

Audit & Risk Committee Submission Paper

Date:	Wednesday 10 th January 2024	Time:	10.00am – 1.00pm	
Venue:	Board Room, 3 rd Floor, Sir Henry Mitchell House / Teams			
Agenda Item No:		Purpose:	Information Update	Y
Report Title:	BCFT Governance Structures		Discussion	Y
Author:	Mark Gwynne, Chief Executive's Office		Decision	N
Sponsor:	Julie Crellin, Finance & Resources		Approval	N
Board Committee:	Date Approved and which Committee	Risk Profile	Strategic	C3
Exec LT:	Wednesday 3 rd January 2024		Operational	C4

Executive Summary:

This report sets out the governance and assurance structures of BCFT ahead of presentation to the Council's Governance & Audit Committee on 25th January. This shows progress in establishing appropriate levels of control within the Trust, whilst recognising the opportunities presented by being an independent company.

Background:

Establishment of Bradford Children & Families Trust was announced by then Education Secretary Nadhim Zahawi on 25th January 2022, following a review by the Children's Commissioner which took place between September 2021 and January 2022.

This decision was based on work of the Commissioner and the Improvement Adviser who chaired the Improvement Board to oversee progress in children's social care since services were rated as inadequate in 2018. The Commissioner's report and recommendations also brought through recognition from the Ofsted monitoring and focused visits, DfE reviews and the Improvement Board that the pace of progress was not sufficient and that there was a lack of impact on improved outcomes for children.

Following this report and the announcement of the Education Secretary, Bradford Children & Families Trust was established on 1st April 2023 to run children's social care, early help and youth justice services for the Council. Education, including SEND services, were determined to remain within the Council rather than being contained within the remit of the Trust.

The Office of the Chief Executive has taken the lead role in developing and reviewing many of the management processes across the Trust: this work will continue for a number of months and be

support by better dedicated resource and capacity. Alongside this, the Board Secretariat has been involved in developing governance arrangements for the Board and its committees: building on the requirements set out at establishment of the Trust.

Recommendations:

It is recommended that the governance arrangements for the Trust be noted and changes over the past 9 months of the Trust endorsed for sharing with the Council. This builds on the Commissioner's report of 14th January 2022, which recognises that a period of 12 to 24 months is needed to effectively establish a new Trust.

The report being presented to the Trust's Audit & Risk Committee and will then go to the Council's Governance & Audit Committee on 25th January by Stuart Proud (BCFT Non Executive Director, Audit and Risk Committee Chair), Julie Crellin and Mark Gwynne.

Issues:

Strategic Implications

This report sets out how governance structures and mechanisms align to enable delivery of the Trust's Business Plan and 4 Strategic Plans detailing the Trust's strategic objectives. It is aimed to clearly articulate governance mechanisms in support of more effective partnership working between the Council and the Trust for the benefit of the children and families of Bradford District.

Financial Implications

There are no financial implications within this report. All financial considerations have been addressed separately within other relevant reports and the Trust's financial needs are set out within the Business Plan 2023-27 and the Medium Term Financial Plan.

People and Workforce Implications

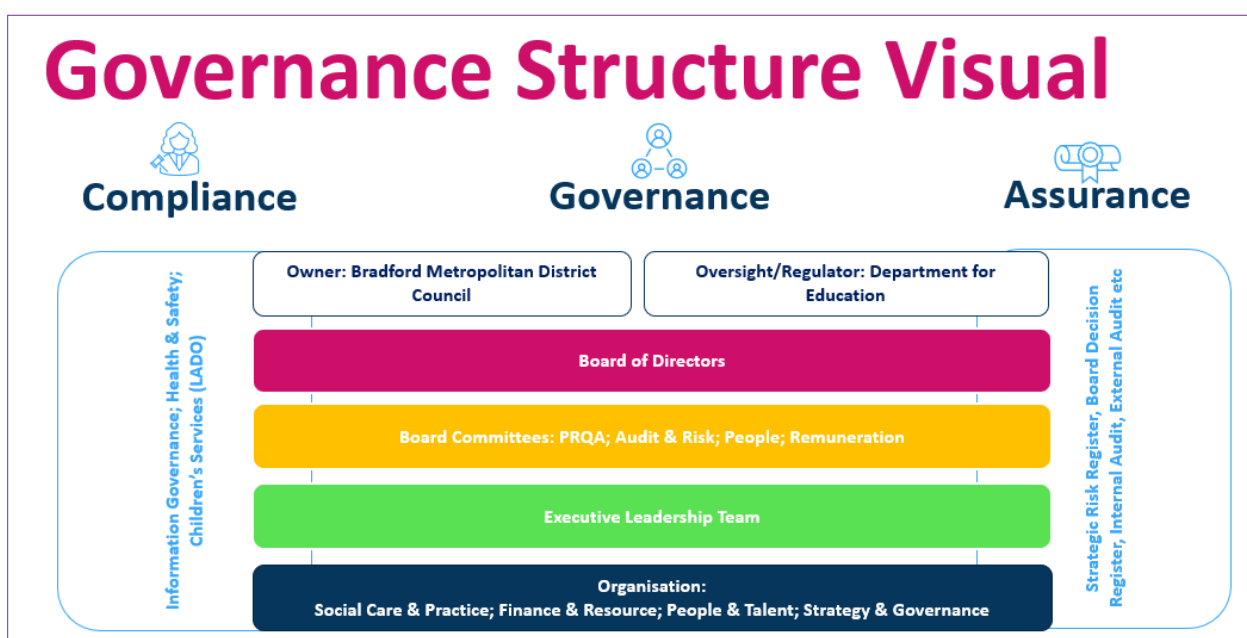
There are no financial implications within this report. All staffing considerations have been addressed separately within other relevant reports and will be set out more fully in the People & Culture Plan currently being developed.

Chief Executive's Office and Finance & Resources, BCFT, January 2024

Bradford Children & Families Trust Governance Arrangements

1. Governance Structures

- 1.1 Bradford Children & Families Trust was established as an independent company limited by guarantee on the 1st April 2023. It is wholly owned by the Council, with its' own Board, Executive Leadership Team and governance /decision making structures, so is designed to be operationally independent of the Council. This is set out within the Trust's Articles of Association following direction by the Secretary of State for the Department for Education that responsibility for provision of children's social care should be placed in a Trust. Consideration has also been given to re-constituting the Trust as a Community Interest Company and, whilst this transition has been agreed in principle, further work needs to be undertaken to understand the benefits as well as the additional reporting requirements prior to determining if this is the best approach for the future.
- 1.2 Governance of the Trust is summarised in the diagram below and expanded through the detail of the report.



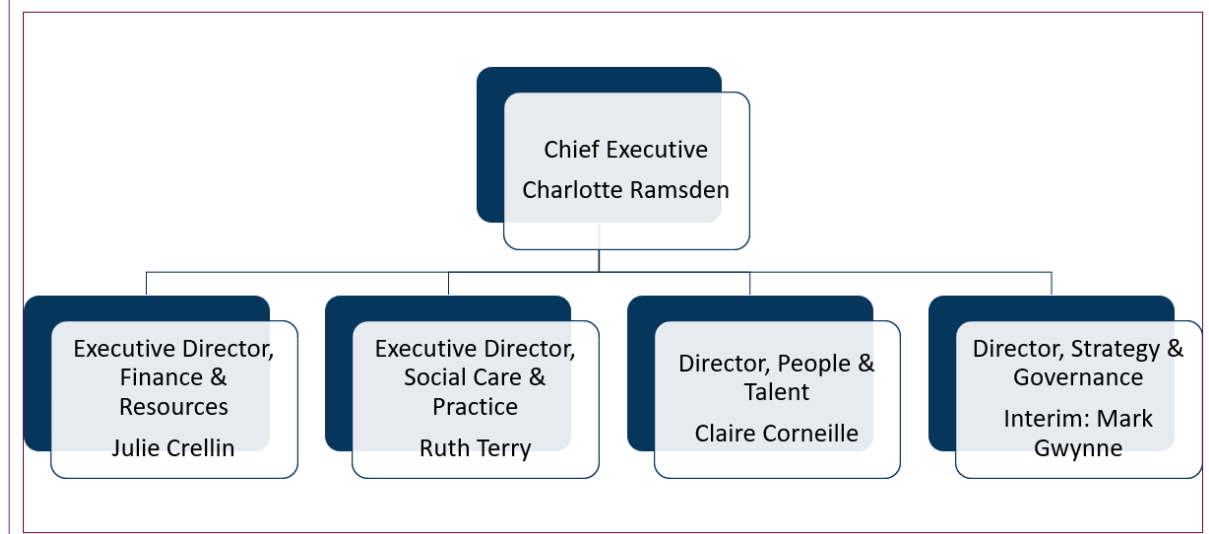
- 1.3 The Chair of the Board, Eileen Milner, is appointed by the Council and the Secretary of State. Other Board members are independent and appointed by virtue of the skills and experience they can bring to the Board, whilst the Council appoints two of their own representatives to the Board.
- 1.4 As well as the Chair, the full list of Board Members are:
- | | |
|-------------------|---|
| Nigel Richardson | Deputy Chair, Non-Exec Director |
| Tracey Dennison | Non-Exec Director |
| Stuart Proud | Non-Exec Director |
| Anne Longfield | Non-Exec Director |
| Darra Singh | Non-Exec Director |
| Fazeela Hafejee | Council Director |
| Sarah Muckle | Council Director |
| Charlotte Ramsden | Exec Director (Chief Executive Officer) |
| Jullie Crellin | Exec Director (Chief Finance Officer) |
| Ruth Terry | Exec Director (Social Care & Practice) |

Trust Board Committee Structure



- 1.5 The Chief Executive, Charlotte Ramsden is appointed by the Board, as are the Executive Directors. Other members of the Executive Leadership Team are appointed by the Chief Executive and the Board.

Executive Team Structure



- 1.6 The governance structure of the Board and the Executive Leadership team is supported by the addition of specific roles and responsibilities which include the Caldicott Guardian role which sits with the Assistant Director: Safeguarding, Review, Quality Assurance & Practice Development and the Data Protection Officer which sits with the Head of Governance & Compliance. Responsibilities for SIRO sit with the Executive Director, Finance & Resources whilst Company Secretary and Monitoring Officer duties largely lie with the remit of the Director, Strategy & Governance.

2. Service Delivery Contract

- 2.1 The Articles of Association that created the Trust set out the requirement for operation through a Service Delivery Contract (SDC) and appropriate shared governance arrangements for oversight of the contract between the Council and the Trust for effective delivery of the

contract and retained support services which are provided through Service Level Agreements. This is set out within Schedule 18: Governance Arrangements which establishes the need for a Strategic Joint Working Group; an Operational Joint Working Group; and the assumption of early informal resolution of issues outside of the formal escalation routes above. The terms of reference and membership of these groups is set out in the Schedule but summarised within the Governance Arrangements section below.

3. Governance & Assurance Arrangements

- 3.1 Whilst operationally independent, the Trust has reporting arrangements to the Council as well as responsibilities to the Department for Education, both directly and through the Improvement Board.
- 3.2 As summarised earlier, reporting to the Council is through the two formal arrangements established in the SDC. The Operational Joint Working Group (OJWG) meets on a monthly basis and oversees day to day delivery of the contract reported on 18 Key Performance Indicators providing a summary of the Trust's performance (these were agreed between the Council and the Trust ahead of go-live and are reviewed on an annual basis). Alongside this, there are 12 Service Level Agreements through which the Council provide a range of support services to the Trust. Delivery of these is monitored through 21 Key Performance Indicators and some supporting Management Information (these are also reviewed on an annual basis, with changes from the first review being effective from 1st April 2025).
- 3.3 The Strategic Joint Working Group meets on a quarterly basis and is chaired by the Council's Lead Member, Cllr Sue Duffy. This group takes a more strategic overview, receives updates and escalations from the OJWG and is responsible for agreeing change requests, and agreeing the Trust's Business Plan. Both these groups are also designed to hold the Council to account for delivery of support services in accordance with the 12 Service Level Agreements which have been established for provision of these services. There are also a number of Joint Working Protocols being finalised which establish less formal arrangements for collaborative working in the provision of other services. This collaborative working across both organisations and all services is the basis for enabling a successful Trust and improved outcomes for children and young people.
- 3.4 In addition, the Trust reports to the Council's CMT on financial matters on a quarterly basis and the slide deck provided to OPJWG monthly provides detailed up to date financial monitoring information on a range of key financial aspects required by the contract to help with prudent financial management and budget forecasting. This is supplemented by regular informal meetings to address financial challenges in a timely manner and share knowledge between the organisations. As a wholly owned subsidiary of the Council, the Trust's financial accounts will form part of the Council's Group Accounts and the Trust will provide draft annual accounts to meet the Council's year-end reporting deadlines. The Trust also provides reports to the Children's Overview and Scrutiny Committee in respect of progress of the progress of improvement and contributes to the Corporate Overview and Scrutiny Committee when requested in respect of budget reports.
- 3.5 The Improvement Board was established in response to the Council's failure to deliver Children's Services to an appropriate standard and the inability to make rapid enough improvement. The Improvement Board continues to be in place and will likely remain until the service has progressed from **Inadequate** to **Requires Improvement**: this is scheduled to

happen by year 3 of the Trust's SDC. This is chaired by Steve Walker as the Commissioner, who also reports directly to the DfE.

- 3.6 The primary focus of the Improvement Board was the Improvement Plan: following agreement with the Commissioner in November 2023, the Improvement Plan is now being subsumed within the Strategic Plans set out previously. This helps embedding improvement activity across the Trust, enables broader governance of the changes needed and more effectively addresses the needs which sit outside of the day to day work of social care and early help services.
- 3.7 Audit provision is independent of the Council, provided through Grant Thornton as the Trust's external auditors, whilst the Trust has procured its own internal audit provision through Veritas, rather than getting this from the Council's internal audit function through a Service Level Agreement as had originally been suggested. This is important in ensuring independence and objectivity as well as reassurance that internal audit has the right reporting lines and governance to the Trust: this is in line with arrangements established in most other Trusts.
- 3.8 Ofsted monitoring visits continue on a quarterly basis with the focus determined for each visit to assess improvement of the provision of children's social care services. There are also targeted visits and other inspections which are relevant in assessing performance (e.g. targeted youth justice services). The Council is the subject of these inspections and will receive the report, whilst acknowledging that delivery of these services may be provided through the Trust. This retains the accountability and responsibility of the Director of Children's Services (DCS) role, which remains within the Council.

4. Risk Management

- 4.1 The Trust established its Strategic Risk Register in the summer through workshops facilitated by Zurich with ELT and Heads of Service and input from the Audit and Risk Committee. This provided an opportunity for everyone to consider the risk approach, appetite and feed in what they thought the key risks were. The Board is clear that for the Trust to perform the step change necessary in children's social care over the life of the contract the Trust must adopt an "Open" approach to risk. This recognises that to fully realise the benefits of being established as a Trust, there is a need to think and act differently. In identifying our top risk, consideration was given to the strategic risk registers of other Trusts.
- 4.2 Following further work, the Strategic Risk Register was scrutinised and agreed by the Board on 13th July 2023. This identifies 6 strategic risks along with an appetite, controls and mitigations for each. Each of the Board's three main committees also scrutinises two of the risks at each of their meetings, progress on which is reported by to the Board. The Strategic Risk Register was reported to the SJWG in September and for the last 3 months OJWG is looking at 2 of the risks in more detail each month.
- 4.3 Work to further establish the underpinning actions and additional mitigations for the Strategic Risk Register continues with each risk having an assigned owner at ELT level, there are also actions to manage the risk (also with a named at ELT lead) and sub-tasks sitting with Assistant Directors, Heads of Service or Service Managers to deliver.

Likelihood	A			1	5	6	4	R1	Workforce	Ability to attain a sustainable workforce which has capability and capacity to deliver the vision and objectives of the Trust
	B		2					R2	Culture	Development of a healthy working culture based on an agreed model which is led from ELT
	C			3				R3	Partnership Working	Delivery of services through effective partnership working with key stakeholders
	D							R4	Financial	Budget is sufficient and spent appropriately to meet the demand and ensure stability and growth for the Trust
								R5	Demand	Management and reduction in the complexity of need and volume of caseloads
								R6	Council Partnership	Appropriate relationship to be maintained between Council and Trust, including clarity on roles and responsibilities impacting on service delivery objectives
		4	3	2	1	Impact				

4.4 With the support of an interim Risk Management Lead who joined the Trust in the autumn, Operational Risk Registers are being developed aligned to service planning to ensure that effective risk management is embedded across the Trust, creating a risk aware rather than risk averse culture. Work on developing these will continue through to March 2024, enabling these to be embedded within day to day operational management and senior leadership team reporting mechanisms.

4.5 The four highest risks are the main areas of focus for improvement activity through the Business Plan as the Board fully recognises that transitioning to stability in these areas will improve the financial efficiency and performance of the Trust. We recognise the need to work on the current stage of Stabilisation through Reconstruction to Consolidation, which is the driver over the life of the Business Plan.

5. Business Plan

5.1 The Trust has its own Business Plan which the Council is required to approve within a month of submission by the Trust which occurs by 30th September each year. As yet, the Council has not approved the Business Plan due to challenges around the budget needs set out clearly within the Plan. This means that the Trust is currently operating in accordance with the Interim Business Plan provided in July 2023, which clearly articulates the priorities for the Trust, but did not benefit from the extensive stakeholder engagement and further refinement of the new Business Plan. This means that Trust is currently officially delivering on the Interim Business Plan, but in reality, this is broadly the same in strategic intent, priorities and timescales as is articulated in more detail in the full Business Plan which has been enhanced with the additional work on developing the values and more current work on the finances. The Business Plan as developed and presented aims to be realistically ambitious.

5.2 The Trust's Business Plan is delivered through 4 Strategic Plans which are currently being finalised. These are: the Children & Families Plan; the People & Culture Plan; the Organisational Effectiveness Plan; and the Medium Term Financial Plan. Each strategic plan is led by a member of ELT. The Business Plan and Strategic Plans are delivered in accordance with the Trust's Values which were established during the summer working with staff, stakeholders and the Board. Our strategic planning framework summarises this.

5.3 The first of the Strategic Plans to be operationalised is the Medium Term Financial Plan (MTFP) with the Financial Improvement Programme and the Mitigation Plan as two of the supporting

delivery plans. The Trust's MTFP is set out in the Business Plan submitted in September and significant extracts of the MTFP were included in the Council's budget papers for the Executive in November (paras 3.1 to 3.79 in the MTFP) and January (para 6.1 to 6.10).



- 5.4 The Mitigation Plan is a key aspect of the monitoring and delivery of the Trust's current year budget. This has developed as the extent of the financial consequences of the operational needs and issues that exist and the opportunities to address them have become clearer. The Mitigation Plan is an input to the monthly budget monitoring process. This financial reporting to ELT and then to Audit and Risk Committee and Board has been established since go-live. Detailed budget reports in addition to contractual requirements were provided to the Council in respect of the Q1 and Q2 position to support the Council's reporting to Executive.
- 5.5 The Mitigation Plan was implemented in July 2023 and comprises 4 key work areas (Children & Young People Outcomes; Staffing; Health Income; and Efficiencies) featuring 21 projects. In November, the Mitigations Plan had PMO support added to increase robustness and support tracking and benefits realisation. The Mitigation Plan has been reported to the contractual management meetings of the quarterly Strategic Joint Working Group, and the monthly Operational Joint Working Group. For example, a supplementary paper was discussed at a special meeting of the Strategic Joint Working Group in November relating to activity underway to manage placement pressures. The series of activities underway are the foundations of the MTFP strategy to both ensure the right outcomes are delivered for children and young people and improve the financial position over time. As of end November, these mitigations have delivered £8.3m of savings and £2.4m of cost avoidance: a total of £10.7m of benefits realised, helping to reduce the overspend and aid prudent management of the Trust's budget.
- 5.6 Over the next couple of months, services will be finalising their Service Plans and the 4 Strategic Plans will be signed off by the Board, enabling a clear flow of priorities from the Business Plan to the Strategic Plans and onto the service plans. These service plans in turn will inform service needs and priorities for the strategic plans: providing a top down and bottom

up approach. This will then enable prioritisation and timetabling for these plans which will all be refreshed on an annual basis to keep them live.

- 5.7 The Trust's Values were developed over the summer with extensive staff engagement throughout Bradford District, listening to staff, taking their feedback, discussing opportunities and the ways in which they wanted to work. Stakeholders were also engaged as part of the Business Plan development to understand their needs and expectations, which provided another perspective to inform the values. This engagement of more than 340 staff resulted in a range of words and value statements coming forward for consideration at Executive Leadership Team and the Board prior to going back to staff for final voting on and selection of the values. Almost 200 staff took the opportunity to vote on the final values shown below.



6. Decision Making

- 6.1 The Articles set out matters which are reserved for the council to make decisions and those which are the Trust's responsibility. This is important in enabling the operational independence of the Trust and avoiding the potential fettering of this independence which could then present a barrier to the Trust being able to deliver the operational improvements required by the Council and the Department for Education.
- 6.2 The Board, Committees and Executive Leadership Team all form an essential part of the Trust's decision making process. Decisions from all these meetings are formally recorded. These meetings are supplemented by two senior leadership teams, one for social care and the other for the corporate hub. The Board provide a significant level of expertise, the capability of which is unrivalled outside of a Trust establishment.
- 6.3 As well as formal decision making, the Board also receives regular informal updates and special meetings on the financial position as well further actions being taken to manage this between meetings. These regular updates to the Board enable ongoing challenge and assessment of the progress of the Company in delivering the contract to the Council. In respect of finance, these updates are also informed by the informal meetings between the Trust's Assistant Director / Head of Service for Finance and the Councils' Deputy S151 Officer. Scrutiny of financial management and controls within the Trust comes from our Audit & Risk

Committee which normally meets on a bi-monthly basis, but has additional meetings scheduled as required and are supplemented by meetings and calls between the Audit and Risk Committee Chair and the Executive Director of Finance and Resources to provide the opportunity for further challenge.

- 6.4 The Trust is establishing its own Scheme of Delegation which is designed to bring about more robust decision making than was previously the case in Children's Services. The first aspect of this, which is designed to tighten up financial decision making, was considered at the Trust Board meeting of 18th January 2024. Other aspects of the Scheme of Delegation include legal, staffing and other decisions which are systematically being worked through. The legal services protocol sets out new and strengthened responsibilities for agreeing decisions in relation to legal spend, designed to curtail the rise in legal costs, and particularly external legal spend, evidenced in recent years (this sits alongside the Legal Services SLA). The full Scheme of Delegation is due to be completed across all aspects for approval by Board in Spring 2024.
- 6.5 Contract Standing Orders (CSOs) for the Trust were considered in September 2023 by Audit & Risk Committee ahead of approval by the Board later that month as one of the matters within the Trust's remit to agree. These CSOs were developed within the Trust, but engaging Procurement and Commissioning leads in the Council, and are designed to simplify, streamline and tighten up on spending, decision making and controls: enabling communication of a relatively simple process for use across the Trust.

7. Annual Review and Annual Report

- 7.1 In accordance with the SDC, the Trust is required to submit an Annual Review to the Council through the Strategic Joint Working Group. In year 1 this takes place in January, but for subsequent years this is in July and therefore more closely aligns to company reporting requirements. The format for the Annual Review is determined by the Trust, but it also acts as a formal mechanism to enable change to matters such as the Key Performance Indicators, where this may be required. These changes will form a major part of the Annual Review for 2023/24 based on the learning from the initial months of the contract which have highlighted areas where there are opportunities to work better and deliver appropriate outcomes.
- 7.2 As an independent organisation, the Trust will establish its own assurance processes, produce its own Annual Report and make the required submissions to Companies House for its operation. There are also company reporting requirements to the Office for National Statistics and others on the company's staffing levels and operation. The Annual Report sets out achievements over the previous year from the Board through to operational delivery.