

Name of meeting: Corporate Governance & Audit Committee
Date: 20th April 2018

Title of report: REPORT INTO THE COUNCILS RELATIONSHIPS WITH FRESH HORIZONS LTD, WHICH ENTERED ADMINISTRATION / A CREDITORS VOLUTARY ARRANGEMENT IN SEPTEMBER 2015 AND CLOSED FOLLOWING RECEIVERSHIP IN SPRING 2016.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Not applicable
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports)?	Not applicable
The Decision - Is it eligible for "call in" by Scrutiny?	Not applicable
Date signed off by Director & name Is it also signed off by the Service Director for Finance, IT & Transactional Services Is it also signed off by the Service Director - Legal Governance and Commissioning?	Not applicable
Cabinet member portfolio	Not applicable

Electoral wards affected: All
Ward councillors consulted: Not applicable

Public

1. Summary

- 1.1 Fresh Horizons was a Social Enterprise formed in 2002, with the help and encouragement of the Council. It worked closely with Kirklees Council, KNH and the community. The main areas of operation were at the Chestnut Centre where Fresh Horizons managed the building, two nurseries and a library, as well as other community based social and learning activities. Other functions included managing other Kirklees and KNH buildings, managing a Music Library and managing buildings/ housing for private landlords. Fresh Horizons operated a construction business, as a subsidiary
- 1.2 The business grew rapidly in the 5 financial years up to March 2015, but ran into financial difficulties. It subsequently was restructured following a creditors voluntary arrangement, in autumn 2015, although the business closed in 2016. At that time some of the business activities transferred on to another not for profit organisation, Local Services 2 You Ltd, that continues to operate them. The council was a creditor at that time.
- 1.3 The Council needs to ensure that in developing innovative projects, it understands its objectives, intentions, willingness to invest, desires for control and involvement and its exit strategy.

2. Information required to take a decision

- 2.1 No decision is required, but more detail is contained within the confidential report attached.

3. Implications for the Council

- 3.1 Early Intervention and Prevention (EIP) -None directly
- 3.2 Economic Resilience (ER) –This project had sought to promote ER.
- 3.3 Improving Outcomes for Children – this project had sought to promote assistance of children
- 3.4 Reducing demand of services –This project had sought to promote community resilience
- 3.5 The partial replacement operator continues to seek to meet these objectives.

4. Consultees and their opinions

- 4.1 None. (those involved in the arrangements managing Fresh Horizons have made comments which are reflected in this report and appendix)

5. Next steps

- 5.1 None

6. Officer recommendations and reasons

- 6.1 To note the report

7. Cabinet portfolio holder recommendation

- 7.1 Not applicable.

8. Contact officer

Martin Dearnley, Head of Risk (01484 221000; x 73672)

9. Background Papers and History of Decisions

There is a confidential report that contains commercial information, attached as an appendix.

10. Director responsible

Not applicable.