

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF RESOURCES

<b>TO:</b>	<b>POLICY COMMITTEE (ACTING AS SOLE MEMBER FOR BRIGHTER FUTURES FOR CHILDREN)</b>		
<b>DATE:</b>	<b>8 APRIL 2019</b>		
<b>TITLE:</b>	<b>BRIGHTER FUTURES FOR CHILDREN BUSINESS PLAN 2019-2021</b>		
<b>LEAD COUNCILLORS:</b>	<b>CLLR JO LOVELOCK, CLLR LIZ TERRY, CLLR ASHLEY PEARCE &amp; CLLR JASON BROCK</b>	<b>PORTFOLIO:</b>	<b>LEADERSHIP, CHILDREN, EDUCATION, CORPORATE AND CONSUMER SERVICES</b>
<b>SERVICE:</b>	<b>PROCUREMENT &amp; CONTRACTS</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
<b>LEAD OFFICER:</b>	<b>KATE GRAEFE</b>	<b>TEL:</b>	<b>0118 937 4132/ 74132</b>
<b>JOB TITLE:</b>	<b>HEAD OF PROCUREMENT AND CONTRACTS</b>	<b>E-MAIL:</b>	<b>kate.graefe@reading.gov.uk</b>

**1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 This report seeks approval from Policy Committee, in its capacity as sole member for Brighter Futures for Children Limited (BFfC), to agree the Company Business Plan for 2019-2021 (FY2019/20-FY2020/21)
- 1.2 The report also provides an overview of the arrangements provided for within the contract with Brighter Futures for Children (BFfC) for monitoring Children's Services and progress with setting up these arrangements and contract implementation.

**2. RECOMMENDED ACTION**

It is recommended that Policy Committee, in its capacity as sole member for BFfC:

- 2.1 Note the BFfC Contract governance arrangements and progress with their implementation
- 2.2 Consider and agree the BFfC Business Plan for FY2019/20-FY2020/21
- 2.3 Delegate the finalisation of the revised contract KPIs to the Managing Director of Brighter Futures for Children and the Council's Chief Executive in consultation with the Lead Member for Children's and the Lead Member for Education

Appendix 1 - BFfC Business Plan 2019-2021

Appendix 2 - Current Contract KPIs

Appendix 3 - RBC/BFfC Contract Management Group Terms of Reference

### 3. BACKGROUND AND WORK TO DATE

- 3.1 At Full Council on the 16<sup>th</sup> October 2018, it was agreed to transfer the delivery of the Council's children's services to a newly established, wholly owned subsidiary Company of the Council, Brighter Futures for Children Limited ('BFfC'/the 'Company'). This follows the recommendation of the Children's Services Commissioner (Nick Whitfield) to establish a 'full service' children's Company, which in turn was preceded by an August 2016 Ofsted inspection rating of 'Inadequate' and the subsequent issue of a statutory direction notice to support improvement of RBC Children's Services. As well as agreeing to transfer the Council's Children's Social Care, Early Help and Education services have also been passed to BFfC to allow a holistic, focussed approach to the promotion and delivery of improved outcomes for the Reading's children, young people and their families.
- 3.2 Following this decision, the Service Delivery Contract and other relevant arrangements were finalised to allow the transfer of Children's Services (excl. Fostering) to BFfC on the 1<sup>st</sup> December 2018. Fostering subsequently transferred on the 1<sup>st</sup> March 2019 following the Company's successful registration with Ofsted as an IFA (Independent Fostering Agency).
- 3.3 The Council has 100% ownership of BFfC, which is run by a senior management team reporting to the Company board of directors. In turn, the Board reports to the Council (Policy Committee) as its sole member/owner. Under the provisions of the Company's Articles of Association, the adoption of the Company's Business Plan is a 'reserved matter' that requires the approval of Reading Borough Council as the sole member. The Company's proposed Business Plan for 2019-2021 is attached in Appendix 1.
- 3.4 Members are asked to consider and agree the proposed Business Plan; noting that that the finances and Contract Sum is in line with the MTFs report which was agreed by Council on the 26<sup>th</sup> February 2019.
- 3.5 In order to provide the appropriate assurances to the Council on service delivery the agreed contract monitoring and governance framework includes:
- An annual report from BFfC on performance to Policy Committee (in its capacity as sole member);
  - An annual report from BFfC on the Company's business plan to Policy Committee (in its capacity as sole member) - as per this report;
  - Reports from BFfC to the Adults, Children's and Education Committee;
  - Monthly performance monitoring of Children's Services service delivery through the Children's Services Improvement Board, chaired by an independent chair and supported by relevant RBC partners such as the Police, Health, LCSB (to transfer to the Multi-Agency Safeguarding Arrangements [MASA] in 2019), etc.
  - Monthly financial monitoring through the contract management function underpinned by contractual reporting requirements including open book provision of data;
  - Bi-monthly (6 times a year) Contract Management Group meetings to review overall contract performance and also review performance of the Council in terms of Support Services provision.

(It should be noted that whilst Children's Services are under intervention, there is also a reporting and oversight requirement between the Company Chair and the Department for Education (DFE)).

- 3.6 Underpinning all of the above is a set of contract Key Performance Indicators, as attached at Appendix 2. It should be noted by Members that the drafting of the Service Delivery Contract reflects the intention for the current contract KPIs to be reviewed to ensure that they are meaningful and appropriately aligned to the desired service outcomes rather than focussed on levels of activity. Therefore, Appendix 6 of the BFfC Business Plan includes revisions as currently proposed by BFfC. As per recommendation 2.3 of this report, it is proposed that authority is delegated to the Company's Managing Director and Council's Chief Executive in consultation with the Lead Members for Children and Education to finalise these.
- 3.7 In order to allow the Company sufficient operational independence and permit the Company Board to proactively address any issues in performance that may be indicated by the KPIs, the provision of reporting information and the proposed timing of the Contract Management meetings has been scheduled to allow the BFfC Board at least one opportunity to view and comment on the information to be provided to RBC prior to issue. Practically this means that:
- Financial information is provided 30 days after the end of the period to be reported, i.e. Jan 2019 financial data should be provided by no later than 1<sup>st</sup> March
  - The Contract Management Group will review other performance information once every 2 months and with an approximate 60 day time lag, i.e. Dec 2018 and Jan 2019 performance information should be advised for consideration at the March 2019 Contract Management Group, Feb & Mar 2019 information will be considered at the May 2019 meeting, and so on.
- 3.8 The initial Contract Management Group (CMG) meeting was held on Friday 22<sup>nd</sup> February. This initial meeting covered the governance set up, including confirmation of the CMG terms of reference (as attached, Appendix 3). The first CMG meeting to consider overall contract performance of both BFfC and RBC services took place on Tuesday 26<sup>th</sup> March and covered the periods up to the end of January 2019. The next CMG meeting is scheduled for the 21<sup>st</sup> May.
- 3.9 To support the governance framework and relationship management between RBC and BFfC, a Contract Manager post has been created and recruitment completed late October 2018. Fiona Betts has subsequently joined RBC from the Royal Borough of Windsor & Maidenhead (RBWM) on Monday 25<sup>th</sup> February. The role reports to the Head of Procurement and Contracts.
- 3.10 To support the delivery of the BFfC Business Plan and required transformation (including efficiencies) necessary to meet the key objectives of the Company, the Council has agreed provision of Delivery Funding to BFfC. This, along with funding from the DfE, will allow the Company access to sufficient resource to manage the required transformation at pace. As part of the monthly finance reporting, monitoring of the use of the RBC Delivery Funding will require specific tracking, so that the Council are assured that the monies spent are covered by the relevant capitalisation direction.

#### **PROVISION OF SUPPORT SERVICES TO BFfC**

- 3.11 The set-up of BFfC has been undertaken on the basis that the Company will 'buy back' the majority of support functions from the Council for a minimum of two years (from 1<sup>st</sup> April 2019, i.e. earliest SLA termination possible would be 31<sup>st</sup> March 2021). An over-arching Managed Services Agreement acts as an umbrella contract for all the Service Level Agreements between the Company and the Council. The Service Level

Agreements are then detailed within Schedules to the Managed Services Agreement and cover the following services:

- Audit & Inspection
- Emergency Planning, Business Continuity & Risk Management
- Procurement
- Regulatory Services
- Customer Services
- Records Management
- ICT
- Finance
- Insurance
- Health & Safety
- Joint Legal Services
- Transport
- Legal & Democratic Services
- HR
- Business Change

3.12 To support both the overall contract implementation and the implementation of the SLAs, there have been weekly meetings between Andrew Withey as interim programme lead, Kate Graefe as interim Contract Manager and David Morrow as BfFC Transitions Manager. This has helped ensure that any initial ‘teething’ issues have been suitably managed and as smooth a transition as possible effected.

#### **4. NEXT STEPS**

4.1 There are a number of other matters provided for within the contract(s) still to be finalised and/or implemented, namely:

- Property leases and FM SLAs - A plan is currently in place to have these in a position for final agreement and sign off by 1<sup>st</sup> May 2019;
- Novation of relevant 3<sup>rd</sup> party supplier contracts from RBC to the Company;
- Review and revision of the Service Delivery contract KPIs, as outlined in 3.6, above;
- Agreement of an exit plan - initial drafting for which is required by the end of August 2019.

#### **5. CONTRIBUTION TO STRATEGIC AIMS**

5.1 All elements within this report are focused on the Corporate Plan priorities of: Ensuring the Council is fit for the future and Protecting and enhancing the lives of vulnerable adults and children.

#### **6. COMMUNITY ENGAGEMENT AND INFORMATION**

6.1 No community engagement has been carried out or is required in the creation of or as a result of this report.

#### **7. EQUALITY IMPACT ASSESSMENT**

7.1 An Equality Impact Assessment (EIA) is not relevant to the report or its recommendations.

#### **8. LEGAL IMPLICATIONS**

8.1 Any revisions agreed to the current contract KPIs will require recording as a formal contract change, in accordance with the processes and procedures within the BFfC Services Contract.

## **9. FINANCIAL IMPLICATIONS**

9.1 There are no specific financial implications arising from this report. The proposed Contract Sum for BFfC for FY2019/20 has been provisioned for within the MTFS and is as stated within the RBC/ BFfC Services Delivery Contract.

9.2 Any changes with the plans associated to the leases for BFfC property may lead to a change in the assumed costs to BFfC and income to RBC. However, the appropriate adjustments would be made to both the property/ lease charges as well as the BFfC Contract Sum, resulting in a £0 net effect for the Council.

## **10. BACKGROUND PAPERS**

10.1 16 October Full Council Report - Establishment of BFfC