

Report to Cabinet

16 November 2022

Subject:	Extension of contract for a non-executive director of Sandwell Children's Trust board
Cabinet Member:	Cabinet Member for Children and Education, Councillor Simon Hackett
Director:	Director of Children and Education, Michael Jarrett
Key Decision:	Yes
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1. Recommendations

1.1 That the Cabinet, as sole owner of Sandwell Children's Trust:




- (a) notes the completed sequence of events that are contractually required to extend the contract of a non-executive director of Sandwell Children's Trust board.
- (b) notes and takes into account in its decision-making, the response from the Secretary of State for Education.
- (c) agrees the extension of contract of Linda Sanders as a non-executive director of Sandwell Children's Trust for the period of up to two years from 1 November 2022.





2. Reasons for Recommendations

- 2.1. The appointment of the non-Executive Director Linda Sanders took effect from 1 November 2017 and was for an initial term of 5 years. The board wishes to secure the continuity of the current non-executive director.
- 2.2 The Council has written to the Secretary of State requesting consent to extend this appointment for a period of up to two years from 1 November 2022. At the time of writing this Cabinet report, Department for Education officials have confirmed by email that the Parliamentary Under Secretary of State for Children and Families has approved the recommendation.
- 2.3 Following the completion of the required process to consult the Secretary of State, and to take into account the response, the Cabinet is now recommended to agree the recommendations set out in this report.

3. How does this deliver objectives of the Corporate Plan?

	<p>Best start in life for children and young people</p> <p>SCT works with families, foster carers, schools, statutory and voluntary providers to support the achievements of vulnerable children and those in the care of the council</p> <p>SCT works to ensure that children in the care of the Council receive the support and opportunities that any parent would give their child</p>
	<p>People live well and age well</p> <p>SCT ensures coordination between social care and the NHS to better protect vulnerable children</p>
	<p>Strong resilient communities</p> <p>SCT supports families to improve children's life chances</p> <p>SCT works closely with the police to ensure that children are protected from the impact of crime, domestic violence, and all forms of exploitation</p>



	<p>Quality homes in thriving neighbourhoods</p> <p>SCT supports care leavers to live independently in the community, working closely with Housing to ensure care leavers are able to good quality accommodation in Sandwell.</p>
	<p>A strong and inclusive economy</p> <p>SCT works with families to access services and support so that they are able to improve their economic well-being and the life chances for their children</p>

4. Context and Key Issues

- 4.1 At its meeting on 19 October 2016, Cabinet was advised of the Government's Statutory Direction (under Section 479A of the Education Act 1996) to set up a new arrangement in the form of a children's trust to deliver children's social care services. As a result, Sandwell Children's Trust Ltd started operating on 1 April 2018.
- 4.2 On 22 March 2017, the Cabinet considered the types of decisions that would be of such strategic importance that they could not be decided at the board of the Trust but would be "reserved to" the owner of the Trust (the Council) for decision:
- 4.1.1. As the decision maker for the Council in its capacity as the body that is responsible and accountable for the discharge of the relevant children's social care services functions; and
- 4.1.2. As the decision maker for the Council in its capacity as owner of the Trust in relation primarily to the Reserved Matters, as set out in the Memorandum of Understanding, and other legally required decisions.
- 4.3 The Cabinet agreed that: "In order to fulfil the role as sole owner of the Trust, it is recommended that the full Cabinet itself operates as the decision-making body for matters in relation to the Trust." It also agreed that, in order to clearly differentiate between decisions which Cabinet is



considering in its two roles (i.e. as owner of the Trust and as children's services authority), separate reports be prepared to set out clearly which role the Cabinet is undertaking at any time. In relation to decisions taken in its role as owner of the Trust, the Cabinet agreed that any recommendations should include authority for officers then to formalise the decision in relation to any company law paperwork.

4.4 The Governance Side agreement between the Council and the Department for Education sets out the composition of the board of directors of the Trust as follows:

4.4.1 A Chair (non-executive director) as appointed by the Secretary of State in consultation with the Council;

4.4.2 Three executive directors comprising the Trust's Chief Executive and two other members of the executive management team;

4.4.3 Three non-executive directors with collective knowledge and expertise across children's services, public services;

4.4.4 Two additional non-executive directors appointed by the Council (e.g. members and /or officers).

4.5 Apart from the appointment of the Chair, all other appointments are required to be made in consultation with the Secretary of State for Education. The appointment of the two non-executive directors appointed by the Council is a 'Reserved Matter' and therefore a decision to be taken by the Cabinet.

4.6 Appointed individuals will, as executive and as non-executive directors of the Trust, have a fiduciary duty to the Trust board, meaning that they will act in good faith, and in the best interests of the Company.

4.7 The Council, as sole owner of the Company (Sandwell Children's Trust) is required to consult with the Secretary of State on certain 'Consultation Reserved Matters' prior to notifying the Company of its decisions in respect of that Consultation Reserved Matter. The Secretary of State is



invited to: *“make written representations to the Council within 10 working days of being notified of the matter.... In making its decision the Council must take into account the representations made by the Secretary of State.”*

4.8 The Consultation Reserved Matters relevant to the recommendations in this report are:

- 4.8.1 Approval of the registering of any new member of the Company.
- 4.8.2 Approval of any Additional Executive Director removals or appointments (including the approval of appointment terms for Additional Executive Directors and any amendments to such terms).
- 4.8.3 Approval of any Independent Non-Executive Director removals or appointments (including the approval of the appointment terms for Independent Non-Executive Directors and any amendments to such terms).

5 Alternative Options

- 5.1 The alternative option would be for Sandwell Children’s Trust to begin a recruitment process for a new non-executive director. This would take some time to complete and following which any new NED would need some time to familiarise themselves with the Trust’s operations, it could impact up on the improvement journey.

6 Implications

Resources:	<p>Sandwell Children’s Trust receives a significant financial resource to deliver the Council’s statutory responsibilities for children’s social care, this includes the cost of the non-executive Directors.</p> <p>The Contract Sum amount that SCT receives is agreed annually in line with mechanisms set out in the Service Delivery Contract.</p>
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	A grant was received from DfE to cover the cost of the NEDs to the end of this year. A further discussion needs to take place with DfE making a request to cover the next 5 years.
Legal and Governance:	<p>The Governance Side Agreement between the Council and Department for Education sets out the composition of the board of directors of the Trust.</p> <p>The Council is required, as sole owner of Sandwell Children's Trust, to consult with the Secretary of State on certain 'Consultation Reserved Matters' prior to notifying the Company of its decisions in respect of that Consultation Reserved Matter. The approval of any Independent Non-Executive Director removals or appointments is such a matter.</p>
Risk:	The corporate risk management strategy has been complied with and risks have been identified arising from the recommendations being sought. This has concluded that there are no significant risks that require reporting and that suitable measures are in place to mitigate the risks identified to acceptable levels.
Equality:	An Equality Impact Assessment screening is not required for this report.
Health and Wellbeing:	SCT continues to support children and families in Sandwell and as the quality of service that they deliver improves so does the impact they have on improving the health and wellbeing of children and families.
Social Value	SCT supports children to achieve, feel safe, be supported and access opportunities. SCT supports care leavers to access education, employment and training. Having strong governance and oversight supports SCT to achieve service improvement and better support children and families in Sandwell.



7. Appendices

None

8. Background Papers

Cabinet Paper dated:

19 October 2016

04 - Formation of a Children's Trust

04 - Formation of a Children's Trust - Appendix

7 December 2016,

04 - Formation of Children' Trust - MoU

04a - Appendix 1 Strategic Project Risk Register

04b - Appendix 2 Formal Commissioner Response

22 March 2017

22 - Role of Sandwell MBC in relation to Sandwell Children's Social Care Trust

