

READING BOROUGH COUNCIL

REPORT BY DEPUTY CHIEF EXECUTIVE

TO:	POLICY COMMITTEE (ACTING AS SOLE MEMBER FOR BRIGHTER FUTURES FOR CHILDREN)		
DATE:	13 DECEMBER 2021		
TITLE:	BRIGHTER FUTURES FOR CHILDREN LIMITED - ANNUAL PERFORMANCE REPORT		
LEAD COUNCILLORS:	CLLR JASON BROCK CLLR LIZ TERRY CLLR ASHLEY PEARCE	PORTFOLIOS:	CORPORATE GOVERNANCE CHILDREN'S SERVICES EDUCATION
SERVICE:	N/A	WARDS:	BOROUGHWIDE
LEAD OFFICER:	KATE GRAEFE	TEL:	0118 937 4132
JOB TITLE:	ASSISTANT DIRECTOR OF PROCUREMENT AND CONTRACTS	E-MAIL:	kate.graefe@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To report to the Policy Committee in its capacity as the sole member of Brighter Futures for Children Ltd (BFfC) on the company's performance and finances for financial year 2020/21.

2. RECOMMENDED ACTION

- 2.1 For Policy Committee in its capacity as sole member for BFfC to note the BFfC retrospective finance and performance report for 2020/21.

Appendix 1: BFfC Annual Report and Financial Statements 2020-21

Appendix 2: BFfC EoY (End of Year) Transformation Summary 2020-21

3. BACKGROUND

- 3.1 In October 2018 the Council approved the formation of a separate wholly owned Company for the delivery of Children's Services in Reading; Brighter Futures for Children Limited (BFfC). The Company subsequently began delivery of services in December 2018.
- 3.2 BFfC is a company limited by guarantee without share capital and its sole member is Reading Borough Council. The Service Contract with the Company sets out that 2 reports are required to be submitted annually to Policy Committee acting as sole member/ shareholder for BFfC for their consideration:
- An annual report from BFfC on performance (this report);
 - An annual report from BFfC on the Company's business plan for the subsequent year;
- 3.3 Policy Committee approved the BFfC Business Plan for 2020-22 on the 9th March 2020.

4. BFFC ANNUAL PERFORMANCE AND FINANCIAL REPORT FOR 2020/21

- 4.1 2020-21 saw a number of challenges, changes and successes for BFFC: At the start of the financial year, Di Smith became the new Chair for the Company and BFFC faced the challenges that came with the Covid-19 pandemic. The Company's response was very proactive in terms of risk assessment and visits to children and young people, in turn supporting containment and management of the overall Looked After Children numbers. The Company also took a very proactive role in communications with schools to assist them with their response (further details of which are stated on page 7 of the Annual Report attached as Appendix 1), the feedback from which has been very positive on the clarity and support provided. In addition, BFFC worked collaboratively with the Council on the emergency response to the pandemic, being part of the Silver response group and the Organisation strand of recovery for example. BFFC also acted on behalf of the Council within challenging timelines to distribute grants to vulnerable families via food and fuel vouchers, which the Council would especially like to take this opportunity to thank BFFC for.
- 4.2 Following the departure of the Company Managing Director in September 2020, the Company has taken the opportunity to review their Executive Board structure and determined not to replace the role. Instead the Chair role has been amended to that of Executive Chair, an arrangement still in operation, originally approved by Policy Committee (in its role as sole member) in September 2020 and further endorsed as part of the Annual Business Plan report approved by Policy Committee (also in its role as sole member) on 8 March 2021. In February 2021, the Parliamentary Under Secretary of State for Children and Families officially confirmed that Children's Services in Reading had been removed from Government intervention as a result of the continuing improvement of children's services in Reading by the Council and Brighter Futures for Children (also referenced on page 3 of the Annual Report attached as Appendix 1).
- 4.3 The Annual Report references the positive impact the stable management structure has had over the period and facilitate the delivery of the budget, which the Council would agree with. Subsequent to the period specifically covered, the Director of Education retired at the end of September 2021 and the Executive Director of Finance and Resources resigned in November 2021. In both instances, relevant interim arrangements are in place to support ongoing stability whilst permanent recruitment is carried out.
- 4.4 The Statutory Accounts for the Company are attached as Appendix 1. These were signed off by the Board at their meeting on 29th July 2021. The accounts had been audited and are unqualified. The audit certificate is included in the accounts.
- 4.5 The Comprehensive Income Statement on page 26, shows a deficit at the year-end of £111,922. This is entirely an accounting adjustment which reflects the increase in the statutory accrual for holiday pay at the 31st March 2021 over the opening accrual at 1st April 2020. The accrual has been reversed in month 1 of 2021/22. The effect of this adjustment is to confirm that BFFC expenditure was fully contained within the Contract Sum approved by Policy Committee on 9th March 2020.
- 4.6 Also attached to this report as Appendix 2 are details of RBC Delivery Fund monies provided to the Company to support transformation and savings delivery. BFFC have confirmed that the original savings from the RBC Delivery Fund monies as stated in Appendix 2 were all achieved.
- 4.7 Brighter Futures for Children Ltd has advised its gratitude for the assistance of Accounting Staff at the Council in meeting the Audit deadlines.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 In Spring 2021 the Council refreshed its Corporate Plan, incorporating a number of major change projects under 3 themes:

1. Healthy Environment
2. Thriving Communities
3. Inclusive Growth

5.2 This aligns with the delivery of the BFfC Business Plan, which forms part of the Thriving Communities theme.

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

6.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).

6.2 There are no direct environmental or climate change implications arising from this report. Pages 17-20 of the Company Annual Report and Financial Statements provides the Company energy and carbon reporting for the year.

7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1 Not applicable

8. EQUALITY IMPACT ASSESSMENT

8.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—

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

8.2 An Equality Impact Assessment is not relevant to the requested decisions.

8.3 The Company has adopted Reading Borough Council's Equalities Policy and will continue to adapt it over time, with relevant workforce data being included on pages 11-12 of the Annual Report as attached in Appendix 1.

8.4 The Annual Report states that the Company intended to publish its first Gender Pay Gap Report on 31 October 2021. This has been delayed and is now due to be published in the New Year. The Annual Report also states staff ethnicity. The Company is seeking to work to understand how the staff ethnicity mix compares to that of the service users. The Company is aware there are fewer BAME workers in the higher levels of the organisation and is intending to with the Council and Business in the Community to look at actions to address this.

9. LEGAL IMPLICATIONS

9.1 There are no direct legal implications arising from this report.

10. FINANCIAL IMPLICATIONS

10.1 All financial matters within the report are in line with the FY2020-2021 year outturn reports previously submitted to Policy Committee.

11. BACKGROUND PAPERS

11.1 There are none.