

Slough Borough Council

REPORT TO: Cabinet

DATE: 27 February 2023

SUBJECT: Approval of contract sum and update on business plan for Slough Children First Limited (SCF)

CHIEF OFFICER: Stephen Brown – Chief Executive

CONTACT OFFICER: Sarah Wilson – Principal Lawyer
Peter Robinson – Council Finance Representative

WARD(S): All

PORTFOLIO: Councillor Swindlehurst – Leader of the Council
Councillor Hulme – Lead Member Children’s Services

KEY DECISION: YES

EXEMPT: NO, except Appendix A due to it containing confidential information about SCF

DECISION SUBJECT TO CALL IN: YES

APPENDICES: Confidential Appendix A SCF Draft Business Plan 2023/24 2027/28
Appendix B Mutual Ventures Review of SCF Business Plan

1 Summary and Recommendations

- 1.1 This report seeks agreement for a delay in approval of Slough Children First’s (SCF) business plan for 2023 to 2028 and agreement of a Contract Sum for 2023/24. The Contract Sum reflects an increase in funding in recognition of the agreed in-year funding requests for 2022/23 and increasing pressures. It is accepted that SCF may have to submit in-year funding requests during the year to meet invest to save and demand pressures and the Council has retained a central contingency that may cover elements of this and other Directorate pressures, however the Council will need to prioritise the demands on it and thus it will be incumbent on all departments/companies to manage additional costs within their existing budgets as far as they are able. SCF’s board is not in a position to approve the 2023/24 to 2027/28 business plan due to a number of changes in circumstances. These include an Ofsted inspection in January 2023 and a new Chief Executive (statutory Director

of Children's Services) and Director of Operations. The Council is also not in a position to fund the financial uplift in the draft business plan.

- 1.2 In addition, the Council is in the process of agreeing a new Corporate Plan and the SCF Business Plan should align with this. SCF is wholly owned by the Council and approval of the annual business plan is a reserved matter under SCF's Articles of Association. Appendix A is the draft business plan, which demonstrates the work that has been undertaken on service planning and invest to save proposals. It is anticipated that a new business plan will be submitted by the end of June 2023.
- 1.3 There is a proposal to increase the range and scale of support services offered by the Council to SCF and approval is sought for officers to agree the scale of services, including in-sourcing any staff connected with these services.

Recommendations:

Cabinet is recommended to:

- Note the draft SCF's business plan for 2023/24 to 2027/28 at Appendix A and agree that this should not be approved as the annual business plan.
- Approve a Contract Sum for 2023/24 of £36.067m, an increase of £4.632m on the 2022/23 base budget.
- Delegate authority to the Executive Director of Strategy and Improvement and the Executive Director of Finance and Commercial, in consultation with the Lead Member of Customer Services, Procurement & Performance, to offer an enhanced level of support services with a charging mechanism to reflect cost recovery.
- Note that a report will be brought back to Cabinet in Quarter 2 of 2023/24 with a new business plan for SCF, following consultation with key stakeholders and alignment with the Council's Corporate Plan and budget.
- Note and accept the recommendations from the People Scrutiny Panel Task and Finish Group and delegate authority to the Chief Executive, in consultation with the Lead Member for Children's Services, to appoint lead officers to progress each recommendation and to request that the SCF Board of Directors ensure that these recommendations are considered and reflected in a new business plan.

Reason:

SCF requires a high quality, long-term business plan setting out its strategic priorities and financial strategy. The previous year's plan was only approved on an interim basis and the re-submitted plan was subject to a review by Mutual Ventures. Submission of this year's business plan has been delayed due to this and other factors. The draft business plan sets out a level of investment in the short term which is unaffordable to the Council in its current financial circumstances. The SCF Board of Directors met on 8 February 2023 and took the difficult decision not to approve the business plan for submission to the Council, instead requesting that

more time is given to re-draft the plan under the leadership of the new SCF Chief Executive.

The Council, as a minimum, must set a Contract Sum for SCF for 2023/24. This should be set taking account of the submitted business plan. The draft business plan and Mutual Ventures report have been taken into account in recommending a Contract Sum. The Contract Sum is a significant increase from the previous year reflecting agreed in-year funding requests and Mutual Ventures identifying areas missing from the financial assumptions. A new chief executive has been appointed and a key priority must be ensuring that SCF can evidence value for money and can demonstrate the ability to become a financially sustainable entity. This will require a different set of strategic priorities and consideration of the findings of the Ofsted inspection in relation to quality of practice. One consideration is for the Council to offer a revised level of support services to avoid duplication and reduce costs. Delegation is sought to progress this work.

Commissioner Review

Children's Services, provided through Slough Children's First, has been the subject of Department of Education (DfE) intervention since February 2014. This is one of the biggest issues facing the Council today.

This report outlines some significant concerns with the current draft 2023/24 – 2027/28 business plan and recommends that given these issues, the Ofsted review, the recommendations of the People Scrutiny Panel task and finish group report, and with the presence of the new DfE Commissioner, and the new Executive Director for People (Children's) who is also the Chief Executive of SCF, a new business plan should be developed and submitted for approval by June 2023.

The commissioners fully support this approach.

It is imperative that the new Business Plan not only includes a clear indication of how services will be developed and improved, but also the financial implications of this, the performance to be delivered and the impact on the children and families. The Commissioners would expect progress against this new Plan to be reported regularly to the Council.

The report also proposes a Contract Sum for 2023/24 of £36.062m which reflects an increase in funding in recognition of the agreed in-year 2022/23 funding, and funding pressures. No further sums should be considered without the development and approval of a new Business Plan

2 Report

- 2.1. SCF became wholly owned by the Council on 1 April 2021, with new articles of association setting out its governance arrangements. The Articles of Association set out a list of reserved matters, which must be approved by the Council, as the sole owner of the Company.
- 2.2. SCF delivers statutory children's social care functions under a direction of the Secretary of State and in accordance with a service delivery contract between SCF and the Council. Improvement activity to support this across children's services are a critical part of the Council's improvement journey and the Council and SCF need to

work together to ensure that the services can be delivered in a cost-effective way, contributing to the delivery of required financial savings to enable the Council to become financially sustainable within the medium term.

- 2.3. A new Chief Executive for SCF, who is also the Executive Director of People – Children and the statutory director of children’s services, commenced in role in January 2023. Within a week of her arrival, Ofsted commenced its inspection of children’s services. This is a major three-yearly inspection and its findings should rightly have a significant impact on the strategic direction of SCF. In addition, the Council’s governance review of SCF’s business plan has shown that it does not align well with the Council’s Corporate Plan or priorities. The People Scrutiny Panel task and finish report recommended an enhanced focus on partnership working, alongside other recommendations for SCF that also need to be incorporated in the new plan. Whilst it is disappointing that for the second year in a row, the Council has been unable to agree a longer-term business plan for SCF, the decision by the Board of Directors not to recommend the existing draft business case for approval demonstrates an increased level of understanding of the need for strategic alignment and a recognition of the Council’s financial situation when setting its own strategic priorities.

Options Considered

- 2.4. The following options were considered:

Option	Pros	Cons	Recommended
<i>Option 1: Approval of business plan</i>	<ul style="list-style-type: none"> • Ensures compliance with Articles of Association • Ensures SCF has a longer-term business strategy to manage its services 	<ul style="list-style-type: none"> • This does not address the Council’s concerns about the adequacy of the plan and the deliverability of proposals within it. • This does not take account of the Ofsted inspection findings. • The new SCF Chief Executive (Director of Children’s Services) has not been able to influence and set the direction in the business plan. • The business plan does not take account of the new SBC Corporate Plan. • The SCF Board have not approved the draft business plan for submission to the Council 	Not Recommended
<i>Option 2: Approval of business plan on an interim basis, with further requirements.</i>	<ul style="list-style-type: none"> • Ensures compliance with Articles of Association • Allows time for the plan to be properly scrutinised and feedback given 	<ul style="list-style-type: none"> • SCF will have to invest more officer and board time in preparing update reports and a refreshed plan • This approach was adopted last year, however it did not lead to an improvement in 	Not recommended

	<ul style="list-style-type: none"> Avoids the previous business plan being rolled over 	<p>monitoring and reporting at a member level and led to considerable officer time and resource which could have been utilised to better effect.</p>	
Option 3: Do not approve the business plan	<ul style="list-style-type: none"> The Council does not approve the business plan and requires an updated version to be prepared in a new timetable, taking account of the views of the recent Ofsted inspection and the appointment of a new Chief Executive. The business plan can set out a more realistic and affordable medium term financial strategy. The business plan can be subject to engagement with key stakeholders and take account of the Council's new Corporate Plan. The new plan will have the ownership of the new Chief Executive and Board of SCF The contract sum proposed will provide sufficient resources for SCF to remain solvent in 2023/24 as advised by the company. 	<ul style="list-style-type: none"> The previous interim business plan will apply, which does not address how SCF will seek to deliver financial savings in the current context. The Council will still have to set a Contract Sum for 2023/24. SCF is not able to demonstrate improvement in its business planning processes, an issue that was flagged in the governance review. 	Recommended

Background

2.5. SCF's objects are set out in its Articles of Association. These are to provide social care, youth offending and other related services and support to children, young people and their families for the advancement of the community, and in particular:

- (a) to keep children and young people safe from harm;
- (b) to provide high quality and coordinated services in connection with children, young people and their families, including in relation to children's safeguarding, children in care and at the edge of care, children leaving care and adoption and fostering services;
- (c) to innovate and to secure improvements in the quality and effectiveness of the services provided to children, young people and their families in respect of social care, family support and youth offending services and demonstrate value for money in doing so;

- (d) to advance and promote social care, family support and youth offending services available to children, young people and their families;
- (e) to work collaboratively with other agencies to identify the individual social care needs of children and young people and to establish suitable arrangements to prepare for and meet such needs;
- (f) to make a positive and effective contribution to multi-agency early intervention support for children, young people and their families to avoid the need for more intensive social care support;
- (g) to ensure that effective care planning and appropriate intervention is in place which protects children from harm, reduces the need for children to be in care unless absolutely necessary, and supports those in care;
- (h) to establish and operate arrangements based on best practice and innovation and to work in partnership with all agencies involved with children, young people and their families to encourage and support children and young people to achieve positive outcomes; and
- (i) to establish, promote and encourage the development of collaborative working arrangements between individuals and organisations in the field of information, advice, guidance and support to deliver high standards of social care, family support and youth offending services to children and young people.

2.6. There is no reference to these objectives in the draft Business Plan. Instead SCF set out a vision and values, strategic objectives and priorities and a road map for a model of intervention. There is no detail on how these objectives or priorities were set or to what extent these were subject to consultation with stakeholders, including the Council as owner of SCF. In the new business plan, it would be appropriate for SCF to link its business plan to the objects set out in the Articles and to the requirements set out in the service delivery plan, as this is what SCF is set up to deliver, as well as the wider Council and partnership priorities.

2.7. As part of ensuring appropriate scrutiny and challenge on the plan, an earlier draft was reviewed by Mutual Ventures, who were commissioned by the Department for Education and the plan was reviewed by a task and finish group of members from the People Scrutiny Panel. Key findings from these reviews are set out below:

Affordability of services

2.8. Mutual Ventures made it clear that both the Council and SCF need to be clear about the affordability of services and have full confidence in the proposed plans, given the Council's tightening financial envelope.

2.9. There is limited evidence that SCF has taken account of the Council's financial position. The draft business plan requested a net increase in revenue funding of £10.295m or 33% on the 2022/23 contract sum and assuming savings of £1.139m. This is clearly not a tenable position and SCF needs to demonstrate that it has undertaken an options appraisal of different funding models and appropriately considered the risks associated with each model.

- 2.10. The People Scrutiny Panel Task and Finish Group report concluded that proposals in relation to retention payments were not evidence based and that in general SCF was offering commensurate salaries to neighbouring areas and needed to focus more on practice development and career development opportunities.

Proactive demand management

- 2.11. Mutual Ventures state that the financial outlook for SCF could be improved through a dedicated drive to focus on throughput of work, with a review of existing cases being closed where they are low risk.
- 2.12. The Task and Finish Group heard that managing risk and closing cases requires stable leadership and management to ensure social workers felt confident and safe in their decision-making.

Workforce

- 2.13. Mutual Ventures have stated that the current invest to save proposals do not address the main reason that staff are leaving, namely caseloads. Mutual Ventures also commented on the intention to keep the Innovate Teams until March 2025 as concerning, as these teams are expensive and should only be used to fill short term gaps. With stable, skilled and confident leadership it was proposed that a more ambitious target could be set.
- 2.14. The Task and Finish Group heard from frontline managers about the strong morale and the positive impact that programmes such as Step Up to Social Work and employing overseas qualified social workers were having on recruitment and retention. The latest figures indicate that the current workforce strategies are working, although more focus should be given to career development pathways and practice development and support.

Early Help

- 2.15. It is important to note that SCF has always been expected to positively and effectively contribute to multi-agency early intervention support for children, young people and their families to avoid the need for more intensive social care support. On occasion there is commentary that early help is the responsibility of the Council, with SCF responsible for targeted early help. This is an unhelpful separation of functions and responsibilities.
- 2.16. The Mutual Ventures report noted that all the proposals will strengthen the service offer and there should not be a pick and mix approach.
- 2.17. The Task and Finish Group noted the national evidence of the need to focus on the wider children's workforce and ensuring that the wider partnership worked effectively to support children and young people.
- 2.18. An in-year funding request to support increasing the size of the targeted early help service was agreed and there is evidence that this will have a significant impact on reducing reliance on statutory intervention for families. This service may require social workers embedded within it, but should also have a focus on multi-agency working and encouraging other agencies to take the lead on specific aspects of early help support.
- 2.19. The community assessment team business case is not supported on the evidence at present, due to a need for a more detailed analysis of the court cases to identify

whether these cases required court intervention, what missed opportunities there were to support families under child protection procedures or pre-proceedings and the effectiveness of court liaison arrangements. This requires close working with the Joint Legal Team run by Reading Council.

Edge of Care

- 2.20. The Edge of Care team is intended to focus on preventing family breakdown and contextual safeguarding (safeguarding children from risks outside the home including criminal or sexual exploitation and youth violence).
- 2.21. The Task and Finish Group also heard from practitioners who had seen the success of a previous Innovate Team which consisted of multi-disciplinary practitioners who supported young people and families in crisis.
- 2.22. Funding for an edge of care team is supported on the basis it will improve outcomes for children and young people and be a more cost effective way of supporting families.

Deliverability and leadership capability

- 2.23. Mutual Ventures raise concerns about delivery capacity and capability and that SCF needs to strengthen its governance arrangements, business plan monitoring processes and benefits management discipline. This requires strengthening the finance function, developing a structured approach to demonstrate value for money, having in place robust governance and board oversight arrangements and comprehensive risk assessment processes.
- 2.24. Some of these issues have also been identified as part of the Council's governance review of SCF. SCF has appointed a new Chief Executive who will also be the statutory Director of Children's Services as part of her role as Executive Director – People (Children). This permanent appointment will help to instil a stable leadership team. However SCF also needs to consider how to improve its programme management capability to ensure improved governance and delivery of projects. In addition the board need to ensure that they are receiving the right information at the right time and are appropriately focused on the strategic delivery of the business plan.
- 2.25. The Council already supplied a number of support services to SCF, including customer services, finance, HR, insurance, IT and digital and property management. There is an existing support services agreement and individual service level agreements. It is proposed that the level of services is reviewed to identify whether offering an enhanced level of services at cost recovery could provide a more cost effective option and assist SCF with deliverability capacity and capability. The workforce implications of this are set out below.

Partnerships

- 2.26. Both Mutual Ventures and the Task and Finish Group refer to the critical importance of the wider partnerships. Areas that have made sustained progress are good at engaging and collaborating at a strategic and operational level.
- 2.27. Whilst there is information on the partnership arrangements, this is list of arrangements, with limited information on how they are evaluated. There is a risk of significant duplication across the different partnership board and the business plan contains no detail on which board has responsibility for areas such as gang violence, knife crime, children's mental health or substance misuse and domestic abuse.

There is also little reference to partnership arrangements with schools and early years providers who are known to be the “eyes and ears” of the safeguarding system.

Governance and contractual requirements for approval of the business plan

- 2.28. Article 7 sets out the requirements for an annual business plan. This requires that for each year, no later than 30 September in the preceding year, the board of directors should prepare and submit a draft business plan for approval by the Council covering the next 3 years. The content of each business plan shall include relevant information under each of the following headings:
- (a) introduction;
 - (b) strategic framework;
 - (c) working with partners;
 - (d) priorities and objectives;
 - (e) financial strategy and plans;
 - (f) profit and loss account;
 - (g) cash flow statement;
 - (h) revenue budget and working capital requirements; and
 - (i) capital expenditure requirements.
- 2.29. The business plan can be varied each year, but that will also require prior written approval of the Council. If, prior to the state of the year, the board of directors has not sought the approval of the Council then for as long as approval has not been secured, the business plan for the previous year shall continue to apply.
- 2.30. Since February 2014 the Slough Children’s Services have been subject to intervention from the Department for Education. Although there have been improvements the Business Plan does not set out clearly with actions and a timeline of how SCF in collaboration with partners will improve its services to enable the intervention to be removed.
- 2.31. Slough Children’s Services Trust, the predecessor to SCF has been unable to spend within its budget from its creation in October 2015 despite significant financial support from the Council and DfE. At 31.03.21 it had an accumulated deficit of £5.4m, Cabinet agreed to write off £2.4 million of this amount and the DfE provided a one-off grant of £3m to clear the balance. Since this point, SCF has started to use the in-year change request process to request additional funding. However, these have often been submitted late and with insufficient information to allow officers to make a recommendation to Cabinet on approval.

3. Implications of the Recommendation

3.1. Financial implications

- 3.1.1. The increase in the contract fee by £4.632m to £36.067m has been included in the Council’s budget proposals for 2023/24. If the company spend at the rate proposed in their business plan, attached as appendix 1, excluding the spend on investment which will be pending a future proposal, they will overspend by £4.937m for the year against this budget. They will however have a positive cashflow balance at the year end, albeit a marginal one.
- 3.1.2. This assumes that they will submit an in-year change request for their current financial year overspend and are awarded an increase in their contract sum for

2022/23 of £2.760m. This amount has been assumed in the Council forecast outturn for 2022/23 and should be achievable as their overspend, net of previously agreed in-year change requests, is currently forecast at £4.590m.

3.1.3. The Council have calculated the increase in the contract for 2023/24 as follows:

	<u>£000</u>
• Inflation	2,025
• Agreed inflation/growth in 2022/23	1,267
• Loss of DfE Grant	<u>1,340</u>
Total	4,632

3.1.4. The company is also assuming other income of £7.131m in 2023/24, including £5.075m in government grants, mostly from the DfE and the Home Office.

3.1.5. Included in the budget is £2.2m of recharges from the council for support services, including accommodation and IT. These costs are fixed in 2023/24 and any savings the company delivers will be from the remaining areas in its budget.

3.1.6. If an enhanced level of support services is provided to SCF the increased charges will at least cover the reduction in staffing costs from SCF and will not impact their budget,

3.1.7. The Company has no reserves and relies on the £5m loan from the Council for cash-flow. However, because of its projected overspend in 2022/23 it is utilising most of this facility. It will continue to use the loan facility in 2023/24 until it either reduces its costs or the Council increases its contract sum in the year, or a combination of both.

3.2_ Legal implications

3.2.1 The Secretary of State for Education has powers to issue a direction in relation to specified social services functions relating to children under s.497A of the Education Act 1996. Various directions have been issued in relation to statutory functions in Slough since 2014. The sixth statutory direction was issued in April 2021. This requires that the Council secures that prescribed children's services functions are performed by SCF and the Council jointly and other prescribed children's services functions are performed by SCF on behalf of the Council. The Council was also directed to enter into a new service agreement to implement the discharge of these functions and continue to comply with any instructions of the Secretary of State, his representatives and the Children's Services Commissioner in relation to ensuring that the Council's children's social care functions are performed to the required standard.

3.1.8. 3.2.2 The service delivery contract sets out the mechanism for agreeing the business plan and the annual Contract Sum. In relation to the latter by no later than 30 September in each Contract Year, the Strategic Commissioning Group shall meet to discuss in good faith and agree the proposed Contract Sum for the immediately following Contract Year (the "Provisional Contract Sum"), which shall take into account the following factors (without limitation):

- the Company's Business Plan, which shall take into account the strategic priorities and outcomes proposed by the Strategic Commissioning Group as part of the Annual

Review to be relevant to the commissioning of the Services in the immediately following Contract Year;

- the Council's overall funding (including any ring-fenced funding) directed to, or otherwise made available for, the Services in the relevant Contract Year;
- the cost of the Services in the current and preceding Contract Year(s) (including any Changes to the Initial Contract Sum and/or Contract Sum (as applicable) agreed during the current and preceding Contract Year(s)), this shall include the estimated cost of the Services for the current Contract Year based on activity to the end of August in the current Contract Year;
- the demand for the Services in the current Contract Year (including any expected demand following August of the current Contract Year) and the expected demand for the Services in the immediately following Contract Year, including cost estimates for placements, to include the assumptions made on placement numbers, type and unit cost, external residential, remand, external fostering, internal placement, adoption, special guardianship and average unit cost for each type. Social worker numbers shall be based on case load numbers reported separately per contract, assessments, children in need and child protection and Looked After Children;
- the costs associated with any Changes in Law, including any Relevant Changes in Law or New Burdens Changes in Law that are relevant from previous Contract Years and/or which are anticipated in the immediately following Contract Year;
- the cost of Support Services;
- the cost of all third party contracts (including any Subcontracts) used by the Company in connection with performance of its obligations under this Agreement (including the provision of the Services);
- the costs associated with the Company's occupation and/or use of the Properties;
- the costs of the Relevant Insurances, Directors and Officers Insurance and any other insurances that the Company may be required to take out from time to time in connection with the performance of its obligations under this Agreement (including the provision of the Services), including the cost of any applicable excess or deductible;
- any costs associated with the Company's compliance with its Emergency Planning and Business Continuity obligations pursuant to Clause 38 (Emergency Planning and Business Continuity);
- the cost of the Company's workforce including the Company Personnel, any Transferring Employees and any agency staff, this shall include the agreed estimated allowance the Council proposes to pay by way of pay awards in the immediately following Contract Year to be adjusted on the agreement of the pay award and any agreed changes with regard to terms and conditions of employment;
- the contribution rates set out in the rates and adjustments certificate from time to time determined by the LGPS Pension Fund Actuary pursuant to Schedule 10 (Pensions);
- the contribution rates relating to the TPS Eligible Employees or New Joiners who are enrolled in the TPS from time to time pursuant to Schedule 10 (Pensions);
- inflation, including general and sector-specific inflation and any indexation being applied pursuant to Paragraphs 2.17 to 2.20 (inclusive);
- any applicable taxation;
- any reserves to be retained by the Company pursuant to its reserves policy and the agreed finance mechanism;
- any social, demographic or other relevant factors that may affect the Services in the immediately following Contract Year and/or which affected the Services in the preceding Contract Year;
- any sums payable by way of grant funding pursuant to Paragraph 13 (Grant Funding) of Schedule 5 (Financial Mechanism)

- any sums payable by way of Partner Contributions pursuant to Paragraph 14 (Partner Contributions) of Schedule 5 (Financial Mechanism);
- any change to the Initial Contract Sum and/or Contract Sum (as applicable) agreed in the previous Contract Year as the result of an In Year Change Request (including any shortfall in relation to any New Burden Change in Law that may be agreed pursuant to Clause 15 (Change in Law);
- any applicable savings and/or efficiency requirements;
- the interest payable in connection with the repayment of the Working Capital Loan;
- any Surplus retained by the Company pursuant to Paragraph 10 (Management of Surplus and Deficit);
- such other matters that the Parties consider relevant (acting reasonably) from time to time; and
- the timing of any transfer of responsibility and confirmation of the consequential transfer of financial responsibilities, in respect of service users from the Company to the adult services department of the Council during the relevant Contract Year.

3.2.3 If the Parties cannot agree the Provisional Contract Sum, there is a resolution process set out the contract. Whilst the absence of an agreed business plan has made the process of setting the Contract Sum more challenging this year, the Council has been able to take account of the information in the draft business plan, the Mutual Ventures review and the approved in-year requests for funding in 2021/22 and 2022/23. With a new executive leadership team in SCF, Council officers will work closely with this team and the Board to improve the governance processes to ensure the business plan and contract sums for future years are set in accordance with the timescales and expected processes set out in the service delivery contract.

3.3 Risk management implications

3.3.1 There are risks that the company will not achieve its agreed budget as highlighted in the report. The Council is mitigating this risk through regular financial and performance monitoring meeting and reports to Cabinet on a quarterly basis against the plan. The risks to children and families as a result of risks arising from the lack of a business plan and effective leadership within SCF are covered in the Council's corporate risk register and in the governance review, which are regularly monitored by the Audit and Corporate Governance Committee.

3.4 Environmental implications

3.4.1 None

3.5 Equality implications

3.5.1 The Council has a duty contained in section 149 of the Equality Act to have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

3.5.2 The broad purpose of this duty is to integrate considerations of equality into day-to-day business and to keep them under review in decision making, the design of policies and the delivery of services. As a body delivering public functions, SCF is expected to comply with this duty.

3.5.3 High quality and cost effective children's services are critical to supporting both the Council and SCF to meet their equality duties, particularly in relation to advancing equality of opportunity by way of reducing inequalities that exist between certain groups of vulnerable children and their families and the wider population. As part of the update reports, it is expected that information will be presented on how SCF is meeting its equality duties and how this is supporting the Council to meet its own duties.

3.6 Procurement implications

3.6.4 There are no procurement implications from this proposal. SCF operates within the "Teckal Exemption" meaning that the Council does not have to undertake a procurement process to commission services from it. This exemption is on the basis that the Council has adequate control over SCF and that at least 80% of SCF's services are provided to the Council.

3.7 Workforce implications

3.7.1 The proposal to offer enhanced or additional support services may result in some staff being insourced to the Council from SCF as part of the TUPE Regulations. It is not possible to identify the exact number of staff impacted at this stage, however the Council's Constitution requires that reorganisations of services involving a change from direct to indirect provision or vice-versa is a matter reserved to Cabinet. The services potentially impacted are finance, HR, commissioning and performance and could involve the transfer of up to 30 staff.

3.7.2 The TUPE Regulations apply to a "relevant transfer", which means a transfer or a business, undertaking or part of a business or undertaking where there is a transfer of an economic entity that retains its identity (a business transfer) or a client engaging a contractor to do work on its behalf, reassigning such a contract or bringing the work in-house (a service provision change). Some transfers will be both a business transfer and service provision change. If the TUPE Regulations apply, both the transferor and the transferee must inform and (if appropriate) consult with recognised trade unions in relation to any of their own employees who may be affected by the transfer or any measures taken in connection with it.

3.8 Property implications

3.8.1 SCF will need to consider its future building requirements as part of the Council's wider asset disposal programme. At present SCF operates from 3 separate buildings, including leasing office space in Observatory House, operating a contact centre in Cippenham and operating a respite centre in Priors Close.

4. Background Papers

None.