

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF RESOURCES

TO:	POLICY COMMITTEE (ACTING AS SOLE MEMBER FOR BRIGHTER FUTURES FOR CHILDREN)		
DATE:	18 NOVEMBER 2019		
TITLE:	BRIGHTER FUTURES FOR CHILDREN CONTRACTS PERFORMANCE REPORT		
LEAD COUNCILLORS:	CLLR JASON BROCK, CLLR LIZ TERRY, CLLR ASHLEY PEARCE, CLLR ELLIE EMBERSON	PORTFOLIO:	LEADER OF THE COUNCIL, LEAD COUNCILLOR FOR CHILDREN, LEAD COUNCILLOR FOR EDUCATION, LEAD CLLR FOR CORPORATE AND CONSUMER SERVICES
SERVICE:	PROCUREMENT & CONTRACTS	WARDS:	BOROUGHWIDE
LEAD OFFICER:	KATE GRAEFE	TEL:	0118 937 4132/ 74132
JOB TITLE:	ASSISTANT DIRECTOR FOR PROCUREMENT & CONTRACTS	E-MAIL:	kate.graefe@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report asks Policy Committee, in its capacity as sole member for Brighter Futures for Children Limited (BFfC/ "The Company"), to note the Company's retrospective finances and performance - FY 2018/19 report.

2. RECOMMENDED ACTION

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

- 2.1 Note the BFfC retrospective finance and performance report - FY 2018/19

Appendix 1 - BFfC Annual Report 2018-2019

Appendix 2 - Report to the Audit and Risk Committee, Period ended 31 March 2019

3. BACKGROUND AND WORK TO DATE

- 3.1 At Full Council on the 16th October 2018, it was agreed to transfer the delivery of the Council's children's services, including Education and Early Help, to a newly established, wholly owned subsidiary Company of the Council, Brighter Futures for Children Limited ('BFfC'/the 'Company'). 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.
- 3.2 The delivery of Children's Services by BFfC is covered by a Service Delivery Contract, with all services (excl. Fostering) being delivered by the Company from 1st December 2018, The delivery of Fostering commencing from 1st March 2019.. Therefore, the performance and finance report presented for review covers part-year FY2018/19 only.

- 3.3 An over-arching Managed Services Agreement acts as an umbrella contract for all the Service Levels Agreements between the Company and the Council. Attached to this as Schedules are the individual Service Level Agreements. The Company has committed to the buy-back of support services for a minimum of 2 years from 1st April 2019, i.e. from the start of the first full financial year of operation, with a minimum of 12 months' notice for any SLAs it wishes to cease. This means that the earliest any SLA service delivery would cease would be from 1st April 2021.
- 3.4 In order to provide the appropriate assurances to the Council on service delivery, there is a governance framework at both an officer and member level. From an officer perspective, the main contractual performance assurance is through a bi-monthly (6 times a year) Contract Management Group (CMG) meeting. Each CMG reviews overall BFfC contract performance as well as performance of the Council in terms of Support Services provision.
- 3.5 Policy Committee acting as sole member/ shareholder for BFfC receives:
- An annual report from BFfC on performance to Policy Committee;
 - An annual report from BFfC on the Company's business plan to Policy Committee;
- 3.6 Policy Committee approved the BFfC Business Plan for 2019-21 on the 8th April 2019, subject to finalisation of, and agreement, to revised Service Contract KPIs, which was approved on the 26th September 2019.
- 3.7 BFfC is currently drafting their Business Plan for FY2020/21, which will be presented to Policy Committee on 16th December 2019 for approval.

4. BFfC Annual Report 2018/19 and Accounts 2018/19 reports

- 4.1 From Appendix 1, it is noted that the Company's position at the end of FY2018/19 is a £167k deficit. The deficit is made up of the provision for annual leave carryover which is £104k, redundancy costs which is £47k and loan interest payment which is £16k.
- 4.2 The Company also notes in this report that after making appropriate enquiries, the Board of Directors has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.
- 4.3 Independent Auditor UHY has signed off the accounts, and submitted their report to the Company's Audit and Risk Committee (Appendix 2).

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 require recording as a formal contract change, in accordance with the processes and procedures within the BFfC Services Contract, as outlined in 4.1, above.

9. FINANCIAL IMPLICATIONS

- 9.1 There are no specific financial implications arising from this report.

10. BACKGROUND PAPERS

- 10.1 16 October Full Council Report - Establishment of BFfC