

Report Title:	Achieving for Children (AfC) Reserved Ownership Decisions
Contains Confidential or Exempt Information	No
Cabinet Member:	Cllr Stuart Carroll, Lead Member for Children's Services, Education, Health, Mental Health, & Transformation
Meeting and Date:	Cabinet - 23 February 2023
Responsible Officer(s):	Kevin McDaniel, Director of Children's Services
Wards affected:	All

REPORT SUMMARY

The Royal Borough of Windsor and Maidenhead owns 20% of Achieving for Children Community Interest Company (AfC) and is responsible for making reserved matter ownership decisions in relation to the strategic direction of the company jointly with the two other council owners. This report seeks approval of the following reserved matters:

- Approval of the Company's strategic direction through the adoption of the updated Business Plan and Medium-Term Financial Strategy
- Approval of the Company's budget for 2023/24
- Approval of the Company's arrangements for managing cash flow through the adoption of the Financial Plan (known as the Treasury Plan) for 2023/24
- To brief the committee on the proposed procurement route for a new temporary worker contract and agree how a new provider will be appointed.

In developing these proposals AfC has engaged with relevant council officers and members. The budget for Windsor and Maidenhead based AfC services mirrors the budget proposed as part of the Local Authority's budget approval process.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Cabinet notes the report and:

- i) the Business Plan including the Medium-Term Financial Strategy (appendix A, B) be approved**
- ii) the detailed 2023/24 budget (appendix C) be approved**
- iii) the Treasury Plan (appendix D) be approved**
- iv) That authority is delegated to the Director of Children's Services in communication with the Lead Member for Children's Services, Education, Health, Mental Health, & Transformation to award the new contract for employment of temporary workers following a**

compliant procurement process (appendix E).

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 The Royal Borough of Windsor and Maidenhead is a joint owner of Achieving for Children Community Interest Company (AfC). The Royal Borough owns a 20% share of the company together with Kingston and Richmond who each own 40%. AfC was set up by Richmond and Kingston in 2014 to deliver children's services on behalf of the owning boroughs and Windsor and Maidenhead joined in 2017 as a third council owner. The three council owners retain significant control over AfC and as such are responsible for making a number of joint key reserved matter decisions.
- 2.2 The AfC Joint Committee considered and approved a number of changes to the ownership governance of AfC in March 2020. The three council's constitutions were also updated to reflect those changes. The previous Joint Committee, which was the mechanism used for the councils to make joint decisions about AfC reserved matters, has been repurposed as a dispute resolution mechanism and meetings will be arranged only if required. The reserved matter decisions that would have been previously made by the Joint Committee will now be taken by each of the three owning councils individually as part of their established governance processes. Councillors from each owning council still meet each year via an Ownership Board to discuss strategic direction.
- 2.3 The following table contains a summary of the reserved matters and the new decision-making body:

Table 1: AfC Ownership Decision Governance

Reserved Matters	Band	Decision Making Mechanism
Permit the registration of any New Member of the Company	1	Cabinet
Vary, in any respect, the Articles	2	Chief Exec / Leader
Pass any resolution for the winding up of the Company or present any petition for the administration of the Company, other than where the Company is insolvent.	2	Chief Exec / Leader
Appoint or remove the Chief Executive of the Company in consultation with the AfC Board	2	Chief Exec / Leader
Change the name of the Company	2	Chief Exec / Leader
Form any subsidiary of the Company or acquire shares in any other company or participate in any	2	Chief Exec / Leader

partnership or joint venture with a view to providing services to third parties without being subject to the Trading Opportunity Evaluation Process as prescribed by the Members.		
Sell or dispose in any way whatsoever, any part of the business of the Company.	2	Chief Exec / Leader
Amalgamate or merge with any other company or business undertaking.	2	Chief Exec / Leader
Enter into any arrangement, contract or transaction resulting in expenditure either with a capital value greater than £10,000 or revenue value greater than £10 million. Any expenditure of such revenue by the Company being less than £10 million shall be subject to the Company's own financial regulations and shall be subject to prior approval within the Business Plan and operating revenue budget, which shall be approved by the Members in accordance with the Reserved Matters.	3	Cabinet
Enter into any arrangement, contract or transaction where the Company is providing services to third parties without following the Trading Opportunity Evaluation Process as produced by the Members. Such arrangements, contracts or transactions shall also be subject to prior approval within the Business Plan, which shall be approved by the Members in accordance with the Reserved Matters.	3	Cabinet
Enter into any borrowing, credit facility or investment arrangement (other than trade credit in the ordinary course of business) that has not been approved by the Members under the Financial Plan.	3	Cabinet
Appoint or remove any auditor of the Company.	3	Cabinet
Adopt or amend the Business Plan in respect of each financial year, which for the avoidance of doubt shall include the adoption and amendment of an operating revenue budget for the financial year to which it relates.	3	Cabinet

Adopt or amend the Financial Plan.	3	Cabinet
Enter into any arrangement, contract or transaction within, ancillary or incidental to the ordinary course of the Company's business or is otherwise than on arm's length terms.	3	Cabinet
Deal with any surpluses of the Company.	3	Cabinet
Appoint or remove any Company Directors [from the Achieving for Children Board].	3	Cabinet
Agree any terms for any Directors (but for the avoidance of doubt this does not include the terms and conditions of employment of Executive Directors as defined in the Articles of Association of the Company).	3	Cabinet
Agreeing changes in employment terms and conditions which would be inconsistent	3	Cabinet

2.4 This report seeks approval of the following reserved matters:

- Approval of the Company's strategic direction through the adoption of the updated Business Plan;
- Approval of the Company's budget for 2023/24;
- Approval of the Company's arrangements for managing cash flow through the adoption of the Financial Plan (known as the Treasury Plan) for 2023/24;
- The approval of the procurement approach and delegation of the final procurement decision for a contract that meets the financial threshold for a reserved matter decision.

Options

Table 2: Options arising from this report

Option	Comments
The Cabinet approves the Business Plan, AfC budget, Treasury Plan and procurement approach as recommended	This will ensure that AfC has agreed strategic objectives, agreed budget and Treasury Plan. It will also provide a

Option	Comments
This is the recommended option	practical approach to procuring temporary staff.
The Cabinet does not approve the Business Plan, AfC budget, Treasury Plan and procurement approach as recommended	If this option is chosen AfC will move into the new year without agreed strategic objectives or an agreed budget and Treasury Plan. An emergency Ownership Board would be arranged to discuss and agree to an alternative plan put forward by the Local Authority.
The Cabinet approves the Business Plan, AfC budget, Treasury Plan and Procurement approach with a number of requested changes which will be subject to mutual approval of the other two owning boroughs.	If this option is chosen AfC will discuss the suggested changes with the other owning councils and seek virtual agreement to support strategic direction and budget clarity as soon as possible. It is recommended that Cabinet delegates final sign off to the Chief Executive Officer in conjunction with the lead member for Children's Services, Education, Health, Mental Health, & Transformation to support a timely final decision.

3. KEY IMPLICATIONS

Reserved Matter Decision 1: Approval of strategic direction via AfC Business Plan

- 3.1 The AfC Joint Committee approved a five-year Business Plan in December 2019. This plan is the overarching strategy for AfC. It describes the organisation's strategic priorities for the coming years and details non 'business as usual' planned activity. The Plan was put together following extensive engagement with council colleagues, partners, staff and young people. The full engagement process was outlined in the December 2019 report:
<https://rbwm.moderngov.co.uk/documents/s28856/fullAfC%20Business%20Plan%202020-24-%20December%202019-%20for%20RBWM%20v2.pdf>

The Plan sits alongside the company's Medium Term Financial Strategy.

- 3.2 The Business Plan and strategies have been updated to reflect the changing context in which AfC operates and also emerging priorities. As this is the last year of the plan the priorities detailed will be progressed over the coming 12 months. A new priority has been included in the plan as a consultative exercise will be undertaken during 2023 to consult with stakeholders, review and reset the organisation's strategic priorities.

- 3.3 The AfC Board considered and approved the Business Plan in January 2023 and in refreshing the plans AfC officers have sought feedback from:
- AfC Board including council directors
 - AfC leadership teams
 - Other relevant council and AfC officers
 - Lead members

AfC Business Plan - Achieving *More* for Children

- 3.4 The updated AfC Business Plan is attached at appendix A. The Plan defines AfCs overarching vision as:

“Our vision is to provide children and their families with the support and services they need to live safe, happy, healthy and successful lives.”

- 3.5 The Plan outlines six strategic priorities for the Business Plan period as follows:

Table 3: Strategic Priorities

Strategic priority	What will we achieve for children and young people?	Why is this important?
Stronger families	We will have a relentless focus on safeguarding children and young people across all our services. The services we deliver will be high-quality and will protect and promote the wellbeing of children and young people by promoting family resilience. We will work collaboratively with our key partners to ensure we are able to realise the benefits of joint working to support our children, young people and families.	<i>“Ensuring children and young people are safe from harm is our core business. We want to build resilience in our families and communities so that they are better able to help, support and protect children without the need for statutory intervention. As part of this we want to ensure our relationships with key partners are strong and that our families really benefit from collaboration and joined-up working”.</i>
Positive futures	We will invest and work collaboratively to improve our local education, health and care offer to children and young people so that they have access to high quality services, are able to stay close to their families and friends, achieve well, and develop their skills for independence.	<i>“It is crucial that we provide the right support at the right time, this will enable us to help children and young people to develop their independence and prepare for adulthood. Putting in place local provision means children and young people can stay close to their families and essential support networks and they can benefit from our integrated</i>

		<i>services giving them the best chance for a positive future”.</i>
Excellent workforce	Our workforce will be experienced, talented, empowered and motivated to deliver the best possible services and outcomes for children and young people; we will invest in the recruitment, retention and development of our workforce and reward their achievements.	<i>“Feedback from children, young people and families always emphasises the importance of a consistent, skilled and motivated workforce. We want to make AfC a place where people want to come and work and a company that they are proud to tell their family and friends that they work for.”</i>
Financial stability	The services we deliver will provide excellent value for money and we are trusted by our commissioning Councils to deliver the best possible services within the agreed contract price, including the efficient delivery of our financial savings plans.	<i>“Given the financial context, both nationally and locally, it is essential that we are focused on delivering efficient, cost-effective and financially sustainable services so we are able to support those most in need.”</i>
Successful organisation	We will secure the sustainability of the community interest company through contract renewal, business development, fundraising and good growth, so that we are able to reinvest in the services we deliver directly to children and their families.	<i>“Greater commercial success will enable us to generate a profit to reinvest in our services thereby benefiting the children and young people that we support.”</i>
Smarter working	Our business processes will be efficient, cost-effective and supportive to frontline practitioners so that they are able to spend as much time as possible working directly with children, young people and their families to improve outcomes for them.	<i>“Better business processes, and effective use of new digital technologies, will allow our workforce to reduce the amount of time they spend on unnecessary paperwork and bureaucracy, freeing them up to spend more time with the children, young people and families we support.”</i>

3.6 The Plan contains high level detail in relation to specific programs which will be progressed over the coming year through a business case and, where they are assessed as viable, implementation phase. The programmes are divided into cross company projects and borough specific programmes to support alignment with each borough’s service and financial priorities.

3.7 There are a number of key themes that apply to the whole organisation as follows:

- Programmes that support local placement sufficiency and support improved outcomes and value for money.
- Activity that will improve the organisation's ability to recruit and retain skilled and experienced staff and support a more stable workforce.
- Progressing actions identified in the AfC Equality, Diversity and Inclusion Plan to ensure we remain an employer of choice that reflects the diversity of the community we serve.
- Strengthening commissioning, procurement and contract management to support continued value for money and help manage the challenging financial context we are operating in.
- Strengthening and streamlining our Business Service offer to ensure that the organisation has the tailored and affordable back-office support services it needs. This includes development of a more mature business partnering model.
- Development of a new five-year AfC Business Plan. Next year we will be undertaking a programme of work to re-evaluate our vision, strategic priorities and priority programmes. In doing this we will reflect on where we are and where we need to get to including engaging with stakeholders.

3.8 The Windsor and Maidenhead specific programmes are outlined on pages 28 to 29 of the plan attached in appendix A.

- Establish an intensive support team to work with children on the edge of care to support them to remain with their families where safe to do so, and to work with children in care so that where appropriate they can be reunified with parents or placed in their extended family or community. As part of this, support foster placements where there are stability issues and step appropriate children down from residential placements to foster placements.
- Develop resources to support assessment and early intervention in mainstream early years settings, schools and colleges so that they are equipped to meet the needs of children and young people with SEND who are below the threshold for an education, health and care plan.
- Work with the Integrated Care Board and other partners to implement the written statement of action for SEND so that services are high quality and respond better to the needs, views and ambitions of children, young people and their families.
- Develop alternative education provision to better support the educational progress, achievement and wellbeing of children and young people with challenging behaviours who have been permanently excluded or are at risk of exclusion from school.

- Work with adult care and housing providers to improve pathway and transition planning for young people with SEND and for care leavers so that services and support are in place to meet their needs, promote independence and enable a positive experience of early adulthood.
- Work to reduce gaps in attainment in reading, writing and mathematics between children in receipt of the Pupil Premium grant and their peers to provide the foundation for all children to achieve well and have positive choices for their future learning.
- Specify, procure and implement a new case management system to replace the existing PARIS system that is used across children's services with the aim of improving consistency of practice; reducing the administrative burden on staff; automating much of the standard reporting needs; and enabling more effective collaboration with partners, families and children.

Medium Term Financial Strategy

- 3.9 The draft Medium Term Financial Strategy is attached at appendix B. The strategy sits alongside the Business Plan and is produced as part of the budget process. It is reviewed and updated at least annually.
- 3.10 The 2023 strategy will continue to focus on achieving financial sustainability for the Company in the context of escalating financial pressure in the specific delivery of children's and education services as well as in Local Government generally. The organisation will be following three overarching principles:
- Delivery of value for money services that are low cost and high outcome
 - Maximise resources available to front line services
 - Shared budget responsibility
- 3.11 The strategy prioritises ensuring services are affordable as follows:
- Ensure there is a mutual understanding of what is affordable for each council in terms of funding and quality
 - Achieving value for money
 - Achieving challenging cost reduction targets
 - Generating income to support services
 - Ensuring available funding is directed at priority areas
 - Ensuring that the financial interest of each owner is safeguarded
 - Planning for financial sustainability over a medium to longer term period
- 3.12 The strategy recognises that AfC is achieving good value for money currently but that there is still an affordability gap for services and room to improve particularly in

relation to SEND and social care. The next couple of years will be hugely challenging for AfC and the strategy draws out a number of themes and activities from the Business Plan that will be a key focus to achieve sustainability:

Table 4: Financial Control

PRIORITY ACTIVITY TO CONTROL COSTS	HOW WILL IT BE DELIVERED?
<p>DEMAND MANAGEMENT</p> <p>Supporting the prioritisation of services to young people most in need and demand management through the application by service teams of consistent thresholds.</p>	<p>Core services have well established threshold guidance that is periodically reviewed both internally and externally through inspections or specific requests for independent review. The Directors of Children's Services are responsible for ensuring there are arrangements in place to monitor compliance and support staff to understand the threshold guidance.</p>
<p>DEVELOPING LOCAL PROVISION</p> <p>Delivering the recommendations of the AfC Sufficiency Strategy at pace in terms of using commissioning opportunities effectively and developing more local provision where it makes financial sense to do so.</p>	<p>The draft Sufficiency Strategy and associated recommendations has been considered by the AfC Board and will now progress through council approval processes. There will be a focus in the coming months to identify those programmes that are likely to have the most positive financial impact and to develop these into business cases for agreement by the councils as appropriate.</p>
<p>COMMISSIONING/PROCUREMENT COMPETENCE</p> <p>Building commissioning and procurement capacity and competence in the organisation to ensure that placement and other procurement activity is as effective as possible in finding solutions and driving down cost.</p>	<p>The organisation will continue to build competence and capacity within the commissioning team to ensure that the improved practice from the last three years in relation to placement commissioning continues and that we get the best price when undertaking procurement activity. The Associate Director of Business Development and Strategic Commissioning will continue to develop the commissioning strategy to ensure that we are making best use of our market share and where appropriate planning ahead with providers to get preferable rates. We will also continue to link in with commissioning partnership arrangements for SEND and</p>

	social care.
<p>REVIEW</p> <p>The effective review of placements, plans and working models is key to ensuring that we are promoting independent, resilient families and that we are prioritising the funding we have in an effective way.</p>	<p>The Company has established practices to ensure that plans and placements are periodically reviewed to support the continued alignment of funding and support to the changing needs of young people. It is important that we continue to work to improve these practices particularly in social care and SEND where the financial pressure and scope for changing needs is most significant.</p>
<p>MODERNISATION OF WORKING PRACTICES</p> <p>Review of how we work to ensure that we are making best use of technology, flexible working practices and that support services offer value for money.</p>	<p>The company has reflected in the learnings from covid and are in the process of transforming ways of working including efficient use of buildings, homeworking, digital technologies and reduced travel / printing.</p> <p>We continue to transform HR services with a key focus on recruitment and retention. This year there will be a focus on improving ICT services to develop a more streamlined and efficient model that is fit for modern ways of working.</p>
<p>FINANCIAL MONITORING & PLANNING</p> <p>Detailed monitoring of all high-risk areas on an ongoing basis and consistent reporting internally, to the AfC Board and to the Councils.</p>	<p>The finance team will continue to monitor budgets and report performance to budget managers, leadership teams, the board and councils regularly. The finance team will also work to further improve budget awareness and confidence in managing budgets across the organisation.</p>

- 3.13 The Committee is asked to discuss and approve the AfC Business Plan and Medium-term Financial Plan.

Reserved Matter Decision 2: Approval of the AfC budget 2023/24

- 3.14 The approval of the AfC budget is a reserved matter decision and provides the three owning councils with a significant amount of control over AfC's finances. Appendix C to this report contains a copy of the AfC Budget Report which was

considered and approved by the AfC Board in January 2023, subject to final approval by AfC's three owning councils.

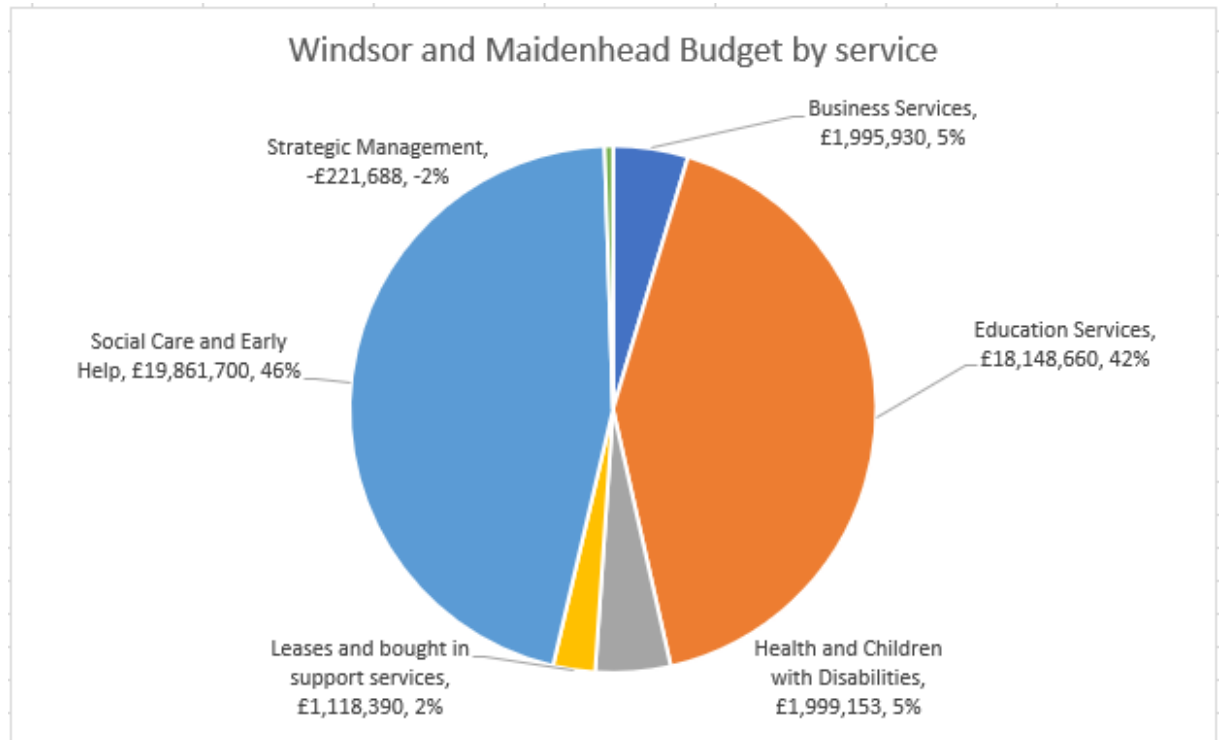
- 3.15 AfC fully engages in Windsor and Maidenhead's budget setting process each year and the proposals outlined, that relate to Windsor and Maidenhead, mirror the proposals outlined for children's services in the Local Authority's own budget paper. This is also the case for Kingston and Richmond.
- 3.16 A net revenue operating budget of £184,651,345 is proposed for AfC in 2023/24 as follows:

Table 5: AfC Total Budget

Contract Prices	Kingston	Richmond	Windsor and Maidenhead	Total
	£	£	£	£
General Fund	43,802,500	45,829,700	28,559,295	118,191,495
Dedicated Schools Grant	25,474,100	26,642,900	14,342,850	66,459,850
TOTAL	69,276,600	72,472,600	42,902,145	184,651,345

- 3.17 The budget report contains more detail about how these base contract prices have been agreed. The Windsor and Maidenhead elements are planned to be spent as follows:

Diagram 1: Breakdown of Windsor and Maidenhead budget



- 3.18 The provisional Dedicated Schools Grant allocations were released for all three

boroughs on 16th December 2022. AfC is responsible for administering the Dedicated Schools Grants (DSG) but the income and expenditure forms part of each council's retained budget. Some DSG funding is used to pay for services that are delivered by AfC on behalf of each council and this is the amount included in the pie chart above. The detail of how the Dedicated Schools Grant will be spent is available as part of each Council's detailed budget setting papers. The DSG amount within the AfC contract price above relates to high needs and central education funding that either funds teams or support that is commissioned by AfC staff (e.g., Admissions Team, Early years Advisory Team, high needs education placements). The DSG not included in the contract price relates to amounts that are passported to education providers in accordance with a pre-determined formula.

- 3.19 The Cabinet is asked to approve the AfC 2023/24 budget as part of the Council's role as joint owner of AfC. A detailed breakdown of the proposed budget is detailed in appendix C.

Reserved Matter Decision 3: Treasury Plan

- 3.20 The approval of the Treasury Plan for AfC is a reserved decision for AfCs three owning councils. The plan is approved annually and when events require a review. It was last approved in March 2022.
- 3.21 The Treasury Plan outlines how AfC is permitted to borrow and invest for cash flow purposes in the coming year. The Plan also provides assurances to the Councils around the procedures in place for banking and treasury management in AfC and for monitoring by the Councils.
- 3.22 The treasury management and banking functions in AfC are overseen by the Chief Operating & Finance Officer and are carried out by suitably experienced staff with appropriate training. Treasury transactions are undertaken on the basis of formal proposals and authorisations requiring at least two members of staff and following the current treasury procedures and policies of the Company. Physical transactions are carried out using a secure internet banking system. AfC plans and reviews its treasury activities on a regular basis and longer-term plans are reviewed at least annually in line with AfC's business planning process.
- 3.23 The Local Authorities monitor AfC's borrowing through the formal borrowing and repayment requests and they have access to all AfC's financial records on request. Proposed changes to the Treasury Plan are agreed at officer level prior to reporting to the Committee. AfC will take advice from the councils on all aspects of its treasury management function and will comply with any instruction or direction from the councils, acting jointly, with regard to its treasury activities and investments.
- 3.24 The Treasury Plan is attached at appendix D.

Borrowing

- 3.25 Although the Inter Authority Agreement (IAA) provides for AfC to seek finance or debt funding from third party sources (subject to agreement by the Councils), the primary funding for AfC is provided by the Councils through the Revolving Credit Facility (RCF) because the cost of any borrowing undertaken directly by AfC will be

higher than for the Councils. As AfC is unlikely to seek funding from third parties for the foreseeable future no provision for this is included in the current Plan.

- 3.26 The RCF sets out the terms on which AfC can borrow from the Councils. The total amount of loans made available by the Councils is £45 million and the shares are split in accordance with the value of each council's base contract price. The Revolving Contract Facility should be used to support operational cash requirements in the delivery of children's services for the three councils. Interest is set at 0.5% above base rate and applies to borrowing in relation to the 'Qualifying Expenditure' to comply with State Aid rules. The table below summarises the current RCF borrowing and the recommended % splits for 2023/24 based on the new contract prices:

Table 6: Borrowing

Council	Current Borrowing 2022/23	Current Borrowing 2022/23	Max Borrowing 2023/24	Max Borrowing 2023/24
	£000	%	£000	%
LB Richmond upon Thames (LBR)	10,269	38%	17,662	39.25%
RB Kingston upon Thames (RBK)	9,720	36%	16,884	37.52%
RB Windsor and Maidenhead (RBWM)	6,809	26%	10,454	23.23%
TOTAL	26,798	100.00%	45,000	100.00%

Investment

- 3.27 There are no specific provisions in the legal documents governing AfC's activities that deal with investments apart from the reference in the IAA that decisions in relation to investments by AfC are a Reserved Matter.
- 3.28 The only use that AfC has made, and is likely to make, of investments for the foreseeable future, is in relation to treasury management where AfC needs to maintain sufficient funds on deposit and with instant access in order to meet its regular payments. The alternative would be for AfC to borrow from the Councils on almost a daily basis to fund its payments, which is not realistic in terms of the administration and bank costs involved.
- 3.29 The banks that AfC can use to hold deposits, and the amounts that it can hold in each, will require specific approval from the Councils because as 'guarantors' for AfC the Councils will ultimately bear the risk of AfC's investments. AfC will only make investments in banks/institutions that are included in each Council's list of counterparties and to the amounts that the Councils advise AfC.
- 3.30 The current Plan includes the following limits:

Table 7: Investment Limits

BANK	LIMIT OF INVESTMENT
Barclays Bank	£4,000,000
Nationwide	£3,000,000
NatWest bank	£5,000,000
Svenska Handelsbanken	£2,000,000
Total Investment	£14,000,000

AfC's main operational bank accounts are with NatWest and the limit for this bank includes both the operational current accounts and deposit account.

- 3.31 The Plan allows a degree of flexibility to deal with events that may arise during the course of the year that could impact on the risk of approved banks and investment limits, and provides for the Councils (through their s151 officers or nominated deputies) to agree such urgent actions as required with subsequent reporting for retrospective amendment to the Plan as a Reserved Matter.
- 3.32 The Committee is asked to consider and approve the 2023/24 Treasury Plan outlined in appendix D.

Reserved Matter Decision 4: Procurement of Agency Services

- 3.33 Procurement decisions that could lead to expenditure in excess of £10 million are reserved to Achieving for Children's (AfC) three owning councils. AfC currently spends in excess of £4m per year on temporary staff and the shortage of key workers nationally as well as many staff moving from permanent workforce to interim could mean that this will increase.
- 3.34 AfC currently uses a neutral vendor called Matrix to procure temporary staff. Agencies register with Matrix, who negotiate agency fees and other terms and conditions. AfC then posts vacancies and all the agencies register prospective candidates. This approach supports AfC to reach a wider pool of prospective candidates and to secure better rates and terms and conditions.
- 3.35 The contract with Matrix will come to an end during 2023 and so AfC needs to undertake a procurement exercise to secure a provider for upcoming years.
- 3.36 Following consultation with procurement advisers it is recommended that AfC uses the M-Star Framework to procure a new provider.
- 3.37 It is recommended that this procurement activity is undertaken with a view to appointing a new provider by July 2023. It is proposed to procure a provider for a minimum of three years with 2 optional extensions of a year. The maximum value of the contract with all extensions is therefore likely to be between £20 million to £22.5 million.
- 3.38 As a joint procurement decision is needed from all three of AfCs owning councils it is recommended that the final procurement decision is delegated to the Director of Children's Services in consultation with the relevant Lead

member. This will ensure that a timely decision can be taken, following a compliant procurement process.

3.39 AfC will be supported by specialists from the South London Legal Partnership and Kingston Procurement Team in undertaking the procurement exercise.

3.40 More detail on the use of agency staff and proposed procurement approach is detailed in appendix E.

Table 8: Key Implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
AfC is strategically aligned to the council's priorities for children's services	Inadequate progress made against key priorities	Progress made on all key priorities outlined in the Business Plan	Progress made on all key priorities outlined in the Business Plan including priorities outlined for future years	Progress made on all key priorities outlined in the Business Plan including priorities outlined for future years	31st March 2024
AfC delivers services within the agreed budget envelope	Overspend	Nil overspend	Underspend or reinvested surplus	Underspend or reinvested surplus	31st March 2024
AfC borrows and invests in a way that is acceptable to the Council	Losses due to inconsistent treasury management	No treasury management losses	No treasury management losses	No treasury management losses	31st March 2024
AfC successfully procures an agency staff framework that provides value for money	AfC does not secure an agency staff provider leading to higher agency staff costs	Agency staff provider in place	Agency staff provider in place that offers quality staff at competitive prices	Agency staff provider in place that offers quality staff at considerably lower prices than current	31st March 2024

Next Steps

3.41 The Local Authority will receive further updates on Reserved Matter decisions over the course of the year including progress against the plans outlined in this report. The next planned items are:

- September - AfC Annual Report and Statement of Accounts
- September - AfC Annual Impact Report
- September - Outcome of agency procurement

4. FINANCIAL DETAILS / VALUE FOR MONEY

4.1 The detailed financial implications are outlined in the report and associated appendices. AfC has worked with Local Authority officers to reach a proposed 2023/24 budget and the budget detailed in this report is also reflected in the Council’s draft budget proposal. It is clear that there will continue to be significant financial pressures in relation to children's services moving into 2023/24 and it is important that the Council continues to gain assurance on what AfC is doing to proactively manage those pressures.

5. LEGAL IMPLICATIONS

5.1 With regards to the recommendations concerning approving the Business Plan (including Medium Term Financial Strategy, the detailed 2023/24 budget, the Treasury Plan and material procurement decisions) these are band 3 Reserved Matters which require approval of the Cabinet. A list of band 3 decisions is contained in table 1 of this report.

6. RISK MANAGEMENT

6.1 The specific risks are outlined in the various appendices to this report and the three key risks are highlighted in Table nine.

Table 9: Impact of risk and mitigation

Risk	Level of uncontrolled risk	Controls	Level of controlled risk
Risk that the strategic direction of AfC becomes misaligned with that of its three owning councils	Medium	The approval of the strategic direction and budget for AfC is a decision reserved for the three owning councils. This governance approach provides the three councils with a mechanism to directly control AfC's strategic direction. In putting the various strategies and plans together AfC has engaged with the Ownership Board which includes representation from all three councils as	Low

		well as the council's commissioners and a number of other key council officers. The AfC Board also consists of two representatives from each council who are responsible for representing the views of the council in strategic decision making	
Risk that the cost of delivering services exceeds budget	High	AfC has well established systems to ensure that financial or demand led pressure in one local authority area does not adversely impact on other AfC boroughs. There are plans detailed in the Business Plan and Medium-Term Financial Strategy that support the development of delivery models, placement sufficiency and commissioning strategies to improve AfC's ability to drive value for money and control costs. The biggest risk to the budget position next year relates to inflation in relation to the pricing and complexity of placement budgets. Inflationary impact will be carefully monitored and whenever possible mitigated. The overall budget is monitored on a monthly basis and where needed mitigating actions are discussed within AfC and with the councils to reduce the scope for overspends and reach a mutually agreed position.	Medium

7. POTENTIAL IMPACTS

- 7.1 AfC produces an Annual Equalities Report which is published on its website and sets out actions to address any inequalities identified. Equalities Assessments are completed in the planning stages for all key programmes and publicly available at the following link:
<https://www.achievingforchildren.org.uk/pages/about-us/reports-and-documents>

- 7.2 The updated Business Plan includes information explaining AfC’s Environment Strategy. AfC has engaged with all three Local Authorities in developing the strategy to support strategic alignment.
- 7.3 AfC completes data protection impact assessments for all significant programmes of work that could have data protection implications. AfC has a qualified Data Protection Officer who oversees compliance against GDPR.

8. CONSULTATION

- 8.1 In putting together, the Business Plan AfC has consulted with a wide range of stakeholders including young people, families, partners, the councils and AfC staff. AfC and the Council will work together to consult on specific proposals in the Business Plan as required as part of the implementation plans for each project.

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 The Council is approving the reserved matters in this report jointly with London Borough of Richmond and Royal Borough of Kingston. All three councils will be meeting to consider and approve the reserved matters with implementation of the revised documents from 1st April 2023. The full implementation stages are set out below.

Table 10: Implementation timetable

Date	Details
1 March 2023	AfC Ownership Board
30 January 2023	AfC Board
7 February 2023	Kingston People Committee
20 February 2023	Richmond Education and Children's Committee
23 February 2023	Windsor and Maidenhead Cabinet
1st April 2023	Implementation

10. APPENDICES

- 10.1 This report is supported by five appendices:

- Appendix A - Business Plan, Achieving *More* for Children
- Appendix B - Medium Term Financial Strategy
- Appendix C - 2023/24 Budget
- Appendix D - Treasury Plan
- Appendix E - Temporary Staff Procurement

11. BACKGROUND DOCUMENTS

- 11.1 This report is supported by two background documents:

- AfC Business Plan approval December 2019

<https://rbwm.moderngov.co.uk/documents/s28856/fullAfC%20Business%20Plan%202020-24-%20December%202019-%20for%20RBWM%20v2.pdf>

- AfC Governance Review
https://rbwm.moderngov.co.uk/documents/s29683/Governance%20proposed%20next%20steps%20January%202020_240220.pdf

12. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory:</i>	<i>Statutory Officers (or deputies)</i>		
Adele Taylor	Executive Director of Resources/S151 Officer	25/01/23	31/01/2023
Emma Duncan	Director of Law and Strategy / Monitoring Officer	25/01/23	
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	25/01/23	
Elaine Browne	Head of Law (Deputy Monitoring Officer)	25/01/23	
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	25/01/23	
<i>Mandatory:</i>	<i>Procurement Manager (or deputy) - if report requests approval to award, vary or extend a contract</i>		
Lyn Hitchinson	Procurement Manager	25/01/23	
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Tony Reeves	Chief Executive	25/01/23	
Andrew Durrant	Executive Director of Place		
Kevin McDaniel	Executive Director of People	25/01/23	
<i>Heads of Service (where relevant)</i>	Lin Ferguson	24/01/23	
N/A			
<i>External (where relevant)</i>			

N/A			
Confirmation relevant Cabinet Member(s) consulted	Cllr Stuart Carroll, Lead Member for Children's Services, Education, Health, Mental Health, & Transformation	Yes/No delete as appropriate In progress	

REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Non key decision	No	No

Report Author: Lucy Kourpas, Achieving for Children Chief Operating and Finance Officer, lucy.kourpas@achievingforchildren.org.uk
