability from service managers up to the Chief Executive / DCS, clear reporting and risk management arrangements.
	Processes	**Monitoring:** The company has a robust business plan monitoring process,	We would expect more detail on how the business plan will be reviewed and updated on a regular basis, to make sure it stays relevant as the key strategic document. More detail

		with effective and insightful in-year forecasting, and a good mix of narrative and metrics reporting.	would be helpful on the ongoing internal assurance and monitoring arrangements (including opportunities for staff and children and young people to provide feedback and input to the next iterations of the business plan – especially that promoting the voice of children is one of the key strategic objectives that the plan sets out).
		Measures: Business plan defines SMART output and outcomes measures that are linked to the corporate KPIs framework.	A more focused separate suite of SMART KPIs that are directly linked to proposals set out in the business plan should be developed to support the ongoing monitoring and assurance processes. This should form a benefit realisation plan. This is particularly important for 'Invest to save' proposals that will take several years to realise their full impact. The company and the Council need to have tools to assess if the service is on track of achieving them.
		Risk assessment: Risk assessment of material items is kept up to date and reported to the Programme Board with financial implications, mitigating actions and contingency provisions.	Risk register should be created for the business plan. Risks need to be proactively managed and reported to the Board.

Detailed recommendations on improving relationships with the Council are covered in Section 6, which focuses on the contextual issues that are critical for the business plan delivery.

MV comments

Realisation of the savings identified in SCF's business plan will require: strong, capable, confident leadership; clear and robust governance; well-defined programme architecture, and; experienced programme management with disciplined monitoring, reporting and benefits management.

Our assessment of SCF's existing delivery capacity and capability found that the Company will need to strengthen its governance arrangements, business plan monitoring processes and benefits management discipline or further risk the delivery of proposed savings.

We identified a number of specific shortfalls that need to be addressed to **mitigate the business plan deliverability risks**:

- Strengthening the Company's **finance function** to ensure the Finance Director can have a more strategic role;
- Developing a structured approach that would allow the Company to demonstrate that services provide **value for money;**
- Developing an explicit list of all the **core assumptions** that can be stress tested and monitored;
- Developing robust **governance and board oversight arrangements** for the business plan delivery;
- Developing a robust business plan **monitoring process**, with effective and insightful in-year forecasting;
- Developing SMART output and outcomes measures / **benefits realisation plan;**
- Developing a comprehensive **risk assessment** process and monitoring risks on regular basis as part of ongoing programme management.

Section 6. Contextual issues

In this section we set out the initial overview of the key contextual issues that will impact on the deliverability of the Business Plan proposals and the overall children's social care services improvement. While these issues are largely outside the scope of the Business Plan, in our opinion they are mission critical. They will need to be carefully considered and addressed to ensure the proposed service improvements can take place.

Key areas for consideration and potential recommendations

We outline below five key contextual issues that will impact the deliverability of the business plan proposal. In our view improvements to the quality of children's social care services and the financial position of SCF will be critically reliant upon improved leadership stability within SCF; increased capacity and capability at a leadership level; an improved relationship with SBC; greater clarity on the optimal scope of SCF; and improved partnerships across the wider system.

We describe below a set of recommendations to support improvement of these key areas:

1. Leadership stability
   1.1. In line with the DLUHC Commissioners' recommendation, employ a permanent or a longer term interim DCS with the skills and attributes to deliver in challenging circumstances and willing to commit to a full-time position and longer term of office.
   1.2. Consider contractual arrangements (including appropriate use of recruitment and retention bonuses) to incentivise stability and align managerial compensation of the new post holder with the SCF's long-term performance. Given how competitive the market is, this will require thinking imaginatively about the range and scope of incentives.
   1.3. Carefully consider what the minimum term of office should be and how to align it with the service improvement journey to ensure single-handed accountability over SCF plans and performance.

2. Transformation capacity
   2.1. Consider strengthening the leadership capacity of SCF once the new DCS is in place. This could include a single post focused on delivering quality improvements and service transformation.
   2.2. Consider a broad range of potential funding sources for this post. Given the tight financial envelop in Slough, central government might need to be sought to cover the increased costs.

3. Relationships with SBC
   3.1. Prioritise continued improvement of the relationship between SCF and SBC. Turning around the negative dynamic will require equal commitment from all parties.
   3.2. Revisit the oversight arrangements to ensure they are fit for purpose and ensure compliance with processes set out in the service delivery contract.
   3.3. Consider options for strengthening governance and operational arrangements between SCF and SBC, for instance reshaping the existing arrangements to focus more on cross-service partnership or setting up an Operational Partnership Board.

4. Scope of children's services managed by SCF
   4.1. Once SCF are in a more stable position, carry out an options appraisal to identify the optimal scope of services that should be discharged to SCF vs those retained by SBC, including SEND.

5. Partnerships across the wider system
   5.1. Review and streamline partnership governance arrangements across Slough.
   5.2. Consider refocusing some of the operational service improvement plans (e.g. early help, edge of care) to further strengthen the multi-agency approach.

Leadership stability

All key stakeholders recognise there is a significant challenge with the stability of leadership within SCF (not dissimilar to SBC). High turnover within the senior leadership team over several years has adversely affected the speed and effectiveness of improvement. Addressing this issue is key if SCF is to deliver the wholesale transformation needed.

High leadership turnover was identified as a key issue by DLUHC Best Value Commissioners in their first report dated 9 June 2022:

> *Over the past 18 months, SBC has employed four statutory Directors of Children's Services (DCS). It is not possible to formulate or deliver any plan in such circumstances. A key element of the immediate future is to identify and employ a DCS with the skills and attributes to deliver in these challenging circumstances and be willing to commit to a three-year term of office.*[11]

The quality of senior leadership has been assessed positively in the recent Ofsted report from their focused visit to SCF in February 2022:

> *Senior leaders know their services well and have supported staff to develop and improve their practice.*[12]

In addition to this, it should be noted that whilst the Chief Executive post in SCF has had a number of changes recently, the other leadership roles such as the Directors and Heads of Service have been stable for some years.

However, the future of the DCS position is uncertain: the current Interim Chief Executive / Director of Children's Services (Andrew Fraser) is contracted to remain in office until December 2022. We agree with the DLUHC Commissioners' recommendation that the next appointee should be full-time and committed to a longer term of office. This opinion has also been supported by the DfE Commissioner in conversations with the MV review team.

Key practical issues for consideration in Slough:

- Minimum required office term: Securing a permanent DCS appointment should be the ultimate goal for Slough children's social care services. If this is not achievable, the DLUHC Commissioners' suggestion of a two / three-year term of office for the DCS position is reasonable, even if it may be difficult to enforce. To ensure full ownership of the service improvement journey and accountability over its results, ideally the minimum required term of office would be aligned with the turnaround timeframes (i.e. four years), however we appreciate that it may limit the potential field of candidates to insist on that from the outset. We note that as of 2021 the national average tenure of a DCS in the same local authority was 30 months[13].

- Contractual arrangements: Recruitment and retention bonuses that are clawed back if a member of staff leaves the employer within the predefined time (known as 'golden hellos' or 'golden handcuffs') have long formed part of the social work landscape, especially in children's social care services. These incentives are commonly used both when recruiting to senior leadership positions as well as frontline staff (and form a part of SCF Business Plan workforce proposals). Given an extremely competitive market for experienced DCSs, we would strongly suggest offering a

[11] Best Value Commissioners First Report on Slough, 9 June 2022 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1094655/Commissioners_first_report.pdf [accessed 3rd August 2022]
[12] Ofsted report, Focused visit to Slough Children First, 22 February 22 https://files.ofsted.gov.uk/v1/file/50177987 [accessed 3rd August 2022]
[13] ADCS DCS update 2021, https://adcs.org.uk/leadership/article/adcs-dcs-update-2021-press-release [accessed 9th August 2022]

recruitment / retention bonus as part of the benefit package. This would need to be linked to the required term in office, with contractual provisions to withdraw the offer or claw back on the payment should the post holder not serve till the end of the required minimum term.

Examples from elsewhere

A Community Care investigation found 53% of councils offered some form of cash incentive for children's social care services staff, with some of the most generous offers at the time available in West Berkshire (£15,000 bonus for three years' service) and Derby (providing contributions to house deposits). Recruitment and retention bonuses are particularly common when the recruiting organisation is about to go over a turbulent phase. For instance, Northumberland CC gave 'golden handcuffs' to its senior staff to stop them from leaving before the unitary reorganisation.

Source: Community Care, 'Inadequate' council signs up 80% of social workers to 'golden handcuffs' scheme despite staff criticism row, 7 June 2019 [accessed 3rd August 2022]

- Broad pool of candidates: Recent ADCS data[14] shows that nearly all of those being appointed as a permanent DCS in 2021/2022 were stepping up from assistant director/second tier level either from the same or a different local authority. Given that the leadership stability that could come with a permanent position is important for Slough, we would recommend exploring recruitment from a broad pool of candidates, including those who are ready to progress their careers, are open to take on a challenging role, and could also bring new ideas to the table, assuming they have the required experience and skills.

- Continuity of vision and business plan under new leadership: There is a risk that an incoming DCS would want to have their own plan and licence to do things as they saw fit rather than being wedded to a plan their predecessors had created. This is a salient point. However, given that the business plan is intended as a 'live' document, there will be scope to further adjust the vision and the planned initiatives within the funding envelope that SCF is requesting. If Slough children's social care services have an appropriate funding envelope, the incoming DCS would have the budget to deliver services as they see fit even if this means a move away from the current practice proposals.

Transformation capacity

Given the ambition of the service improvement plans, it may be necessary to consider strengthening the leadership capacity of SCF. Currently, the Executive Team consists of three directors:

- Andrew Fraser – Interim Chief Executive and Director of Children's Services, Slough Children First & Slough Borough Council,
- Carol Douch – Director of Operations at Slough Children First,
- Matt Marsden – Director of Finance and Resources at Slough Children First.

The existing structure may be underestimating the extent to which transformation requires both strategic capacity and specialist capabilities to successfully deliver at pace.

The DfE did not award additional transformation funding to Slough for 2022-23, which left SCF without funding for the post of Assistant Director of Quality Assurance. This decision was made against the backdrop of limited resources that the DfE had to distribute between a large number of children's social care services that required improvement.

[14] ADCS DCS update 2022, https://adcs.org.uk/leadership/article/adcs-dcs-update-2022 [accessed 9th August 2022]

In our opinion, a single post focused on delivering quality improvements and service transformation set out in the plan could be helpful to provide additional strategic focus, capacity and technical capability to lead on the service turnaround. Similar posts have been introduced by other children's trusts operating nationally. This position would also help to manage the workload of the Director of Operations and the Director of Finance and Resources, who are juggling their day jobs with additional scrutiny processes imposed due to the Section 114 measures, which impacts on their ability to drive strategic improvements.

In the challenging context of Slough's financial situation, a potential decision on expanding the senior leadership team would need to take into consideration potential funding sources to cover the additional cost.

Examples from elsewhere

Doncaster Children's Services Trust: Director of Performance, Quality and Innovation reporting to the Chief Executive was responsible for performance & improvement, safeguarding & standards, centre for excellence (involved in the roll out of the National Assessment and Accreditation system for social workers).

Source: Doncaster Children's Services Trust Organisational Structure [accessed 3rd August 2022] Please note that the organisational structure of children's services in Doncaster changed in September 2022 when the service moved back to the Council.

Sandwell Children's Trust: Weekly performance meetings chaired by the Director of Quality Assurance and Performance have seen improvements in performance measures in areas of concern, by focusing both on compliance and quality.

Source: Business Plan 2020-23 [accessed 3rd August 2022]

Relationships with Slough Borough Council

Following a six-year period when children's social care services were run by an independent Trust, in March 2021 they came back under the control of the SBC and are delivered by a wholly-owned local authority company. This move was supposed to ensure closer strategic alignment with SBC while maintaining the operational independence of the service. Bringing children's social care services closer to SBC's orbit was also aimed at improving scrutiny and financial control compared with the period when they were discharged to the Trust.

The recent Ofsted report from a focused visit to Slough children's social care services in January 2022 noted that *"relationships between the council and children's services have improved"*. However, stakeholder engagement carried out as part of this review indicate continued tensions between the SBC and the SCF. Anecdotally, the approach is less adversarial in comparison to the previous setup when children's social care services were delivered by the Trust, but several issues persist:

- SBC's confidence in SCF's ability to deliver radical service improvement and capability to improve financial sustainability appears low;
- SCF believe that SBC doesn't appreciate the scale of challenges that children's social care services face and that these services are not given the priority they deserve.

The SCF officers commented that relationships became more difficult following a section 114 notice issued by the new Director of Finance (section 151 Officer) in July 2021. Following the section 114 notice, findings of the independent governance and finance reviews, and appointment of DLUHC

Commissioners, SBC imposed tighter scrutiny over its companies, including SCF, with new financial assurance processes in place.

It also needs to be noted that there are operational dependencies between SCF and SBC e.g. the Council's reputation and stability in leadership is likely to have an impact on SCF's ability to recruit and retain staff, and improve services. SBC also has wider remit in terms of partnership arrangements across Slough which can have an impact on SCF's ability to deliver services. For instance, Safer Slough Partnership – Slough's community safety partnership, which seeks to reduce crime, anti-social behaviour and fear of crime – until recently had not met for a year.

National research suggests that the commitment and interest of a council's corporate and political leaders is a critical factor in whether Children's Services are able to make and sustain improvements.[15]

The considerations below focus on actions that could help improve the relationship between SBC and SCF:

- Cultural shift – refocusing the narrative on a win-win position: Financial difficulties faced by both SBC and SCF put the competing pressures into the spotlight. On the one hand, significant cost reductions and disposal of a large proportion of assets will be required to enable SBC to return to a financially sustainable position. It is expected that all services provided by SBC, either directly or indirectly, should contribute to the savings. On the other hand, delivery of the children's social care services journey may require additional investment. This narrative creates an adversarial pattern of relations, in which one side's win is believed to be the other side's loss. This needs to change.

- There is a symbiotic relationship between the SBC and SCF. What is in the best interest of SCF is also in the best interest of SBC. Turning around the negative dynamic will require mutual accountability between SCF and SBC. It will also require a commitment from SCF to reflect on its weaknesses as outlined in Section 5. Business plan deliverability, and take swift action to address these.

- We have heard that there are good working relationships between DLUHC and DfE Commissioners who understand their objectives are aligned. There should be more focus on aligned priorities as the key guiding principle at all levels of both organisations.

- Effective ongoing oversight: There must be effective and proportionate mechanisms that ensure ongoing oversight of the children's social care services improvement journey by SBC's corporate leaders and effective scrutiny from elected members. While a detailed assessment of existing oversight mechanisms has been outside the scope of this review, what we heard from the interviewed stakeholders suggests that there is a scope for improvement in this area. On the one hand, SCF feels the oversight requirements are not proportionate and overly burdensome (SCF being 'governed to death'). The Director of Finance reported spending 80% of his time 'serving the Council' (i.e. responding to Council queries, addressing concerns, providing information requested by Council). On the other hand, SBC's corporate leaders do not necessarily have high confidence in SCF's capacity for self-assessment and ability to deliver forensic scrutiny of its practice and financial performance. The recent Review of governance

[15] LGA and ISOS Partnership, Action research into improvement in local Children's Services, 2016 https://static1.squarespace.com/static/5ce55a5ad4c5c500016855ee/t/5d1cdb618ba73d0001a0deca/1562172269534/160621_LGA+children%27s+services+improvement+action+research_final+report.pdf [accessed 3rd August 2022]

arrangements for Slough Children First (delivered by SBC Principal Lawyer, last updated September 2022) identified a number of recommendations aimed at ensuring the oversight arrangements are fit for purpose. In particular, it highlighted a need to clarify extent to which SCF is subject to internal controls of the Council.

- Effective contract and financial arrangements: The design of the contract is crucial for the stability of children's social care services and effective working relationships with SBC. In the Slough context, the design of the financial mechanism needs to be considered very carefully. During our review, we have seen evidence that historically budget setting and budget management in Slough have been an issue. Historically, the children's trust and then SCF have failed to deliver services within the agreed contract value. This has resulted in frequent in-year requests for additional funding and a regular year end overspend / operating deficit. This has been destabilising both for SBC and children's social care services. There may be a number of issues contributing to this situation (inappropriate capitalisation of the Trust / Company from the outset, historic underinvestment, continued demand pressures and increasing complexity of needs, lack of financial oversight and scrutiny, weak budget management processes). The funding and demand pressures in children's social care featured in findings reported by the ADCS research into Safeguarding Pressures[16]. The report concluded that the main factors responsible for increasing expenditure on children's social care were increased unit costs (especially for placements), increased number of children coming into care, fewer children leaving care and, a result of the Covid-19 pandemic. On average, local authorities reported a 9.1% budget deficit in 2019/20. Without concluding on the root causes of the regular overspending of Slough's children's social care services, we believe that consideration should be given to strengthening in-year mitigations to manage overspend, in line with the service delivery contract.

- Effective governance and operational arrangements, including a regular strategic and operational interface between SBC and SCF: The governance arrangements that are set out in the Business Plan present the contract monitoring meetings as the interface between SBC and SCF. The service delivery contract sets out a more comprehensive programme of governance arrangements, including:
    - the Monitoring Group: set up to provide oversight of the contract management and monitoring arrangements including contractual requirements and the performance of the Company under the agreement and the Council's performance of the dependencies and system leadership;
    - the Strategic Commissioning Group: set up to provide strategic, political and executive oversight and scrutiny of the Company's delivery of the Council's statutory functions, through periodic monitoring of performance (including financial), Change Control Procedure and Annual Review;
    - the Finance Monitoring Group: set up to monitor the financial performance of Slough Children First, the impact on the Council and to mitigate those impacts where possible.

- We heard from the stakeholders we met that some of the Strategic Commissioning Group meetings have not taken place recently. SCF and SBC need to maintain regular meetings so that there is a good understanding of the strategic position on both sides.

[16] ADCS, Safeguarding Pressures Phase 7, February 2021, https://adcs.org.uk/safeguarding/article/safeguarding-pressures-phase-7 [accessed: 30 September 2022]

It may be worth reshaping the existing governance arrangements or introducing additional regular operational meetings to cement better working relationships. Rather than a contractual meeting, it should provide a safe space to discuss emerging issues openly and in the spirit of partnership. This is particularly important given that some children's services remained in SBC and there are potential synergies from working more closely together. The Monitoring Group's terms of reference suggest that this group should provide a forum for discussing the cross-service issues. However, this group's standing membership which is limited to one Company representative and the Council's Intelligent Client Function suggests that it may not be well positioned to cover a broader range of operational matters. Shifting the language (and focus) of the meetings from contract monitoring to partnership may be also helpful.

Example from elsewhere: Sandwell Operational and Strategic Partnership Board

LGA Corporate peer challenge of Sandwell Council delivered in January-February 2022 recognised the Council's relationships with the Sandwell Children's Trust and the related governance arrangements as being strong. These relationships are centred on the Sandwell Children's Trust Board and the under-pinning Operational Partnership Board and Strategic Partnership Board.

The Council and Trust officers meet at least monthly at the Operational Partnership Board (OPB), to consider performance and operational matters. The OPB is chaired by the Trust Chief Executive and also includes the Executive Director of Children's Services, and Council senior officers from finance and legal services.

In addition, each quarter, the Lead Member for Children's Services and the Chief Executive meet with the Chair of the Trust Board and the Chief Executive of the Trust, at a Strategic Partnership Board.

Source: Business Plan 2020-23; LGA Corporate Peer Challenge

Scope of children's services managed by SCF

Children's services in Slough have been subject to DfE intervention and directions since 2014. The intervention only covers a part of the total children's service, but its exact scope has changed over the years.

The second and third directions (issued in 2015 and 2016 respectively) required that specified children's social care and education functions should be transferred to the independent trust. Included in these were certain education functions relating to special educational needs (SEND).

In 2017, the fourth direction required Slough Children's Services Trust to transfer SEND services back to Slough Borough Council.

Following the establishment of SCF in 2021, there was another move towards partial integration of services that support children and families under one roof. Early help and services to support children who are not in education, employment or training (NEET) moved to SCF, streamlining services for families.

We believe that further consideration should be given to which services and functions could be discharged to SCF, and which services should be retained by SBC to achieve the best outcomes for children, young people and families in Slough, and to increase the operational effectiveness of the services. A recent joint inspection of SEND services delivered by Ofsted and the Care Quality Commission in September–October 2021 found that the current arrangement does not work well:

> *Leaders in Slough have not effectively implemented the reforms. The council, Slough Children First and the CCG have not worked together to develop an effective strategy for doing so. Arrangements for joint oversight and accountability for work across education, health and care services have not been tight enough. There has been too little focus on the reality faced by children and young people with SEND, and their families in Slough.*[17]

The Business Plan mentions an ambition for a new target operating model for children's services underpinned by "a joint aspiration for all of children's services to be within one organisation". The first step of this would be for Family Hubs to be transferred to SCF. The Business Plan also states that it has been agreed that "now is not the right time for SEND and education services to transition to the company".

We support the ambition of unifying a continuum of children's services in one place. Given that this is a major transformative objective, we would encourage this ambition to feature more strongly in the Business Plan (currently it is mentioned just once in the document).

The optimal scope of services to be delivered by SCF needs to be given careful consideration. Given the scale of financial challenges of SBC, it is possible that transferring all services (including SEND and education) out from SBC could provide them with the environment that catalyses the improvement. However, this could also be destabilising for the children's social care services that remain fragile despite recent improvements. Therefore, we would recommend that more significant changes in scope do not take place until SCF is in a more stable position. Any decision on this would need to be supported by a robust options appraisal, financial modelling and due diligence. It would also require a change in DfE's statutory direction.

Partnerships across the wider system

The multifaceted nature of children's services means that local authorities cannot succeed in delivering a high-quality service on their own. Areas that have made sustained progress in the quality of services for children are good at engagement and collaboration at both strategic and operational levels with other agencies across their geographic footprint.

Below we consider how partnership working could be improved in Slough:

- Strategic level: Governance arrangements that underpin partnership working in Slough seem to be very complex, with numerous boards and groups that partially overlap. There may be a significant scope to streamline these arrangements, freeing time for the Chief Executive and other key staff, while building stronger relationships between the partners. A single board that includes all key partners and covers a continuum of children's needs and services could be considered. Such a board could meet more regularly, ensuring there is momentum in multi-agency working across Slough. The Children and Young People's Board may play this role, but it seems to be separate from the Health & Social Care Partnership Board (which provides an interface with healthcare partners). Without a single governance arrangement and oversight, achieving partnership objectives set out in the Business Plan (including a common set of outcomes, ethos and streamlined operations) is unlikely to be achieved.

  Well-functioning system-wide governance can also play an important role in children's services improvement. National research into improving children's services found strong partnership

[17] Local area SEND inspection report, November 2021 https://files.ofsted.gov.uk/v1/file/50172328 [accesses 4 August 2022]

boards, and in particular externally-chaired multi-agency improvement boards, to be one of the critical enablers helping failing services to turn around:

> *At their best these bodies provided genuine scrutiny, oversight and accountability to partners as equals in a shared commitment to keeping children safe. They were able to ask intelligent and probing questions and would complement the authority's own audit, scrutiny and governance procedures. Those local authorities that had been subject to an externally-chaired improvement board often spoke highly of the impact that an effective external chair could have in bringing partners to the table, facilitating swift decision-making and holding partners to account for progress.*[18]

System partners participation in the Improvement Board chaired by the DfE Commissioner may be worth considering.

Case study: Sandwell Children's Improvement Board

The purpose of the Improvement Board is to ensure sustainable improvements to the quality of single and multi-agency practice with the overall aim of improving outcomes for the borough's most vulnerable children and young people. The Board meets monthly and its membership includes representatives from across the partnership including Sandwell Children's Trust, the Council, health, schools, the Police and also the voluntary sector.

Source: Business Plan 2020-23 [accessed 3rd August 2022]

- Operational level: SCF can play a critical role in galvanising partnership working across the Borough. This is partially reflected in the Business Plan, which lists the strategic and operational partnership objectives. However, there is a visible lack of practical approaches and specific proposals as to how partners could work together on the ground, what services could be developed and delivered jointly, no mention of joint commissioning arrangements, etc. These proposals would need to be further developed and costed, and it is possible they have been considered during the development of the Business Plan and rejected due to the limited financial resources. However, it is worth noting other Children's Trusts have been successful in more innovative approaches to partnership working. It may be particularly important for early help (see multi agency approach to early help presented in Section 3. Overview of the 'Invest to save' proposals) and edge of care proposals. This could also include working in close partnership with other services delivered by SBC (e.g. adult social care).

Case study: Examples of partnership working initiatives implemented by Birmingham Children's Trust

- 'Team Around the School' Model: In 2021, Birmingham Children's Partnership set up a new team of multi-agency professionals around every school.
- Preparation for Adulthood service: A brand new service and exemplar in service design, hosted by the Trust and co-managed with the Council's Adult Services. Aimed at meeting the needs of young people as they transition toward adulthood and independence.

Source: Birmingham Children's Trust Business Plan 2021-22 [accessed 3rd August 2022]

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[18] LGA and ISOS Partnership, Action research into improvement in local Children's Services, 2016 https://static1.squarespace.com/static/5ce55a5ad4c5c500016855ee/t/5d1cdb618ba73d0001a0deca/1562172269534/160621_LGA+children%27s+services+improvement+action+research_final+report.pdf [accessed 3rd August 2022]

Section 7. Partnership arrangements

This section explores the rationale and practicalities of partnership arrangements that may provide a vehicle to achieve long-term stability and security for Slough children's social care services.

Sounding with potential partner local authorities confirmed that the option of engaging with a partner to support the improvement journey could be a feasible way forward for SCF. It would help mitigate the business plan deliverability risks.

This section is not intended as a formal options appraisal. We have undertaken an initial examination of several alternative options, including a case study of each of these models to provide real world context where these models have been used before.

All options considered in this report are agnostic of the particular organisational delivery model. This means they could be applied to the current organisational delivery model of children's services in Slough (a local authority wholly-owned company) or could involve a structural reorganisation of children's services (e.g. establishment of a different delivery vehicle or transfer of services back to SBC). The former solution would allow for faster implementation and less disruption to the services. The latter would potentially allow to decrease or fully eliminate additional corporate costs of a separate entity. Some models may work better with a particular organisational form, but ultimately various combinations of partnership arrangements and delivery models are possible. While we would recommend that an organisational delivery model is considered in parallel with potential partnership arrangements, at this stage we prefer to focus our analysis on 'function' rather than 'form'.

More work would be required to define how these options could work in practice. None of the models that we have examined are without their challenges. It is also imperative to make clear that Slough provides a challenging context for the future provision of children's social care services whatever model is deployed.

For the purposes of this review, we have sounded out a small number of local authorities about the possibility of partnering with Slough to test whether there might be appetite for such an arrangement. We have also taken counsel from two authorities with experience of operating successful partnership models (Hampshire and Leeds) to better understand some of the conditions necessary for such partnerships to succeed.

Rationale for considering alternative models

There are two key reasons for exploring alternative models for the delivery of children's services in Slough:

- Systemic challenges that affect the effectiveness of children's services in Slough: A combination of challenges such as a small geographic footprint, challenging demographics and proximity to London which acts as a magnet for staff, has an overall negative impact on the deliverability of financial and service improvement plans. Partnership arrangements could create additional economies of scale in terms of commissioning of placements and staff, recruitment of foster carers and the movement of influential staff across the authorities, addressing some of the challenges that Slough needs to face while operating on its own.
- The scale and complexity of financial challenges in Slough: The level of financial difficulties in Slough is unprecedented. Turning around the financial situation of SBC may require local government reorganisation or other forms of cross-boundary cooperation. DLUHC commissioners were clear in their report that they will not shy away from considering radical options:

  > *"[…] radical solutions will need to be found and implemented to ensure there is a sufficient critical mass to ensure that those services that are run are not fragile and can be sustained. At this point, it is not certain that SBC, by itself, can generate and implement the initiatives required."* [19]

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[19] Best Value Commissioners First Report on Slough, 9 June 2022 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1094655/Commissioners_first_report.pdf [accessed 3rd August 2022]

Ideally, options for children's social care services should be considered as part of the process of designing stable organisational arrangements for SBC. We have seen this recently in Northamptonshire, where delivery arrangements for children's social care were redesigned as part of the wider local authority reorganisation. While the process was challenging, it ensured the stability of the service through the period of the reforms.

However, local government reorganisation – if this is an option that DLUHC Commissioners decide to recommend for Slough – could take many years and is likely to require primary legislation. Given the fragile situation of children's social care services in Slough, finding a viable solution for children's social care services may need to be fast-tracked and considered before any recommendations for the future of SBC are known.

Given that children's social care services in Slough have been subject to DfE intervention and directions that involved various alternative delivery models since 2014, further structural change should not be considered lightly. It is not an end in itself, but in the right circumstances it might be the key to unlocking sustainable service improvement for children's services in Slough.

Initial soundings with potential partners

We have been rightly challenged through the course of our review to test whether the options for a potential partnership are real. Are there other authorities who might be able and willing to support Slough Children First? If so to what extent and under what conditions might they be willing to help?

Accordingly, we assembled a shortlist of local authorities to approach for a non-prejudicial exploratory discussion to test appetite for a potential partnership arrangement such as those outlined above. This shortlist included LAs in relatively close geographic proximity to and/or with good travel connections with Slough. We also considered Ofsted ratings and political leadership (specifically, non-Conservative administrations with outstanding children's services or at least those rated good with outstanding leadership). This gave us a short-list of eight LAs, five of which accepted our invitation for discussion. We also spoke with representatives from Hampshire County Council and Leeds City Council, principally to explore the ingredients of successful partnership arrangements which we set out below.

Lessons from other partnership approaches

- Leeds and Kirklees

When Kirklees' Children's Social Care services were inspected and found inadequate in 2017, a partnership arrangement was agreed with Leeds City Council to support the service on its improvement journey. Kirklees had experienced churn at DCS level and, at the point that Leeds engaged, social workers were on strike due to two-tier workforce issues (agency staff being paid more and working with capped caseloads).

Unlike many of the arrangements between councils to provide support through DfE sponsored schemes such as Partners in Practice or Sector-Led Improvement Partners, the arrangements between Leeds and Kirklees went beyond advice and involved secondment of a small number of managers into key positions to lead and manage service improvement:

- The DCS of Leeds also took on the DCS role in Kirklees directly responsible for the service and accountable to Kirklees Council.
- Leeds seconded 3-4 managers into key positions (e.g. Head of Service, Front Door, Child Protection, Quality Assurance). Leeds' staff provided training and worked alongside Kirklees staff to support, supervise, and manage the service.

- Leeds were reimbursed for costs by DfE to be Kirklees' Improvement Partner. Leeds agreed to work with Kirklees until they felt the Kirklees service was ready to appoint a permanent DCS.
- Leeds were involved in the recruitment of that DCS to ensure the incoming DCS was committed to continuing to work in the way that Leeds had established and maintain stability of approach for the team at Kirklees who had seen much change over prior years.
- Ultimately Leeds worked with Kirklees for 18 months.

There were a number of prevailing conditions that enabled Leeds to provide this level of support:

- Their service was strong and had performed at a Good and then Outstanding level consistently for a number of years.
- Their workforce was experienced and stable. Senior leadership to mid-management level at Leeds had all been in position there for years. Accordingly, there was cover for key positions and secondment to Kirklees presented some staff with an opportunity to stretch themselves with a new challenge.
- Although Children's Social Care needed significant improvement support, Kirklees were generally a well-run Council. Recruitment and retention were far less a concern there than at Slough.

Ultimately Leeds "lost" 2-3 staff who wanted to transfer permanently to Kirklees to see through the improvement journey. Leeds were aware that that was a risk at the outset but felt confident in their service that they could afford that loss for the good of the system.

- Hampshire (Isle of Wight, Torbay)

Hampshire County Council are experienced improvement partners and have partnered or brokered partnerships with several authorities in need of support, including most successfully partnering with Isle of Wight since 2013 (see case study in Appendix 4 for more details).

In their experience there are three factors critical to the success of any partnership:

1. Separation of responsibility – it is vital for each partner to retain their own service "sovereignty" with separate governance, lines of responsibility and accountability.
2. Proximity – in Hampshire's view, partnerships tend to work most effectively when the partners are neighbours or at least where travel between partners is quick and easy.
3. Size – in the case of Hampshire and Isle of Wight (and in the case of Leeds and Kirklees) the improvement partner has been far the larger partner and able to offer substantial support without undermining quality of service within their own locality.

Hampshire also brokered an arrangement between Plymouth (as improvement partner) and Torbay. This partnership was not as successful in bringing lasting improvement to Torbay. Hampshire were geographically too distant to be able to add significant support and the Plymouth service proved to be too small and not sufficiently resilient in their own service to provide the intensity of support needed.

It is generally acknowledged that alignment of political leadership in the partnering authorities is an important factor in establishing a successful relationship. That is not to say that this will always guarantee success, but the process is generally far more difficult where different political allegiances prevail.

Outcome of soundings with potential partner authorities

Of the five DCSs we spoke with about a potential partnership with Slough, all were sympathetic to the cause and all would have liked to have been in a position to help. However, many would not be able to offer support beyond targeted advice.

Only one local authority was interested in exploring a more substantial partnership arrangement. It has a strong, stable leadership, have consistently achieved Ofsted rating of Outstanding and has strength in depth through its leadership and mid-management levels. It has also received strong assessment of its SEND service, so could potentially offer assistance to SBC beyond the services delivered directly by SCF.

If a partnership were to be progressed clearly both parties would need to undertake appropriate due diligence and appropriate corporate governance processes would need to be followed to authorise such a partnership.

MV comments

Partnering with another organisation that has achieved and sustained 'good' or 'outstanding' children's services could help mitigate the key risks around the deliverability of the plan. Such a partnering arrangement may help mitigate the reputational barrier to attracting appropriately skilled and experienced recruits to SCF and improve resilience of the service, ensuring more stable leadership and quality assurance is in place. Further, routing funding to improve the service via a partner organisation could mitigate concerns relating to lack of financial control and delivery capability expressed by the Council.

Our soft market testing confirmed that option of engaging with a partner to support the improvement journey could be a feasible way forward for SCF. Clearly there are other factors at play, such as the current search for a permanent new DCS at Slough, who will undoubtedly have a view about the desirability of such a partnership. Any partnership arrangement, irrespective of the detail of the arrangement, will be heavily reliant on a stable SCF leadership with propensity for collaborative working.

In our view the opportunity to partner with an authority that has a proven track record, strong, stable leadership and workforce and who has good travel links with Slough should be taken very seriously and explored further.

Appendix 1. Comments on practice approach

Good practice is dependent on a combination of features including the following key elements:

A. A practice model or framework which everyone in the organisation understands and follows
B. A system which is not too bureaucratic or process heavy and which allows flexibility and use of professional judgement and discretion
C. Good management oversight, decision making and a quality assurance framework which again, is not too process driven and allows front line staff to explain their decision making and activity
D. A stable, competent workforce with manageable caseloads, which enables them to build trusted relationships with families

Our comments on Slough social work practice approach are based on the four features above. We have examined both the Business Plan and the Getting to Good documentation, looked at Ofsted reports, and have had one very helpful meeting with the Operations Director to explore practice in more detail.

The business plan outlines the practice model (the Slough Approach), the core of which is relationship based social work and which includes attention to restorative practice and a strength-based approach. The Slough Approach draws on practice frameworks which the DfE have positively evaluated as associated with effective practice and the SCF model is similar to approaches utilised in a number of successful children's services departments. In recent years a systemic practice model was in place which had received positive comments in the Ofsted 2019 inspection report. However, we believe the decision to modify the model because its elements were structurally weak is a reasonable one. Three of the clinical staff who were employed in the systemic practice model have remained, which is helpful. They will add depth and understanding to work with families. The description of the practice model in the Business Plan is fairly brief and furthermore, it is not possible to identify how well the practice model is embedded.

The systems and structures in place are not unlike those in other local authorities, and rely on a framework of assessment, safeguarding and looked after children teams. Ofsted have identified some strengths and areas where practice is not good, and where there is drift for families, and actions to address these have been outlined in the Improvement Plan and Getting to Good plan.

In relation to quality of practice, Ofsted have also commented on areas where lack of management oversight is evident, and as above, these areas are highlighted in the improvement plans. The most recent Ofsted Focused Visit (January 2022) looked only at the front door services, where they identified bottlenecks and delay for families. There has not been a full Ofsted inspection since January 2019. The quality assurance framework SCF have in place involves regular auditing and reporting to senior leaders and enables the tracking of progress and patterns of practice in casework.

The main issue and biggest challenge, which has been identified by SCF, is workforce. The difficulties they experience in recruitment and retention of staff affect all aspects of the improvement plan. The impact of a significant number of vacancies held by agency staff and high turnover is that children and families will probably not have a consistent practitioner and as a consequence may not have a lasting or trusted relationship. Inevitably, this will have an impact on the effectiveness of the work undertaken. Less time can be spent with each family, which will affect the quality of risk assessment and the ability of the practitioner to undertake in-depth effective interventions.

Furthermore, high caseloads can lead to a more risk averse approach. The SCF performance information provides some insight into practice, triangulated with audits and more qualitative information. Key indicators in the performance information reports provided monthly show:

- The rate of referrals per 10,000 children is higher than statistical neighbours;
- The number of children subject to a children in need plan is also high, but there is evidence that throughput has improved over the last year with 9% of plans open for more than a year compared to 18% the year before;
- The rate of children subject to a child protection plan per 10,000 children (between 60 and 70 during the last 12 months) is much higher than statistical neighbours (40);
- But looked after children rates are in line with statistical neighbours.

These measures may indicate a lack of confidence across the system at the front door and a risk averse approach, which is not unusual in services with high numbers of agency staff and high turnover. It shows that there is much activity and processing of high numbers of children at the early stages of involvement with SCF.

The leadership have responded to this increased demand and complexity by employing additional Innovate teams. This is not uncommon and SCF are not unique in this approach i.e. responding to increased demand by increasing the capacity of the workforce. The business plan predicts that there will be further increase in demand in the next few years and thus their request for additional resources.

Other approaches might include focused and determined activity from middle and frontline managers to close cases and prioritise work with families where risk is high. It may be that middle managers are undertaking active control of throughput of work and prioritisation, but the high level of active work with families indicated by the performance information suggests they have not yet been successful in creating a confident assessment service where difficult decisions about risk and need can be more controlled.

To their credit, the 'Invest to save' proposals show that efforts are being made to shift the work towards earlier intervention with a view to controlling the amount of work that will be undertaken with families where the need and risk is high. Getting the balance between demand management on the one hand and increasing capacity to meet need on the other, is not easy and departments with a history of poor practice and Ofsted judgements tend to lean towards the latter and often have a culture of being more risk averse. The intention set out in the business plan and expressed by the senior leaders in SCF seeks to redress this balance.

In summary, it is not possible within our brief to make a detailed judgement about current social work practice, but SCF are aware and focused on the areas of weakness which need to be addressed. They have a comprehensive improvement plan and a quality assurance framework in place in order to assess their progress. Their approach, to shift the work towards earlier intervention and to reduce the numbers in the safeguarding service through the 'Invest to save' initiatives, particularly the edge of care team, is a common approach to take and providing they can build a more stable workforce, is likely to have a positive impact on practice.

Appendix 2. Comments on Family Hubs delivery model

SBC questioned the number of Family Hubs proposed in SCF's business plan. We have investigated this in more detail, looking at SCF's rationale for having four Family Hubs and benchmarking their proposal against Family Hubs models developed by other local authorities. We have found that Slough's proposal on the spatial configuration of the Family Hubs network is aligned with models developed by other local authorities and there is a clear rationale supporting four hubs. SCF could explore whether savings could be achieved through launching a hub and spoke model, with some locations operating as part-time 'spokes'. However, the amount of potential savings would be limited (potential reduction in spend approximately £90-140k per annum). The total estimated cost of Family Hubs in the business plan is £424k per annum (based on 9 FTEs: 4 Family Support Workers, 4 Outreach Workers, 1 Family Network Conference Co-ordinator).

Number of hubs – Slough Children's First's rationale

The analysis in the Prevention and Early Help Business Case indicates that four Family Hubs are required in Slough to provide the required capacity (however, no detailed modelling has been presented to support this view). In conversations with SCF we have heard that four locations will provide good accessibility of services. The proposed number of locations would also help to tackle affiliation issues specific to Slough (families reluctant to use services located in areas outside of their neighbourhood, community, or area they identify with). This is reflective of recent MV research delivered as part of the Family Hubs feasibility study for a London Borough. Consultation with prospective service users made it clear that accessibility is one of the key success factors for Family Hubs and affiliation issues could derail the project if not addressed by the appropriate number and distribution of hubs.

Another important argument for having four Family Hubs in Slough is to enable organisational alignment with the existing four localities model introduced by SBC in early 2021 which is used to plan and deliver community and health services bespoke to local communities. This will in turn enable respective Hub Coordinators to lead the preventative and early help work supporting SBC in delivering three overarching locality working outcomes: prevention, self-help and resilience[20]. In our opinion, this is a good example of alignment between SCF and SBC.

Number of hubs - benchmarking

There is no single gold standard in terms of the number and spread of hubs. Local authorities tend to have multiple Family Hubs located across their geographic footprint – many adopting a 'hub and spoke' model. However, the number of hubs and their geographic distribution need to be driven by local circumstances, including the population density, transport accessibility, level of needs and availability of other services. There is no 'one size fits all' Family Hubs service delivery model.

The figure below presents the key information on the spatial configuration of Family Hub services in 10 local authorities. To facilitate a comparison of various models, we have included information on the number of residents, and the number of children and young people aged 0-19 per Family Hub delivery location. With four Family Hubs, Slough would not be an outlier in terms of the local population per hub. The majority of local areas have a much lower population per hub than Slough. One local authority (Kingston upon Hull) has a significantly lower number of Family Hubs in relation to population. However,

[20] For more information on the SBC locality work model, see Locality Update November 2021, https://democracy.slough.gov.uk/documents/s66243/Localities%20Background_Q3update.pdf [accessed 17th September 2022]

Kingston upon Hull is eligible to receive funding from the government's Family Hubs and Start of Life programme and will be looking to expand its network.

One recommendation would be to explore if savings could be achieved through launching some locations as part-time 'spoke' hubs. However, the amount of potential savings would be limited.

Figure 18. Comparison of Family Hub models and spatial configuration in 10 local authorities.

Local authority	LA Type	Family Hubs Model	Total Family Hubs delivery locations	Population	Population aged 0-19	Population per Family Hub	Population Aged 0-19 per Family Hub
Sefton	Metropolitan	10 hubs, 3 commissioned centres	13	279,300	57,900	21,485	4,454
Bristol	Unitary	3 hubs, 20 affiliated sites	23	472,400	107,900	20,539	4,691
Suffolk	2-tier county	17 full-time hubs, 12 parttime hubs	29	760,300	161,000	26,217	5,552
Doncaster	Metropolitan	12 hubs	12	308,100	69,700	25,675	5,808
Leeds	Metropolitan	3 central hubs, 25 clusters	28	812,000	196,400	29,000	7,014
Isle of Wight	Unitary	3 hubs	3	140,400	26,000	46,800	8,667
Essex	2-tier county	12 hubs, 27 delivery sites	39	1,503,300	342,000	38,546	8,769
Stockton-on-Tees	Unitary	4 hubs	4	196,600	46,700	49,150	11,675
Slough	Unitary	4 hubs	4	158,500	47,200	39,625	11,800
Kingston upon Hull	Unitary	2 hubs (more in development)	2	267,100	65,500	133,550	32,750

Data source:

- Bristol, Sefton, Suffolk, Leeds and Essex Family Hub model: DfE, Family Hubs Evaluation Innovation Fund (20-21/013) Scoping report, November 2021 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1030301/Family_Hubs_Evaluation_Innovation_Fund_scoping_report.pdf [accessed 17th September 2022]
- Doncaster, Stockton-on-Tees, Isle of Wight and Kingston upon Hull Family Hub model: Family Hubs Network https://familyhubsnetwork.com/map#map [accessed 17th September 2022]
- Population data: ONS, Census 2021 first results England and Wales

Appendix 3. Business plan deliverability – detailed review

We used a RAG rating to assess SCF's position against the good practice standards included in the framework. The colour coding applied should be understood as follows:

- Green [G] – evidence of meeting the standard, no major concerns or issues raised;
- Amber [A] – some areas for improvement identified, in many cases the company is already aware of them and has plans or has taken action to improve its position;
- Red [R] – key areas for improvement.

Theme 1: Financial accountability regime (governance, financial scrutiny and assurance)

Good practice standard	Comments on SCF position	RAG
	Management dimension: Leadership	
1.1.1. The Board has a good oversight of the company's financial performance: it is regularly discussed and challenged in Board meetings.	▼ There was evidence of general engagement from the SCF Board on the financial performance, although it appeared that the primary discussions and challenge are through the Audit Committee Chair. ▼ There was evidence of challenge both in and outside of Board meetings. ▼ There is also evidence of SCF Board passively accepting Council's savings targets without assessing their deliverability, which resulted in frequent overspends.	A
1.1.2. Between executive and non-executive directors, there is a good level of finance skills and experience on the Board. Skills are regularly audited, and any gaps addressed through training or appointments.	▼ It was demonstrated that a healthy support and challenge relationship exists between the Finance Director and Audit Committee Chair. ▼ There was a recognition that the Board would benefit from further financial or business skills to strengthen the Board, including acting as Chair of a new Finance Committee.	A
1.1.3. The Finance Director is an active member of the Board.	▼ Yes, there is evidence that Executive Finance Director, Matt Marsden, is an active member of the Board	G
1.1.4. The Board receives regular reports that summarise the company's financial position and clearly signpost financial pressures.	▼ Yes, although it was recognised that the information presented could be improved, both following the work on the Business Plan which has highlighted the benefits of deeper analysis, but also greater use of graphics to clearly demonstrate the pressures and issues.	A
1.1.5. The committee structure supports the focus on financial and performance scrutiny.	▼ There is an Audit Committee, which leads on this – however it was recognised that the introduction of a Finance Committee would be beneficial for this focus in future.	A
1.1.6. Financial stability is regarded by the leadership team as integral to supporting the delivery of SCF's service improvement objectives / 'Journey to Good'.	▼ Yes, providing value for money is one of the strategic aims and priorities included in the SCF Plan to getting to Good, with specific actions, owners, measures and outcomes. However, as noted below, this area of the plan is still work in progress and should be strengthened.	A
1.1.7. The leadership team actively monitors the elements of the company's P&L account that pose a	▼ Yes, it was felt that there is a good oversight on financial monitoring, however the systems used to produce the information could be improved and indeed the work on the Business Plan has highlighted the benefits of deeper financial	A

significant risk to its financial sustainability.	analysis to underpin reporting and improve the quality. This is especially true of the need to accurately report the future projections with the further development and monitoring of accurate and robust assumptions within the financial model.	
Management dimension: People		
1.2.1. Finance function is fit for purpose: the company has access to sufficient financial resources and skills to meet its business needs.	▼ The SCF finance team is small, and whilst competent it would appear that the Finance Director has needed to be much more 'hands on' with the development of the detailed financials and Business Plan than may usually be expected. This suggests that there is a lack of capacity or appropriate skilled resource within the team and addressing this, would enable the Finance Director to 'take a step back' and objectively review the detailed work of others to ensure strategic fit and appropriateness. ▼ It was also suggested that a great deal of time of the Finance Director is spent in meeting Council needs and requirements and is therefore externally focussed to SCF, which means a risk of lack of quality time to focus on the detail within SCF and the 'running of the business'. Recommendation: ▼ To review capacity and capability within SCF finance function to ensure it is fit for purpose, and the Finance Director has an ability to 'take a step back' and focus on more strategic issues. Additional finance team resource would be beneficial, or partnering with other Children's Services are options to consider, particularly as a short term solution for strengthening SCF finance function. ▼ In our experience having an independent strategic finance function is critical for children's services alternative delivery models. The strategic finance function for the Company needs to have independence to advise the Company on its financial issues without any risk of conflict to the competing priorities of the Council. To that end SCF should have independent strategic finance function unimpeded by potential conflicts of interest that are inevitable if this is provided directly by the Council. Without such independence there would be a risk of undue influence or blurring of professional advice. The provision of transactional financial support however could be delivered by the Council via an SLA or contract for supply.	R
1.2.2. Finance staff hold permanent posts and there are no challenges in maintaining a level of continuity of skilling and experience.	▼ This was not identified as a specific issue although it was acknowledged that there were historic issues in the quality of financial information which were dealt with and led to the change of key staff roles.	G
1.2.3. Finance related training needs (both within the finance function and operational staff with budget holding responsibility) are being assessed on regular basis and gaps addressed by appropriate training.	▼ This was not specifically tested, nor raised as an issue.	
Management dimension: Processes		

1.3.1. Corporate measures of performance include financial indicators.	▼ The contractual performance framework does not include financial KPIs – it focuses on demand and efficiency indicators. However, it does include KPIs that will have an impact of the company's financial performance, e.g. percentage of qualified social work posts covered by agency workers. ▼ Some thought given to measuring performance and outcomes in the 'Value for Money' section of the SCF Getting to Good Plan – this is work in progress and needs to be further developed.	A
1.3.2. There is a clear scheme of delegation, outlining delegated responsibility and accountability for financial management, performance and reporting.	▼ This was not specifically tested in our review, nor raised as an issue. The recent Review of governance arrangements for Slough Children First carried out by the SBC Principal Lawyer found there isn't an up-to-date scheme of delegation in place.	

Theme 2: Corporate planning function and robustness of financial modelling

Good practice standard	Comments on SCF position	RAG
	Management dimension: Leadership	
2.1.1. The Board oversees the development of the annual business plan and ensures it is produced on time and to a high quality.	▼ The Board has been involved in the development of the business plan and are satisfied with the quality of what has been presented. ▼ The current Business Plan was developed in more detail through an iterative process at the request of the Council. It is therefore reasonable to question why SCF did not previously recognise the necessity of the depth of analysis which was required to underpin the business plan. This could be the result of a lack of capacity or expertise to 'know what good looks like' in financial management in this specific case. It was also impacted by changes in Board members throughout the process. ▼ The Board recognised that the business plan development journey has improved the quality of the work presented and there are multiple lessons learnt for the company to ensure the next business plan is produced on time and to a high quality.	A
2.1.2. The leadership team is able to demonstrate that plans for service delivery provide value for money.	▼ We have noted an increasing focus on delivering cost-effective outcomes – driving value for money for Slough has been added to the latest version of the business plan as one of the key priorities for the service. Business cases supporting the Invest to Save proposals include return on investment calculations. ▼ SCF Plan for Getting Good includes three actions under the value for money section. However, these actions are either operationally focused (review of payments systems and processes) or linked to specific initiatives (community-based assessment team, sufficiency of placements for 16+). ▼ We have not seen evidence of more strategic thinking about what value for money means for SCF leadership, how it would be embedded at all levels and service areas, how it would be measured. Recommendation: ▼ We would encourage SCF leadership team to develop a more structured approach that would allow them to demonstrate that services provide value for money. This is important given the challenging financial situation of the Council. This could include a Value for Money strategy / process that looks at the below areas:	R

	○ Defining a clear and consistent understanding of what value for money means to SCF and to its leadership team; ○ Introducing suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services; ○ Defining what actions need to be taken to promote value for money; ○ Promoting an organisational culture that recognising that providing value for money is important for the long term sustainability of the service given the current financial challenges in Slough and continued demand pressures (e.g. looking for other ways of responding to demand pressures than increasing capacity, being innovative with identifying potential savings, promoting service efficiency reviews, etc.)	
	Management dimension: People	
2.2.1. The Finance Director, working in close cooperation with the Operations Director, lead a robust corporate planning function that is responsible for the development of the annual business plan and the underpinning financial modelling.	▼ There was collective evidence of this. ▼ However, it was also noted that the Finance Director led on this in some degree of isolation, which may have been a necessity due to timelines and the level of detail required. It does raise the question of whether all contributors were fully engaged with the detail and therefore collectively own the results. This seems especially evident as new iterations of the Business Plan were developed in more and more detail.	A
2.2.2. Individual service areas and budget holders are involved in corporate planning in a way that allows them to take full ownership of the plans. They ensure that financial model reflects a realistic position on the plans and savings proposals.	▼ There was no obvious evidence of contribution towards the development of the business plan below the senior leadership, and therefore it is unclear whether further engagement throughout SCF management layers would have improved the quality or potential for delivery of the plan. Individual business cases underpinning the 'Invest to save' proposals were developed by relevant service leads and individuals with particular subject matter expertise. This is positive – a collective approach will be required to ensure full buy-in and delivery. ▼ It was noted that SCF felt training of staff would be helpful to embed the new ways of working and practice – so this would likely correlate to a need to understand the financial implications of those changes. ▼ There was a recognition that a delivery partner could help ensure delivery of the plan, especially for capacity and training of staff.	A
	Management dimension: Processes	
2.3.1. The company has a rolling multi-year financial plan underpinned by comprehensive and well-constructed financial modelling.	This criterion looks at four specific things – whether the company has: ▼ A multi-year financial plan – Yes, it has a financial plan covering 7 years. ▼ A rolling financial plan – Yes, it is possible to track movements between various versions of the plan. ▼ A comprehensive financial model – The financial model used by SCF is comprehensive, covering all areas of the service, including placements, staffing, caseloads, etc. There are no parts of the service that are not covered by the model. ▼ A well-constructed financial model (from the technical perspective) – Broadly speaking, the model is constructed correctly. We have identified some areas for improvement that were shared with the company (including technical / calculation errors). These were shared with the Finance Director, who was	A

	receptive to feedback, which gives us reassurance that this aera will be further strengthened going forward. Please note that our review has identified several weaknesses in the business plan, including some unrealistic assumptions, limited evidence on value for money for some proposals, etc. These were all highlighted in our report and marked as amber or red where required.	
2.3.2. The company integrates its operational and financial planning. The financial plan is consistent with operational service plans and fully linked to the objectives that are central to the 'Journey to Good'.	▼ There was evidence of collaborative working across the SCF leadership to develop the business plan, however it was also noted that the Finance Director took the lead for this work personally and due to the multiple iterations of the plan and necessary development of the detail underpinning it. It was not evident that all of these changes were fully clear between finance and operational planning. ▼ In order to improve the underpinning detail in the business plan, the finance function would likely benefit from access to further specialist operational resources to inform, check and challenge the financial models.	A
2.3.3. The business plan and the underpinning financial model are explicit about the core assumptions. The assumptions are prudent, and stress tested through sensitivity analysis.	▼ The business plan was not explicit about all the core assumptions used for modelling. Assumptions regarding demand pressures (demographics, cost of living crisis) were explained at length. So were the assumptions underpinning the 'Invest to save' proposals, however some of them were presented in business cases rather than the main business plan document, which made it more difficult to track and analyse all the assumptions. ▼ The assumptions were not stressed through sensitivity analysis when we started our review. This was due to tight timescales for the production of revised plan. The Finance Director was aware of this shortcoming of the plan and welcomed the MV review team input into sensitivity analysis and identifying potential alternative scenarios. Recommendation: ▼ Next iterations of the business plan should include an explicit list of all the core assumptions presented in one place. This will facilitate ongoing monitoring of these assumptions (especially important for a demand-led service characterised by high volatility levels). All the core assumptions should be stress tested through sensitivity analysis.	R
2.3.4. Savings plans are realistic, well evidenced and substantially based on finite change proposals / business cases, rather than being 'aspirational'.	▼ This has significantly improved in comparison to the previous version of the business plan, which included unrealistic savings targets agreed to in order to satisfy the Council. ▼ The MV review team have identified a number of risks to savings plans (explored in more detail in this report). This is to be expected for most children's services initiatives because of the challenging and unpredictable nature of demand. Robust processes to manage these risks will be key (explored in more detail below).	A
2.3.5. The company uses appropriate documented tools (e.g., benchmarking) and option appraisal methodology to demonstrate the value for money of its plans.	▼ There is evidence of use of appropriate tools such as benchmarking to support development of some of the 'Invest to save' proposals (e.g. benchmarking of workforce statistics, renumeration and retention packages against a number of other local authorities). ▼ We would like to see a more consistent use of tools to demonstrate the overall value for money of the service.	A

2.3.6. Investment proposals are supported by business cases.	▼ Yes, all 'Invest to save' proposals are supported by separate detailed business cases. Therefore, we don't have a reason to mark the company down against this criterion. Please note that the quality of business cases is assessed by other criteria looking at whether plans are realistic, well evidenced and provide value for money. These are rated amber / red to reflect weaknesses we have identified.	G

Theme 3. Business plan delivery and monitoring infrastructure

Good practice standard	Comments on SCF position	RAG
	Management dimension: Leadership	
3.1.1. The leadership team is overseeing the delivery of the business plan through appropriate governance arrangements, including a dedicated Programme Board, reporting to the company's Board.	▼ The leadership team express full commitment to overseeing the delivery of the business plan. However, the documentation provided lack of detail on governance arrangements. ▼ We have not seen comprehensive evidence on the programme architecture. The SCF Plan for Getting to Good presents a diagram outlining the governance arrangements for monitoring Getting to Good plan, the business plan and 'Invest to save' plans, however there is no detail on how the business plan will be governed. ▼ The latest version of the business plan programme delivery includes an empty placeholder for Programme Governance. ▼ The company agrees that the imminent change in a Chief Executive position creates an additional deliverability risk. However, if an experienced Chief Executive is selected to drive the business plan forward over a longer period, it could make a significant difference. It was noted that the business plan is 'not rocket science' and reflects practice which is generally considered to be common in many children's services – so any appropriate Chief Executive should easily 'buy in' to the current business plan and be able to ensure its delivery of the principles (subject to questions on assumptions as identified elsewhere). Recommendation: ▼ Developing robust governance arrangements and full programme architecture for the business plan delivery needs to a priority. The governance arrangements should include a single line of accountability from service managers up to the Chief Executive / DCS, clear reporting and risk management arrangements.	R
	Management dimension: People	
3.2.1. There is a dedicated Project Management function responsible for the coordination of delivery and reporting on the business plan. It is costed and included in business plan financial model.	▼ It is recognised that strong Project Management function is needed for ongoing delivery of the business plan. SCF has a part time Project Manager already in place working on the business plan. ▼ The business plan narrative mentions that the project office will include oversight from a programme manager, supported by 2 project managers, a part time project office support, a specialist savings consultant and a commissioner. ▼ The Finance Director confirmed that the project office is costed, albeit it is expected it will be funded from a variety of sources (including Capitalisation Directive via the Council, DfE grant, incremental savings targets and existing base budget where activity is expected to be absorbed). ▼ As some of the above funding sources have not been confirmed (including grant funding from the DfE), this creates a risk that will need to be closely monitored.	A

3.2.2. Budget holders /service managers understand they are responsible for delivering services cost effectively and in line with the business plan and are held accountable for doing so.	▼ It was evident that the senior leadership are very clear on the need to deliver services within budget. It was not tested or clear what the levels of budget holder responsibility were throughout SCF, due to the time available for this work.	
Management dimension: Processes		
3.3.1. Business plan is underpinned by a detailed and up-to-date delivery plan, with identified actions, timeframes, owners and interdependencies.	▼ A delivery plan underpinning the Business Plan has not been finalised, which makes it difficult to assess it. The working document shared with our review team provides a framework, which gives us reassurance that the plan will include all the key elements (actions, timeframes, owners and dependencies). ▼ The company should prioritise finalisation of the plan and increase the pace of work on this document. We would expect it to be finalised before the Cabinet approves the business plan.	A
3.3.2. The company has a robust business plan monitoring process, with effective and insightful in-year forecasting, and a good mix of narrative and metrics reporting.	▼ There is little detail on the business plan monitoring process. The SCF Plan for Getting to Good indicates that the business plan will be reviewed and updated annually (which is a contractual requirement for the company) and the 'Invest to save' programme plan will be reviewed and updated monthly. Recommendation: ▼ We would expect more detail on how the business plan will be reviewed and updated on a regular basis, to make sure it stays relevant as the key strategic document. More detail would be helpful on the ongoing internal assurance and monitoring arrangements (including opportunities for staff and children and young people to provide feedback and input to the next iterations of the business plan – especially that promoting the voice of children is one of the key strategic objectives that the plan sets out).	R
3.3.3. Business plan defines SMART output and outcomes measures that are linked to the corporate KPIs framework.	▼ We note the business plan does not include a KPI framework. Some (but not all) of the key initiatives include key measures of success. However, they have not been organised into a consistent and comprehensive framework that clearly outlines the key milestones, outputs, and outcomes. This makes it difficult to understand what the business plan proposes to achieve, by when, and how the success will be monitored and measured. Recommendation: ▼ A more focused separate suite of SMART KPIs that are directly linked to proposals set out in the business plan could be developed to support the ongoing monitoring and assurance processes. This should form a benefit realisation plan. This is particularly important for 'Invest to save' proposals that will take a number of years to realise their full impact. The company and the Council need to have tools to assess if the service is on track of achieving them.	R
3.3.4. Risk assessment of material items is kept up to date and reported to the Programme Board with financial implications, mitigating actions and contingency provisions.	▼ The business plan does not include a separate risk register. ▼ We have been provided with Slough Children First Serious Risks and Issues-document (dated July 2022), which lists the key risks, their impact on the service, mitigations and actions taken. It provides evidence that the company has a good understanding of the key risks to its operations and is addressing them. However, these risks are not specific to the business plan and its delivery. Recommendation: ▼ Business Plan needs to be underpinned by robust risk assessment. Risk register should be created for the business plan and	R

	maintained on ongoing basis. Risks need to be proactively managed and reported to the Board.	

Theme 4. Interface and relationship with the Council

Good practice standard	Comments on SCF position	RAG
	Management dimension: Leadership	
4.1.1. The leadership team understands the company's prospects for financial sustainability in the longer term and reports this clearly to the Council and elected members.	▼ Yes, although it would be beneficial if the relationship improved between the parties, which enabled a space for trust and honest conversation, and potentially the opportunity to work through some challenges collaboratively. ▼ SCF feel overly managed, which may be understandable given the financial history, however moving forward – it would be conducive to an effective relationship if there were also opportunities for SCF to raise concerns or challenges, without fear of ramifications or further scrutiny. ▼ SCF recognised the challenges which have arisen as a result on change in leadership within SCF, specifically the Chief Executive role as well as historic overspend. It was agreed that these issues had added to the breakdown in the relationship with the Council. ▼ As stated above, being explicit on the core financial assumptions and monitoring them on regular basis would help improve the relationship and base the conversation on monitorable facts rather than one-sided opinions and feelings.	A
4.1.2. The leadership team has a good understanding of the Council's financial pressures and focus on re-examining priorities and identifying potential efficiencies in response to tighter finances and section 114, including reducing costs where appropriate.	▼ It was clearly demonstrated throughout all interviews that SCF understand and are mindful of the financial position of the Council. ▼ It was less evident that SCF felt able to make further savings beyond the 'Invest to save' proposals, as they are more focussed on the challenge of getting to Good than making savings beyond those for which they are already accountable. ▼ We note that SCF seems to lean towards more risk averse culture. In the past, the leadership have responded to increased demand and complexity by increasing capacity and we did not see evidence of pushing to find alternative solutions, reconsider thresholds, being more imaginative about how services are delivered. The intention set out in the business plan and expressed by the senior leaders in SCF starts seeking to redress the balance between demand management on the one hand and increasing capacity.	A
	Management dimension: People	
4.2.1. There is clarity on who is responsible for communicating and collaborating with the Council at the strategic and operating level.	▼ SCF would welcome a way to improve communication and collaboration with the Council, and it is recommended that both parties find a way to 'reset the relationship' in the best interests of the communities in Slough. ▼ There have clearly been numerous historical issues between both parties which have eroded trust, however many of these seem to have taken place between individuals who are no longer working there. In order to foster the appropriate environment for SCF to succeed in its objectives, and therefore contribute to the Council objectives whilst meeting statutory responsibilities – it is critical this issue is resolved. ▼ SCF did not feel the Council were fully behind them, although they welcomed the knowledge and support of the Lead Portfolio Member who was considered to be supportive and well informed.	A

	▼ The quality of this relationship will also likely impact on the retention of any future Chief Executive or senior leadership of SCF.	
4.2.2. The Council has a dedicated contract manager.	▼ Yes, Council has Intelligent Client Function performed by Jane Senior, SBC Associate Director – People Strategy & Commissioning	G
	Management dimension: Processes	
4.3.1. There are regular strategic and operational meetings between the company and Council that provide foundation for open communication and good partnership.	▼ The service delivery contract sets out a comprehensive programme of governance arrangements, including the Monitoring Group, the Strategic Commissioning Group and the Finance Monitoring Group. ▼ We heard from the stakeholders we met that some of the Strategic Commissioning Group meetings have not taken place recently. ▼ SCF and SBC need to maintain regular strategic and operational meetings that cement better relationship between the parties. ▼ It may be worth reshaping the existing governance arrangements or introducing additional regular operational meetings to cement better working relationships. This is particularly important given that some children's services remained in SBC and there are potential synergies from working more closely together. The Monitoring Group's terms of reference suggest that this group should provide a forum for discussing the cross service issues. However, this group's standing membership which is limited to one Company representative and the Council's Intelligent Client Function suggests that it may not be well positioned to cover a broader range of operational matters.	A
4.3.2. The company is fully transparent on its financial position. In return, the Council is open to recalibrating the budget if demand pressures are well evidenced and outside of the company's control.	▼ We saw evidence that SCF want to be transparent and are not deliberately withholding information. However, they are not perhaps as open as they could be about potential scenarios until they have worked through the financial implications, for fear of further scrutiny. ▼ This review did not test the understanding of the Council of Children's Services, but it would be helpful to ascertain whether there is a depth of knowledge in the genuine challenges which such a service presents in order to inform reasonable contract discussions. Councils with Outstanding services prioritise and stand behind their children's services. unless the Council fully grips and acknowledges the part it has to play in support children's services, SCF will likely continue to struggle. ▼ It would be beneficial if SCF were viewed as a critical partner to the Council, and a significant contributor to the community life of Slough..	A

Appendix 4. Partnership models and case studies

This appendix sets out an overview of various partnership arrangements that were implemented across the country. It includes a summary of advantages and disadvantages of each model as well as a case study that illustrates how the arrangements worked in practice.

Franchising model

Overview: The concept of Local Government Franchising (LGF) was initially introduced by Kent County Council nearly two decades ago and has been subsequently developed as a national model. It is a risk-sharing partnership between a struggling and a high-performing council, to transform the performance of one or more services. LGF would be delivered through packages of specific services (e.g. performance management, finance, workforce strategy, commissioning) supported by a combination of managers with a recent track record of achievement in public services delivery. The strength of the franchising model is that it works with the whole system.

Key features:

- **Governance:** A formal agreement (e.g. a Service Level Agreement) for an agreed minimum period (e.g. 4 years to align it with Slough's current timeframe to achieve 'Good') would be established between SCF, SBC, and another local authority, which would take on a role of the franchisor. The agreement would also be subject to statutory direction from the DfE. SBC would retain full political accountability for all Children's Services and the usual Cabinet level and scrutiny processes would continue. The agreement between SCF, SBC, the DfE and the partner Local Authority would include a robust performance framework and potentially a risk sharing arrangement. The improvement plan would also be updated to reflect the franchising arrangement between SBC and the local authority.

- **Management:** Contrary to the other models explored in this report, the franchising model does not require the DCS of the partner local authority to take on the full DCS role for SBC (although this is also possible). The Senior Management Team of the partner local authority would support the DCS and SCF Children's Services teams via a matrix management approach.

- **Comments on potential partners:** Given the model had been initially developed by Kent County Council, whose children's services have been rated as outstanding earlier this year, it may be worth exploring if Kent would be interested in continuing its role as a franchisor. Another potential partner could include Essex County Council. They run outstanding children's services and already have working relationship with Slough through Gavin Jones, one of the DLUHC commissioners and chief executive of Slough, who is also the chief executive of Essex County Council.

  This model could also work well with an alternative delivery model as a franchisor e.g. Achieving for Children (AfC) who provide children's services for the Royal Borough of Kingston upon Thames, Richmond Borough Council and the Royal Borough of Windsor and Maidenhead. We understand that the AfC are seeking a partner authority for the Windsor and Maidenhead service. AfC is explicit in its Business Development Strategy that its '*services may be extended to other organisations supporting children outside of our three AfC boroughs where there are clear ethical, financial or* *developmental benefits'*[21]. The franchising model could allow AfC to deliver its wider business development objectives.

Advantages and disadvantages

Advantages of the franchising model	Disadvantages of the franchising model
▼ Lends itself to cooperation with both local authorities and ADMs, expanding the potential pool of partners ▼ Would allow SCF / Slough Borough to access the expertise and experience of senior managers and frontline staff from another local authority or children's services ADM ▼ An opportunity to adopt policies, procedures and practices that have been tried and tested by the partner local authority / ADM ▼ Potential to develop shared services and achieve economies of scale across both areas in future ▼ Could apply the lessons learnt from other local authority areas (Kent and Swindon) ▼ Flexible arrangement, relatively easy to set up and with withdraw if necessary, could be implemented while LGR options for Slough are considered	▼ The potential for improvement relies heavily on the partner local authority having sufficient capacity to manage and improve the service ▼ Requires time to build good working relationship ▼ May require recruitment of DCS / Chief Executive (but on the other hand this person could be solely focused on Slough) ▼ Recharge cost would need to be considered ▼ Would likely require additional funding and contribution from central government

Case study: Kent County Council (KCC) and Swindon Borough Council (SwBC)

Background

Swindon was the first local authority in Britain to use the franchise model to rescue its struggling social services. Swindon social services were deemed to be among the worst in the country: in 2003 the Commission for Social Care Inspection (CSCI) awarded its social services department a zero star rating. It had improvement plans in place, but there was scepticism at corporate level within the authority that these plans might not be sufficient. Staff shortages were a problem both on the front line and in terms of management capacity. Kent was seen as a partner that can bring expertise and capacity to speed the recovery programme in key areas. In 2004 the Swindon/Kent Partnership to pilot a model of Local Government Franchising was announced. It was underpinned by a £3.6m three-year deal. The Department for Communities and Local Government (formerly the Office of the Deputy Prime Minister) contributed £820,000 to the franchise pilot, and the Department of Health contributed £180,000.

Nature of arrangement

The key features of the partnership included:

▼ During the first year, the main priorities of the partnership were to stabilise the personnel and financial issues. These were seen as critical success factors on which more detailed, service-based performance improvement work could be added. Over time, expectations of the

[21] AfC, Business Development Strategy, February 2022 https://www.achievingforchildren.org.uk/wp-content/uploads/2022/05/doc-AppendixB-Business-Development-Strategy.pdf [accessed 9th August 2022]

partnership and style of delivery changed to respond to progress made, emerging priorities and the particular challenges.

- SwBC retained legal and political responsibility for social services.
- Both local authorities had committed staff to identifying areas for improvement in Swindon Social Services' systems, processes, people and relationships and bringing about transactional and transformational changes.
- KCC provided managers below assistant director level. Middle managers from Kent visited Swindon two or three days a week. They were tasked with installing better financial control and backroom systems to monitor the delivery of care.
- A senior manager from Kent was seconded to establish a more professional approach to Swindon's recruitment practices.
- Support was provided by members of the Inter-Authority Partnership Unit (IAPU), which was set up by Kent to oversee any changes.
- Although interim management was not within the scope of partnership staffing, when the Swindon Director of Social Services left during Phase 1, a senior Officer from Kent was appointed. This interim appointment was an important stage in developing the relationship and demonstrated the commitment of both partners to its ultimate success.

Impact

The Benefits Review study found evidence that the franchising arrangement allowed Swindon to grow in ambition, improve its leadership, develop more effective relationships, improve the management of performance, and shift its culture. In December 2005 CSCI awarded Swindon Social Services 1 star for 2004/5, and in the following year, for 2005/6 with the addition of "promising prospects".

More information: Swindon Borough Council Benefits Review, Outcomes of the contract with Kent County Council, 2007, https://democracy.kent.gov.uk/documents/s3702/Swindon%20Partnership%20Appendix%20Cabinet%20140108.pdf [accessed 9th August 2022]

Partnership model

Overview: Another local authority would take on the management and delivery of Slough children's services.

Key features:

- **Governance:** A formal partnership agreement (e.g. a Service Level Agreement) for an agreed minimum period (e.g. four years to align it with Slough's current timeframe to achieve 'Good') would be established between SCF, SBC and another local authority, which would take on the delivery of children's services in Slough. The agreement would also be subject to statutory direction from the DfE. The DCS in the Local Authority taking on Slough Children's Services would become the Chief Executive of SCF and potentially also the DCS for SBC. SBC would retain full political accountability for all Children's Services and the usual Cabinet level and scrutiny processes would continue. The agreement between SCF, SBC, the DfE and the partner Local Authority would include a robust performance framework. The improvement plan would also be updated to reflect the partnership between SBC and the Local Authority. Both Local Authorities would be held to account for outcomes from Children's Services by the DfE with regular monitoring and progress reports.

- **Management:** The DCS of the partner Local Authority would take on the full DCS role for SBC and would be responsible for the day-to-day management and delivery of all Children's Services. The DCS would report directly to SBC's Chief Executive and Cabinet in addition to the Cabinet and Chief Executive of the partner Local Authority. The Senior Management Team of the partner Local

Authority would support the DCS and SCF Children's Services teams via a matrix management approach.

- **Comments on potential partners:** The model worked successfully on the Isle of Wight, where services have been directed by neighbouring Hampshire and received an across-the-board 'good' rating in 2019 (see case study below). A similar formal arrangement between Torbay and Plymouth came to an end in 2019 after less than two years, with Torbay continuing to struggle and Plymouth also running into difficulties. The large scale and capacity of Hampshire have been assessed as the key success factors that made the partnership with Isle of Wight manageable.

Advantages and disadvantages

Advantages of the partnership model	Disadvantages of the partnership model
▼ Would allow SCF / Slough Borough to access the expertise and experience of senior managers and frontline staff from another Local Authority ▼ An opportunity to adopt policies, procedures and practices that have been tried and tested by the partner Local Authority – this can provide staff with a 'roadmap' for improving the service ▼ Potential to develop shared services and achieve economies of scale across both Local Authorities in future ▼ Good fit with the Government's devolution policy and Children's Care review through the development of regionalised services ▼ Could apply the lessons learnt from use of the Partnership Model in other Local Authority areas (Isle of Wight and Hampshire, Leeds and Kirklees)	▼ Additional cost ▼ Can be complicated to implement given that an alternative delivery vehicle (SCF company) already exists – potentially complex company governance arrangements ▼ Risk that a partnership destabilises the partner Local Authority ▼ Risk of poor strategic and political engagement in, or scrutiny of, outcomes from Children's Services ▼ The potential for improvement relies heavily on the partner Local Authority having sufficient capacity to manage and improve the service ▼ Staff may view the partnership as a 'take over' – this could further affect SCF's ability to recruit and retain high performing staff ▼ Would likely require additional funding and contribution from central government

Case study: Hampshire County Council (HCC) and Isle of Wight Council (IWC)

Background

This partnership was established in 2013 at the instigation of the DfE, the LGA and the IWC in consultation with HCC. It followed the identification by Ofsted of serious failings across IWC in both children's social care and education services. As a result of Ofsted's findings, improvement plans were developed to align with the partnership established between both local authorities. These plans relate to both education and social care. In addition to these improvement plans developed in response to the inspection findings, additional broader improvement plans were also developed/implemented to form the basis for a long-term drive towards a good or better service.

Nature of arrangement

The partnership is subject to a formal agreement between the two local authorities. It is also subject to a Statutory Ministerial Direction from the DfE.
The key features of the partnership include:

- Full political accountability for all local authority Children's Services, including education and social care, remains with IWC.
- The DCS for HCC assumes the DCS role in full for IWC, with the support of the HCC's Children's Services Departmental Management Team.
- Full financial accountability and employment responsibilities remain with IWC, with the overwhelming majority of staff remaining as IWC employees.
- Full operational performance and employment responsibilities fall to the DCS for HCC and the HCC Children's Services Departmental Management Team.
- The direction of the partnership was set for a period of five years but with a three-year review and, with regard to the joint agreement, for either authority to give notice of withdrawal.4

Impact
The 2014 Ofsted inspection report states that *'the five-year strategic partnership is providing essential stability and is driving demonstrable improvements across Children's Services on the island.'* The report identifies that both authorities have established an effective strategic partnership, with clear lines of reporting and accountability having been agreed that ensure timely decision making and an effective oversight of services.

The report found that *'this creative, sector-led model for improvement is beginning to lead to improvement in the quality and reliability of services to children and families. However, it is too soon to evidence a consistent impact on improving quality of practice and outcomes for children.'*

Services received an across-the-board 'good' rating in 2019.

We held a meeting with the Hampshire DCS as part of our initial sounding exercise and discussed the conditions for a good partnership model – see more detail below.

Combined authority model

Overview: Slough Borough Council and one or more local authorities would deliver their children's services together through a joint delivery vehicle.

Key features:

- **Governance:** SBC and one or more local authorities would establish a Service Level Agreement and pool their budgets to combine the management and delivery of their Children's Services. If the preferred option was to continue delivery through a wholly-owned local authority company, services could transfer to SCF, which would become co-owned by SBC and the other local authorities in the combined authority. The authorities would appoint a joint DCS / Chief Executive of SCF who would report to the Chief Executive and Cabinet of each Local Authority. A Strategic Commissioning and Delivery Board would be established with the DfE and the Lead Member and Chief Executive of each member local authority in the combined authority. SBC would retain full political accountability for all children's services and the usual Cabinet level and scrutiny processes would continue. SBC's involvement in the combined authority would be subject to direction from the DfE. The Service Level Agreement and pooled budget would be subject to a robust performance framework and an annual planning regime, with regular reports to the Strategic Commissioning and Delivery Board.

- **Management:** SBC and the other member local authorities in the combined authority would have a joint DCS / Chief Executive of SCF and an integrated Senior Management Team for the commissioning and delivery of children's services. Each local authority could retain its own children's services staff, but staff would work flexibly across the combined authority area to deliver on priorities and meet needs. Alternatively, staff could be employed by one local authority under delegation of function. However, if the preferred option was to merge services in a wholly-owned local authority company, staff from all the authorities could transfer to SCF. Each local authority would continue to set its own budget for children's services. A risk/benefit sharing agreement would be established across the combined authority to ensure each local authority receives a fair share of any additional costs or savings from the pooled budget.

- **Comments on potential partners:** Geographic proximity and similar scale of potential partners are important in this model. From this perspective, it could work with some or all the smaller unitary authorities in Berkshire (Reading, Wokingham, Bracknell Forest, Windsor and Maidenhead). On a practical level, the fact that Slough only shares boundaries with Windsor and Maidenhead, which is unlikely to be interested in this option given its successful arrangements with AfC, makes this option more challenging to implement. Potential partners could also include London Boroughs, especially close neighbours similar in terms of demographics.

Advantages and disadvantages

Advantages of the combined authority model	Disadvantages of the combined authority model
▼ Would allow SCF / Slough Borough to access the expertise and experience of senior managers and frontline staff from other local authorities ▼ Opportunities to realise significant cost efficiencies, particularly in relation to leadership and back-office support functions, which would be funded by all local authorities ▼ Potential to achieve economies of scale, which would help with driving cost of placements down ▼ Improved ability to attract high calibre leadership given the size of the combined service ▼ Good fit with the Government's devolution policy and Children's Care review through the development of regionalised services	▼ Additional cost ▼ Management of conflicting agendas/priorities and strong political influence may become problematic ▼ Complex and time consuming to establish a combined authority, as agreement would need to be secured from other local authorities ▼ Could be particularly difficult to secure interest from local authorities that are good or outstanding ▼ Complex governance arrangement with multiple partners involved ▼ Would likely require additional funding and contribution from central government

Case study: Tri-Borough Children's Services for the London Borough of Hammersmith and Fulham (LBHF), the Royal Borough of Kensington and Chelsea (RBKC), and Westminster City Council(WCC)

Overview

LBHF, RBKC and WCC have developed a combined Children's Service across the three councils as a part of the wider shared Tri-Borough arrangement between the three Local Authorities. Under Tri-Borough, each authority remained as a legally distinct and sovereign entity, and continued to operate its own Lead Member, Cabinet, and scrutiny processes for Children's Services, but significant areas of service delivery were shared. Each local authority set its own budget and spending priorities but mechanisms have been installed to apportion savings and costs across the three local authorities.

The strategic driver behind Tri-Borough was to protect frontline services from spending reductions by making efficiency savings (particularly in administrative/back office and managerial areas of spend), and to improve productivity through the sharing of staff, knowledge, and assets. A key enabler for Tri-Borough was the shared borders of the three local authorities, and a manageable combined population. Specific to children's services, all the authorities were rated as 'Good' by Ofsted prior to forming Tri-Borough. However, in Spring of 2017, it was announced that the Tri-borough arrangement is ceasing. There were a variety of reasons for this including financial pressures and political re-alignment.

Governance and accountability

A single Executive Director operated across the Tri-Borough children's services. The Executive Director led a single management team which included the Directors of Family Services for each authority, and shared Tri-Borough Directors for Commissioning, Finance & Resources, and Safeguarding & Quality Assurance. A new joint Local Children's Safeguarding Board (LCSB) has been established to cover the three local authorities (sub-groups of the LCSB have been established to focus on any borough specific matters). As the three local authorities remained separate legal entities, Ofsted continued to inspect each individually.

Services

The Tri-Borough arrangement covered the majority of children's services for LBHF, RBKC and WCC. Some services were fully combined but many remained borough-based where this was preferable (for instance family services were delivered locally in each borough).

Appendix 5. Financial analysis and review of assumptions (Excel spreadsheet available as a separate document)

See below the contents of the Appendix 5. Tables presenting the profit and loss account following MV revisions are also included below for ease of reference (Figures 19 and 20).

Slough Children First Business Plan Review

Final Report - Financial Analysis Annex

04-Oct-22

Contents:

1) SCF 2022-29 Business Plan: Profit and Loss Account before and after inflation
2) Review of Business Plan assumptions
- Alternative baseline
- Movements in assumptions
3) Alternative Scenario P&L: Profit and Loss Account before and after inflation
4) Summary table

Figure 19. Alternative Scenario: Profit and Loss Account following MV revisions, before inflation

	P&L projection BEFORE inflation						
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
INCOME							
SBC income							
Core contract	(30,099,735)	(30,099,735)	(30,099,735)	(30,099,735)	(30,099,735)	(30,099,735)	(30,099,735)
Loan interest	(58,500)	(58,500)	(58,500)	(58,500)	(58,500)	(58,500)	(58,500)
Core contract Early Help	(1,827,000)	(1,827,000)	(1,827,000)	(1,827,000)	(1,827,000)	(1,827,000)	(1,827,000)
Additional funding	(1,687,547)	(1,687,547)	(1,687,547)	(1,687,547)	(1,687,547)	(1,687,547)	(1,687,547)
Pay inflation	(405,665)	(405,665)	(405,665)	(405,665)	(405,665)	(405,665)	(405,665)
Contract inflation	(295,256)	(295,256)	(295,256)	(295,256)	(295,256)	(295,256)	(295,256)
SBC Savings targets introduced	2,674,000	2,674,000	2,674,000	2,674,000	2,674,000	2,674,000	2,674,000
SBC core contract	**(31,699,703)**	**(31,699,703)**	**(31,699,703)**	**(31,699,703)**	**(31,699,703)**	**(31,699,703)**	**(31,699,703)**
Contribution to Virtual School	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Capitalisation Directive Funding	(96,000)	-	-	-	-	-	-
Total SBC income	**(31,895,703)**	**(31,799,703)**	**(31,799,703)**	**(31,799,703)**	**(31,799,703)**	**(31,799,703)**	**(31,799,703)**
DfE income							
Running cost grant	(2,192,801)	(817,173)	(151,194)	(151,194)	(151,194)	(151,194)	(151,194)
Transformation funding	-	-	-	-	-	-	-
Total DfE income	**(2,192,801)**	**(817,173)**	**(151,194)**	**(151,194)**	**(151,194)**	**(151,194)**	**(151,194)**
Grant Income							
Pupil premium +	(451,750)	(451,750)	(451,750)	(451,750)	(451,750)	(451,750)	(451,750)
Strenthening families	(745,300)	(824,820)	(874,100)	-	-	-	-
DA Duty funding	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)
DSG grant contribution to Virtual School	-	-	-	-	-	-	-
PH income	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Virtual school - CIN support	(100,000)	-	-	-	-	-	-
Remand Grant	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
YOT grants	(310,749)	(310,749)	(310,749)	(310,749)	(310,749)	(310,749)	(310,749)
PCC grant - community safety	(77,000)	(77,000)	(77,000)	(77,000)	(77,000)	(77,000)	(77,000)
Staying put grant	(86,750)	(86,750)	(86,750)	(86,750)	(86,750)	(86,750)	(86,750)
Personal Advisor grant	(37,282)	(37,282)	(37,282)	(37,282)	(37,282)	(37,282)	(37,282)
Asylum seekers	(1,451,286)	(1,867,386)	(2,185,571)	(2,205,643)	(2,080,500)	(2,080,500)	(2,080,500)
Total Grant income	**(3,921,117)**	**(4,316,737)**	**(4,684,202)**	**(3,830,174)**	**(3,705,031)**	**(3,705,031)**	**(3,705,031)**
Other income							
Inter agency adoptions fees	-	-	-	-	-	-	-
Health funding	(807,000)	(822,372)	(824,698)	(820,589)	(814,230)	(808,358)	(804,009)
Fostering income	(33,320)	(33,320)	(33,320)	(33,320)	(33,320)	(33,320)	(33,320)
ASYE income	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Covid-19 income	(10,000)	-	-	-	(10,000)	(10,000)	(10,000)
Other income	(155,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Total Other income	**(1,045,320)**	**(900,692)**	**(903,018)**	**(898,909)**	**(902,550)**	**(896,678)**	**(892,329)**
Total income							
Total Income	**(39,054,940)**	**(37,834,304)**	**(37,538,117)**	**(36,679,979)**	**(36,558,478)**	**(36,552,605)**	**(36,548,256)**
EXPENDITURE							
Pay							
Salaries	13,883,511	13,485,499	13,485,499	13,485,499	13,501,104	13,511,401	13,511,401
Agency	2,050,649	2,241,692	2,215,641	1,938,234	2,088,253	1,834,502	1,976,009
Agency Innovate teams	1,885,048	1,474,394	1,470,366	1,470,366	735,183	737,197	-
Invest to save	1,424,216	1,873,343	1,774,539	1,774,539	1,618,495	1,515,522	1,515,522
Total Pay and agency	**19,243,423**	**19,074,928**	**18,946,045**	**18,668,638**	**17,943,035**	**17,598,622**	**17,002,932**
Placements							
CLA placements	13,204,081	12,917,149	12,278,773	11,635,661	10,902,570	10,179,224	9,511,633
Permanence placements	2,299,010	2,355,748	2,425,727	2,490,074	2,554,420	2,618,767	2,683,113
Total placements	**15,503,091**	**15,272,897**	**14,704,500**	**14,125,735**	**13,456,990**	**12,797,990**	**12,194,746**
Other Child Support Costs							
Adoption Fees	150,000	150,000	120,000	90,000	90,000	60,000	60,000
Care Leavers	1,697,617	1,652,099	1,652,099	1,652,099	1,652,099	1,652,099	1,652,099
CWD other inc equipment	97,000	97,000	97,000	97,000	97,000	97,000	97,000
CWD POC & Short breaks	628,013	629,232	599,945	570,640	543,220	518,656	514,657
Home from home	73,428	85,139	105,849	119,559	140,269	152,551	154,550
LSCB Contribution	45,600	45,600	45,600	45,600	45,600	45,600	45,600
Mockingbird	33,198	33,198	33,198	33,198	33,198	33,198	33,198
Out of Hours	190,590	200,357	200,933	194,599	187,138	179,523	173,189
Pupil Premium	294,014	294,014	294,014	294,014	294,014	294,014	294,014
S17	390,624	349,948	363,734	356,668	352,849	352,662	354,947
Total other child support costs	**3,600,085**	**3,536,588**	**3,512,372**	**3,453,377**	**3,435,387**	**3,385,303**	**3,379,255**
Legal Fees							
Legal fees	2,072,115	1,882,541	1,708,307	1,558,621	1,499,820	1,439,812	1,389,890
Legal fees total	**2,072,115**	**1,882,541**	**1,708,307**	**1,558,621**	**1,499,820**	**1,439,812**	**1,389,890**
Other Overheads							
IT hardware and software	1,320,659	1,262,659	1,262,659	1,262,659	1,262,659	1,262,659	1,262,659
Other overheads	298,001	298,001	298,001	298,001	298,001	298,001	298,001
Printing, postage, Stationary & Subscriptions	165,000	160,000	155,000	155,000	155,000	155,000	155,000
Professional Fees	124,956	124,956	124,956	124,956	124,956	124,956	124,956
Recruitment	355,289	102,800	50,000	50,000	50,000	50,000	50,000
Repairs & Maintenance	26,808	26,808	26,808	26,808	26,808	26,808	26,808
Staff allowances	147,578	140,000	130,000	120,000	120,000	120,000	120,000
Training	53,500	44,000	39,250	36,875	34,500	34,500	34,500
Utilities & rents	826,230	826,230	826,230	826,230	826,230	826,230	826,230
Total other overheads	**3,318,021**	**2,985,454**	**2,912,904**	**2,900,529**	**2,898,154**	**2,898,154**	**2,898,154**
Other Funded costs							
Other costs of delivering savings	185,000	-	-	-	-	-	-
Transformation costs	790,641	255,719	-	-	-	-	-
Total Other funded costs	**975,641**	**255,719**	-	-	-	-	-
Total Expenditure							
Total Expenditure	**44,712,376**	**43,008,126**	**41,784,129**	**40,706,900**	**39,233,386**	**38,119,883**	**36,864,977**
(SURPLUS)/DEFICIT							
(Surplus) / Deficit	**5,657,436**	**5,173,822**	**4,246,012**	**4,026,921**	**2,674,908**	**1,567,277**	**316,721**

Figure 20. Alternative Scenario: Profit and Loss Account following MV revisions, after inflation

	P&L projection AFTER inflation						
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
INCOME							
SBC income							
Core contract	(30,099,735)	(30,099,735)	(30,099,735)	(30,099,735)	(30,099,735)	(30,099,735)	(30,099,735)
Loan interest	(58,500)	(58,500)	(58,500)	(58,500)	(58,500)	(58,500)	(58,500)
Core contract Early Help	(1,827,000)	(1,827,000)	(1,827,000)	(1,827,000)	(1,827,000)	(1,827,000)	(1,827,000)
Additional funding	(1,687,547)	(1,687,547)	(1,687,547)	(1,687,547)	(1,687,547)	(1,687,547)	(1,687,547)
Pay inflation	(405,665)	(1,168,662)	(1,557,584)	(1,936,792)	(2,265,574)	(2,618,330)	(2,926,248)
Contract inflation	(295,256)	(1,888,342)	(2,282,043)	(2,440,760)	(2,590,544)	(2,723,445)	(2,856,120)
SBC Savings targets introduced	2,674,000	2,674,000	2,674,000	2,674,000	2,674,000	2,674,000	2,674,000
SBC core contract	**(31,699,703)**	**(34,055,787)**	**(34,838,410)**	**(35,376,334)**	**(35,854,901)**	**(36,340,558)**	**(36,781,150)**
Contribution to Virtual School	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Capitalisation Directive Funding	(96,000)	-	-	-	-	-	-
Total SBC income	**(31,895,703)**	**(34,155,787)**	**(34,938,410)**	**(35,476,334)**	**(35,954,901)**	**(36,440,558)**	**(36,881,150)**
DfE income							
Running cost grant	(2,192,801)	(817,173)	(151,194)	(151,194)	(151,194)	(151,194)	(151,194)
Transformation funding	-	-	-	-	-	-	-
Total DfE income	**(2,192,801)**	**(817,173)**	**(151,194)**	**(151,194)**	**(151,194)**	**(151,194)**	**(151,194)**
Grant Income							
Pupil premium +	(451,750)	(451,750)	(451,750)	(451,750)	(451,750)	(451,750)	(451,750)
Strenthening families	(745,300)	(824,820)	(874,100)	-	-	-	-
DA Duty funding	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)	(86,000)
DSG grant contribution to Virtual School	-	-	-	-	-	-	-
PH income	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Virtual school - CIN support	(100,000)	-	-	-	-	-	-
Remand Grant	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
YOT grants	(310,749)	(310,749)	(310,749)	(310,749)	(310,749)	(310,749)	(310,749)
PCC grant - community safety	(77,000)	(77,000)	(77,000)	(77,000)	(77,000)	(77,000)	(77,000)
Staying put grant	(86,750)	(86,750)	(86,750)	(86,750)	(86,750)	(86,750)	(86,750)
Personal Advisor grant	(37,282)	(37,282)	(37,282)	(37,282)	(37,282)	(37,282)	(37,282)
Asylum seekers	(1,451,286)	(1,867,386)	(2,185,571)	(2,205,643)	(2,080,500)	(2,080,500)	(2,080,500)
Total Grant income	**(3,921,117)**	**(4,316,737)**	**(4,684,202)**	**(3,830,174)**	**(3,705,031)**	**(3,705,031)**	**(3,705,031)**
Other income							
Inter agency adoptions fees	-	-	-	-	-	-	-
Health funding	(807,000)	(904,609)	(925,311)	(929,908)	(931,929)	(934,460)	(938,727)
Fostering income	(33,320)	(33,320)	(33,320)	(33,320)	(33,320)	(33,320)	(33,320)
ASYE income	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Covid-19 income	(10,000)	-	-	-	(10,000)	(10,000)	(10,000)
Other income	(155,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Total Other income	**(1,045,320)**	**(982,929)**	**(1,003,631)**	**(1,008,228)**	**(1,020,249)**	**(1,022,780)**	**(1,027,047)**
Total income							
Total Income	**(39,054,940)**	**(40,272,625)**	**(40,777,437)**	**(40,465,929)**	**(40,831,375)**	**(41,319,562)**	**(41,764,421)**
EXPENDITURE							
Pay							
Salaries	13,883,511	14,024,919	14,305,418	14,591,526	14,900,578	15,210,182	15,514,386
Agency	2,050,649	2,331,359	2,350,352	2,097,200	2,304,714	2,065,153	2,268,941
Agency Innovate teams	1,885,048	1,533,370	1,559,764	1,590,960	811,389	829,885	-
Invest to save	1,424,216	1,948,277	1,882,431	1,920,080	1,786,262	1,706,068	1,740,189
Total Pay and agency	**19,243,423**	**19,837,925**	**20,097,965**	**20,199,765**	**19,802,944**	**19,811,287**	**19,523,515**
Placements							
CLA placements	13,204,081	13,821,349	13,401,053	12,826,152	12,138,236	11,446,237	10,802,506
Permanence placements	2,299,010	2,520,650	2,647,439	2,744,843	2,843,931	2,944,726	3,047,252
Total placements	**15,503,091**	**16,341,999**	**16,048,491**	**15,570,995**	**14,982,167**	**14,390,963**	**13,849,759**
Other Child Support Costs							
Adoption Fees	150,000	160,500	130,968	99,208	100,200	67,468	68,143
Care Leavers	1,697,617	1,767,746	1,803,101	1,821,132	1,839,343	1,857,737	1,876,314
CWD other inc equipment	97,000	103,790	105,866	106,924	107,994	109,074	110,164
CWD POC & Short breaks	628,013	673,278	654,780	629,024	604,786	583,213	584,504
Home from home	73,428	91,098	115,523	131,791	156,166	171,539	175,525
LSCB Contribution	45,600	48,792	49,768	50,266	50,768	51,276	51,789
Mockingbird	33,198	35,522	36,233	36,595	36,961	37,331	37,704
Out of Hours	190,590	214,382	219,299	214,509	208,347	201,869	196,693
Pupil Premium	294,014	314,595	320,887	324,096	327,337	330,611	333,917
S17	390,624	374,444	396,979	393,160	392,840	396,558	403,119
Total other child support costs	**3,600,085**	**3,784,149**	**3,833,403**	**3,806,706**	**3,824,744**	**3,806,674**	**3,837,871**
Legal Fees							
Legal fees	2,072,115	2,014,319	1,864,446	1,718,090	1,669,806	1,619,027	1,578,519
Legal fees total	**2,072,115**	**2,014,319**	**1,864,446**	**1,718,090**	**1,669,806**	**1,619,027**	**1,578,519**
Other Overheads							
IT hardware and software	1,320,659	1,351,045	1,378,066	1,391,847	1,405,765	1,419,823	1,434,021
Other overheads	298,001	318,861	325,238	328,490	331,775	335,093	338,444
Printing, postage, Stationary & Subscriptions	165,000	171,200	169,167	170,859	172,567	174,293	176,036
Professional Fees	124,956	133,703	136,377	137,741	139,118	140,509	141,914
Recruitment	355,289	109,996	54,570	55,116	55,667	56,224	56,786
Repairs & Maintenance	26,808	28,685	29,258	29,551	29,846	30,145	30,446
Staff allowances	147,578	149,800	141,882	132,278	133,600	134,936	136,286
Training	53,500	47,080	42,837	40,648	38,410	38,794	39,182
Utilities & rents	826,230	884,066	901,747	910,765	919,873	929,071	938,362
Total other overheads	**3,318,021**	**3,194,436**	**3,179,143**	**3,197,294**	**3,226,623**	**3,258,889**	**3,291,478**
Other Funded costs							
Other costs of delivering savings	185,000	-	-	-	-	-	-
Transformation costs	790,641	273,619	-	-	-	-	-
Total Other funded costs	**975,641**	**273,619**	**-**	**-**	**-**	**-**	**-**
Total Expenditure							
Total Expenditure	**44,712,376**	**45,446,447**	**45,023,449**	**44,492,850**	**43,506,283**	**42,886,839**	**42,081,142**
(SURPLUS)/DEFICIT							
(Surplus) / Deficit	**5,657,436**	**5,173,822**	**4,246,012**	**4,026,921**	**2,674,908**	**1,567,277**	**316,721**