Brighter Futures for Children

Annual Report and Financial Statements

1 April 2023 - 31 March 2024

Brighter Futures for Children Ltd

Company No: 11293709

BRIGHTER FUTURES FOR CHILDREN LIMITED

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Introduction from the Chair of Brighter Futures for Children

The combination of rising costs and increasing demand continue to be the twin financial challenges facing children's services across the country. In last year's annual report, we said that, in 2023-24, we planned to respond to increasing demand and significant budget pressures by creating a system-wide approach matched closely to the local needs of the children and families of Reading.

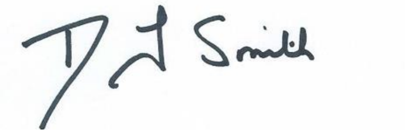
This system wide approach is reflected in the transformation programme we have developed this year which brings together our ambition to improve outcomes for children and young people with our determination to tackle significant financial pressures. To create the best conditions for success, our transformation programme has secured strong leadership buy-in across the company and with Reading Borough Council.

The senior leadership team has a clear focus on delivery, and this has involved working closely on important projects, such as the development of our 'edge of care offer', to improve outcomes and manage demand. Our transformation work is underpinned by closer working with finance to develop effective frameworks for monitoring, forecasting and benchmarking. The progress made this year is encouraging but we recognise that this must accelerate if we are to comprehensively address the financial challenges we face.

Continuing to secure improvement in service delivery is core to our work with children and families and we have benefited this year from having a stable and well-established senior leadership team. Their focus on the delivery of the priorities in the business plan has resulted in improvements in the quality of our services. A positive example of this came in Ofsted's recognition of improvements in our services for Children in Care during a focused visit in September 2023, with further detail on page 9.

Our workforce remains a strength, and we are encouraged by the increasing percentage of permanent social workers. We continue to place importance on leaders listening and on regular engagement with the Staff Involvement Group. In November 2023, we held our first staff celebration event, and we were able to share our teams' successes and to see visual representation of the breadth and variety of work undertaken to secure improvements in our service delivery since 2019. We plan to make this an annual event focussed on staff recognition and appreciation.

At a time when so many councils across the country are facing significant financial pressures, often relating to children's services, we'd like to formally recognise and appreciate the importance of our constructive partnership with, and responsibility to, Reading Borough Council. The extension of our finance and HR service level agreements will bring us into closer alignment with the Council for the coming financial year and should further support our shared commitment to the children and families of Reading.



Di Smith, Chair of the Board
Brighter Futures for Children

Company information

Directors (covering 2023-24 and position at date of signing)

	A P Byrne N Gilham K Lam (resigned 31/03/24) L Patel C Pike (resigned 25/02/24) D Smith P S Snell **RBC representatives on BFfC Board:** M Graham (resigned 25/01/24) S Douglas (appointed 25/01/24, resigned 31/03/24) D Carter (appointed 1/4/24)
Company Secretary	Carol Flach
Registered Office	Reading Borough Council Civic Offices Bridge Street Reading Berkshire RG1 2LU
Company Number	11293709
Auditors	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal Bankers	Lloyds Bank plc 24 Broad Street Reading Berkshire RG1 2BT
Solicitors	Burges Salmon One Glass Wharf Bristol BS2 0ZX

Directors’ report (including Strategic Report) for the year ending 31 March 2024

The directors present their annual report and the audited financial statements of the Company for the year ending 31 March 2024.

Who we are

Incorporated on 5 April 2018, Brighter Futures for Children (BFfC) is a company limited by guarantee. It is an alternative delivery model for children’s services which are delivered on behalf of Reading Borough Council (RBC). The Company is wholly owned by, but independent of, the Council and is governed by a Board of Directors. The Company has a seven-year contract to deliver children’s social care, early help and prevention and education services, including Special Education Needs and/or Disabilities (SEND).

Mission, vision and values

During 2023/24, we have built on our positive progress in delivering our continuous improvement programme, which is aligned with our newly implemented transformation programme. This reflects our genuine ambition to achieve the very best outcomes for Reading’s children and families.

Our **mission** is to protect and enhance the lives of the children of Reading and help families find long-term solutions to ensure children lead happy, healthy and successful lives.

Our **vision** is that we are most likely to succeed in doing this if our staff, children, and families we work with are involved and engaged in everything we do. We must continue to listen to our children, not only when they are telling us how things are for them but also, to improve our services and better meet their needs.

Our values are to be honest, creative, caring, respectful, responsible and quality-driven.

Our services

We are **committed** to:

- Early prevention, less intervention – delivering timely and proportionate responses
- A practice model that is relationship and strength-based, trauma informed, systemic and attachment aware and focusing on the whole family
- An evidenced-based focus and evaluation of impact and outcomes for children and their families.

The main purpose of Brighter Futures for Children is to ensure the best possible outcomes and opportunities for the children of Reading and to support and protect those who are vulnerable. We provide extra help for children and families who need it and where children are thought to be at risk of harm, we take steps to make sure they are safe.

BFfC supports and provides a full range of statutory and support services to children and families including early help, children’s social care, education, Special Education Needs and Disability and Schools support services.

Family Help & Safeguarding

In January 2024 our targeted early help teams (family help) were integrated with children’s social care to form one service, known as Family Help & Safeguarding.

Many families require some early help to flourish and some families need more help from targeted and specialist teams. This new, combined service means that the support can be delivered with seamless transitions for families and the least possible changes of workers and teams for them.

The umbrella service covers children's social care (including include statutory assessment and care planning for children in need and at risk of significant harm; provision for children looked after, unaccompanied asylum-seeking children and provision for young people leaving care), family work, targeted youth/outreach work, children's centres, contact centre, Children's Single Point of Access, partnership hub, the Youth Justice Service, young people's drug and alcohol support, Independent Fostering Agency, adoption and permanence services (a Voluntary Adoption Agency), children's disability service, occupational therapy, children with disabilities shared care and short breaks homes and, alongside our other service areas, support for young parents.

Education, Special Education Needs and Disabilities, School Effectiveness Services

BFfC holds the statutory responsibilities for school effectiveness, school attendance, pupil place planning, admissions, children missing education, the virtual school for children looked after and elective home education. We support schools and parents regarding exclusions and provide guidance and support for schools and alternative providers on improvement and safeguarding.

BFfC has statutory responsibility for special educational needs and/or disabilities (SEND) including assessment and administration of Education Health and Care Plans. We offer support and guidance to parent carers of children and young people with special educational needs and/or disabilities and to schools and other education settings through our RISE (Reading Inclusion Support in Education) service.

BFfC has developed a range of traded services for schools including educational psychology, attendance support, finance, emotional health and wellbeing and support for governors and school leadership development.

We work actively to ensure all young people post 16 years participate in education, employment and training by offering a comprehensive range of information advice and guidance.

This umbrella service covers early years (including nurseries), education attendance, portage, mental health support teams, primary mental health, education psychology service, school effectiveness, school admissions, suspensions/exclusions, children missing education, elective home education, virtual school, RISE (Reading Inclusion Support in Education), elevate careers service and SEND.

Support services

The Company has a comprehensive range of services to support operational delivery including:

- Financial control, planning and monitoring
- Commissioning, contracts and procurement
- HR and workforce development
- Communications, marketing and compliance
- ICT and business systems
- Business support

Achievements and performance in 2023/24

To achieve our strategic objectives, we set **four key priorities** which are based on what success would look like by putting our children and young people at the heart of what we do.

Priority 1: *We will work together and across local partnerships to provide the right support and services at the right time to deliver the best possible outcomes for children and their families*.

Priority 2: *We will deliver effective early help services to prevent the escalation of need at a later stage while contributing to increased resilience across the partnership to meet children's need at the earliest opportunity.*

Priority 3: *We will deliver a sustainable Children Social Care service through practice rooted in relationship-based and timely statutory engagement with families.*

Priority 4: *We will influence and support education settings to offer high quality inclusive teaching and learning to support achievement for all, including those who require bespoke, specialised or SEND support.*

To help us achieve these, we identified **three enablers** that are critical in supporting the delivery of our priorities:

Enabler 1: Building a stable workforce of permanent staff

Enabler 2: Improved quality and ways of working

Enabler 3: Resources aligned to priorities and delivering value for money.

Throughout the year, we charted our progress and achievements against the four priorities, to ensure we were focused on our strategic direction.

Achievements

In 2023/24 we reframed our priorities to respond to the changing landscape, recognising that the reality of children's lives is continually shifting as are the difficulties they face. Our work over the last year consolidated what has been achieved to date and built on delivering more services and support with greater impact by increasing our momentum and pace. We have responded on a timely basis to those most in need and strive to ensure quality is firmly rooted into our practice and culture, with a focus on greater collaboration, coproduction and partnership working.

We are proud of the key achievements made by BFfC over the past year. Some – but not all – are listed below:

- We have strengthened our **corporate parenting ambition and offer**, continuing to work jointly with Reading Borough Council to develop our corporate parenting offer so that it reflects our ambitions for children looked after and care leavers
- **Care experience** was recognised formally as a **protected characteristic** by the Council in October 2023, with a further commitment to **extend council tax** relief on a sliding scale to care leavers up to age of 25 years from 2024/25
- With the support of the Council, we invested in and started to implement our ambitious **Transformation Programme**
- We secured DfE funding for an 18-month project and, in February 2024, we launched our **Reading Inclusion Support in Education** (RISE) service to support all Reading schools to improve their offer of Ordinarily Available Provision (OAP), Graduated Response (GR) and to better support all children and young people (CYP), including those with Special Educational Needs and Disabilities (SEND)
- We successfully secured single and regional **funding** bids including the DfE funded South East Regional Fostering Hub, Local Authority Fostering South East, and ICB funding to extend Mental Health Support Teams across all Reading schools
- We rolled out our **Practice Framework** handbook in November 2023 to embed a consistent trauma-informed, systemic and attachment aware approach and tools across our children's workforce

- We have improved the **permanency of our workforce**, with 100% permanent senior leaders and managers and 83% permanent social workers. The recruitment of social workers in local children's services remains a national issue and the introduction of a variety of local initiatives and incentives has supported this ongoing improvement
- We i**ntegrated Family Help & Social Care** into one service to enhance joint working and provide a seamless service for children and families
- We developed a new **2024-2026 Sufficiency strategy** to ensure we remain fit for purpose in a changing context and landscape. As a result of this, we are now working on developing our own children's home provision in Reading, as well as continuing with the block purchase of eight local beds, ensuring as many children as possible in residential care can live locally in stable, loving homes
- We held our first annual **staff celebration event** recognising and celebrating the achievements of staff across all our services
- **Mind of My Own an interactive tool to gain children's views and feedback** was introduced and embedded with 559 statements recorded to March 2024
- Our **participation work** with our children in care won a national award from Coram BAAF
- Following a retender of our **advocacy service** we have created an Opt Out service, inclusive of advocacy for parents resulting in a 50% increase in the number of children accessing advocacy
- Through the **Holiday Activity Fund**, this year we supported 2,467 (47%) out of 5,235 eligible children in Reading, to redeem their vouchers from the booking system. 1,085 (44%) booked and children attended 6,543 sessions. This worked out as an average of six sessions per child.
- We have strengthened practice in relation to **extrafamilial risk and harm** through introducing Exploitation – Team Around the Child (E-TAC) meetings
- Family support workers work alongside social workers to support parents where **neglect and domestic abuse i**s identified as concern. Audit findings evidence the positive impact they have in reducing the escalation of risk for these children and supporting families to safely step down to early help and universal services
- **More than 200 quality audits completed, and 580 children reviewed** in panels, dip sampling & thematic audits. Through these audits we have seen evidence of changes in quality of practice across assessments, visits, plans and supervision, enabling us to target our continuous improvement activity in the right areas
- We have increased the use of **Family Group Conferences** for all children
- Pinecroft, our short breaks provision for disabled children, was **remodelled to** provide shared care and keep families together
- We opened 145 **Additionally Resourced Provision** places in Reading schools so that more children can have their needs met in their local mainstream school
- Reading remains in the 1st quintile of local authorities with the best performance for young people being in **education employment and training**, with one of the lowest combined not in education, employment and training (NEET) and not known positions
- In February 2024 we launched our **Reading Inclusion Support in Education** (RISE) service to support all Reading schools

- BFfC's Mental Health Support Team was shortlisted for **'Medium Team of the Year'** at the annual LGC Awards 2024
- At the National Association of Family Information Services (NAFIS) Coram Family & Childcare conference in November 2023, Reading Family Information Service were nominated for two categories, 'Best SEND Local Offer' and 'Best Promotion of the two-year funding'. We are very proud to have **won both awards** at the national conference
- Our **Partnership Hub** provides advice, guidance, signposting to services and support for teams around the family plans. We have seen a 35% increase in partners accessing the hub, with schools remaining the primary partner
- As evidenced in our Ofsted Focused Visit in September 2023**, care leavers (18-25 years)** are supported by dedicated social workers and personal advisors who remain in touch with them (98%), are placed in suitable accommodation (90%) and supported to engage in education, employment, and training (29% NEET)
- We have reviewed the information and data that is produced throughout Brighter Futures for Children to shift the balance of effort from data production to managing resources, impact and performance outcomes. Our greater **use of Power BI** as a self-serving tool supports our staff to gain deeper data insight. The recent implementation of our **education management system (Synergy)** also supports our improvement work

Strong governance oversight allows us to pause and reflect at each stage of our journey to ensure our work remains focused and outcome driven. We are well-rehearsed at delivering better outcomes for children, young people and their families in an ever-changing and challenging environment.

In relation to our inspection outcomes:

May 2024: Ofsted published its inspection report on Pinecroft children's home, which provides shared-care support for children and young people with additional needs, following a full inspection in March 2024. The home was given a 'Good' rating overall, with the effectiveness of leaders and managers graded as 'Outstanding'.

December 2023: Ofsted published its inspection report on Cressingham children's home, which provides short breaks for children and young people with additional needs. The home was given a 'Good' rating in all areas. The inspection took place in November 2023.

September 2023: Ofsted inspectors carried out a Focused Visit on Children in Care in Reading, concluding that services are improving and there are clear plans to make further progress. The report highlighted that most children in care were living in stable homes which met their needs, received child-focused support from committed social workers and entered care in a timely way, matched carefully with carers.

The inspectors also found that decisions for children to come into care, or to return home, are made thoughtfully and are well informed by detailed and thorough assessments which senior managers oversee effectively.

Ofsted noted three areas of improvement during the visit:

- The quality and impact of management oversight and supervision.
- The quality and impact of audit processes to improve social work practice.
- The impact of the corporate parenting panel on driving progress for all children.

Inspectors felt that BFfC plans were clear about what is needed to make further progress. In response, our work has included:

- Resetting cultural expectations of benefits and importance of supervision through coaching, workshops, and guidance.
- Reintroducing moderated internal audits to improve managerial oversight and social work practice.
- Embedding changes to corporate parenting panel, embedding our engagement and advocacy offer and enhancing our offer to children in care and care leavers.

These areas are included in our continuous improvement plan, cross-referenced with our quality assurance programme and will form part of our 2025-26 business plan.

In addition to the focused activities, ongoing challenge and scrutiny continues to be provided via BFfC Board and committees, as well as through management meetings and panels.

Managing demand

The number of contacts received at our front door increased from 11,199 in 2022/23 to 12,847 in 2023/24 representing a 15% increase in the demand for our services.

Referrals to children's social care increased from 2,843 to 3,003 (6% increase) and early help referrals went from 1,381 to 1,547 (12% increase). As of March 2024, there were 235 children on a child protection plan compared to 179 in the previous year (31% increase).

During the year, 120 children became looked after compared with 97 in the previous year (13% increase). We supported 192 care experienced young people throughout the year compared to 164 the previous year (17% increase).

This increase meant that we couldn't meet our target of 80% of children in our care living locally by 2023-24, with 58% living locally, a 6% increase on the previous year but below our expected target. This was, in main, due to a 35% increase in the number of children living in residential care, which went up from 23 to 31 children during 2023-24.

The cost of these external residential placements for children is unsustainable long term and BFfC is currently working on a project as part of its transformation programme to develop two of its own 4 bed residential homes in Reading (one assessment and one medium/long term). If successfully implemented during the financial year 2025-26, this could place 84% of our children within 20 miles of Reading, exceeding our sufficiency strategy target. Feasibility studies of identified properties are currently under way.

Our workforce strategy and delivery plan, which has concentrated on leadership, staff engagement, recognition and reward led to consistent and sustained improvement in the recruitment of staff, particularly with social work staff, to help meet demand.

Our recruitment and retention payment scheme went live on 1 April 2023, aimed at increasing the number of permanent social workers in the Together for Families service. The scheme included a welcome payment after the first six months of employment and successfully passing probation to new social workers, with a further loyalty payment at 12- and 24-months service.

In March 2023 we had 28 (58%) permanent social workers in our four Together for Families teams and 20 (42%) agency staff. By the end of March 2024, the number of permanent social workers had increased to 43 (84%) and the number of agency social workers reduced to 8 (16%).

Caseloads across all teams are closely monitored and there is variance in caseloads both within and across teams. Where caseloads are too high plans are put in place to reduce these. This includes targeted work to reduce incoming assessments through the front door, timely transfers and timely closures.

All seven newly qualified social workers from our Assisted and Supported Year in Employment (ASYE) Cohort Year 2023/2024 will remain in Newly Qualified Social Worker (NQSW) posts. All eight NQSWs from the previous cohort also remain in post. Two NQSWs joined the ASYE programme in the Together for Families service in January 2024 and will complete their ASYE in 2025.

A second year of support, post ASYE, is in the process of being set in place for September 2024. This will support a programme of continuous learning and support for these social workers.
We have four social work apprentices who started the programme in 2020 and who entered their ASYE programme in 2023 and will complete their ASYE in September 2024. We will be joined by seven new NQSWs in the ASYE programme for the year 2024-2025.

We have doubled the recruitment of social workers from abroad, enriching our diverse workforce, and recruited two additional consultant practitioners to provide focused mentoring and line management of the NQSWs.

All of the above 'enabler' activity has helped us manage demand.

Education

There is much evidence that schools/settings in Reading offer strong provision for our children and are effectively implementing research informed approaches to improve standards.

There are many examples of exceptional practice across all phases and school organisation types and there are now mechanisms in place through the Education Partnership Board, clusters, professional networking, and LA/MAT offers, to further share best practice and enhance impactful collaboration between schools.

Data for 2023/24 suggests increased school-to-school support and challenge to schools with outcomes just below or at national averages has made real impact, as well as developing longer term options to build school leadership capacity.

Multi-agency working and the additional community offer provided by many Reading schools and education establishments is a real strength and our schools/settings have been the first point of contact and lifeline for many children and families. Many offer much more than the academic curriculum, make significant use of community resources and the early help wider offer. This makes a difference beyond outcome measures that has real value in communities and is a significantly protective factor in the lives of children and young people.

88.6% of schools in Reading have received positive Ofsted inspection outcomes. Inclusivity and behaviour are strengths of the local system in Ofsted reports and Ofsted feedback shows that parental confidence in our schools is high.

BFfC knows its schools well and commissions support effectively where concerns are identified. We know, through our School Effectiveness monitoring work, that schools are adopting research-informed approaches to improve standards. Many schools achieve outcomes and attendance for children above the national average, though there is still variation between schools and settings in all phases.

Following the tragic death of Ruth Perry, BFfC has built on the strong support offered to schools, identified in the independent learning review, to provide more support to school leaders to build resilience into the local system and further enable them to deliver school improvement.

Over the past year, our increased support and challenge to schools with outcomes below or at national averages are showing some impact but we recognise that more school improvement capacity is needed, especially in weaker performing schools to raise outcomes further.

Strategically, we have established and implemented the Education Partnership Board to enhance school-to-school improvement. The Board has a focus on addressing educational inequality and building evidence-based, self-improving systems.

Attendance is improving but is still a factor in underachievement in all phases. Poor attendance disproportionally impacts children with intersectional disadvantage. Suspensions are increasing in line with national averages, however, in the majority of schools they are well below national averages.

As at March 2024, school attendance at primary (94.3%), secondary (92.4%) and special schools (83.4%) is in line with national performance. Attendance of children with an EHCP is in line with national comparators at 84%.

Key Stage 4 destinations, which is the number of 16 and 17-year-olds offered a place in education/training is above the national performance and our A Level results show a good performance across many indicators, with two results the best in the country.

Equally, GCSE results showed good performance across many indicators, with four indicators placing us in the top quartile in the country. All indicators are within the top 50%, however there is significant variation between schools.

Our number of young people not in employment, education or training (NEET) shows that we have one of the lowest rates in the country for activity not known. The % of 16–17-year-olds who are NEET is equal to the national average of 4.1%.

Children attaining level 2 qualifications by age 19 is in the lowest national quartile and significantly below statistical neighbour and Southeast comparators.

At Key Stage 2, we are in the bottom quartile for children achieving the expected standard in reading, writing and mathematics, writing remains a weakness. but progress improvements are above the national rate of improvement

In the early years foundation stage, we are in the bottom quartile for children having a good level of development in EYFS. Rising levels of complex SEND and the proportion of children entering reception new to speaking English have some impact on average data, however, disadvantaged children underperform significantly in comparison with other children.

Nursery schools provide exceptional provision but face recruitment and funding challenges.

Outcomes for disadvantaged children and those with Education Health Care Plans (EHCPs) across all phases are below national averages, outcomes for children receiving primary SEND support are above national averages.

Some schools in Reading have relatively high proportions of children with vulnerabilities and complexities which impacts headline outcomes.

Reading schools have faced challenges in recruitment and retention of high-quality staff in line with the national picture. The relatively high housing and travel costs and pay boundary outside Outer London Weighting makes Reading less competitive than surrounding boroughs in the job market.

Our Alternative Provision (AP) strategy is being reviewed to address local gaps in provision and quality.

However, there is more to be done to ensure every child and young person achieves well in Reading.

As part of our education strategy for Reading, we have set priorities for 2024/25 of:

- developing a sustainable self-improving education system
- reducing educational inequality
- supporting schools and settings with significant cohort complexity

- supporting education staff recruitment, retention, and well-being.

Corporate

Across Corporate Services in 2023/24:

- We strengthened our connectivity and collaborative working arrangements with Reading Borough Council by moving our finance and HR teams back into the Council, with effect from 1 April 2024.

  A large part of both teams' work was already completed by RBC colleagues, under service level agreements and it made sense to move these in entirety, especially the Finance team, given the necessary close working due to pressures put on us by placement costs

- We continued to develop the Company's culture where staff feel **connected with the leadership** team **and with each other**. This is evidenced by effective work with our Staff Involvement Group (SIG), continuing to actively 'listen' to our staff via staff roadshows and leaders' listening events

- Our Communications & Marketing team continued to develop and enhance BFfC's intranet and website, including developed web areas for professionals and for parent carers, as well as improving the content of the young people's zone. The website continues to increase in popularity with **more than 1.1m visits** in 2023-24, up 27% from the previous year's 857K. Social media followers have increased to **6,900** from 5,000 the year before. Both have seen an **increase in parent carer and young people engagement**

- We strengthened our compliance, with a new **compliance dashboard** and datasets for compliance with timeliness of customer engagement and of mandatory training completion. We work closely with RBC on information governance and joint promotion of measures to **reduce breaches** of GDPR and cyber security threats.

- With changes in Ofsted legislation relating to supported accommodation, we developed a **contract variation** to ensure our contracted supported accommodation providers comply with new regulation. We continue to attract new supported accommodation providers locally to the framework under this new legislation, improving quality and outcomes for our care leavers.

- We supported the strengthening of management and leadership practice of our middle and senior leaders by providing a range of training courses, plus regular managers' briefings and the redesign of the staff appraisal system which now allows us to capture training needs of our workforce.

Key priorities for 2024/25

The publication of the government's *Stable Homes Built on Love* presented us with an opportunity to improve our recruitment and retention of foster carers, while also providing clarity on how we can develop our emerging model of family help to be responsive to local need.

We know that great practice, a tenacious focus on continuous improvement and a skilled and happy workforce is at the heart of delivering impactful outcomes for children and families. We will drive this through our continuous improvement plan and through our evolving children's services transformation programme, which will provide a framework for our continuous improvement priorities while ensuring that resources are deployed in the areas of greatest need and impact by:

(1) Ensuring every child and family receives the right support at the earliest opportunity

We will work in partnership to:

- Develop and deliver our partnership early help strategy
- Develop and deliver Reading's family hub model
- Strengthen the focus on partnerships and the Children's Single Point of Access (CSPoA)

(2) Providing the right resources and support needed for children to reach their potential

We will do this by:

- Developing a clearly defined and responsive edge of care and placement support offer: keeping children with their families and preventing children entering care; preventing placement breakdown and escalation of children's needs and care costs; stepping children down from residential to family based/foster care; returning children home where it is right for the child.
- Improving recruitment and retention of BFfC IFA carers through the implementation of the IFA improvement plan and, following a successful DfE bid, implementation and embedding of the SE Fostering Recruitment Hub, including the development of a Mockingbird Hub to support carers and prevent placement breakdowns.
- Delivering improved local sufficiency of placements through commissioning activity and the development of a business case to develop local in-house residential care for children.
- Continuing to roll out Additionally Resourced Provision in local mainstream schools, extending provision to secondary schools.
- Developing and delivering plans for the development of local specialist school provision in Reading.

(3) **Building on our successful workforce strategy to grow our own and retain a skilled and happy workforce, including building an alternatively qualified workforce.**

This entails shifting the focus of our workforce strategy to the development and retention of our precious workforce, which includes a focus on manageable caseloads.

We will do this by:

- continuing to deliver the activities within our workforce strategy that focuses on three key components: attract, develop; and retain.
- focusing on strengthening our learning and development offer, empowering our aspiring managers and leaders by giving better guidance, support and professional development opportunities, and creating career pathways for progression.
- developing an agile and diverse workforce with a wide range of talent and a broad range of knowledge and skills to better support us to deliver our services and secure the best outcomes for our children, young people, and their families.
- addressing, evidencing and make progress towards race equality through our involvement with the Social Care Workforce Race Equality Standard.
- creating an environment that develops and promotes a real commitment to equality, diversity, inclusion and belonging, which is reflected in not only our policies but also our everyday working practices.
- making sure we have the right people, with the right skills, in the right place, at the right level and at the right cost.
- Celebrating success through our annual staff achievement event and all staff annual conference.

We continue to be aspirational for our children and families and for our staff. Our ambition and priorities to deliver the best services to children and families are detailed in our business plan, continuous improvement action plan and transformation programme.

Financial review of our business

The Company prepares its financial statements in accordance with Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and the Companies Act 2006.

During the year, the Company delivered children’s services on behalf of Reading Borough Council. Turnover for the year was £113,219,974, of which majority was received from RBC in the form of contract income, grant income and contributions, excluding guaranteed pension asset position. The main contract income from RBC at the start of the year was £51,659,080. This was supplemented by additional contract income of £9,139,385 at year end, reflecting the payment for demand pressures which had arisen during 2023/24. Total contract income funding for the year was £60,798,465.

The Company spent £112,963,114 on direct costs, providing services to children. Pension contributions to the pension scheme totalled £3,838,000 for the year. Employer contributions to the pension scheme for the 565 employees for the year were £3,245,311.

The Company has managed several challenges in relation to ‘hard to fill’ social worker posts by using agency staff, increasing demand on home to school transport and rising costs of placements for children in care associated with increasingly complex needs. However, with support from Reading Borough Council the Company will close the financial year with a small deficit of £104,612.

2023/24 has been the hardest year so far for Brighter Futures for Children in terms of managing service delivery within the budget agreed by Reading Borough Council.

Costs have increased significantly due to inflation, lack of available placements locally and nationally to meet children’s needs, change in the age profile of children in care and increased complexity of children’s needs. We also saw a significant increase in the cost of placements for children with disabilities and/or needing significant specialist support (£2.1m), which follows on from a significant overspend variance of £1.4m in 2022/23.

To put this in context, the number of children in our care in November 2022 was 245. By December 2023, that had increased to 287 and, despite measures we have taken to reduce costs across the Company, we had an overspend of £9.244m at the end of March.

The overspend largely relates to placements and placement-related budgets. Children’s placements (including unaccompanied asylum-seeking children’s costs, which have been included as they are part of the children looked after cohort) and other support costs totalled £8.383m.

Pressures have been driven by the net increase of children looked after, including those with complex needs and the lack of local placements. Our reliance on the external residential market to meet demand, along with inflationary pressures, has resulted in considerable additional costs.

Key points in relation to placement cost pressures are:

- External residential and foster placements for children looked after (excluding unaccompanied children), account for £8.698m of the overspend. There were 139 children living in external placements, of which 32 (23%) children were in placements that cost more than £0.200m each in 2023/24. These 32 placements cost £10.436m (56.5%) of the total spend on children looked after of £18.469m.

- In terms of the overall overspend on children looked after and placements of £8.528m, approximately half of the overspend relates to changes in the number of placements and placement mix from when the budget for 2023/24 was set (November 2022), and the other half relating to increases in the average unit cost of placements over that period.

- The high reliance on external foster care is continuing, although internal foster care placements (49 at 31 March 2024 including two unaccompanied children) and external foster placements (94 at 31 March 2024) have remained fairly stable. Much work is being done in this area as part of our transformation programme to increase the number of local foster carers.

The overspend arising from demand led pressures was £9.139m, which, under the terms of the Contract Sum agreement with RBC, was funded by RBC, leaving a net residual overspend of £0.105m relating to the increase in the holiday accrual cost.

Inclusion

The Company aims to be an inclusive employer. We have adopted Reading Borough Council's Equalities Policy. It is our policy to work with RBC to develop and apply procedures and practices which are designed to ensure that equal opportunities are provided to employees and those who apply to work for us.

Selection for employment, training, promotion or other matters affecting their employment is based on suitability and ability and all roles are subject to competitive recruitment.

It is our policy to give full and fair consideration to the employment needs of anyone disabled (and anyone who becomes disabled while employed by the Company) and to comply with any current legislation regarding disability. We are a committed Disability Confident employer.

Our Board and Senior Leadership Team have previously participated in facilitated equality and diversity workshop training. Equality, diversity, inclusion and belonging training is now mandatory for all BFfC staff and mandatory EDIB workshops were held throughout 2023-24.

As at 31 March 2024 the make-up of our permanent workforce was as follows:

Ethnicity	All staff
Asian/Asian British	9.5%
Black/Black British	11.1%
Mixed	4.2%
Other Ethnic Group	0.5%
White British	56.5%
White other	1.2%
Not stated/prefer not to say	17.0%

Disability	All Staff
Yes	3.0%
No	43.0%
Not stated/prefer not to say	54.0%

Gender	All Staff
Male	14.9%
Female	85.1%

Gender and Ethnicity pay gap

The Company published its Gender Pay Gap Report for 2023 in December 2023. We also voluntarily published an Ethnicity Pay Gap report for 2023. Ethnicity pay gap reporting is not currently a statutory requirement, but we believe it is a fundamental step on the Company's journey to improving workplace equality. Both reports will be updated for 2024-25. We will use this information to help us reflect on what we are doing both internally and externally to achieve a truly diverse and inclusive organisation and where we need to take action to tackle inequality.

Connected organisations, including related party relationships

Brighter Futures for Children's key related party relationship is with our parent company, Reading Borough Council. We have one connected organisation – Brighter Futures for Children's Independent Fostering Agency (IFA) – which was established in January 2019. In February 2022, the IFA was inspected by Ofsted and awarded a 'Good' rating, improving on the previous 'Requires Improvement' rating.

Members' liability

Liability for the Company rests with Reading Borough Council, as the Company's sole owner.

Trade union facility time

BFfC provides reasonable paid time for union duties which includes representing staff through consultation or employee related matters. The Company is a party to the recognition and facilities agreements between RBC and recognised trades unions, which are: Association of School and College Leavers (ASCOL); GMB; NASUWT (The Teachers Union); National Education Union (NEU); Unison; Unite.

Privacy notice

The Company has a privacy notice which comprehensively covers children, education and early help services Data Privacy Notices (DPNs) under GDPR. The policy, which was updated in November 2023, is on our website and can be viewed here: https://brighterfuturesforchildren.org/**privacy-notice**/

Modern slavery statement including human trafficking

In accordance with the Modern Slavery Act 2015, Brighter Futures for Children (BFfC) has a publicly available statement regarding the steps we take to ensure that modern slavery (i.e. slavery and human trafficking) is not taking place in any part of our own Company or any of our suppliers. The 2023-25 statement was updated in May 2023 and can be viewed on the website here: https://brighterfuturesforchildren.org/modern-slavery/

Benefit and beneficiaries

The Company is limited by guarantee and has no share capital. As such, no dividends will be distributed.

The Company's position at the end of the year

The position at the end of the year is an in-year deficit of £0.105m and with movements in the Holiday Pay Accrual for the year and other reserves adjustments, shows an overall retained deficit in the balance sheet of £0.283m.

Financial Key Performance Indicators

The financial key performance indicators to be included in a performance dashboard for 2024-25 are:

- Expected budget position at the end of the financial year
- The average weekly cost of Children Looked After per child
- Percentage of invoices sampled and paid within timescales
- Income generation and grant returns submitted within timescales
- Medium-term financial strategy agreed savings via savings tracker
- Recovery plan actions and savings tracker
- Expected budget position of the Dedicated Schools Grant at the end of the financial year

Performance management

Details of the services provided and related Key Performance Indicators are set out in a legally binding service contract between Reading Borough Council and Brighter Futures for Children. Performance is scrutinised through a regular contract management meeting.

The suite of KPIs is supported by a range of management information indicators, to additionally review progress against set targets.

The Board meets monthly, the Senior Leadership Team meets fortnightly to monitor and improve performance and once a month to look at progress against targets for the Transformation Programme.

As the seven-year contract nears its end (2026) preparations began in 2023-24 for us to collate evidence of delivery against contract targets as part of the contract management review. A decision on whether BFfC will remain as a Company or return, in some form, to the Council, will take place later in 2024.

Governance and Board committees

The role of the Board is to set the strategic aims of the Company, supervise the management of the business, and hold the management team to account. It is the responsible body for the performance of Brighter Futures for Children (BFfC) in terms of delivering its legal and contractual obligations and achieving outcomes for children and young people in Reading. It sets high standards for performance and quality and promotes the interests of children, young people and families throughout Reading.

The Board has the following committees:

Audit & Risk which undertakes an assurance and advisory role in relation to risk, policy, finance and audit.

Finance committee established to provide Board assurance on the robustness of financial processes and financial management across the Company. This committee is now conducted as an extended item of the full Board’s agenda each month.

Quality Assurance & Improvement committee which scrutinises and challenges quality, performance, improvement and outcomes across all operational services for children, young people and families. There are two sub-committees providing additional focus on education and on SEND.

Independent Fostering Agency (IFA) committee which provides oversight, governance and support to the work of the Brighter Futures for Children Fostering Service, in its role as an Independent Fostering Agency and operating as a management committee as referenced in Fostering National Minimum Standards

Voluntary Adoption Agency (VAA) committee which provides oversight, governance and support to the work of the Brighter Futures for Children Voluntary Adoption Service, in its role in conjunction with the Regional Adoption Agency.

Internal Controls Assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal controls and for reviewing its effectiveness.

The system of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and absolute, assurance against material misstatement or loss.

This year, as for the last three years, the Company has had ‘reasonable’ assurance from our internal auditors.

Principal risks and uncertainties

The Board of the Company takes risk management seriously and the risk register is updated regularly, so that strategic risks that are considered the most critical in relation to the Company are quickly identified and mitigation plans put in place. The risk register detailing strategic risk and operational risk is a standing item on the Audit and Risk Committee agenda. These risks are actively scrutinised by the Audit & Risk

Committee with major issues being escalated to the Board as and when appropriate. The Board also has oversight of the strategic risk register on a periodic basis.

Mitigating risk
The process for identifying, evaluating and managing any significant risks faced by the Company is on-going and has been in place for the financial year.

Key elements of the control framework include:

- Regular reporting to the Board and SLT on key objectives, outcomes and performance against targets
- Board-approved Governance Framework including terms of reference for the Board, and terms of reference of delegated authorities for the Audit and Risk Committee, Finance Committee (as part of the Board governance meeting), Quality and Improvement Committee (and its sub-committees) and the IFA and VAA Committee.
- Health and Safety reports to the Board quarterly to provide assurance to the Board on risks, controls and their mitigation
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks
- Strategic and business planning process, with detailed financial budgets
- Recruitment, training and development policies for all staff
- Reports to Board for approval of significant new initiatives highlighting risks and financial implications
- Board approved confidential reporting (whistleblowing) policy
- Board approved business plan, risk and control framework.

The Board accepts ultimate responsibility for the system of internal controls and it has delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system of internal controls. The Board receives minutes of all the Audit and Risk Committee meetings.

Going Concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. For this reason, it continues to adopt the going concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Section 172 Statement

The Board acknowledges as directors of the Company that they have a duty to promote the success of the Company. This includes considering the interests of the Company’s employees and the fostering of the Company’s business relationships with suppliers, customers and others.

Consideration of the interests of the Company’s *employees* has been undertaken in numerous ways during the financial year, and includes the following:

- All staff roadshows (meetings) being held bi-monthly, via Teams or in person, to inform and engage employees’ views
- An employee Bright Stars award scheme, with winners announced at staff roadshows
- An annual staff celebration event
- An all-staff engagement survey
- A Staff Involvement Group, which feeds back regularly to the Senior Leadership Team
- An induction programme for new employees joining the Company to ensure the Company’s

values are adopted, business priorities are understood, and they feel welcome

- Weekly staff briefings inform employees of all new updates, changes and working arrangements, as well as staff feedback, 'shout outs' for staff excellence and thanks from peers
- The strategic business plan is communicated to all employees and stakeholders regularly
- The comprehensive intranet, with all policies, procedures, guidance and support for employees across the Company, also archives staff briefings and staff roadshows, including recordings

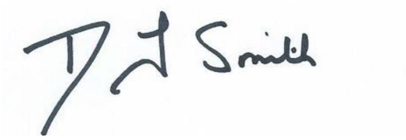
The success of the Company is promoted to *stakeholders, suppliers, service users* and others through:

- A comprehensive website, which is constantly updated. The website includes sections for young people, parent carers, professionals (partners) and suppliers
- Regular press releases promote the Company's achievements and initiatives, both locally and in the sector media nationally
- Timeline of the Company's improvement journey on the website
- Record of 'brighter outcomes' on the website, including feedback from young people and families
- Followers on our social media sites, including Facebook, Twitter, LinkedIn and Instagram (for young people only) which has increased from 5,000 in 2022-23 to almost 7,000 in 2023-24.

The Company's business relationships with *suppliers, customers and others* have been fostered by:

- ensuring the Board has acted in a fair and professional way, declaring of interests where relevant with related parties
- ensuring the Company has adopted appropriate contracts, where applicable, following a fair and transparent procurement process
- Producing an Alternative Provider directory for schools
- Built good relationships with providers of residential placements to ensure sufficiency
- Improving content and accessibility to its traded services offer
- Working in multi-agency arrangements to ensure the effective safeguarding of the children and young people of Reading and to deliver the right service at the right time and place
- Attending all statutory, contractual and partnership meetings, as part of its governance arrangements.

Approved by the Board of Directors on 26 September 2024 and signed on its behalf by:



Dianne Smith
Director and Chair of the Board

Date 30/09/2024

Directors’ Report

Results and dividends

These are the statutory financial statements for the year ended 31 March 2024.

The results for the year are set out on pages 29 to 49.

The Company is limited by guarantee and has no share capital.

Directors

The directors who held office during the year 2023-24 and up to the date of report are set out below:

A P Byrne

N Gilham

K Lam (resigned 31/03/24)

L Patel

C Pike (resigned 25/02/24)

D Smith

P S Snell

RBC representatives on BFfC Board:

M Graham (resigned 25/01/24)

S Douglas (appointed 25/01/24, resigned 31/03/24)

D Carter (appointed 1/4/24)

Employees

The number of permanent staff employed by the Company at year end was 584. The Full Time Equivalent was 538.

In addition to permanent staff, Brighter Futures for Children had 23 agency staff at 31 March 2024.

Streamlined energy and carbon reporting

Brighter Futures for Children is a qualifying Company under the Streamlined Energy and Carbon regulations and must report its greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport annually.

We are required to report on:

1. Direct Emissions - Fuel use from transport (where the journey starts or ends in the UK)
2. Indirect Emissions - Electricity purchased and used for operations
3. Other Indirect Emissions.

Energy use and related emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel.

The Company does not own any property but leases from Reading Borough Council (RBC) or occupies under license from RBC.

The usage and often the times of usage are therefore specified in the lease or license and in all the buildings RBC provides facilities management. This facilities management extends to the selection of energy provider, provision of smart meters and energy saving measures.

Reported results for 2023/2024

Direct Emissions

Motor Car Usage in 2023/24

- 229 people claimed mileage (2022/23: 213)
- 1,030 mileage claims made (2022/23: 939)
- 258,429 miles claimed (2022/23: 246,430)
- £113,261 paid in mileage (2022/23: £110,605)

These results are all for employee-owned vehicles and exclusively for business mileage.

Gas Usage

- In the year to 31 March 2024 the total usage of gas was 690,001 KWH (2022/23: 702,732 KWH)
- The cost of gas to the company was £38,538 (2022/23: £33,060)
- This equates to 113.8 tonnes of CO_2 (2022/23: 124.5 tonnes)

Indirect Emissions

*Usage of Electricity by the company in all premise*s during 2023/24

- Total usage of electricity was 563,501 KWH (2022/23: 572,752 KWH)
- Total cost of electricity to the Company was £142,448 (2022/23: £101,088)
- This equates to tonnage of CO_2 of 115.4 tonnes (2022/23: 110.8 tonnes)

Therefore, the total CO_2 figure for 2023/24 was 229.2 tonnes (2022/23: 237.3 tonnes).

Green Energy

Reading Borough Council purchases 100% renewable green electricity for its entire grid electricity volumes, including those used by Brighter Futures for Children. The electricity is provided through a REGO+ (Renewable Energy Guarantee of Origin +) product from our supplier. The REGO+ product both guarantees that the electricity is from renewable sources and gives traceability to the renewable generation, where the supplier has some ownership of the renewable generation sites or direct contracts in place to purchase the renewable generation. No REGOs are purchased from the wholesale market without the associated energy.

Reading Borough Council also purchases small volumes of electricity from a local community-owned renewable energy company, Reading Community Energy Society. Electricity is purchased for specific sites using locally (on-site) renewably generated electricity located at the specific site in question. The solar pv generated and purchased electricity at 330 Northumberland Avenue is through this RCES community scheme.

Conclusions

A variety of measures are taken to encourage less or more efficient energy use:

- Solar panels are fitted to many RBC buildings, including some occupied by BFfC
- Docusign software is used to limit the need to print documents
- Lighting is timed to turn off in the main offices at 4pm to avoid peak demand
- Smart meters have been introduced to give greater intelligence
- Local measures have been adopted to control lighting and heating times
- Electric pool cars are available for frontline workers to use for visits
- There is an encouragement to use public transport and car share on a general basis.

Auditors

The auditors for the year were Buzzacott, who were appointed as auditors following fair and open competition and in accordance with section 485 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Director’s report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

i) select suitable accounting policies and then apply them consistently;
ii) make judgements and estimates that are reasonable and prudent;
iii) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
iv) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the Company and for taking steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors on 26 September 2024 and signed on its behalf by:

D J Smith

Dianne Smith
Director and Chair of the Board

Date 30/09/2024

Independent Auditor's Report

TO THE MEMBER OF BRIGHTER FUTURES FOR CHILDREN LIMITED

Opinion

We have audited the financial statements of Brighter Futures for Children Limited (the 'company') for the year ended 31 March 2024 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report (including Strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report (including Strategic report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report (including Strategic report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Directors' responsibilities statement set out in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations.
We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement director ensured that the audit team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our knowledge of the sector;
- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- we considered the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Companies Act 2006, and legislation pertaining to safeguarding in the UK; and
- we understood how the company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of Directors' meetings and papers provided to the Directors.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed journal entries to identify unusual transactions;
- tested the authorisation of expenditure as part of our substantive testing thereon;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- used data analytics to identify significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of Directors' meetings;
- enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- reviewing any available correspondence with Ofsted, CQC and HMRC

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott llp

Gumayel Miah (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 1 October 2024

Statement of Comprehensive Income
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Revenue and grant funding	3	113,219,974	94,553,310
Direct costs		(112,963,113)	(100,271,357)
Gross profit (loss)		256,861	(5,718,047)
Administrative expenses		(1,241,356)	(1,160,847)
Operating loss	4	(984,495)	(6,878,894)
Other costs	19	(4,429,000)	(33,544,958)
Finance costs	5	(98,960)	(92,590)
Finance income	6	332,843	174,391
Loss before taxation		(5,179,612)	(40,342,051)
Taxation	7	-	-
Loss for the year		(5,179,612)	(40,342,051)
Other comprehensive income:			
Actuarial gain on defined benefit scheme	15	5,075,000	40,397,000
Other comprehensive income for the year		5,075,000	40,397,000
Total comprehensive income for the year		(104,612)	54,949

Statement of Financial Position
AS AT 31 MARCH 2024

	Notes		**31 March 2024**		**31 March 2023**
		£	**£**	**£**	**£**
Current assets					
Debtors	11	22,158,005		6,525,638	
Cash at bank and in hand		909,836		4,728,359	
		23,067.841		11,253,997	
Creditors: amounts falling due within one year	12	(11,174,471)		(5,160,343)	
Net current assets		11,893,370		6,093,654	
Creditors: amounts falling due after one year	13		(5,000,000)		(5,000,000)
Deferred income	14		(7,176,065)		(1,271,737)
Defined benefit pension scheme	15		-		-
Net Liabilities			(282,695)		(178,083)
Equity and Reserves					
Retained losses			(282,695)		(178,083)
			(282,695)		(178,083)

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2024.

Dianne Smith
Director and Chair of the Board

The notes on pages 30 to 45 form an integral part of these financial statements.

Company Registration No. 11293709

Statement of Changes In Equity
FOR THE YEAR ENDED 31 MARCH 2024

	Retained Losses £	Total Equity £
Year ended 31 March 2022	(233,032)	(233,032)
Total comprehensive income for the year	54,949	54,949
Year ended 31 March 2023	(178,083)	(178,083)
Total comprehensive income for the year	(104,612)	(104,612)
Year ended 31 March 2024	(282,695)	(282,695)

Statement of Cash Flows
FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
		£	£
Cash flows from operating activities			
Cash used in operations	A	(4,052,406)	(1,870,323)
Cash flows from financing activities			
Loan interest		(98,960)	(92,590)
Cash flows from investing activities			
Interest received		332,843	174,391
Net decrease in cash and cash equivalents		(3,818,523)	(1,788,522)
Cash and cash equivalents at 1 April		4,728,359	6,516,881
Cash and cash equivalents at 31 March	B	909,836	4,728,359
		=========	=========

A Reconciliation of loss to net cash flow from operating activities

	2024	2023
	£	£
Loss before taxation	(5,179,612)	(40,342,051)
Adjusted for:		
Finance income	(332,843)	(174,391)
Finance expense	98,960	92,590
Pension movements	5,075,000	40,397,000
Increase in receivables	(15,632,367)	(334,196)
Increase in payables	6,014,128	348,669
Increase in deferred income	5,904,328	(1,857,944)
Net cash used in operating activities	(4,052,406)	(1,870,323)
	========	========

B Cash and cash equivalents

	2024	2023
	£	£
Cash at bank and in hand	909,836	4,728,359
	========	========

C Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	Other non-cash changes £	**At 31 March 2024 £**
Cash at bank and in hand	4,728,359	(3,818,523)	-	**909,836**
	4,728,359	(3,818,523)	-	**909,836**
Loans falling due within one year	-	-	-	**-**
Loans falling due after more than one year	(5,000,000)	-	-	**(5,000,000)**
Total	(271,641)	(3,818,523)	-	**(4,090,164)**
	=========	=========	=========	=========

Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting policies
Brighter Futures for Children Limited is a private company, limited by guarantee, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

1.1 Basis of preparation
The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and in accordance with the Companies Act 2006.

The financial statements are presented in UK Sterling, which is the functional currency of the Company, rounded to the nearest £1. The financial statements have been prepared under the historical cost convention.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.2 Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company incurred an overall loss for the year of £104,612 (2023: surplus of £54,949) and had net liabilities of £282,695 as at 31 March 2024 (2023: £178,083). Reading Borough Council has confirmed that it will financially support the Company for a further 12 months from the date the financial statements are signed by the Directors. During 2021-22, the Company renewed the loan of £5,000,000 (note 21) with RBC to fund ongoing and future operations. This loan has been further extended to cover the period until March 2026.

After giving due consideration and making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. The Board of Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover
Revenue is recognised to the extent that the Company has entitlement to the funds, the receipt is probable and the amount can be measured reliably. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Turnover consists of income from various grants and contracts and is recognised in accordance with the terms of those grants and contracts.

Grants receivable and deferred income

Grants are included in the Statement of Comprehensive Income on a receivable basis. The Company follows the 'accruals model' for accounting for grants, which requires grant income to be matched against the related costs for which the grant is intended to compensate. The balance of income received for specific purposes but not expended during the period is shown in deferred income on the Statement of Financial Position. Where income is received in advance of meeting any performance-related conditions and there is not an unconditional entitlement to the income, its recognition is deferred. This is included as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Capital grants are recognised where there is entitlement and are not deferred over the life of the asset on which they are expended.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefits to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.6 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Financial Activities.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.7 Provisions
Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the year in which the employee's services are received. Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Pension benefits

Retirement benefits to employees of the Company are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, and the assets are held separately from those of the Company.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 15, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is part of the Royal County of Berkshire Pension Fund with effect from 1 December 2018 when staff were transferred from the employment of Reading Borough Council (RBC) to the Company. Retirement benefits to employees of the Company are provided by the LGPS. This is a defined benefit scheme, and the assets are held separately from those of the Company in an independently administered fund.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date.

The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the year by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

This final salary scheme, like a number of other such schemes, has a deficit. Measures are in place to address this deficit, by increasing employer contributions in the medium term. However, the requirements of Financial Reporting Standard 102 (FRS 102), is to show the pension scheme deficit as a liability on the Statement of Financial Position.

As a result of an agreement between the Company and Reading Borough Council (RBC), a pension related asset, being the guarantee from RBC to cover all related pension costs, exists. The asset will always be equal and opposite to the pension liability, and accordingly, no overall pension scheme asset or liability has been recognised in the Statement of Financial Position.

1.11 Taxation

Tax on the profit or loss for the year comprises of current tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax assets and liabilities are not discounted.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the financial reporting date. However, the Company is a tax-exempt entity and HMRC has agreed that no tax filing is required.

2. Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 15, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 March 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The Directors do not consider that they have made any critical judgements in the preparation of the financial statements.

3. Revenue

An analysis of revenue by class of business for the year ended 31 March 2024 is given below:

	Year ended 2024	Year ended 2023
	£	£
Grant income	109,226,300	90,194,552
Other income	3,993,674	4,358,758
	113,219,974	94,553,310

4. Operating loss

	Year ended 2024	Year ended 2023
	£	£
The operating loss for the year is stated after charging:		
Auditor's remuneration (see below)	35,945	42,500
Audit services		
Fees payable to the Company's auditors	32,500	37,000
Other services		
Other services relating to taxation	-	2,500
Other assurance services	3,445	3,000

5. Finance costs

	Year ended 2024	Year ended 2023
	£	£
Finance loan interest	98,960	92,590

6. Finance income

	Year ended 2024	Year ended 2023
	£	£
Bank interest income	332,843	174,391

7. Taxation

Analysis of the tax charge
No liability to UK corporation tax arose for the year to 31 March 2024 (2023: £nil).

The Company is a tax-exempt entity and HMRC has agreed that no tax filing is required.

8. Staff numbers and costs

	2024 Number	2023 Number
The average number of people employed by the Company (including Directors) during the period was as follows:		
Key and senior management	8	8
Executive office support	10	9
Operational	547	540
	565	557

Staff costs (including Directors) were:	Year ended 2024 £	Year ended 2023 £
Wages and salaries	26,416,376	26,905,307
Social security costs	2,245,875	2,179,345
Other pension costs	3,245,311	3,099,379
Other costs of operating defined benefit schemes (note 15)	3,838,000	9,628,000
	35,745,562	41,812,031

Included in wages and salaries are non-statutory/non-contractual severance payments totalling £103,420 (2023: £91,431).

9. Directors' emoluments

	2024	2023
	£	£
Emoluments for qualifying services:		
Aggregate directors' emoluments	193,249	200,668
Pension contributions	-	-
	193,249	200,668

The number of Directors for whom retirement benefits were accruing under defined benefit schemes in the year was nil (2023: nil).

All remunerated directors as disclosed above and on page 2 of this annual report are also classified as key management personnel of the company for the purposes of paragraph 33.7 of FRS 102.

10. Financial instruments

The Directors have considered the Company's exposure to credit, cash flow and liquidity risks as part of its annual risk assessment procedures. Risks are assessed within the Company's risk register and monitored throughout the period. The Directors do not consider the Company to be materially exposed to credit, cash flow or liquidity risk, owing to sufficient bank balances and limited debtor exposures.

11. Debtors

	2024	2023
	£	£
Trade receivables	701,712	478,102
Amounts owed by Reading Borough Council (note 19)	20,027,839	4,799,561
Other receivables	1,337,993	837,164
Prepayments and accrued income	90,461	410,811
	22,158,005	6,525,638

12. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade payables	766,475	468,580
Taxation and social security	1,319,831	758,453
Other payables	3,242,459	255,901
Accruals	5,845,706	3,677,409
	11,174,471	5,160,343

Deferred income included as falling due within one year represents 2024/25 contract income received in advance to assist with cashflow position in 2023/24.

Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2024

13. Creditors: amounts falling due after one year	**2024**	**2023**
	£	**£**
Loan payable to Reading Borough Council (note 19)	5,000,000	5,000,000
	=========	=========

14. Deferred income	**2024**	**2023**
	£	**£**
Deferred income	7,176,065	1,271,737
	=========	=========

Deferred income has been recognised using the accruals method. Deferred income has been recognised where government grants have been received but relevant expenditure relating to those grants has not occurred. The income will be recognised when the relevant expenditure has taken place in future periods.

15. Pension liability

The Company's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and is a member of the Reading Borough Council Pension Fund which is a defined benefit Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

Contributions amounting to £401,561 were payable to the schemes at 31 March 2024 (2023: £342,154) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions

15. Pension liability (continued)

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028

The employer's pension costs paid to TPS in the period amounted to £23,800 (2023: £30,600).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above, the information available on the scheme,

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 March 2024 was £4,581,000 (2023: £4,012,000), of which employer's contributions totalled £3,192,000 (2023: £2,729,000) and employees' contributions totalled £1,389,000 (2023: £1,283,000). The agreed contribution rates for future years are 16.2% for employers and between 5.5% and 12.5% for employees.

Principal Actuarial Assumptions:	**At 31 March 2024**	**At 31 March 2023**
Rate of increase in salaries	3.85%	3.90%
Rate of increase for pensions	2.85%	2.90%
Discount rate for scheme liabilities	4.95%	3.90%
Rate of increase in inflation	3.10%	3.15%

The below table, as produced by Barnett Waddingham LLP sets out the impact of a small change in the discount rates on the defined benefit obligations and projected service cost along with a plus/minus 1 year age rating adjustment to the mortality assumption.

15. Pension liability (continued)

Local Government Pension Scheme (LGPS) (continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption:	Movement 2024	Impact £ 2024	Movement 2023	Impact £ 2023
Mortality Age Rating Assumption	+ 1 year	57,860	+ 1 year	53,000
Salary Increase Rate	+ 0.1%	56,509	+ 0.1%	52,000
Real Discount Rate	- 0.1%	57,715	- 0.1%	78,000
Pension Increase Rate	+ 0.1%	57,633	+ 0.1%	78,000

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 March 2024 (years)	At 31 March 2023 (years)
Retiring today		
Males	20.8	21.1
Females	23.6	23.9
Retiring in 20 years		
Males	22.0	22.3
Females	25.0	25.3

The Company's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 March 2024 £	Fair value at 31 March 2023 £
Equities	36,941,000	27,821,000
Bonds	7,054,000	6,446,000
Property	4,889,000	5,607,000
Cash	494,000	671,000
Infrastructure	6,728,000	6,116,000
Longevity insurance	(2,404,000)	(2,306,000)
Total market value of assets	53,702,000	44,355,000

Actual return on scheme assets was £nil.

15. Pension liability (continued)

Local Government Pension Scheme (LGPS) (continued)

Amounts recognised in the statement of comprehensive income	**Year ended 2024 £**	**Year ended 2023 £**
Current service cost	3,525,000	8,591,000
Interest cost	266,000	1,002,000
Administration expenses	47,000	35,000
Total operating charge	3,838,000	9,628,000

Changes in the present value of defined benefit obligations were as follows:

	Year ended 2024 £	**Year ended 2023 £**
Opening defined benefit obligation	51,483,000	75,965,000
Current service cost	3,525,000	8,591,000
Interest cost	2,519,000	1,950,000
Employee contributions	1,389,000	1,283,000
Experience loss/(gain) on defined benefit obligation	165,000	15,203,000
Estimated benefits paid net of transfers in	646,000	(284,000)
Change in financial assumptions	(2,675,000)	(49,575,000)
Change in demographic assumption	(651,000)	(1,650,000)
Closing defined benefit obligation	56,401,000	51,483,000

15. Pension liability (continued)

Changes in the fair value of the Company's share of scheme assets:

	Year ended 2024 £	**Year ended 2023 £**
Opening fair value of scheme assets	44,355,000	35,339,000
Return on plan assets (excluding net interest on the net defined pension liability)	1,914,000	(923,000)
Other actuarial (losses)/gains	-	5,298,000
Employer contributions	3,192,000	2,729,000
Employee contributions	1,389,000	1,283,000
Benefits paid	646,000	(284,000)
Administration expenses	(47,000)	(35,000)
Interest on assets	2,253,000	948,000
Closing fair value of scheme assets	53,702,000	44,355,000

Contributions to the scheme are charged to the Statement of Comprehensive Income so as to spread the cost of the pensions over the employees' remaining working lives with the Company. Contributions are determined by an independent qualified actuary on the basis of triennial valuations, using the Projected Unit method. The most recent valuation of this Defined Benefit Pension Fund was at 31 March 2022. The next revaluation will be carried out at the 2025 valuation.

The amounts recognised in the Statement of Financial Position are as follows:

	31 March 2024	**31 March 2023**
Present value of funded obligations	(56,401,000)	(51,483,000)
Fair value of plan assets	53,702,000	44,355,000
Net pension liability	(2,699,000)	(7,128,000)
Reading Borough Council guarantee (note 19)	2,699,000	7,128,000
Present value of unfunded obligations	-	-
Deficit and net liability	-	-

16. Contingent assets and liabilities

There are no contingent assets or liabilities as at 31 March 2024 (2023: none).

17. Guarantees and other financial commitments

There were neither guarantees nor financial commitments issued by the Company as at 31 March 2024 (2023: none).

18. Leasing arrangements

The premises leases occupied by Brighter Futures for Children Limited were transferred to the Company in a prior period from Reading Borough Council as per a service level agreement. Minimum lease payments under non-cancellable operating leasers fall due as follows:

	2024	**2023**
	£	**£**
Within one year	1,143,301	1,115,301
Between one and five years	1,143,301	2,307,613
	2,286,602	3,422,914

19. Related party disclosures

Reading Borough Council

Reading Borough Council ('RBC' or the 'Council') is the Company's main funding organisation and is the ultimate controlling party.

As a result of a Memorandum of Understanding between Brighter Futures for Children Limited and RBC, a pension related asset, being a guarantee from RBC to cover the related pension liability, exists. The asset will always be equal and opposite to the pension liability, and accordingly, no asset or liability has been recognised in the Statement of Financial Position. As at 31 March 2024, the pension liability guaranteed by RBC totalled £2,699,000 (note 15) (2023: £7,128,000) with the resulting movement in the year being £4,429,000 included as the "other cost" in the statement of comprehensive income as it represents an above the line operating charge (2023: £33,498,000). As at the year end, an amount of £20,027,839 was receivable from RBC (2023: £4,799,561) (note 11).

During the year ended 31 March 2024 the Council provided, under the terms of a service delivery contract, funding to the Company amounting to £54,082,485 (2023: £42,242,300). In addition, an amount of £6,000,000 was received in advance of the year end as part of the 2024/25 which is included within creditors (2023: £nil).

In the year ended 31 March 2024, RBC also charged the Company £7,304,354 (2023: £6,716,000) under service level agreements for services including, among others, regulatory services, joint legal team, premises, human resources and insurance.

As at the year end, an amount of £3,242,459 remains payable to RBC (2023: £1,976,382).

Under the Memorandum of Understanding, the Company is an autonomous organisation, independent of RBC and entered into the Service Delivery Contract in accordance with direction given by the Secretary of State for Education. The Memorandum of Understanding was signed on 28 March 2018 and the contract was signed on 30 November 2018.

RBC issued a loan on 3 December 2018 of £5,000,000 to the Company. The interest rate on the loan is 1.0% fixed rate and matured on 29 March 2019. The repayment terms of the loan were subsequently revised from 29 March 2019 to 27 March 2020 at a fixed interest rate of 1.1%. The repayment date has been further extended from 27 March 2020 to 25 March 2026 at an interest rate of 1.81%.

As at 31 March 2024 and 31 March 2023, the RBC loan of £5,000,000 has been recognised as falling due after one year (note 13).

20. Ultimate controlling party

The ultimate controlling party during the current and prior years is Reading Borough Council.

21. Subsequent events

There are no significant events after the year end.