

OFFICER DECISION NOTICE



Reading
Borough Council
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This notice is to be used for the following types of officer decisions. (Select one option).

☒ **A.** Decisions taken by officers under a specific express delegation from Council or a Committee.

☐ **B.** Decisions taken by officers under a general delegation from Council or a Committee, which relates to (i) a permission or a licence, or (ii) the rights of an individual, or (iii) a contract or expenditure over £100,000.

1. Title of decision:	Brighter Futures for Children Ltd – Business and Asset Agreement
2. Date of the decision:	26 May 2026
3. The decision maker:	Executive Director for Resources

4. Decision details:

To approve entry into a Business Transfer Agreement between the Council and Brighter Futures for Children Ltd. ("BFfC") from 1 October 2025 that:

- Formalises the insourcing of children's services;
- Transfers all operational components of the BFfC business to the Council;
- Allocates liabilities, with the Council assuming various liabilities relating to the business whilst BFfC retain certain liabilities e.g. tax and intercompany loan, supported by mutual indemnities;
- Confirms the TUPE transfer of employees, with the Council assuming responsibility for employment liabilities, including ongoing tribunal claims; and
- Provides a legal and operational framework for completion and post-transfer matters to ensure that the transfer is legally effective and fully implemented

5. Reasons for the decision:

5.1. The decision to outsource Reading's Children's Services (Social Care and Education) was made by Council on 16 October 2018. Council approved a set of recommendations to transfer the delivery of Children's Services to BFfC, a separate company limited by guarantee of which the Council would be the sole member.

5.2. Delivery of the Council's Children's Services was established with a seven-year contract with BFfC which came into effect on 30th November 2018 and would otherwise expire on 1st April 2026.

5.3. Following a planned contract review in 2024, the Council decided in January 2025 that it would not be extending the contract with BFfC. The Council approved (inter alia) the following resolution in relation to the BFfC service contract:

(2) *That by 1 April 2026, services currently provided by BFfC, including all remaining support services, be brought in house to be delivered directly by the Council;*

(3) *That the Executive Director of Resources, in consultation with the Leader of the Council, the Lead Councillors for Children and Education, the relevant statutory officers and Chair of the Board, be authorised to:*

- i. Transfer all staff from BFfC to the Council;*
- ii. Remove the secure designated pension arrangements between BFfC, the Council,*
- iii. Novate all BFfC contracts to the Council,*
- iv. Take all steps legally required to close the BFfC Company;*
- v. Make any changes required to the Terms of References for Committees to reflect the change of delivery model and remove reference to the Company and contract within the Lead Councillor portfolios;*
- vi. Make any other necessary amendments to the Council's Constitution and Scheme of Officer Delegation to reflect the changes of the delivery model;*

5.4. Following agreement with BFfC to an earlier termination date, the provision of children's services transferred from BFfC to the Council on 1 October 2025 and steps have been taken to pay any outstanding creditors and recover monies from debtors.

5.5. To formalise arrangements to close the BFfC pursuant to paragraph 3(iv) above, external solicitors have been asked draft a Business Transfer Agreement with input from Finance and Legal Officers. A copy of the proposed agreement is attached as Schedule 1.

5.6. It will be noted that the Business Transfer agreement seeks to:

- Formalise the insourcing of children's services;
- Transfer all operational components of the BFfC business to the Council;
- Allocate liabilities, with the Council assuming various liabilities relating to the business whilst BFfC retain certain liabilities e.g. tax and intercompany loan, supported by mutual indemnities;
- Confirm the TUPE transfer of employees, with the Council assuming responsibility for employment liabilities, including ongoing tribunal claims; and
- Provide a legal and operational framework for completion and post-transfer matters to ensure that the transfer is legally effective and fully implemented

5.7. This Business Transfer Agreement was considered by the BFfC Board on 15th May 2026, with approval being given for BFfC to enter into it.

5.8. As entry into the Business Transfer Agreement on behalf of the Council is seen as a step in the closure of BFfC, approval from the Executive Director of Resources is sought for the Council to enter into the proposed agreement.

5.9. The Policy Committee on 21 July 2025 also delegated authority to the Executive Director of Resources to act on behalf of the Policy Committee (as the representative of the sole member of BFfC) to deal with all company closure matters which are the responsibility of the member of BFfC. Approval is therefore sought for entry into the agreement as sole member of BFfC.

6. Alternative options considered (if any) and rejected:

None.

7. List of open Background Papers:

None.

8. List of confidential or exempt Background Papers:

None.

9. Any other matters taken into consideration:

☐ Legitimate expectation of consultation

☐ Procedural requirements

☐ Public Health implications

☐ Environmental or Climate Change

☐ Health and Safety

☐ Risk Management implications

☐ Transparency of Information (FOI etc)

☐ Privacy Impact Assessments

☐ Human Rights Act Duties

☐ Equality Impact Assessment

☐ Corporate Parenting

☐ Community Safety

☐ Regulatory duties

☐ EU withdrawal

☐ Armed Forces Covenant

☐ Other

Details of the matters taken into account:

None.

10. Legal considerations

Legal advice has been taken through the Project Board. External solicitors have drafted the Business Transfer Agreement to formalise the insourcing of children's services and steps necessary for the orderly closure of BFfC.

11. Financial considerations

Financial advice has been taken through the Project Board where the £0 transfer price was formally approved. Finance Officers have liaised with the external solicitors.

12. Internal consultations

All relevant services have been consulted via the Project Board.

Sections 13- 18: To be completed only for Decision A (express delegation from a Committee)	
13. The name of the Committee:	Council
14. Date of the meeting:	28 January 2025
15. Minute number:	32(3)
16. The delegation given by the Committee:	That the Executive Director of Resources, in consultation with the Leader of the Council, the Lead Councillors for Children and Education, the relevant statutory officers and Chair of the Board, be authorised to: i. Transfer all staff from BFfC to the Council; ii. Remove the secure designated pension arrangements between BFfC, the Council, iii. Novate all BFfC contracts to the Council, iv. Take all steps legally required to close the BFfC Company; v. Make any changes required to the Terms of References for Committees to reflect the change of delivery model and remove reference to the Company and contract within the Lead Councillor portfolios; vi. Make any other necessary amendments to the Council's Constitution and Scheme of Officer Delegation to reflect the changes of the delivery model;
17. The name of any member of the committee who declared a conflict of interest in relation to the decision:	None
18. Any councillor or officer required to be consulted prior to the exercise of this delegation and details of their response.	Lead Councillor for Children Lead Councillor for Education and Public Health Relevant Statutory Officers Chair of the BFfC Board