Registered number: 10762047

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	A G Christie A J Couldrick B C Carr B K Dhanoa J P Glasby R E Harker C J Horwath E M Stafford L A K Yale-Helms (appointed 3 September 2018) J L Turnross (appointed 10 September 2018) A G Gibbons (resigned 30 September 2018) J Tew (appointed 12 March 2019) D J Stringfellow (appointed 1 July 2019)
Registered number	10762047
Registered office	Third Floor, Zone 16 1 Lancaster Circus Birmingham B4 7DJ
Independent auditor	Crowe U.K. LLP Statutory Auditor Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

Background to the Trust

Birmingham Children's Trust ("the Trust") was set up as a company limited by guarantee on 9 May 2017 wholly owned by Birmingham City Council ("the Council"). It commenced full operation on 1 April 2018. It converted to a community interest company on 24 October 2018. The move to set up an operationally independent company by the Council was in response to the formal intervention by the Department for Education ("DfE") following years of under achievement in children's care services by the Office of Standards in Education ("Ofsted") which continued to rate the Council's services as "Inadequate".

Performance

2018/19 was the first operating year of the Trust during which time the Trust has been the subject of a full inspection under the Inspection of Local Authority Children's Services (ILACs) and separate inspections as a result of the Trust being defined as both an Independent Fostering Agency (IFA) and Voluntary Adoption Agency (VAA).

The result of the full inspection was published by Ofsted in January 2019 and rated the Trust as "Requires Improvement to be Good". This was a significant result for the Trust and the fact that Ofsted recognised that "the delegation of statutory functions to the Trust has enabled the re-vitalisation of both practice and working culture, and, as a result, progress has been made in improving the experiences and progress of children" is clear evidence of the strong performance of the Trust in its first operational year.

The inspections of Fostering rated the IFA as "Requires Improvement to be Good" and the VAA for Adoption services as "Good".

A Trust Development Plan has been established which will drive forward continuous improvement into 2019/20 around a number of key priorities as follows:

- The quality, effectiveness and pace of partnership working with external agencies, including partner-led early help services
- Trust and confidence between the courts and the Trust
- Effectiveness of the Fostering Service
- Robust and timely focus on all permanence options for children
- Alignment of the approach to contextual safeguarding
- The impact of the virtual school in improving provision for children in care
- Practice improvement; and
- Workforce

Under the terms of the service contract with the Council a number of Key Performance Indicators (KPIs) are used to measure the performance of the Trust. A summary of performance during the year and comparisons with other statistical neighbours and national averages are provided below where available.

KPI 1	% of all referrals with a decision within 24 hours	73%	83%		
KPI 2	% of re-referrals to children's social care within 12 months	21%	23%	23%	22%
KPI 3	% assessments completed within 45 working days	87%	90%	83%	83%
KPI 4	Child in Need cases open for more than 2 years	28	26	30	31
KPI 5	% Initial CP Conferences (ICPCs) held within 15 working days	82%	86%	81%	77%
KPI 6	% of children who become the subject of a CP plan for a second or subsequent time within the last 2 years	10%	11%		
KPI 7	% of children (under 16 years) who have been looked after for 2.5 years or more, and in the same placement (or placed for adoption) continuously for 2 years or more	68%	66%	68%	70%
KPI 8	% of looked after reviews held on time	98%	97%		
KPI 9	% of care leavers who are in Education, Employment, and Training (EET)	64%	64%	52%	51%
KPI 10	Average time between the LA receiving court authority to place a child and deciding on a match (A2)	229	157	230	201
KPI 11	% of young offenders that re-offend	34.5%	37.4%	44.7%	41.0%
KPI 12	% of agency social workers (including team managers)	13%	13%		
KPI 13	% child protection plans ending within 3 months or less	14%	19%	20	26
KPI 14	Average caseload of qualified social workers	17	16	19	17
KPI 15	% of social workers who have had supervision (in month)	83	88		

Areas where we have are working towards improvement
KPI 1 : % of all referrals with a decision within 24 hours
In December 2018 the front door amended the processes to ensure that quality of information being passed onwards for an assessment is clear and proportionate to the threshold document. *Increased lateral checks have introduced some delays into the system, and there have been delays* from partners, particularly Health and the Police in providing information requested by CASS. There have been some data quality issues impacting on the indicators which are being reviewed by the HOS. The current position is being monitored weekly and the HOS receives daily reports on progress. Recent performance shows significant improvement.
KPI 3: % assessments completed within 45 working days
This indicator has been performing to a high standard overall but has dipped recently due to a targeted piece of work to review and complete assessments that have been open for a longer period. This has now been completed and performance has returned to its previous high standard.
KPI 7: % of children (under 16 years) who have been looked after for 2.5 years or more, and in the same placement (or placed for adoption) continuously for 2 years or more
This remains a stable indicator. We are performing within tolerance but just below target. The focus of the April 2019 practice evaluation was placement disruption. A number of practice improvements *are underway to support this area of practice.*
KPI 11: % of young offenders that re-offend
Data comes from the Ministry of Justice (MOJ), reported in August 2018. Performance is reported every 3 months and aggregated for a 12 month cohort. The cohort consists of all young people who received a pre-court or court disposal or who were released from custody in a 12 month period. This indicator is reported after a big time lag nationally to determine how many offenders go on to reoffend in the subsequent year. *Whilst there has been a slight drop off in performance between the last two periods, this can be* down to how sentencing in the courts falls in terms of chronology. The figure of 37.4% is exactly the same as it was for April 2015-March 2016 cohort. We are still performing better than the National, West Midlands and YOT family average.

Risk Management

The key risk for the Trust in 2018/19 related to the sufficiency of placements within the local area to meet the demand for children in care and care leavers. These combined risks in turn create a cost pressure from external placements and supported accommodation. Effective mitigating action taken during the financial year included converting residential placements to fostering, active management of external provider contracts, and delivery of support services efficiencies.

The Trust actively manages risk through its corporate risk register, which is routinely updated and monitored throughout the year. Key risks going into 2019/20 include contract management, relationships with partners, continued cost pressure from external placements, and other unexpected and unpredictable cost pressures, Council dependencies, and replacement of the social care IT system (the "Eclipse Project").

Financial Management

The final operating expenditure budget for 2018/19 was set at £200m and the operating outturn was an overspend of £59k, excluding non-operating income, pension costs and exceptional expenditure, as shown below.

Reconciliation of net operational deficit to reported total comprehensive loss for the year

	£'000	£'000
Net operational deficit		(59)
Troubled Families: payment by results income		3,138
Profit and loss account surplus		3,079
Pensions		
Pension liability acquired	(75,672)	
Movement during the year excluding gain	(14,526)	
Actuarial gains	9,593	
		(80,605)
Recognition of intangible lease assets at Fair Value		5,922
Total comprehensive loss for the year		(71,604)

Given the cost pressure from external placements, the underlying operating deficit of £59k is a significant achievement in the Trust's first operational year.

During 2018/19 the Trust had made use of the Troubled Families programme supporting £2.4m of activities during the year, and has earmarked funds to support future activity.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

The Trust was allocated a start-up grant of £1.5m from the DfE for new and additional costs involved with the Trust becoming operationally independent of the Council. This has allowed the Trust to meet some exceptional costs including refresh of mobile telephones and computer equipment which will help improve productivity going forward. A balance of £800k remains as at 31 March 2019 and will be carried forward into 2019/20 to continue to support the Trust for any further exceptional costs of separating systems.

The Trust had closing negative reserves of £71.6m. This includes a negative pension reserve of £80.6m, a positive retained earnings reserve of £3m and a positive reserve to ring-fence the intangible lease asset, of £5.9m. The movement in net pension liability (including gains) during 2018/19 under FRS 102 was estimated to be £4.9m, increasing the acquired net pension liability to £80.6m. The pension scheme was transferred to the Trust on 1 April 2018 and was fully funded on an ongoing actuarial basis. However, under FRS 102 there is a liability. The pension liability represents a long term liability. The Directors believe that the Trust will be able to make timely payments against the future annual commitments arising on this liability. The negative reserve is not therefore considered to impact the Going Concern basis used in the preparation of these financial statements.

This report was approved by the board on 24 September 2019 and signed on its behalf.

L A K Yale-Helms
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results

The loss for the year, after taxation, amounted to £81,197k *(2018 - £NIL)*. A reconciliation to operating outturn of an overspend of £59k is included in the Strategic Report on page 4.

The movement in net pension liability during 2018/19 under FRS 102 was estimated to be £4.9m increasing the net pension liability to £80.6m. The budgetary forecasts for the Trust confirm their ability to meet the ongoing annual funding commitments, as set by the actuary, to the pension fund. The net pension liability at the end of the contract period will transfer back to the Council as owner of the Trust. The directors of the Trust therefore do not believe that the pension liability impacts the Trust's adoption of a "Going Concern" basis for the purpose of these financial statements.

The Trust is a not-for-profit community interest company limited by guarantee. The Trust is wholly owned by Birmingham City Council ("the Council") and under the terms of the Articles of Association there is no provision for a dividend.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Directors

The directors who served during the year and up to the signing of these financial statements were:

A G Christie - Chairman
A J Couldrick - Executive Director & Chief Executive
B C Carr - Non Executive Director
B K Dhanoa - Non Executive Director
J P Glasby - Non Executive Director
R E Harker - Non Executive Director
C J Horwath - Non Executive Director
E M Stafford - Non Executive Director
L A K Yale-Helms - Executive Director (appointed 3 September 2018)
J L Turnross - Executive Director (appointed 10 September 2018)
A G Gibbons - Executive Director (resigned 30 September 2018)
J Tew - Non Executive Director (appointed 12 March 2019)
D J Stringfellow (appointed 1 July 2019)

Directors Interests

The Directors are required to disclose any business interests that may conflict with their responsibilities as officers of the Trust.

Business interests of Directors where transactions have arisen in the year have been disclosed in note 22.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

This report was approved by the board on 24 September 2019 and signed on its behalf.

L A K Yale-Helms
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY

Opinion

We have audited the financial statements of Birmingham Children's Trust Community Interest Company (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic and Directors Report, other than the financial statements and our Auditor's Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' 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 Strategic Report or the Directors' 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 6, 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.

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.

Kerry Brown

Kerry Brown (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
Date: 11 October 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £000	*2018 £000*
Turnover	4	**207,023**	-
Operating expenses		**(218,311)**	-
Exceptional expenses	11	**(68,144)**	-
Operating (loss)		**(79,432)**	-
Interest receivable	8	**141**	-
Interest payable	9	**(1,906)**	-
(Loss) before taxation		**(81,197)**	-
(Loss) for the financial year		**(81,197)**	-
Actuarial gains for the year		**9,593**	-
Other comprehensive income for the year		**9,593**	-
Total comprehensive (loss) for the year		**(71,604)**	-

The notes on pages 15 to 29 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Pension liability reserve	Retained earnings	Lease asset reserve	Total equity
	£000	£000	£000	£000
Loss for the year	(90,198)	3,079	5,922	(81,197)
Actuarial gains	9,593	-	-	9,593
At 31 March 2019	(80,605)	3,079	5,922	(71,604)

The Pension Liability Reserve loss for the year has been detailed further in Note 11 and Note 20.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Pension liability reserve	Retained earnings	Lease asset reserve	Total equity
	£000	£000	£000	£000
At 31 March 2018	-	-	-	-

The notes on pages 15 to 29 form part of these financial statements.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10762047

BALANCE SHEET
AS AT 31 MARCH 2019

	Note		2019 £000		*2018 £000*
Fixed assets					
Intangible lease assets	12		**5,922**		-
			5,922		-
Current assets					
Debtors: amounts falling due within one year	13	**42,219**		-	
Cash at bank and in hand	14	**27,350**		-	
		69,569		-	
Creditors: amounts falling due within one year	15	**(62,490)**		-	
Net current liabilities			**7,079**		-
Total assets less current liabilities			**13,001**		-
Creditors: amounts falling due after more than one year	16		**(4,000)**		-
Net assets excluding pension scheme liabilities			**9,001**		-
Defined benefit pension scheme liability	20		**(80,605)**		-
Net liabilities including pension scheme liabilities			**(71,604)**		-
Capital and reserves					
Profit and Loss	18				
Pension liability reserve			**(80,605)**		-
Retained earnings			**3,079**		-
Lease asset reserve			**5,922**		
			(71,604)		-

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 September 2019

L A K Yale-Helms
Director

The notes on pages 15 to 29 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £000	*2018* *£000*
Cash flows from operating activities		
(Loss) for the financial year	**(81,197)**	-
Adjustments for:		
Amortisation of intangible assets	**658**	-
Interest paid	**1,906**	-
Interest received	**(141)**	-
(Increase) in debtors	**(42,219)**	-
Increase in creditors	**62,490**	-
Exceptional expenditure	**69,092**	-
Difference between pension charge and cash contribution	**14,526**	-
Net cash generated from operating activities	**25,115**	-
Cash flows from investing activities		
Interest received	**141**	-
Net cash from investing activities	**141**	-
Cash flows from financing activities		
Other new loans	**4,000**	-
Interest paid	**(1,906)**	-
Net cash used in financing activities	**2,094**	-
Net increase in cash and cash equivalents	**27,350**	-
Cash and cash equivalents at the end of year	**27,350**	-
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**27,350**	-
	27,350	-

The notes on pages 15 to 29 form part of these financial statements.

1. General information

Birmingham Children's Trust Community Interest Company Limited is a community interest company incorporated in England and Wales. The registered office is 1 Lancaster Circus, Queensway, Birmingham, B4 7DJ. The company is limited by guarantee and is wholly owned by Birmingham City Council ("the Council"). The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

Birmingham Children's Trust CIC Limited meets the definition of a public benefit entity under FRS 102.

As at 1 April 2018, the date of acquisition, the activity of the Trust was transferred from Birmingham City Council, who remain the Trust's ultimate controlling party (see note 24). Details of the fair value of assets and liabilities assumed as a result of the business acquisition are included in note 11 to these financial statements.

The excess of the fair value of the liabilities assumed over the fair value of the assets received has been recognised as an exceptional loss in income and expenditure. This exceptional loss represents the net obligations assumed, for which the Trust has not received a financial reward, so shall be recognised as an expense.

The following principal accounting policies have been applied:

2.2 Going concern

The Trust is funded by Birmingham City Council under the terms of a Service Delivery Contract which was set up from 1 April 2018. The original contract sum approved by the Council was updated during the year for any agreed changes including amounts for services provided by the Trust for which the Council receives grant funding. At the 31 March 2019 the Trust recorded a net deficit of £59k which it proposes to recover in 2019/20. A reconciliation to operating outturn of an overspend of £59k is included in the Strategic Report on page 4.

Each year the Trust is required to agree the contract sum with the Council which for 2019/20 was agreed by 31 March 2019.

The Service Delivery Contract is for a period of 10 years and is subject to a five year review. A statutory directive remains in place with the Council in respect of the scope of the services provided under the Service Delivery Contract.

The Council has agreed a £10m loan facility of which £4m has been used to support the Trust's cash flow position.

2. Accounting policies (continued)

2.2 Going concern (continued)

The Trust Board reviews its financial position on a regular basis and meets with the Council throughout the year. As part of these governance arrangements the Trust is required to review its spending against the contract sum, which includes a review of the financial risks that increased demand for services will place on the Trust.

Based on the information above and other reviews the Trust Board has determined the use of the "going concern basis" is appropriate.

2.3 Assets and investments

The Trust did not hold any tangible fixed assets or investments in the period up to 31 March 2019. Intangible assets are amortised on a straight line basis over 10 years.

2.4 Contract income

Revenue is recognised to the extent that the Turnover is the amount receivable by the Trust in the ordinary course of its activities, excluding VAT. Turnover is recognised at the point the service is provided. The primary source of the Trust's turnover is contract income from the Council.

2.5 Other grant income

Whether paid on account, by instalments or in arrears any specific grants and third party contributions or donations are recognised as due to the Trust when the Trust complies with the conditions attached to the payments and the grant or contribution is receivable. Amounts recognised as due to the Trust are not credited to the Statement of Comprehensive Income until conditions attached are considered to be satisfied.

Any monies paid as specific grants and third party contributions or donations for which conditions are not satisfied within the period which they are intended will be reflected in the Balance Sheet as deferred income.

2.6 Contributions from health

Other operating income, excluding government grants, relates to both health contributions towards the placement costs of children in care with specific health needs, and other public body contributions to joint funded activities.

2.7 Taxation

The Trust has confirmed with HM Revenue & Customs that all of its activities, with the exception of net interest income, fall outside the scope of corporation tax.

2. Accounting policies (continued)

2.8 Accruals of income and expenditure

Activity is accounted for in the period it takes place, not simply when cash payments are made or received. In particular:

• Revenue from the sale of goods or services is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the organisation.

• Supplies are recorded as expenditure when they are consumed.

• Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payment is made.

• Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure.

• When income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors will be written down and a charge made to expenditure for income that might not be collected.

2.9 Short-term debtors and creditors

Debtors and creditors with no interest rate which are receivable or payable within one year are recorded at transaction price. Any loss arising from impairment is recognised immediately in the Comprehensive Statement of Income.

2.10 Leases

The Trust has property arrangements under ten year leases with the Council, which are accounted for as finance leases.

Arrangements that do not have the legal status of a lease but convey the right to use an asset in return for payment are accounted for as an expense.

The Trust rents offices and operational buildings from the Council. Rental paid to the Council is charged as an expense to the Comprehensive Statement of Income. These are held under operating leases.

2.11 Exceptional items

When items of income and expense are material, their nature and amount is disclosed separately, either on the main body of the Comprehensive Statement of Income, or in the notes to the accounts depending on how significant the items are to an understanding of the Trust's financial position.

2.12 Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and current balances with banks and other institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value. This definition is also used for the cash flow statement.

2. Accounting policies (continued)

2.13 Contingent liabilities

Contingent liabilities relate to possible expenditure arising from a past event that has not been recognised in the financial statements due to the probability that a transfer of economic benefits will not arise or cannot be reliability estimated. The possible liability is of something happening in the future.

2.14 Contingent assets

Contingent assets relate to possible income arising from a past event that has not been recognised in the financial statements due to the probability that a transfer of economic benefits will not arise or cannot be reliability estimated. The right to the potential asset is dependent on something happening in the future. A review will be undertaken annually to identify any potential contingent assets.

2.15 Pension costs and other post-retirement benefits

The Trust was admitted as a member of the West Midlands Pension Fund with effect from 1 April 2018 when staff transferred from the employment of Birmingham City Council ("the Council") to being employed by the Trust. The scheme is part of the Local Government Pension Scheme (LGPS) which is a defined benefit scheme based on final pensionable or career average salary. The assets of the scheme are held separately from those of the Council in an independently administered fund.

The scheme's liabilities are measured using the projected unit credit actuarial cost method and are discounted at a government gilt yield rate with an allowance for additional out-performance. The pension scheme assets are valued at market rate (i.e. a fair value).

This final salary scheme, like a number of other such schemes, has an accrued deficit. Measures are in place to address this deficit, by increasing employer contributions in the medium term. However, the requirement of Financial Reporting Standard 102 (FRS 102) is to show the pension scheme deficit as a liability on the Balance Sheet. As a result of an agreement between the Trust and the Council, a pension related asset, being a guarantee from the Council to cover all historic related pension costs, exists. The variance in the fair value of the asset and the accrued FRS 102 pension liability as at 31 March 2019 has been recognised in the Balance Sheet.

For defined benefit schemes, the amounts charged to the Statement of Comprehensive Income are the current service cost, and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Comprehensive Income if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

2.16 Employee benefits

Short term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as wages and salaries, paid annual leave and paid sick leave. They are recognised as an expense for services in the year in which employees render service to the Trust.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements. If, in the future, such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and judgements will be modified as appropriate in the year in which the circumstances change.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the disclosures in respect of the defined benefit scheme. The assumptions relating to the pension scheme are disclosed at note 20.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £000	*2018 £000*
Contract sum core payment	**185,435**	-
Other grant income	**12,721**	-
Contribution - Health	**8,867**	-
	207,023	-

All turnover arose within the United Kingdom.

5. Auditor's remuneration

	2019 £000	*2018 £000*
Fees payable to the Company's auditor for audit services	**50**	-
Fees payable to the Company's auditor and its associates in respect of:		
Fees payable to the Company's auditor for non-audit services	**2**	-

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £000	*2018* *£000*
Wages and salaries	**53,866**	-
Social security costs	**5,372**	-
Pension costs	**24,199**	-
	83,437	-

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	*2018* *No.*
Qualified social workers	**905**	-
Other (non-social workers)	**981**	-
	1,886	-

7. Directors' remuneration

	2019 £000	*2018* *£000*
Directors' emoluments	**519**	-
	519	-

During the year retirement benefits were accruing to 4 directors *(2018 - NIL)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £210,965 *(2018 - £NIL)*.

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £36,435 *(2018 - £NIL)*.

8. Interest receivable

	2019 £000	*2018 £000*
Other interest receivable	141	-
	141	-

9. Interest payable and similar expenses

	2019 £000	*2018 £000*
Bank interest payable	88	-
Interest on pension scheme	1,818	-
	1,906	-

10. Taxation

The Trust is exempt from corporation taxation as noted in the accounting policies, with the exception of a taxation charge arising on the net interest income at 19%.

11. Exceptional items

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	2019 £000	*2018 £000*
Expense of the pension liability obligation taken on as at 1 April 2018	75,672	-
Payment by Results from Birmingham City Council	(948)	-
Market value of peppercorn rents	(6,580)	-
	68,144	-

12. Intangible lease assets

	Intangible lease assets £000
Cost	
Additions	**6,580**
At 31 March 2019	**6,580**
Amortisation	
Charge for the year	**658**
At 31 March 2019	**658**
Net book value	
At 31 March 2019	**5,922**
At 31 March 2018	-

13. Debtors

	2019 £000	*2018 £000*
Trade debtors	477	-
Amounts owed by group undertakings	21,127	-
Prepayments	1,095	-
Other debtors	17,494	-
Accrued income	2,026	-
	42,219	-

14. Cash and cash equivalents

	2019 £000	*2018 £000*
Cash at bank and in hand	27,350	-
	27,350	-

Of the cash held at year end, £27m was on deposit with Birmingham City Council as part of a treasury pooling arrangement. Birminham City Council have included this balance within intercompany creditors as at 31 March 2019.

15. Creditors: Amounts falling due within one year

	2019 £000	*2018 £000*
Trade creditors	2,429	-
Amounts owed to group undertakings	7,069	-
Other taxation and social security	25,143	-
Accruals and deferred income	27,849	-
	62,490	-

16. Creditors: Amounts falling due after more than one year

	2019 £000	*2018 £000*
Amounts owed to group undertakings	**4,000**	-
	4,000	-

Current borrowings are in respect of one loan facility provided by Birmingham City Council. The loan is for £4,000,000 and matures on 31st March 2028. The interest rate applied is 4.21%.

17. Financial instruments

	2019 £000	*2018 £000*
Financial assets		
Financial assets measured at fair value through profit or loss	**27,350**	-
Financial assets that are debt instruments measured at amortised cost	**24,299**	-
	51,649	-
Financial liabilities		
Financial liabilities measured at amortised cost	**(22,643)**	-

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings and accruals.

18. Reserves

Pension liability reserve

This reserve contains the movement following the change in the fair value of the pension scheme liability during the year.

Profit and loss account

This reserve represents the cumulative profits or losses and other adjustments.

Lease asset reserve

This reserve represents the net book value of the intangible lease assets, arising on the peppercorn rents.

19. Contingent liabilities

Consideration has been made in respect to any potential additional costs for sleep-in liabilities, arising on any uplift required to raise the salaries of staff performing overnight sleep-ins, up to the National Minimum Wage. Birmingham Children's Trust changed its practices from August 2018 which means there is no potential costs relating to this date onwards. As a result there is only a contingent liability for the period April 2018 to July 2018 and this has been estimated to be £53,356. The outcome is dependent upon an ongoing court case.

The Council shall indemnify the Trust against all losses incurred in connection with any claims for equal pay which arose before the transfer date of 1 April 2018.

The Trust is dealing with a number of on-going claims in relation to children's care cases which, at this stage it is not possible to determine the outcome and potential liability. These will be kept under review and a review will be undertaken annually to identify any potential liabilities.

20. Pension commitments

The Company operates a Defined Benefit Pension Scheme.

The Trust is a member of the West Midlands Pension Fund which is a defined benefit scheme under the terms of the Local Government Pension Scheme (LGPS). The assets of the scheme are held separately from those of the Council and are invested in a wide range of quoted and unquoted investments by scheme investment managers.

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation has been made in the FRS102 LGPS pension liability for this year. Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced.

In December 2018 the Court of Appeal ruled against the Government in the 'McCloud/Sergeant' judgement which found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory. The ruling potentially has implications for all public sector schemes which were reformed around the same time and could lead to members who were discriminated against being compensated. The Government applied to the Supreme Court for permission to appeal this judgement and in June 2019 this permission was denied.

As a result of this the Government will be required to take remedial action. An additional liability as a result of the McCloud judgment has been included within the FRS102 pension liability, of £4.29m.

Reconciliation of present value of plan liabilities:

	2019 **£000**	*2018* *£000*
Reconciliation of present value of plan liabilities		
At the beginning of the year	**231,192**	-
Current service cost	**20,011**	-
Past service cost	**4,290**	-
Interest cost	**6,040**	-
Change in financial assumptions	**13,067**	-
Change in demographic assumptions	**(13,881)**	-
Benefits paid	**(693)**	-
Contributions paid by scheme participants	**2,972**	-
At the end of the year	**262,998**	-

20. *Pension commitments (continued)*

Reconciliation of fair value of plan assets:

	2019 £000	*2018 £000*
At the beginning of the year	**155,520**	-
Return on assets less interest	**8,779**	-
Interest income	**4,222**	-
Administration expenses	**(69)**	-
Contributions by scheme participants	**2,972**	-
Benefits paid	**(693)**	-
Settlement prices received	**11,662**	-
At the end of the year	**182,393**	-

	2019 £000	*2018 £000*
Fair value of plan assets	**182,393**	-
Present value of plan liabilities	**(262,998)**	-
Net pension scheme liability	**(80,605)**	-

The amounts recognised in profit or loss are as follows:

	2019 £000	*2018 £000*
Service cost	**24,301**	-
Net interest expense	**1,818**	-
Administration expenses	**69**	-
Total	**26,188**	-
Actual return on scheme assets	**13,001**	-
	13,001	-

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £9,593,000 *(2018 - £NIL)*.

The Company expects to contribute £NIL to its Defined Benefit Pension Scheme in 2020.

20. Pension commitments (continued)

	2019 £000	*2018 £000*
Analysis of actuarial loss recognised in Other Comprehensive Income		
Return on fund assets in excess of interest	**8,779**	-
Change in financial assumptions	**(13,067)**	-
Change in demographic assumptions	**13,881**	-
	9,593	-

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2019 %	*2018 %*
Discount rate	**2.45**	-
Future salary increases*	**3.85**	-
Future pension increases	**2.35**	-
Inflation assumption	**2.35**	-
Mortality rates		
- for a male aged 65 now	**20.90**	-
- at 65 for a male aged 45 now	**22.60**	-
- for a female aged 65 now	**23.20**	-
- at 65 for a female member aged 45 now	**25.00**	-

*The percentage presented is based on an actuarial assessment of future circumstances.

Amounts for the current period are as follows:

Defined benefit pension schemes

	2019 £000
Defined benefit obligation	**(262,998)**
Scheme assets	**182,393**
Net liability	**(80,605)**

21. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	*2018*
	£000	*£000*
Not later than 1 year	**2,424**	-
Later than 1 year and not later than 5 years	**6,991**	-
	9,415	-

22. Related party transactions

The Trust has taken advantage of the exemption from reporting transactions entered into with group entities since the Trust's results are included within consolidated financial statements which are publicly available.

The director B K Dhanoa is also a director of Progress Children's Services Limited. During the year Birmingham Children's Trust was invoiced £565,626 for services performed during the year by Progress Children's Services. There was £NIL owed to Progress Children's Services Limited at 31 March 2019.

23. Company status

The company is a private community interest company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

24. Controlling party

The ultimate controlling party is Birmingham City Council, who prepare consolidated group financial statements.

A copy of the latest financial statements can be obtained from the Registrar of Companies, Cardiff.

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Community Interest Company Report

For official use *(Please leave blank)*	

Please complete in typescript, or in bold black capitals.

Company Name in full	Birmingham Children's Trust Community Interest Company
Company Number	10762047
Year Ending	31 March 2019

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's information and guidance notes.

Please note that you must give details in this report of transfer of assets for less than full consideration e.g. donations to outside bodies, or paid directors at less than market value.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 – GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a fair and accurate description of how they have benefited the community.

The company's activities provide benefit to vulnerable children, young people and their families, primarily in the city of Birmingham, in need or receipt of children's social care, youth offending services, family support and other related services.

Further information is contained in the attached Trust Annual Report for 2018/19 and below.

Activity	Community benefit
Providing social care, youth offending, family support and other related services to children, young people and their families	Ensuring that children and young people are safe, healthy and protected from neglect and harm. Ensuring that children and young people live in safe, stable and supportive environments. Ensuring that families are supported and strengthened to enable them to provide the care and support their children need to develop into resilient, happy and successful young people and adults. Ensuring that effective care planning and appropriate intervention is in place, which protects children from harm, reduces the need for children to be in care unless absolutely necessary and supports those in care.
Advancing and promoting social care, family support and youth offending services available to children, young people and their families	Promoting collaborative working between agencies and other partners involved with children, young people and their families to encourage and support children and young people to achieve positive outcomes.
Securing improvements in the quality and effectiveness of services provided to children, young people and their families in respect of social care, family support and youth offending services	Measurably improving the quality and effectiveness of children's social care, youth offending and family support services so to have a positive impact on the lives of children and young people.

(Please continue on separate continuation sheet if necessary.)

Company Number	10762047
Year Ending	31 March 2019

PART 2 – CONSULTATION WITH STAKEHOLDERS

A "stakeholder" is any person or organisation affected by the company's activities. Indicate what steps the company has taken during the financial year to which the report relates to consult its stakeholders, whether formally or informally. If there has been no consultation, this should be made clear.

Please indicate who the company's stakeholders are:

- Primarily children, young people and families.
- Employees.
- Other stakeholder relationships include the company's member Birmingham City Council, the Police, NHS, schools, voluntary sector and the DfE.
- The company's directors are regularly engaged throughout the year particularly through the formal Board and committee arrangements and development activity.

Please indicate how the stakeholders have been consulted:

See the 2018/19 Annual Report page 2 and section 13 for a description of relationships with children, young people and families and related feedback. This is mainly through our Children in Care Council (CICC) and Care Leavers Forum (CLF).

The Annual Report describes other stakeholder relationships in section 1 (paragraph 1), section 3, section 4 and section 10.2.

The Trust surveyed staff on the launch of the Trust in April 2018 and again in September 2018.

The company's directors are regularly engaged throughout the year particularly through the formal Board and committee arrangements and development activity.

What action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

Our CICC and CLF hold the Trust to account and they have challenged the Trusty have praised the Trust and worked alongside the Trust to make sure that children and young people's views and experiences are always central to its thinking.

CICC and CLF told us they wanted to meet regularly as a group of care-experienced children and young people. CICC meet every three weeks and CLF every four weeks. Between April 2018 to April 2019, our CICC met 17 times and CLF 12 times (both groups have split into sub-groups to lead on certain pieces of work and have met a further 10 times). Collectively both groups have 50 plus young people aged between 13 – 23 regularly attending. Although both groups are very stable young people naturally 'move on' so having new young people join is crucial to keeping the groups relevant and active. Young people mostly live within Birmingham, but we do have young people who travel to us who live in neighbouring authorities. Young people on the groups represent our young people within the Trust and are from a range of backgrounds, different experiences of care and lengths of time within care.

While both groups have met separately to review different areas of work and campaigns, they often come together for work such as visiting a neighbourhood Trust to see how they engage with their children in care, interviewing for senior posts, meeting with health, police and services around mental health and wellbeing. Both young people's groups have been involved in writing the forward for our year 1 and year 2 business plans.

CICC and CLF told us they wanted dedicated campaigns to focus on. We supported the young people to identify areas they wanted to focus on and shared appropriate data and links to professionals to support campaigns. Young people have hosted a range of professionals at their meetings and asked them to share information. Young people have benefitted from these meetings and are working hard to get to know the care process not just from their own experiences. The Trust and the Corporate Parenting agenda are led by real children in care and real care leaver issues.

CICC voted in 2018 for their next campaign to be about helping social workers to better support children through puberty and adolescence in general and offer guidance around what it feels like to be child in care and asked related questions. CICC are working with training and development colleagues to produce online e-learning resources. Young people have met during school holidays to drive this work. They have written their own content and enjoyed being in front and behind the camera. They have developed production skills and are looking forward to launching this resource later in 2019. As a result of this work young people have also identified other 'bite size' training packages they would like to be involved in. CICC and CLF want staff within the Trust to be able to say: 'I've completed this training because our young people asked me to!'

Young women involved on CICC have asked for a specific young women's group to focus on periods. Young women want all young women in care to be supported each month appropriately and not to feel embarrassed. Young people have only just started this piece of work but already through conversations with colleagues we can hear them say 'I hadn't thought of that before'. CICC and CLF are making a difference by encouraging discussion and reflection within our workforce. This has been ongoing and we are hoping to explore this and other themes within project work in 2019.

Some young people told us they would like to meet as young parents. This group has met twice and their experience has been shared with colleagues and has initiated lengthy discussion. A group of professionals is now meeting to explore how we can better support our care leavers who become young parents and our corporate 'grand' parenting responsibility to their children. This work and our young people's experiences will help colleagues focus on how we can improve our practice to support these young people. With the support of advocacy and young people's experiences a new grant is now available to all young women in care under 18 and not eligible for the sure start maternity grant.

CICC and CLF asked to take the lead in launching the Trust. Young people have continued to play a key role at all events where the Trust is engaging with its workforce. Both groups received an award from our Virtual School to recognise their ongoing commitment and were pleased to accept this in person at an awards event.

Young people contributed to the Trust business plan and wrote the forward including these 'top tips':

- Listen to real first hand experiences
- Work alongside me, work with me, explain things, and explain things again! Remember I am at the centre.
- Don't think you know what I am trying to say, don't second guess me, use the words I choose to use.
- Talk to children and young people, have conversations, properly listen and please take an interest in my life.

Young people wanted to have more meaningful involvement in recruitment and selection. They have been involved at all senior appointments including the Director and new Assistant Directors. Best practice has now been agreed including a new rewards and recognition document that will support young people's engagement and recognition for their commitment to this process. Young people made a difference in a very evident way by having a say in the most senior appointments we have. Our young people started a relationship with those successful appointments before they were even in post. This has kept CICC and CLF at the forefront of senior manager's minds and priorities.

Young people said that they did not know enough about their health histories. A long term collaborative piece of work was undertaken with health as it became apparent that there was minimal use of the current health passports. Young people discussed and agreed the content and the design of the new health passport and were present at the formal launch. Through our young people's involvement all children in care will now have access to a passport to health, not just care leavers. Our CLF has gone on to meet with health leads several times and has been instrumental in producing a resource with health support contact numbers being produced for care leavers.

Young people raised again the use of social workers' language and 'jargon' in 2018. Young people decided to reshape work from 2017 and re-launch their views as part of a 'mind your language' campaign. There was a wide breadth of feeling around language and no common consensus on what terms should be used. However, young people questioned many 'common' phrases and a paper was shared with front-line staff and included in training. The Trust has now embedded use of 'children in care' and stopped using 'LAC'. Young people tell us they want social workers to see them as individuals and not just a 'case'. By taking the time to think about language and words our young people feel heard and listened to.

Young people worked alongside the Care Leavers Service to develop our local care offer to Care Leavers. We estimate that 40 plus hours of participative work has taken place to develop, review and finally launch the Care Leavers Offer. The Forum have supported this piece of work to make a difference for all 21 – 25 year olds who may not have been able to have support from the Trust. The extended offer will allow those young people to still feel they can 'lean' on the Trust. Our CLF will continue to work closely with the Care Leavers Service to review this offer on a regular basis and challenge the Trust to continue to increase the range of services it is able to provide and offer.

Young people wanted to make more use of social media and YouTube. Young people have produced several short videos that are uploaded onto our YouTube account. These videos have helped share and promote many campaigns and are a useful resource for workers across the Trust to refer to.

Staff survey responses indicated a high degree of pride in the work of the Trust and its impact, managers who are caring and motivated, good team relationships and regular opportunities for training and development. Areas for improvement included extending the positive experiences of most staff across all staff groups and manageability of workloads.

The Trust's Customer Services Team responds to complaints and compliments on behalf of the Trust. As one of a number of sources of information, complaints helpfully highlight specific concerns at particular times allowing remedial action to resolve issues. Examples of learning and changes to practice for the Trust include:

- Completion of a review of Staying Put arrangements in the event of placement breakdown and carer conduct issues.
- A review of practice to ensure that correct information is recorded on the distribution sheet for child protection conferences, with clear instructions about who is to receive minutes.
- A review of how we use the confidential section of meeting minutes for redacted information to ensure there is consistent practice across the service.
- A reminder to Team Managers to share meeting minutes with all relevant parties.
- Guidance to staff on Child Arrangement Orders (CAOs) and Special Guardianship Orders (SGOs), and the support associated with these, and a review of the arrangements for CAO and SGO allowances.

The governance arrangements between the Council, Trust and DfE have worked effectively during the Trust's first year. The framework includes an Operational Commissioning Group, Trust Partnership Governance Group and routine engagement at Overview and Scrutiny, alongside regular meetings of the Trust Chair and Chief Executive with the Council Chief Executive, Director of Children's Services and Lead Member. These have proved successful in ensuring that the Council is well informed, and the Trust held accountable for delivering the right results and the necessary improvements.

(Please continue on separate continuation sheet if necessary.)

Company Number	10762047
Year Ending	31 March 2019

PART 3 –DIRECTORS' REMUNERATION (See Appendix A)

All community interest companies are required to report certain information about their directors' remuneration.

The information required is specified in Schedule 3 to the Small Companies and Groups *(Accounts and Directors' Report) Regulations 2008, for companies which are subject to the* "small companies regime" under Part 15 of the Companies Act 2006.

All companies are required to provide some of this information in the notes to their annual accounts. **If you have provided all of this information in your accounts, you need not reproduce it here, but you <u>must state</u> where that information can be found.**

1. Total amount of directors' remuneration etc	
(a)	The overall total amount of remuneration paid to or receivable by directors in respect of qualifying services. See note 7 in the financial statements
(b)	The overall total amount of money paid to or receivable by directors, and the net value of assets (other than money, share options or shares) received or receivable by directors, under long term incentive schemes in respect of qualifying services. See note 7 in the financial statements
(c)	The overall total value of any company contributions— (i) paid, or treated as paid, to a pension scheme in respect of directors' qualifying services, and (ii) by reference to which the rate or amount of any money purchase benefits that may become payable will be calculated. See note 7 in the financial statements
(d)	The number of directors (if any) to whom retirement benefits are accruing in respect of qualifying services— (i) under money purchase schemes, and (ii) under defined benefit schemes.

	See note 7 in the financial statements
NB: For the purposes of section 1 above, any reference to a "subsidiary undertaking" of the company, is to an undertaking which is a subsidiary undertaking a the time the services were rendered.	
2. Compensation to directors for loss of office	
	The aggregate amount of any payments made to directors, or past directors, for loss of office. See note 7 in the financial statements *NB: For the purposes of this paragraph, any reference to a "subsidiary undertaking" of the company, is to an undertaking which is a subsidiary undertaking immediately before the loss of office as director.*
3. Sums paid to third parties in respect of directors' services	
	The aggregate amount, and nature, of any consideration (including benefits otherwise than in cash) paid to or receivable by third parties for making available the services of any person— (i) as a director of the company, or (ii) while director of the company— (a) as director of any of its subsidiary undertakings, or (b) otherwise in connection with the management of the affairs of the company or any of its subsidiary undertakings. See note 7 in the financial statements *NB: For consideration otherwise than in cash, the reference to its amount is to the estimated money value of the benefit.* *NB: "Third party" means a person other than:* *(a) the director himself or a person connected with him or body corporate controlled by him, or* *(b) the company or any of its subsidiary undertakings.*

(Please continue on separate continuation sheet if necessary.)

NOTES

General nature of obligations

(1) Information has to be given only so far as it is contained in the company's books and papers, or the company has the right to obtain it from the persons concerned.

(2) Any information is treated as shown if it is capable of being readily ascertained from other information which is shown.

Provisions as to amounts to be shown

(1) The amount in each case includes all relevant sums, whether paid by or receivable from the company, any of the company's subsidiary undertakings or any other person.

(2) References to amounts paid to or receivable by a person include amounts paid to or receivable by a person connected with him or a body corporate controlled by him (but not so as to require an amount to be counted twice).

(3) Except as otherwise provided, the amounts to be shown for any financial year are—

(a) the sums receivable in respect of that year (whenever paid) or,

(b) in the case of sums not receivable in respect of a period, the sums paid during that year.

(4) Sums paid by way of expenses allowance that are charged to United Kingdom income tax after the end of the relevant financial year must be shown in a note to the first accounts in which it is practicable to show them and must be distinguished from the amounts to be shown apart from this provision.

(5) Where it is necessary to do so for the purpose of making any distinction required in complying with this Schedule, the directors may apportion payments between the matters in respect of which they have been paid or are receivable in such manner as they think appropriate.

Exclusion of sums liable to be accounted for to company etc

(1) The amounts to be shown do not include any sums that are to be accounted for—

(a) to the company or any of its subsidiary undertakings, or

(b) by virtue of sections 219 and 222(3) of the Companies Act 2006 (payments in connection with share transfers: duty to account), to persons who sold their shares as a result of the offer made.

(2) Where—

(a) any such sums are not shown in a note to the accounts for the relevant financial year on the ground that the person receiving them is liable to account for them, and

(b) the liability is afterwards wholly or partly released or is not enforced within a period of two years,

those sums, to the extent to which the liability is released or not enforced, must be shown in a note to the first accounts in which it is practicable to show them and must be distinguished from the amounts to be shown apart from this provision.

Money purchase benefits and defined benefits

Where a pension scheme provides for any benefits that may become payable to or in respect of any director to be whichever are the greater of—

(a) money purchase benefits as determined by or under the scheme; and

(b) defined benefits as so determined,

the company may assume for the purposes of this paragraph that those benefits will be money purchase benefits, or defined benefits, according to whichever appears more likely at the end of the financial year.

For the purpose of determining whether a pension scheme is a money purchase or defined benefit scheme, any death in service benefits provided for by the scheme are to be disregarded.

Remuneration

Remuneration paid or receivable or share options granted in respect of a person's accepting office as a director are treated as emoluments paid or receivable or share options granted in respect of his services as a director.

Definitions	
Company contributions	means – in relation to a pension scheme and a director, any payments (including insurance premiums) made, or treated as made, to the scheme in respect of the director by a person other than the director
Consideration	includes benefits otherwise than in cash, and in relation to such consideration the reference to its amount is to the estimated money value of the benefit
Defined benefit scheme	means – a pension scheme that is not a money purchase scheme
Defined benefits	means - retirement benefits payable under a pension scheme that are not money purchase benefits
Money purchase benefits	means -

	retirement benefits payable under a pension scheme the rate or amount of which is calculated by reference to payments made, or treated as made, by the director or by any other person in respect of the director and which are not average salary benefits
Money purchase scheme	means - a pension scheme under which all of the benefits that may become payable to or in respect of the director are money purchase benefits
Net value	means – In relation to any assets received or receivable by a director, value after deducting any money paid or other value given by the director in respect of those assets
Payment for loss of office	has the same meaning as in section 215 of the Companies Act 2006
Pension scheme	means – a retirement benefits scheme as defined by section 611 of the Income and Corporation Taxes Act 1988
Qualifying services	means - in relation to any person, that person's services as a director of the company, and that person's services while director of the company— (a) as director of any of its subsidiary undertakings; or (b) otherwise in connection with the management of the affairs of the company or any of its subsidiary undertakings
Remuneration	includes— (a) salary, fees and bonuses, sums paid by way of expenses allowance (so far as they are chargeable to UK income tax), and (b) subject to the exclusion below, the estimated money value of any other benefits received by him otherwise than in cash.

	The expression does not include— (a) the value of any share options granted to a director or the amount of any gains made on the exercise of any such options, (b) any company contributions paid, or treated as paid, in respect of him under any pension scheme or any benefits to which he is entitled under any such scheme, or (c) any money or other assets paid to or received or receivable by him under any long term incentive scheme
Retirement benefits	has the meaning given by section 612(1) of that Act
Share option	means - a right to acquire shares
Shares	means - shares (whether allotted or not) in the company, or any undertaking which is a group undertaking in relation to the company, and includes a share warrant as defined by section 779(1) of the Companies Act 2006
Subsidiary undertakings	Any reference to a subsidiary undertaking of the company, in relation to a person who is or was, while a director of the company, a director also, by virtue of the company's nomination (direct or indirect) of any other undertaking, includes that undertaking, whether or not it is or was in fact a subsidiary undertaking of the company

Company Number	10762047
Year Ending	31 March 2019

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION (EXCLUDING DIVIDENDS)

Community interest companies are only permitted to transfer assets other than for full consideration (i.e. at less than market value) if:

(i) the assets in question are transferred to an asset-locked body (a community interest company, charity or equivalent body established outside Great Britain) which is specified in the company's constitution, or where the Regulator has consented to the transfer; or

(ii) the transfer, although not made to an asset-locked body, is nevertheless made for the benefit of the community.

Where transfers of either kind are made, the community interest company report must disclose the amount of the transfer, or, where this cannot be given precisely, a fair estimate of the value of the assets transferred. Please give the following details:

i) A description of the asset and the amount of the transfer or estimate of its value. **Please state 'none', if applicable and move to section 5**

None.

ii) Details of the recipient, to which the asset was transferred, including whether or not it is an asset-locked body.

iii) If the recipient is not an asset-locked body, how the transfer will benefit the community.

iv) If the recipient is an asset-locked body, whether it is specified in the company's memorandum or articles of association as a recipient of transfers of the company's assets other than for full consideration.

v) If the recipient is an asset-locked body, but is not so specified, brief details of how the Regulator's consent to the transfer was given.

(Please continue on separate continuation sheet if necessary.)

Company Number	10762047
Year Ending	31 March 2019

PART 5 – DIVIDENDS FOR THE FINANCIAL YEAR TO WHICH THE REPORT RELATES

This part of the template should be completed if the company is limited by shares and has declared or proposed to declare a dividend in respect of the financial year to which the report relates or has declared a dividend in respect of any of the four financial years immediately preceding that financial year. If the company is limited by shares but has not declared or proposed any dividends in respect of the financial year to which the report relates, please indicate this.

Before completing this part you should consult Chapter 6.3 and Annex A of the Regulator's information and guidance notes which contain the rules on dividend payments.

For all dividends declared or proposed in respect of the financial year to which the report relates, please supply the following information:

(i) A description of the class, number and paid up value of the shares on which the dividend has been declared or paid. **Please state 'none', if applicable and move to section 6**

None.

(ii) The amount of dividend declared or paid per share

(iii) Whether or not the dividend is an exempt dividend (in essence, a dividend paid directly or indirectly to an asset-locked body where the asset-locked body is either specified in the company's constitution as a possible recipient of its assets, or the Regulator has consented to payment of the dividend.

(iv) if it is an exempt dividend, why it is an exempt dividend.

(Please continue on separate continuation sheet if necessary.)

Company Number	10762047
Year Ending	31 March 2019

Where a dividend which is not an exempt dividend is declared or proposed in respect of the financial year to which the report relates, the report must explain how it complies with regulations 17 to 20 of the Community Interest Company Regulations 2005 by giving details of:

(i) The maximum dividend per share

(ii) The maximum aggregate dividend

(iii) In addition to the above information, the total amount of (a) all exempt; and (b) all non-exempt dividends declared or proposed in respect of the financial year to which the report relates should be given.

(Please continue on separate continuation sheet if necessary.)

Company Number	10762047
Year Ending	31 March 2019

PART 6 – INTEREST PAID AT A PERFORMANCE-RELATED RATE

This part should only be completed if the company has, at any time during the financial year to which this report relates, had a debt outstanding, or a debenture in issue on which a performance-related rate of interest was payable. A performance-related rate of interest is a rate which varies according to the level of the company's profits or turnover, or any item on its balance sheet. See further Chapter 6.4 of the Regulator's guidance notes.

In order to demonstrate compliance with the rules on performance-related rates of interest, please give the following details:

(i) The rates of interest paid on any debt or debenture of the company on which a performance-related rate of interest was payable as calculated over a 12 month period ending with the most recent date on which interest became payable in respect of that debt or debenture during the financial year. **Please state 'none', if applicable and *move to section 7***

None

(ii) (If the interest cap applied to that debt or debenture) how any such rates of interest were calculated.

(iii) Either the interest cap applicable to the debt or debenture concerned (with an explanation of how it has been calculated), or an explanation of why the cap does not apply to it (i.e. because the agreement was entered into before the company became a community interest company).

(Please continue on separate continuation sheet if necessary.)

Company Number	10762047

Year Ending	31 March 2019

(N.B. Please enclose a cheque for £15 payable to Companies House)

PART 7 - SIGNATORY

Please ensure that a director or secretary signs the original CIC Report, which should be retained for your records. Please send a copy of the CIC Report to the Registrar of Companies (see below).

Signed [signature] Date 19 November 2019

Office held (delete as appropriate) Director/~~Secretary~~

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Seamus Gaynor	
Head of Executive/Company Secretary	
Birmingham Children's Trust Postal address: Birmingham Children Trust Management Team, PO Box 17363, B2 2EL	
	Tel0121 303 2456
DX Number	DX Exchange

Please send a completed copy, along with the accounts and **a cheque or postal order for the £15 filing fee (payable to Companies House)**, to one of the following addresses:

Companies registered in ***England and Wales***: Companies House, Crown Way, Cardiff, CF14 3UZ (DX 33050 Cardiff)

Companies registered in ***Scotland***: Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh EH3 9FF (DX235 Edinburgh)

Companies registered in ***Northern Ireland***: Companies House, 2nd Floor, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 8BG

(N.B. The accounts and CIC34 cannot be filed online)

Please ensure the company name is consistent with the company name entered on the accounts.

BIRMINGHAM
CHILDREN'S TRUST

Annual Report

2018/19

31 July 2019

CHILDREN IN CARE COUNCIL

CARE LEAVERS FORUM

This is what our children and young people from **Birmingham Children in Care Council** and **Birmingham Care Leavers' Forum** said when they were reflecting on the Trust's first year, 2018/19:

"We can't believe it's been a year already and it has been an orange rollercoaster ride for us!

In our last report we challenged the Trust to make a difference and this year has been a year of making a difference and we are SO PROUD to have been part of that!

This is the year that Ofsted called us dynamic (and we agreed). It's also been a year of challenges. So when we were asked to stand up and present in front of nearly 1000 people we did it! We have interviewed the most senior people; we have led on campaigns and been asked to comment on new pieces of work, new approaches and have influenced front-line practice. Looking forward to year 2 we can't wait to tell you what we have planned but you will be hearing even more from us!

We have grown as individuals and as a group. We invite in new young people all the time and pride ourselves that both groups are growing in numbers. We believe any child in care, care experienced or care leaver has something amazing to say and we want to hear it.

One of our proudest moments in 2018 was supporting our 'mind your language' campaign and we know this year the Trust is 100 percent behind it.

We believe if you change your language it changes how you think. If you can change the way you think it will change the way you behave and you will be more 'caring'. Isn't that what we all want? We want Birmingham Children's Trust to be an organisation that really cares!

Our top tips for everyone in the Trust remain the same:

- *Listen to real first hand experiences.*
- *Work alongside me, work with me, explain things and then explain again! Remember I am at the centre.*
- *Don't think you know what I am trying to say, don't second guess me, use the words I choose to use.*
- *Talk to children and young people, have conversations, properly listen and take an interest in my life.*

We are excited to be going into YEAR 2!"

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1. Introduction

Birmingham Children's Trust became operationally independent from the Council on 1 April 2018. We have enjoyed an interesting, challenging, and ultimately successful first year operating as the Trust. Our Board is now well-established and providing a great level of challenge and support to executive officers to drive improvement. We have built an effective and successful relationship with the Council, as the owners, commissioners and key partners of the Trust. We have been active partners in the Children and Young People Partnership developments across the city. We have secured real improvements in the workforce of the Trust, and we have encountered real challenges around changing demand for services as we respond to emerging risks faced by young people in our communities as a result of gangs, county lines and knife crime, and other forms of exploitation. We are leading work with partners in the Police, the Council and the NHS to develop new models to respond.

We were clear in our first business plan that our key priority in our first year of operation was to improve services so that when we were inspected by Ofsted we would no longer have any services rated 'Inadequate'. Ofsted inspected us in December 2018, and they came back in January and February to inspect, separately, our fostering and our adoption service. The outcome of these inspections is that we achieved what we set out to: none of our services are rated 'Inadequate'. Our children's services overall, and our fostering service are judged as 'Requiring Improvement to be Good', while our adoption service is judged as 'Good'. Full Ofsted reports can be accessed by searching 'Birmingham' at: https://reports.ofsted.gov.uk/.

This is real progress for Birmingham. Children's social care services have been judged 'Inadequate' here for 12 years. The Minister of State, Nadhim Zahawi, wrote offering his congratulations to the Council and the Trust for the progress made and, more recently, wrote to confirm removal of the children's commissioner (a requirement since January 2014) in the light of improvements made . All of us who work to improve the lives of the city's most vulnerable children and families, whether in the Council or the Trust, should be pleased with the progress we have made. But it is just a start. We have reached first base. Some of the notable improvements Ofsted recognised include:

- More children are benefitting from early help
- No child was found to be at unassessed or unmanaged risk
- Practice has been revitalised by the Trust, and staff are proud to work for the Trust
- A strong and effective 'front door', with good partnership arrangements
- Comprehensive and timely assessments
- Responses to domestic abuse are effective
- Social workers know their children and visit them frequently. They build meaningful and trusting relationships
- The voices of children in care and care leavers are given a high priority
- Direct work with children is strong

They left us with 6 areas for improvement:

- The quality, effectiveness and pace of partnership working with external agencies, including partner-led early help services
- Trust and confidence between the courts and the Trust
- Effectiveness of the Fostering Service
- Robust and timely focus on all permanence options for children

- Alignment of the approach to contextual safeguarding
- The impact of the virtual school in improving provision for children in care

We have a development plan [https://www.birminghamchildrenstrust.co.uk/developmentplan]. The plan addresses how the necessary improvements in these areas will be taken forward. The plan also includes priorities around workforce and practice, reflecting the outstanding areas of improvement still needed.

Ofsted will be back to inspect us again within 3 years. We must expect and strive to be 'Good' when they next inspect us. In the meantime, we must make sure our internal and partnership evaluations, and the voices of those who use our services, give us an accurate picture of our progress towards being sustainably and consistently good.

We now have a strong platform on which to build, to start to design and deliver better services for children and families, and to develop stronger leadership and management as we set out our stall to further improve. This will involve some reorganising of roles and responsibilities, and some investment in new activity and expansion in some areas: doing more of what works. Where we are investing, we will do so through a robust project business planning process, and our investments will all be designed to better meet the needs of children and families and to save us money as a result (for example, through investment in family decision-making and Family Group Conferences, and expanding the reach of our Edge of Care services, we will secure better outcomes and change the demand for care placements, saving money as a consequence).

We face some financial challenges in the coming year to deliver agreed savings and contending with rising demand for care placements and for care proceedings. We believe we have the necessary plans in place to enable us, once again, to manage our finances effectively and to live within our means.

The Trust continues to have but one focus: to deliver better services and better outcomes for the city's most vulnerable children, young people and families. We will do this by further strengthening the quality of practice across the Trust; by creating the conditions that enable better practice and management; by ensuring that we understand and act upon the performance and quality information we gather about our work; and by engaging and forging strong and purposeful collaboration with children, young people and families, with those we work with, with the Council as our commissioner, with our partners, and with our staff.

We have made a good start. Now the real work begins ...

Andrew Christie, Chair

Andy Couldrick, Chief Executive

2. Summary of the Trust's performance

The Service Delivery Contract included a framework of 15 performance indicators against which the Trust would be held to account. In addition, a bi-monthly report is provided to the Council on the Trust's qualitative activity (for example, practice evaluations and audits) to provide an additional tier of assurance.

The table below provides a summary of the Trust's performance in the period up to 31 March 2019.

PI	Measure	No. where Target *met or within* tolerances last 12 months	% where Target *met or within* tolerances last 12 months
1	% of all referrals with a decision within 24 hours	10/12	83%
2	% of re-referrals to children's social care within 12 months	9/12	75%
3	% assessments completed within 45 working days	12/12	100%
4	Child in Need cases open for more than 2 years	12/12	100%
5	% Initial CP Conferences (ICPCs) held within 15 working days	10/12	83%
6	% of children who become the subject of a CP plan for a second or subsequent time within the last 2 years	12/12	100%
7	% of children (under 16 years) who have been looked after for 2.5 years or more, and in the same placement (or placed for adoption) continuously for 2 years or more	12/12	100%
8	% of looked after reviews held on time	12/12	100%
9	% of care leavers who are in Education, employment, and Training (EET)	12/12	100%
10	Average time between the LA receiving court authority to place a child and deciding on a match (A2)	12/12	100%
11	% of young offenders that re-offend	12/12	100%
12	% of agency social workers (including team managers)	12/12	100%
13	% child protection plans ending within 3 months or less	12/12	100%
14	Average caseload of qualified social workers	12/12	100%
15	% of social workers who have had supervision (in month)	12/12	100%

In summary: 12 indicators met target or were within tolerances for all 12 months of 2018/19.

What went well in Year 1:

KPI 3: % assessments completed within 45 working days
Assessments continue to be completed in a very timely way, consistently exceeding the target.

KPI 5%: Initial CP Conferences (ICPCs) held within 15 working days
This indicator has exceeded both targets and tolerances with the exception of January 2019 when it fell due to the December holiday period and, in particular, access to school staff.

KPI 6: % of children who become the subject of a CP plan for a second or subsequent time within the last 2 years
This indicator has fallen consistently within tolerances and is now exceeding the target with significant and sustained improvement. The trend is an improving one. A lower number means that children who are subject to child protection plans are benefitting sustainably from the intervention.

KPI 8: % of looked after reviews held on time
This indicator has either met or exceeded the target for the whole 12 month period.

KPI 9: % of care leavers who are in Education, Employment, and Training (EET)
This area of work continues to improve, and is well over the national and statistical neighbour (SN) averages. Target exceeded for the whole 12 month period. The trend is one of improvement.

KPI 10: Average time between the LA receiving court authority to place a child and deciding on a match (A2)
Good performance and an improving trend, exceeding both target and tolerance for the whole 12 month period.

KPI 13 % child protection plans ending within 3 months or less
Much improved performance for this indicator compared with the previous year.

What we still need to improve:

KPI 1: % of all referrals with a decision within 24 hours
Performance has been variable as we ensure that all lateral checks with those raising concerns, partner agencies and internal Trust services are in place prior to making the referral decision. Performance has been affected but we are making better informed decisions.

KPI 2: % of re-referrals to children's social care within 12 months
Performance has fluctuated but remains just above the national average. There has been an increased focus on practice oversight which has resulted in the number of children referred for a second or subsequent time reducing and remaining within tolerance. We have put in place measures to support improvements in practice in this area, both to assure ourselves that we do not close cases too soon, and to ensure that we do not intervene in family life unnecessarily. We continue to monitor this KPI weekly.

Progress on our 2018/19 Priorities

We set out our 'plan on a page' in our first business plan. We have colour-coded the elements below reflecting where progress has been made:

Green: significant progress
Amber: further work required
Red: work not started or at early stage

Leadership, Management and Governance of Practice	**Support for Practice and Management of Resources**	**Quality and Performance**	**Partnership and Engagement**
• **Workforce development: building a high performing, skilled and *knowledgeable* workforce** • **Creating the Trust culture: 'how we do things round here'** • Embedding our practice model • Enabling, equipping, trusting practice leaders • **Visible, responsive leadership** • **Supporting consistency of practice across *city*** • **Effective Trust Board: support, challenge, impact**	• **Maintaining strong family support offer** • **Maintaining manageable family support and social work caseloads** • **Swift, efficient, effective processes and systems** • **Reformed support service offer** • Project Eclipse: better records, easier to use • **Placement choice and sufficiency** • **Commissioning and procurement** • **Ensuring everyone knows their role and contribution**	• Practice standards and expectations; a shared view of 'what good looks *like*' • **Practice evaluation and audit: focus on quality; practice weeks; Trust and multi-agency audit (Children's Advice and Support Service and Birmingham Children's Safeguarding Board)** • Enhancing use of data to support practice and service development • L&D offer informed by practice *intelligence* • **Enhancing role of Chairs, Independent Reviewing Officers in driving practice quality**	• Building effective partnerships: strategic; local, operational • • Building collaboration in practice and service development • Enhancing links with schools • Supporting early help improvements • **Involving children and young people, *children in care* and care leavers in all we do: they say we have made a positive difference** • **Involving our staff** • Involving stakeholders • **Enhancing our reputation and status**

The progress we have made reflects that our focus in Year 1 was absolutely about improving practice. In Year 2 we will make progress in reforming and strengthening support for practice in a range of areas.

Progress on the priorities set out in our first business plan is set out below:

a. **Placements, Choice and Sufficiency:** improving the recruitment and retention of carers for the Trust, and enhancing the quality of our commissioning and placement decision-making, will bring benefits both in relation to outcomes for children and young people and in economic terms for the Trust.

   ***Progress**: limited. Reform and reorganisation of our foster carer and adopter recruitment arrangements is underway but incomplete. We led the regional work successfully to establish a new framework for commissioning residential care, with a significant increase in the number of providers on the framework. We now need to build our relationship with suppliers to start to capitalise on our size and 'purchasing power' within the market. We also have a pressing need to improve the standards and, as a result, the Ofsted rating, for some of our 'in-house' residential care provision.*

b. **Quality and Performance**: refreshing and embedding the Trust's approach to quality of practice, how we assure and enable quality, and drive improved performance and consistency of practice across the service and the city.

   ***Progress:** Ofsted reported favourably on our improved Practice Evaluation tool and its impact. We now need to embed the Trust's QA model. In the first year of our contract with the Council our performance in relation to the contractual PIs has been strong. Most have remained on or exceeding target; those that have dipped below target have been rapidly corrected to bring them back on track. The contract review will lead to a new approach to the way the Council monitors the Trust's progress and holds the Trust to account.*

c. **Workforce Development:** the Trust's success will depend on the quality, skills and experience of its workforce. We will look at recruitment and retention, our learning and development offer for our staff, how we equip managers with the skills and the tools to be the best they can be, how we can change HR policies and procedures to improve performance expectations and support to all our staff.

   ***Progress:** Ofsted reported favourably on the progress made in establishing a stable and effective workforce. Vacancy rates and turnover are falling; the rate of agency social workers in the service is now below 12% (compared with 33% three years ago); caseloads are manageable; more people are joining than leaving the Trust each month. Next steps need to focus on retention, and the 'pinch points' where we lose experienced staff avoidably.*

d. **Young People at Risk:** we recognise that the needs of young people, and the risks that many face in our community, require new and different approaches from public services to meet need and manage risk. Criminal and sexual exploitation and gangs are significant risks to our young people that require new and different service solutions. Police, schools and third sector organisations will be key stakeholders and partners in this work.

   ***Progress:** work is advanced, with Police and other partners, to develop a new*

multi-agency response to the Contextual Safeguarding risks young people in the city face (gangs, all forms of exploitation, county lines etc.). Progress is increasingly urgent in this area and we know we have more still to do.

e. **Effective and efficient processes, systems and support:** ensuring value for money in all the Trust does, exploiting the benefits of Eclipse as a replacement for CareFirst, effective budget management, continued reduction in external agency and locums, smarter policy and procedures and reviewing of business management and support.

Progress: *Limited in this area. Eclipse, the new social care information system, goes live in September 2019, replacing CareFirst. Implementation will lead to a review of the support systems and services around social work and family support. We have made some progress in stabilising our Legal Service. We are expecting to reach year-end with a balanced budget, despite rising demand for care placements.*

3. Governance and relationships

The governance arrangements for the Trust are set out in the Articles of Association and its scheme of delegation. As was always the intention, the Trust became a Community Interest Company on 24 October 2018.

The Trust Board of Directors has a wide portfolio of expertise and knowledge in children's services, commercial, financial and other disciplines. The Board sets the direction and the strategy of the Trust, holding the organisation to account for delivery.

The Board consists of a chair and 7 non-executive directors. In March 2019 the Council and the Trust agreed to create an additional director position for a Council-appointed director. Details of current Board members are available on the Trust Website at: https://www.birminghamchildrenstrust.co.uk/who_we_are.

The governance arrangements between the Council, Trust and DfE have worked effectively during the Trust's first year. The framework of Operational Commissioning Group, Trust Partnership Governance Group and routine engagement at Overview and Scrutiny, alongside regular meetings of the Trust Chair and Chief Executive with the Council Chief Executive, Director of Children's Services and Lead Member. These have proved successful in ensuring that the Council is well informed, and the Trust held accountable for delivering the right results and the necessary improvements.

The Council retains statutory accountability for children's services, and continues to provide and commission all those services for children that are not within the Trust: education support, school safeguarding, special educational needs and disabilities, school admissions and place planning, virtual school for children in care, and early years services.

Improved outcomes for children, young people and families depend upon the Council and the Trust establishing and maintaining strong and effective partnership and joint working arrangements.

The Children's Trust has played a key role in building stronger strategic and partnership work across the city. There is more to do still, but there is now certainly some evidence of commitment to improvement as a partnership. It is of note that of the six areas for improvement identified by Ofsted, only two relate exclusively to the Children's Trust, the other four all pointing to partner improvements required. These are some of the improving areas on which we can now build:

- The strategic partnership is up and running and defining priorities, with some dedicated shared improvement capacity funded by partners.
- Constructive and innovative work between partners to build an integrated solution to the emerging contextual safeguarding risks in the city faced by our young people.
- Enhanced partner work as part of our Think Family programme is beginning to bear fruit in terms of some growing evidence of effective early help and increased claims for resource from the Government's Troubled Families programme. The Early Help and Safeguarding Partnership has taken this work forward.
- Embedded partner presence in the CASS/MASH which was inspected positively, having improved considerably since 2016.
- The Youth Offending Service continues to deliver effective partnership responses. Whilst first time entrants into the criminal justice system remains high, re-offending rates are low, demonstrating the service's effectiveness.
- The partner-prepared Written Statement of Action in response to a very poor Ofsted inspection of SEND services reflects a renewed partnership commitment, backed by investment, to improve services for children with additional needs.

The Children's Trust will remain an active partner in the coming years, supporting and challenging to ensure effective integrated strategic and operational alliances deliver better and seamless services to children and families across the city.

4. Summary of the Council's performance of its obligations

As described in 3 above the Council and the Trust have worked well together to establish a strong and effective partnership and joint working arrangements. It is expected that partnerships and working arrangements will continue to mature and have a positive impact upon our shared areas of challenge. It is recognised that whilst wider partnership arrangements in the city have been strengthened over the last year these still need to be subject to ongoing focus.

The Council has fulfilled its 'intelligent client function' effectively over the last year, embedding learning following mobilisation of the contract on areas such as the management of historic legal cases and claims. The arrangements however need to become permanent to ensure the required level of attention to the contract and relationship management. The Council has been able to deliver the range of support services required by the contract to specification, quality and time, using suitably skilled, experienced and qualified personnel. Monthly sharing of performance information on the support services has enabled the Council and the Trust to have constructive discussions about shortfalls and agree timely responses.

With respect to dependencies and Council obligations key issues that need consideration include the Virtual School, the property and accommodation used by the Trust, the effectiveness of corporate parenting, the effectiveness of SEND arrangements, and risks faced by vulnerable children in temporary accommodation. Further details are set out in section 17 of the report.

Changes to the Agreement agreed during 2018/19 have been progressed smoothly and with urgency. Details are set out in sections 6 and 17 of the report.

5. Cost of performing the services in 2018/19

The Trust is a not-for-profit entity and aims to break even each financial year.

The Trust's financial performance in 2018/19 was an overspend of £59,000 against the annual net budget of £201.6m. This is a strong performance in the first operational year of the Trust. It is proposed to carry forward this small deficit into 2019/20 and to recover this as part of annual financial planning.

The cost of performing the services in 2018/19 can be summarised as follows:

Subjective Group	Annual Net Budget £000s	Final Outturn Expenditure / Income £000s	Final Outturn Variation £000s
Direct Employees	80,242	70,798	(9,444)
Agency	337	8,533	8,196
Indirect Employees	591	1,075	485
Premises	3,219	3,542	323
Transport	1,590	1,476	(114)
Supplies and Services	8,498	8,233	(265)
Third Party Payments	98,235	105,492	7,257
Transfer Payments	6,416	5,996	(420)
Recharges	2,467	2,204	(263)
IFRS	0	88	88
Income / Reserves / Earmarked Grants	(201,593)	(207,378)	(5,784)
Grand Total	0	59	59

6. Summary of any changes to the Agreement agreed during 2018/19

The following changes were made to the Agreement during 2018/19:

- Financial payment mechanism updated to reflect changes in the financial values of reserves and grants - from 23 July 2018.
- National Safeguarding Incident Notifications to be undertaken by the Trust on behalf of the City Council - from 1 August 2018.
- Change in reporting time for performance data so that the Trust provides the Council with a KPI summary report within 17 rather than 10 days following the end of each service period - from 1 September 2018.
- Addition of Translation Services Specification to the Support Services Specification - from 19 October 2018.
- Withdrawal of Contact Centre "abandoned calls" KPI - from 19 October 2018.

7. Demand for services in 2018/19 and the expected demand for the services in 2019/20; social, demographic or other relevant factors which affected the services in 2018/19 and/or may affect the services in 2019/20

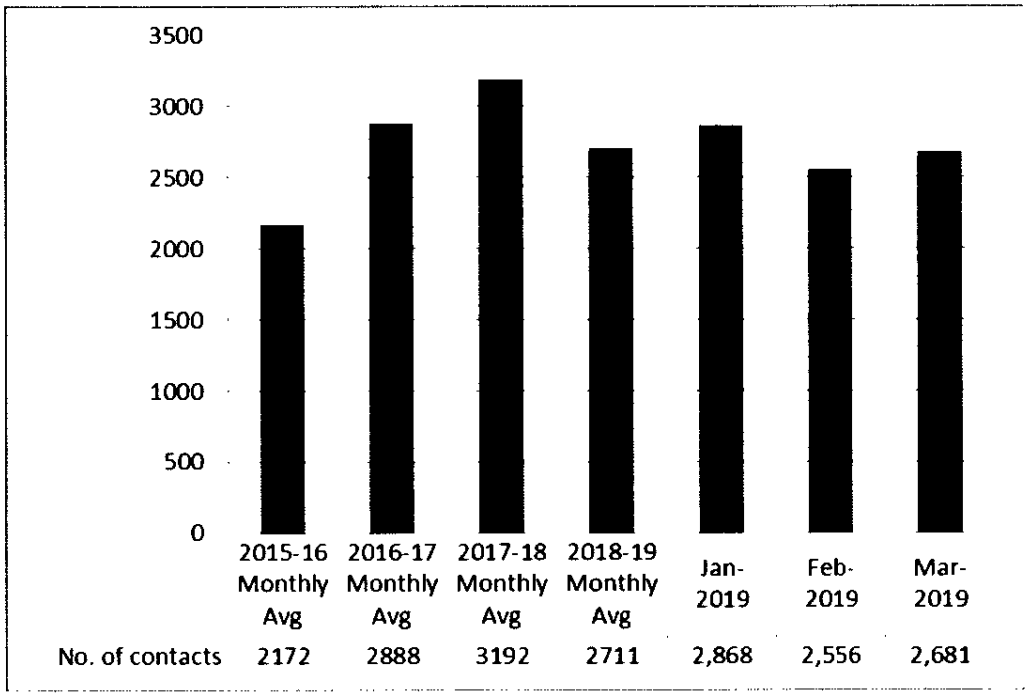
Birmingham is a young city with 450,000 of our population aged between 0-25 years and making up 40% of the total population compared to 32% at a national level.

The local population aged 0-24 years is predicted to increase by 2% in 2022 (an extra 10,000) and by 6% by 2027 (an extra 24,000). We expect demand to increase for all children's services including services for children and young people with special educational needs and/or disabilities (SEND).

Birmingham has high levels of deprivation. More than 1 in 4 children in the city live in poverty, significantly higher than in England as a whole (16.7%). In Birmingham nearly 79,000 children under the age of 19 live in a low income family, higher than in any other local authority in England.

These levels of deprivation and demographic qualities have not yet translated into sharp increases of demand across the key demand profiles of the Trust (see figures 1-3 below).

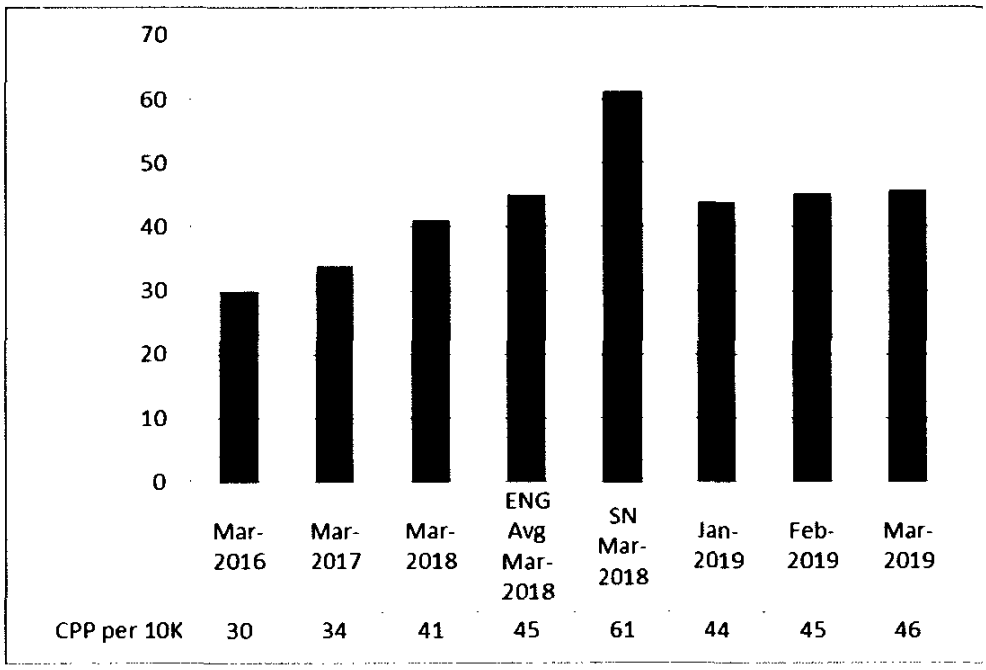
Figure 1 – Number of Contacts



The number of contacts is a measure of notifications the Trust receives where there may be a welfare concern relating to children and young people. In 2018-19 the monthly average of 2711 is lower than the previous 2 years. This reflects the impact

of early help on the management of notifications which are more likely to impact on rates year-on-year than the demographic social pressures that emerge.

Figure 2 : Rate of children subject to a Child Protection Plan per 10,000

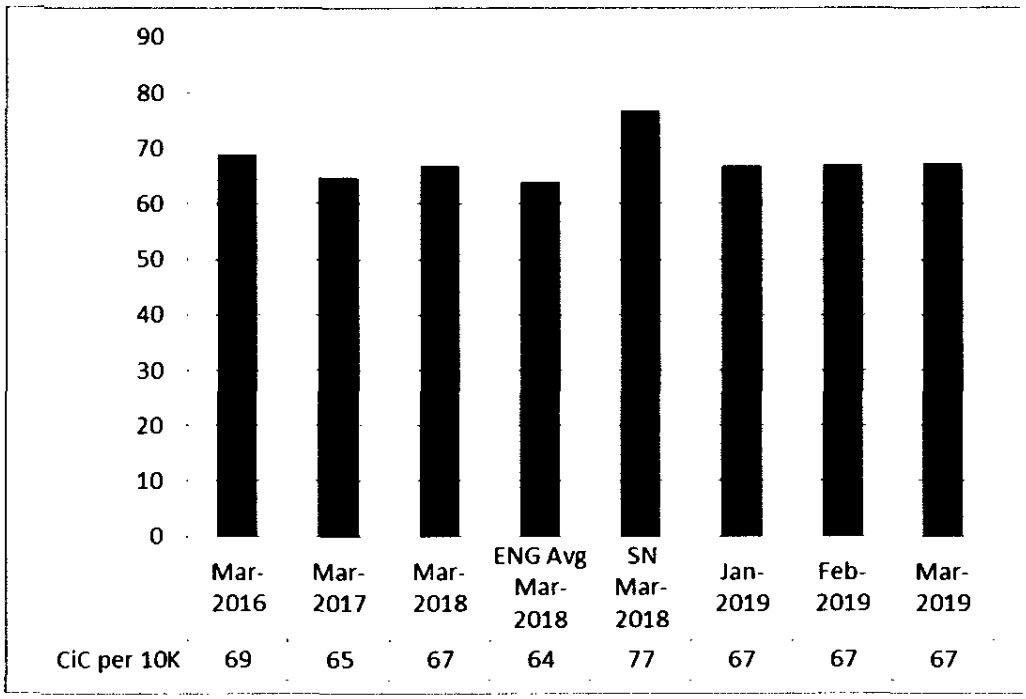


Note: the 2016, 2017 and 2018 March figures represent the year end position (SN: statistical neighbours)

The number of children subject to child protection plans increased over the last 2 years and the figure is in line with the England average, which is representative of the more deprived socio-economic context.

The Trust does not forecast any major demand increases across the key profiles relating to child protection and contacts.

Figure 3 - Rate of Children in Care per 10,000



Children in care numbers rose slightly between 2017 and 2019. The profile of children in care is under close review to analyse trends. The increase is the result of true demand and is increasingly placing resourcing pressures on operational and commissioning services.

At the current rate of increase for children in care, we can anticipate by year end 2019/20 the rate per 10,000 to be at 68. This would take the children in care population from the 2018 end of year position of 1817 to 1926. This will have resourcing and capacity issues for the Trust to manage. It is anticipated that the net impact by the end of 2020/21 would be a 6% rise in children in care numbers. This would represent £5m additional cost pressure in 2020/21.

Other areas of pressure (inherited from the Council at the point the Trust went live, and continuing to grow) include:

- remand costs for young people in the criminal justice system: c.£1m per year.
- expert and independent assessments ordered by the children's care courts for children in proceedings, and other legal disbursements: c £1m per year.

8. Effects of any changes in children's social care legislation or guidance on the *delivery of the services and/or any actual or anticipated change in law and the* implications of such changes

In the last 12 months we have seen the launch of the Birmingham Safeguarding Children Partnership which is ahead of the national implementation date of September 2019. We have also seen the introduction of the core offer for care leavers, corporate parenting principles, changes to the role of the Virtual School head teacher and educational support for previously looked after children, child death notifications, GDPR and the Homelessness Duty.

The Trust has been proactive in responding to these changes and has implemented the necessary practice and procedural modifications in line with the new legislation and guidance.

Moving forward into this financial year there are further anticipated changes that are listed below. All of these will require scrutiny in respect of changes to procedure, practice and required resources to implement any potential changes during the year:

- Brexit – not known.
- changes to the Public Law Guidance anticipated September 2019.
- Regional Adoption Agencies - deadline is 2020.
- Joint Area Inspections from June 2019 which will focus on child exploitation and, in autumn 2019, will focus on emotional health and wellbeing.

9. Strategic priorities and outcomes for 2019/20

In relation specifically to our **Ofsted** judgement, we said our ambition was to achieve:

- A "Requires Improvement" judgment in our first Ofsted inspection following go live.

- With the next inspection expected in 3 years, a "Good" grading in our second Ofsted inspection, providing the foundation for outstanding practice in the longer term.

The first of these is achieved and we remain focused and determined to be judged 'Good' in all areas by the time of our next full inspection which is likely to be in 2020 or 2021.

Our priorities for 2019/20 are unashamedly set around the areas for improvement Ofsted identified:

- The quality, effectiveness and pace of partnership working with external agencies, including partner-led early help services

- Trust and confidence between the courts and the Trust

- Effectiveness of the Fostering Service

- Robust and timely focus on all permanence options for children

- Alignment of the approach to contextual safeguarding
- The impact of the virtual school in improving provision for children in care

In addition, we have priorities around workforce and practice, reflecting the outstanding areas of improvement still needed, including:

- Establishing efficient systems and processes that enable social workers and family support workers to increase the time they spend with children and families.
- Reorganised leadership and management in the Trust to focus on priority areas for improvement.
- Bespoke Practice Leadership and senior management development for all leaders and managers in the Trust (we are working with DfE and national partners to design and deliver this, and drawing on funding that means it will be delivered at no cost to the Trust or the Council).
- Stronger financial planning and management across the Trust, owned and led by operational managers trained to do it well.
- Reviewing the pipelines that bring social workers into the Trust, and our effectiveness at retaining social workers through a competitive package of pay and non-pay opportunities: we intend to be the best place to learn and to practice social work in the west Midlands.
- A full review of the Trust's use of property, including children's homes, administrative bases and service settings.
- A continued focus on social work and social care practice to ensure that we maintain the positive changes that have been made, but also further improvements in the quality of services with a particular focus on consistency.

At the year end we will review these priorities in the light of progress and our updated self-assessment.

10. Results of any audits or surveys carried out during 2018/19

10.1 Audits

Audits undertaken in 2018/19 covered strategic and operational reviews as well as work specifically focused on IT issues. Birmingham Audit has provided assurance that the Trust has established adequate, appropriate and effective controls which help ensure that risks are being managed and objectives achieved. The Trust has responded positively to issues raised within reports. For example:

- GDPR – completion of information assurance tasks needed to maintain a record of processing, procedures around the collection of data, legal basis for use and individual rights, and update of the data protection policy.

- Governance and risk management – formalising the employees' code of conduct and introduction of an operational risk register.
- Eclipse – stabilisation of the system prior to go-live to resolve any open defects and drive the solution forward to achieve the required business benefits.
- Robustness of management information.
- Consistency in supporting information held on CareFirst and E-records.
- Child protection – consistency of professionals attending initial child protection conferences and child protection conferences.
- Special guardianships – delays in completing reviews following the special guardianship order placement.

Internal Audit recommendations are monitored by respective Executive Directors and oversight is provided by the Board's Finance and Resources Committee.

As required by the Service Delivery Contract a copy of the Trust's first set of draft accounts was provided to the Council by the deadline of 29 April 2019. These were then subject to an external audit and it was a positive outcome in that no changes were made to the outturn figures which remained at an operational deficit of £59,000. The Trust was therefore able to meet its requirements to have a complete set of financial accounts agreed with its external auditors and in line with the Council's group auditor's requirements by 31 July 2019.

10.2 Surveys

The Trust surveyed staff on the launch of the Trust in April 2018 and again in September 2018. The responses indicated a high degree of pride in the work of the Trust and its impact, managers who are caring and motivated, good team relationships and regular opportunities for training and development. Areas for improvement included extending the positive experiences of most staff across all staff groups and manageability of workloads.

11. *Outcomes of any rectification plans*

There were no rectification plans required in 2018/19.

12. High-level review of applicable Central Government funding generally, including details of any anticipated Central Government funding (or changes to that funding) directed to the services in 2018/19 and/or 2019/20 or future contract years where applicable

The Trust receives payment from the Council in respect of services provided under the contract for which the Council receives Central Government grant funding. A summary of these amounts for 2018/19 and the expected funding level for 2019/20 is set out below.

- Unaccompanied Asylum Seeking Children 2018/19 actual grant received was £4.588m and expected 2019/20 is £4.763m, an increase of £174,281.
- Youth Justice Board 2018/19 actual grant of £1.916m and confirmed grant for 2019/20 is £1.898m, a reduction of £18,039.

These grants were fully used in 2018/19.

During the financial year ending 31 March 2019 the Trust also received support from the Troubled Families (TF) Programme via the Council. The Trust spent £2.4m and £4.4m has been earmarked and carried forward to support future years' TF activity. The TF Programme is expected to continue until 31 March 2020.

13. Summary of the outcome of any surveys of service users, and relevant stakeholders and third parties in relation to the services

The Trust has an active Rights and Participation (RAP) service which engages primarily with care experienced children and young people. The RAP service demonstrates children and young people can be heard and can participate in service development.

Young people have been involved with the development and implementation of health passports for all children in care.

The Children in Care Council has been involved in the planning, design and creation of an e-learning training module around sexuality and healthy relationships as part of the Trust Academy offer to social workers.

The Rights and Participation service under tool a focused piece of work with children and young people involved in the child protection system which produced some important messages and learning for the system.

There has also been a campaign called Mind Your Language, which brings to our attention how the language we use can shape our relationships with children, young people and families and impact on how we make them feel. The Mind Your Language ethos has been used during audits of accommodation requests and has supported the developmental work for victim blaming language which can be found in situations of contextual safeguarding.

The Practice Hub has developed feedback forms for children, young people and families for Assessment and Short-term Intervention (ASTI), Safeguarding, and Children in Care services. The Trust will be collating feedback from these and developing further feedback

forms for other services. Currently, feedback forms are paper based and require manual inputting of data. Alternative methods of obtaining feedback through different technology will be explored.

Complaints and Compliments

The recurring themes from the Customer Services Team Annual Report were the conduct of staff, level of support received, staff not being contactable and the accuracy of information within reports.

In response the Trust Academy will be delivering a new learning and development programme in September 2019 which will develop practitioners' understanding of relationship-based practice in line with the Trust practice model.

The Trust has also been working to reduce caseloads to enable practitioners to be more readily available to children when they are needed the most.

The Trust Practice Hub will be working with the Customer Services Team to ensure the regular learning from complaints and the celebration of compliments informs and drives practice improvement work locally with teams. This will strengthen relationship-based practice with children, young people and families.

14. Matters relating to the risk register

The key risk for the Trust in 2018/19 related to the sufficiency of placements within the local area to meet the demand for children in care and care leavers. These combined risks in turn create a cost pressure from external placements and supported accommodation. Effective mitigating action taken during the financial year included converting residential placements to fostering, active management of external provider contracts, and delivery on support services efficiencies.

The Trust actively manages risk through its corporate risk register, which is routinely updated via its Executive and monitored through its Finance and Resources Committee and the Trust Board. Key risks going into 2019/20 include contract management, relationships with partners, increases in cost pressure from placements, other unexpected and unpredictable cost pressures, Council dependencies, and the replacement social care IT system Eclipse and the replacement of the Council's corporate systems which will have an impact on the Trust's finance, human resources and procurement processes.

15. Outcome of any Ofsted monitoring visits and inspections

Date of visit	Focus of visit	Outcome
May 2018	[Fifth] Monitoring visit - services to young people leaving care at 18 years, and children who have been in care for at least two years	• The Trust 'has made further progress in improving the quality of services for young people leaving care'. The report also noted children were benefitting from stable long term living arrangements, with further work needed to ensure outcomes are consistently good and that personal advisors knew their young people well and were aware of and ensure young people have access to their entitlements. • The report highlighted areas for development, including the need to focus on quality over compliance, a greater understanding and use of reflection, and consideration of Special Guardianship Orders for children in long-term foster care.
August 2018	[Sixth] Monitoring visit – children in need and child protection in disabled children's social care and safeguarding teams	• The Trust 'is continuing to make some progress in improving services for its children and young people'. • Ofsted noted progress in services for children subject to children in need or child protection plans, stating that 'no children were seen to be at immediate risk', and that since the last inspection 'the Trust has demonstrated that it has made some continued improvements in the quality of social work practice'. • Ofsted also noted the Trust's new practice evaluation process focused on the quality of work undertaken and the impact on outcomes for children, noting this was 'a positive move and should encourage and support a dialogue about good practice', but added that further work needs to take place to fully embed this new process.
December 2018	Full inspection of local authority children's services (ILACS)	All categories judged to be "Requires improvement to be good": • The impact of leaders on social work practice with children and families. • The experiences and progress of children who need help and protection. • The experiences and progress of children in care and care leavers. • Overall effectiveness.
January 2019	Inspection of the Trust's Fostering Agency	Ofsted judged that the service "Requires improvement to be Good" with respect to: • overall experience and progress of children and young people • how well children and young people are helped and protected • the effectiveness of leaders and managers Ofsted concluded that Birmingham Children's Trust is not yet delivering good help and care for children and

		young people. However, there are no serious or widespread failures that result in their welfare not being safeguarded or promoted.
February 2019	Inspection of the Trust's Adoption Agency	The following judgements were made: • Overall experience and progress of service users: Good • How well children young people and adults are helped and protected: Good • The effectiveness of leaders and managers: Outstanding A headline comment from Ofsted read "Highly skilled staff provide an individualised service across a range of adoption and adoption support services. They are passionate about their work and committed to providing the best service to adopted children and their adopted families".

Inspections of Residential Services for Disabled Children and Young People		
August 2018 (full) March 2019 (interim)	Charles House	Overall experience and progress of children and young people: Charles House went from "Requires improvement to be Good" in August 2018 and sustained effectiveness at the interim inspection in March 2019. Ofsted said staff understand children's disabilities and are kind; there is good partnership working; children's emotional health and education are well supported; arrangements to protect children are good.
September 2018 (full) February 2019 (interim)	Warwick House	Overall experience of children and young people: Warwick House was judged as "Good" in September 2018. It had improved effectiveness in February 2019. Staff communicate well with children and capture their views, wishes and feelings; children feel listened to and valued; there are good working relationships with partner agencies.
September 2018 (full) February 2019 (interim) April 2019 (monitoring visit)	Edgewood Road	A full inspection was undertaken in September 2018 and judged that the home "Requires improvement to be Good". An interim inspection in February 2019 found that the home had "declined in effectiveness" on account of 3 compliance notices. The subsequent monitoring visit on 10 April 2019 concluded that in the light of a quick and effective response all 3 compliance notices be lifted. Ofsted said:

		• the provider is now actively identifying and reducing risk of harm to children. • *staff show a heightened regard for children's* safety. • monitoring and review of the service by management are now effective. The provider is now protecting vulnerable children from harm. Children can play freely and safely in the playroom, the sensory room and the garden. The children's quality of care has improved considerably as a direct result of all the *improvements made.*
September 2018 (full) March 2019 (interim)	Camborne House	Overall experience of children and young people: Camborne House was judged as Requires improvement to be Good in September 2018. In March 2019 the home had declined in effectiveness. Ofsted found: • young people continue to make progress and benefit from positive experiences. • children experience well planned moves in and out of the home. • staff are using a broader range of communication aids to help young people communicate their wishes and feelings. • staff are creative in their direct work with young people. • improvements in the environment and equipment give young people greater privacy and comfort. Despite the positive progress there are still significant shortfalls that mean the approach to safeguarding is still not effective.

16. Statement confirming how the principles of the Business Charter have been implemented or are yet to be implemented

The Trust has:

- promoted equality, diversity and social inclusion principles throughout our practice and corporate processes.
- launched the Trust's Apprenticeship Scheme to support care leavers with employment opportunities, and promotion of care leavers through the Council's existing Apprenticeship Scheme.
- applied social value principles through our commissioning arrangements with external providers.

17. Proposed changes to the Agreement

Performance framework - the Trust and Council, having reviewed the performance framework in preparation for the annual contract review, have agreed a revised approach to the contractual performance measures, as follows:

- **Four small PI 'baskets'**, reflecting key elements of our business performance:
  - 'front door': repeat referrals; timely decision-making; timely assessments; timely initial child protection conferences.
  - child protection: children with a plan for a second or subsequent time; children on a plan for 2 years+.
  - children in care and care leavers: placement stability (short and long-term); timely children in care reviews; adoption timeliness and numbers; care leavers in education, employment or training and in suitable accommodation.
  - workforce: percentage of agency social workers; caseloads; regular supervision for social workers.

  Targets will be agreed with the Council's commissioners in preparation for the new fiscal year.

  In addition, the Trust will share regularly the ChAT, the more comprehensive suite of children's services performance indicators.

- **Progress against our Development Plan**: highlight/exception reporting.

- **Our regularly updated self-assessment** which will be informed by our more qualitative assurance work: practice evaluation, case audit, practice weeks, complaints and compliments data, survey intelligence etc. This will provide the Council with regularly updated qualitative data about the Trust's performance.

This 'balanced scorecard' approach should give the Council a more rounded and detailed picture of how the Trust is performing in discharging the Council's statutory accountabilities. It will also support the Trust's internal performance improvement model. Reporting and monitoring will continue through the established routes of the Children's Trust Operational Commissioning Group and the Children's Trust Partnership Governance Group. The Trust will also routinely report on progress to the Children's Social Care Overview and Scrutiny Committee of the City Council.

Other proposed changes:

Corporate Parenting: the Trust and the Council recognise a step-change is required in 2019-20 in relation to providing effective corporate parenting. The Trust is developing a new strategy, working with the Lead Member, to improve the operation of the Corporate Parenting Board, and will work with the Council to improve a range of areas that support our children in care and care leavers, including transitions, Council apprenticeships, housing and accommodation, ongoing support for young adults etc.

Dependencies

The set of dependencies set out in the contract remain relevant. The two key dependencies the Trust would wish to highlight in relation to elements affecting service delivery by the Trust are as follows:

- The **Virtual School** for Children in Care: improvements are required following the Ofsted inspection. Ofsted were very critical regarding elements of the Virtual School, in particular its grip and understanding of data around the progress of children. The Trust has submitted to the Council a paper setting out its requirements of the school, on behalf of the children in care and care leavers served, in relation to good governance, leadership and delivery. The Trust has *changed its representation on the school's governing body in 2019-20.*

- **Property**:
    - Trust staff are working in buildings that are not fit for purpose. For families using some of these buildings, our current offer is a source of embarrassment. Office accommodation is over-crowded, compounded by the move of Trust staff, before the Trust went live, out of children's centres and into the main administrative buildings.
    - During Year 2 of the contract the Trust would wish to work with the Council to improve the offer to children and families and to our staff, through the accommodation we rent. The Trust also needs to be represented and engaged in the Council's asset management planning and strategic work on its property portfolio and approach to public facing building and services.
    - The Trust is developing its own property strategy which gives consideration to both operational property and office accommodation. Our priority is to improve our arrangements for contact and conferencing across the city, and ensure we have facilities which offer fit for purpose space for children and families. We are also in the process of relocating our Emergency Duty to support out-of-hours working and are looking to co-locate our Children's Legal Services Team into Lancaster Circus.
    - In initial discussions between the Trust and the Council the principle that the Trust will have access to capital funding via the Council has been agreed. This recognises that capital works and funding are the responsibility of the Council as the landlord and that the Council's capital programme needs to include any planned Trust works and ensure there is access to capital funding for any major unplanned Trust works as required by Ofsted or the HSE.

SEND: the Trust has to be an active partner in the SEND improvement priority led by the Council and the CCG. A better functioning system is a critical requirement for the city's children. There are emerging views through the SEND Development Board that the Trust should offer a social work assessment to all children who are undergoing an EHCP assessment. This would represent a change in practice for the Trust where *currently assessments are only undertaken upon a specific request from the family.* A change in practice would increase demand significantly, which the Trust is not currently resourced to meet. Birmingham City Council will be required to take a position on the commissioning expectations informed by the resource implications and the views of the Trust.

Vulnerable children in temporary accommodation: this is a significant issue for the city. The Trust is working with Birmingham City Council Housing to address the particular risks faced by the most vulnerable children in the city living in unsuitable temporary accommodation. Effective joint working, supported by appropriate protocols, will mitigate the worst effects of the housing crisis in the city for our most vulnerable families.

Support services: the Trust has a range of support service agreements (SSAs) with the Council which are monitored via KPIs. The Trust intends to review a number of these during 2019/20 to ensure they still provide value for money and effective support.

Change control: *a number of change controls were agreed with the Council during* 2018/19 which resulted in amendments to the annual contract sum as follows:

- adjustments to the grant amounts for Unaccompanied Asylum Seeking Children.
- *adjustment for receipt of payment of Early Adopters grant.*
- agreement to the amount for the ICT support service agreement between the Trust and the Council.

Other matters where no changes are proposed:

Pensions: there have been no changes in the pension arrangements for the Trust during 2018/19.

Financial mechanism, finance/contract sum: the Trust was required to agree the annual contract sum for 2019/20 by 31 March 2019, and this requirement was met.

Changes arising from audits: *there were no changes to the service delivery* contract as a result of any audit recommendations.

Service specification: the contract sets out the service specification to be delivered by the Trust. No significant changes are proposed necessitating a contract variation in Year 2 of the contract. There will be some changes in delivery, as follows:

- Strengthened management of delivery: especially in the areas of Fostering, Contextual Safeguarding and Practice Improvement.
- Extended reach of the Edge of Care offer.
- Changes around Placements, Commissioning and other work to improve placement sufficiency.
- The introduction of some Invest to Save proposals as approved within the Trust's business plan, drawing down a portion of its Council loan facility.

These will be delivered within the Trust's established financial envelope. Any in-year changes to the specification will be taken through the established contract governance arrangements.