

Report to Cabinet

12 July 2023

Subject:	Appointment of a non-executive director of Sandwell Children's Trust
Cabinet Member:	Cabinet Member for Children, Young People and Education, Councillor Simon Hackett
Director:	Director of Children and Education, Michael Jarrett
Key Decision:	Yes
Contact Officer:	Michael Jarrett, Director of Children and Education Michael_Jarrett@sandwell.gov.uk Senior Commissioning Manager for Statutory Services, Mandip S. Chahal Mandip1_chahal@sandwell.gov.uk

1. Recommendations

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


- a) notes the completed sequence of events that are contractually required to appoint a non-executive director of Sandwell Children's Trust;
- b) notes and takes into account in its decision-making, the response from the Secretary of State for Education; and
- c) approves the appointment of Councillor Pam Randhawa as Council appointed Member non-executive director of Sandwell Children's Trust







2. Reasons for Recommendations

- 2.1 The appointment of the previous Council Member non-executive director, Peter Allen, ended when he ceased to be an elected member of the Council.
- 2.2 To ensure that the requirement for there to be two Council appointed independent non-executive directors as set out in Article 13.1.5 of the Articles of Association for Sandwell Children’s Trust (the Trust).
- 2.3 Council approved the nomination of Cllr Pam Randhawa to act as Non-executive director at its meeting on 23 May 2023.
- 2.4 The Council has written to the Secretary of State to consult on making this appointment in line with the requirement to do so detailed in the Governance Side agreement. At the time of writing this Cabinet report, Department of Education (DfE) officials have confirmed by email that the Secretary of State has not objected to the appointment.
- 2.5 Following the completion of the required process to consult the Secretary of State, and to consider the response, the Cabinet is asked to agree the recommendations set out in this report.

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

	<p>The 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>
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	<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, the Trust started operating on 1 April 2018.
- 4.2 On 22 March 2017, Cabinet considered the types of decisions that would be of such strategic importance that they could not be decided by the Trust but would be "reserved to" the Council as the owner of the Trust for decision:



- the Council as the decision maker in its capacity as the body that is responsible and accountable for the discharge of the relevant children’s social care services functions; and
- the Council as the decision maker 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.

4.2 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, Cabinet agreed that any recommendations should include authority for officers then to formalise the decision in relation to any company law paperwork.

4.3 The Governance Side Agreement which the Council has entered into with the DfE sets out the composition of the board of directors of the Trust as follows:

- A Chair (non-executive director) as appointed by the Secretary of State in consultation with the Council
- Three executive directors comprising the Trust’s Chief Executive and two other members of the executive management team
- Three non-executive directors with collective knowledge and expertise across children’s services and/or public services; and
- Two additional non-executive directors appointed by the Council (e.g. members and/or officers).



- 4.4 Apart from the appointment of the Chair, all other appointments are required to be made in consultation with the Secretary of State. The appointment of the two non-executive directors appointed by the Council in paragraph 4.3 above is a 'Reserved Matter' and therefore a decision to be taken by the Cabinet.
- 4.5 On 22 March 2017, Cabinet agreed that the 'the Council will consider only elected members or officers for the non-executive director roles on the board. Furthermore, the Cabinet recommended to the Council, and it was agreed, that one elected Member and one officer be identified as the two Council appointed non-executive directors, and that the identification of the officer (Council appointed non-executive director) be delegated to the Chief Executive.'
- 4.6 Appointed individuals will, as executive and as non-executive directors of the Trust, have a fiduciary duty to the Trust, meaning that they will act in good faith, and in the best interests of the Trust.
- 4.7 The Council, as sole owner of the Trust is required to consult with the Secretary of State on certain 'Consultation Reserved Matters' prior to notifying the Trust 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:
- Approval of the registering of any new member of the Company
 - 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)



- 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).

4.9 As required, the Trust Board has been consulted and welcomes the nomination of Gillian Douglas as the Council appointed officer non-executive director.

4.10 The Secretary of State for Education, the Rt Hon Gillian Keegan, has been consulted. Ten working days have passed since this letter was sent and the Secretary of State has not responded, so it is assumed that she has no comments to make on the proposed changes.

5 Alternative Options

5.1 The alternative option would be to reject the recommendation. However, in line with the Governance Side Agreement with the DfE and the Trust's Articles of Association there would be a vacancy on the board that would still need to be filled. An alternative candidate would need to be nominated to Council and the process of consulting with the Secretary of State would need to be undertaken again. This would leave a potential gap in the governance arrangements of the Trust for a period as at least one of the Council appointed NED are required for Trust board meetings to be quorate.

6 Implications

<p>Resources:</p>	<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 amount that SCT receives is agreed annually in line with mechanisms set out in the Service Delivery Contract.</p>
<p>Legal and Governance:</p>	<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>



	The Council is required, as sole owner of the Trust, to consult with the Secretary of State on certain 'Consultation Reserved Matters' prior to notifying the Trust of its decisions in respect of that Consultation Reserved Matter. The approval of any removal or appointment of an Independent Non-Executive Director is such a matter.
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.
Climate Change:	There are no climate change implications attached to this report
Corporate Parenting	Having a full compliment of non-executive directors in place strengthens the governance and oversight of the delivery of corporate parenting.

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](#)

