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Purpose: For Decision

Committee report

Committee	CABINET
Date	12 JULY 2018
Title	REGIONAL ADOPTION AGENCY
Report to	CABINET MEMBER FOR CHILDREN'S SERVICES

EXECUTIVE SUMMARY

1. The purpose of the report is to propose a model for the future delivery of some adoption related services as a Regional Adoption Agency (RAA) comprising Hampshire County Council, Isle of Wight Council, Portsmouth City Council and Southampton City Council. This proposal is in line with government policy and will ultimately support an increase in family finding for children.
2. The model seeks to build on the current good practice within each authority to deliver a more cohesive, efficient and effective service for some of our most vulnerable children and their families. The service will be delivered at no extra cost to the taxpayer. The new RAA, to be known as Adopt South, will continue to work with its existing voluntary adoption agency partners and other key stakeholders to help shape the new service.
3. This paper seeks to:
 - set out the background to the RAA;
 - set out the financial contributions to the RAA;
 - give an overview of the proposed model;
 - outline the next steps of the project.

BACKGROUND

4. In June 2015, the Department for Education (DfE) published 'Regionalising Adoption' and required all adoption agencies in England to consider how to work closely together on a regional basis. This was enacted as the Education and Adoption Act 2016, which required authorities and voluntary adoption agencies to join together to form Regional Adoption Agencies (RAAs).
5. The act also gives the Secretary of State a new power to direct one or more named local authorities to make arrangements for any or all of their adoption functions to be carried out on their behalf by one of the local authorities named, or by another agency.

6. The Government's view is that structural change will improve the process for children and adopters leading to increased numbers of children being adopted, a better quality experience for adopters and improved timeliness overall. The DfE expects the RAA programme to deliver consistently good and innovative adoption practice that ensures improved life chances for children.
7. In late 2015, the authorities in the Adopt South grouping were awarded DfE funding to undertake work to establish a model for regional adoption in the area, with an expectation that this would be fully embedded by no later than 2020.
8. The authorities have engaged actively since 2016 to develop a model that fulfils the criteria put in place by the DfE; that does not represent an unacceptable risk to any of the authorities involved; retains flexibility to enable authorities to respond to future policy; and, most importantly, is considered to provide genuine opportunities for improving the outcomes for children and families.
9. A model is now in place that sets out a clear operating model, service offer, structural model and financial framework. These are outlined in this report.
10. Adoption in the Isle of Wight Council is rated as 'Requires Improvement' by Ofsted and the model proposed should positively support the improvement of this.

STRATEGIC CONTEXT

11. This proposal positively contributes to the Isle of Wight Corporate Plan 2017-20. It relates directly to the measure that "all young people will have the best start in life so that they can fill their potential" and supports a core value of "engaging with partners to maximise integrated working. The Regional Adoption Agency will ensure that there are sufficient, high quality adoptive households for children with plans for adoption on the Island ensuring that they are kept safe and supported to achieve the best possible longer term outcomes. The breadth of the Regional Adoption Agency will also expand the range of services and adopters available to Island children and provide efficiencies to the Council through economies of scale in the joining of four local authorities.

RECOMMENDED OPERATING MODEL

12. The principles underpinning the design of a Regional Adoption Agency on the Isle of Wight have been that there should be consistency of the offer across the Council; and that the overall offer should not lead to the offer in any one area of the Council being reduced. This was felt to be particularly important in respect of the adoption support offer.
13. The recommended operating model for Adopt South will deliver the following main services across the Adopt South region:
 - Recruitment, assessment and approval of adopters;
 - Matching of children in need of adoptive families;
 - Post- adoption support.

The proposed Adoption Support offer and delivery mechanisms across the RAA have been informed by detailed work by a group of senior adoption professionals across the Adopt South grouping. In the future, the model may be expanded to cover other adoption services.

14. In order to deliver the operating model and service offer, a revised structural model across the local authorities will be necessary, along with clear operating protocols.
15. Some of the above functions will be solely delivered by Adopt South on behalf of the region. These can be seen in Appendix 1 with the areas in green delivered by a centralised team for the RAA. However, many of the functions will require joint working and/or collaboration with local authority functions; these are shown in the areas in blue delivered by each local authority area on behalf of the RAA. The structure chart can be seen at Appendix 3.
16. Indeed it is clear that one of the critical factors on which Adopt South's performance will depend is the strength of joint working and communication with colleagues within each local authority.
17. One significant remaining area of responsibility considered by the Governance Board was the delegation (or not) of corporate parenting responsibilities (and associated functions) for children with a plan for adoption from local authorities to Adopt South. It was concluded that the statutory responsibility for corporate parenting functions for children with a plan for adoption should remain with each local authority throughout the adoption process. This means that local authorities will retain Agency Decision Maker (ADM) responsibility for children (plans and matching).
18. Achieving the new structure as set out in Appendix 1 will be effected firstly by way of a partnership agreement under section 113 of the Local Government Act 1972 by which local authorities may place staff at the disposal of other local authorities in order to achieve their statutory functions.
19. The unitary authorities currently have multi-functional teams and will be reorganising prior to the start of the partnership. As there are three teams within the Adopt South structure who will need to work across the partnership and be co-located to maximise efficiency, it is proposed that in the first instance staff from the reorganised teams in the unitary authorities will be invited to second in to Hampshire County Council (HCC) in order to more effectively work within this partnership model.
20. It is currently estimated that there are approximately 100 (65fte) staff across the partnership that are in scope of the RAA as a whole. However most of those staff will remain within their home authority and it is estimated that between 5-10 staff are likely to be either seconded or transferred in to HCC as the lead organisation for the Regional Adoption Agency.
21. For those services to be provided through the three centralised teams HCC will be the physical location and those teams will coordinate service delivery within the partnership. The other services undertaken by the partnership will be delivered locally and staff will continue to be employed by the authority they are currently employed with.

22. This option minimises the requirement for staff to TUPE into a new arrangement, but means that the constituent local authorities may need to carry out internal restructures to achieve the arrangements. Some posts will be newly created and require a recruitment (for example, a Head of RAA post) by the RAA host authority. Should the RAA be disbanded in the future all local authorities will share severance costs.
23. The intention of the partners is for HCC to recruit to the role of Head of the RAA and for that person to be employed by HCC, the role being funded by the partnership under the Agreement within existing budgets.
24. A further partner to the process is the voluntary sector, through Voluntary Adoption Agencies (VAAs). The DfE has stated its expectation that all RAAs will include VAAs in planning and development processes, and that VAAs will be involved in the delivery of some adoption services on behalf of RAAs.
25. Adopt South is committed to working closely with Voluntary Adoption Agencies, and have partnered with PACT and Barnardo's to achieve this. Adoption UK has the status of an Adoption Support Agency (ASA) but has also been advising the group as the RAA develops.
26. The vision and intended outcomes agreed by Adopt South include a commitment to maintaining a focus on meeting the needs of each child with a plan for adoption, via use of *the most appropriate services*. During all recent years, each of the four local authorities has commissioned adoption services from the VAA sector, particularly in the areas of adoption placements and adoption support.
27. For these reasons, there is little doubt that Adopt South will need to access the 'adoption service market', including through purchase of services from VAAs (and probably other RAAs), in order to deliver the expectations and requirements of the four commissioning authorities. This will not necessarily be limited to services from the strategic partners. VAAs will continue to be involved in the development process to ensure that the expertise and knowledge they have is brought to bear on services.

CONSULTATION

28. Staff have been involved to varying degrees in the journey of the RAA to date. Staff have also received newsletters from the Directors of Children's Services when there have been developments to share. Once a decision has been made by Cabinet, the Human Resources (HR) working group will plan the consultation process for staff and engage with trade unions.

FINANCIAL / BUDGET IMPLICATIONS

29. A key DfE criteria for achievement of a RAA is a pooled budget, similar to that for other partnership arrangements, notably the former Wessex Youth Offending Team.
30. The legal basis for establishing a pooled budget is given in Section 10(6) of the Children Act 2004, as follows:

“(6) A children's services authority in England and any of their relevant partners may for the purposes of arrangements under this section-

(a) provide staff, goods, services, accommodation or other resources;

(b) (b) establish and maintain a pooled fund.”

31. The recommended starting point for the initial partner contributions was the individual authorities' 'in scope' budgets as disaggregated from the 2017/18 figures. No additional funding has been added or is required. These budgets are those which cover the services Adopt South will become responsible for, so marketing, assessment, family finding, matching and adoption support. The contributions from the authorities are set out in Appendix 2 but can be summarised as follows:

Net budget/spend	HCC	IWC	PCC	SCC	Total
	‘£000	‘£000	‘£000	‘£000	‘£000
2017/18 Budget	1,381	228	764	1,387	3,760

32. The significant contribution for Southampton City Council is representative of the approach taken within the Council up to 2017/18 to solely purchase adopters under inter-agency agreements rather than recruit in house. Therefore, as is demonstrated in the table above, Southampton City Council has to contribute more. Appendix 2 shows this in greater detail with £738k from Southampton contributing to the final agreed partner contributions against a deduction of £157k being made for Hampshire County Council who in 2017/18 only bought one set of adopters. Portsmouth City Council and the Isle of Wight Councils' contributions of £70k and £27k respectively evidence their approach to using a combination of both in house recruited adopters and inter-agency households. On the basis of these contributions, there will be no further recourse to local authorities for funding for adoption services in scope of the RAA. If, for example, Southampton City Council uses more than the funded amount, they will need to fund this separately.
33. Partner contributions will be fixed for an initial two years and are subsequently reviewed for year three based on key indicators of activity. This is to provide some level of certainty for the new arrangements as they are established, but also to ensure that the authorities themselves are insulated from any financial impact as a result of the arrangements.
34. Hampshire County Council will host and manage the pooled budget arrangements on behalf of the RAA. Transactions between the authorities will be minimised to avoid processing costs.

LEGAL IMPLICATIONS

35. The provision of an adoption service is a statutory requirement and the local authorities are required to monitor the provision of adoption services. Under section 3 of the Adoption and Children Act 2002, each Council must continue to maintain within its area an adoption service designed to meet the needs of children who may be adopted, their parents, natural parents and former guardians. Those services are referred to as the 'adoption service' meaning either a local authority or a registered adoption society (section 2 (1) of the Adoption and Children Act 2002). Notwithstanding any change in arrangements, each local authority must prepare a

plan for the provision of the services maintained under section 3(1) Adoption and Children Act 2002, and secure that it is published.

36. The development of a RAA will not absolve each local authority of its statutory responsibilities, but will allow for certain functions to be provided by another as part of a regional adoption agency model, with the terms to be agreed through the partnership agreement.
37. It is critical that in the future arrangements, we find optimum governance arrangements for Adopt South: ensuring sufficient scrutiny and strategic control for each of the partner authorities while allowing Adopt South sufficient autonomy to develop its own identity and have space for innovation and practice improvement.
38. A strategic partnership board will be established and will meet on a regular basis to oversee and approve the budget setting and annual business plan, and to review the strategic direction of the partnership agreement. This means that day-to-day operational decisions will be taken by the Head of the RAA, as specified in the partnership agreement, and that other 'reserved' decisions (perhaps of a strategic nature), would need to be referred to the Board. As participants on the Board, each authority would need to make its own decision and therefore the Board could only act by unanimous agreement of the four authorities.
39. Certain decisions referred to the Board will then likely need to be referred back to each of the four authorities for further consideration and to the extent that the members of the Board do not have authority to make the decisions before them.

EQUALITY AND DIVERSITY

40. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
41. This proposal is to the benefit of protected characteristics, there are no identified adverse impacts.

PROJECT IMPLEMENTATION

42. In order to achieve the implementation of the new model of working, a number of areas of work need to be undertaken:
 1. HR processes to achieve new structure (including recruitment of Head of RAA)
 2. Implementation of the financial model
 3. Developing back office
 4. Implementation of the branding and marketing strategy
 5. Implementation of IT solution

6. Development of the interagency agreements
7. Harmonisation of adoption allowances across the authorities
8. Establishment of regional panels, terminating existing contracts and procuring new arrangements with a suitable competitive process to ensure the VAA's involvement and support in the Adopt South model.
9. Matching arrangements
10. Practice development for assessment
11. Practice development for adoption support
12. Development of the RAA Adoption Manual
13. Commissioning Adoption Support external providers
14. Performance arrangements, including in shadow form to aid transition
15. Accommodation
16. Stakeholder communication (including staff communication and cultural change)

This work will be progressed by the four local authorities working in partnership, and the work will be monitored by the Governance Group. There is a high level of confidence in the ability of the four local authorities to achieve this based on the significant work that has been undertaken to date. The target date for implementation of the new arrangements is 1 April 2019, which is supported by the DfE.

OPTIONS

43. In reaching a decision, Cabinet should consider the following four options:
44. Approve the proposed model of delivery for adoption services as a Regional Adoption Agency.
45. Approve the financial contribution to the Regional Adoption Agency of £228,000, fixed for two years (2019/20 and 2020/21) and reviewed for 2021/22.
46. Delegate authority to enter into the financial partnership agreement to the Director of Children's Services in consultation with the Lead Member for Children's Services.
47. Not approve the proposed model of delivery for a Regional Adoption Agency.

RISK MANAGEMENT

48. The risk to the Isle of Wight Council of this proposal is low if it is accepted. The opportunities to be gained are extensive for the island as has been outlined in the Strategic Context section of this report as there is efficiency to be gained in joining with other local authorities and a wider pool of adopters available for island children.
49. The risk if the proposal is not accepted is significant as this is a government directed initiative and the DfE has applied pressure to local authorities to date who have indicated that they won't join a RAA.

RECOMMENDATION

50. That Cabinet approves the proposed model for delivery of adoption services as a Regional Adoption Agency.
51. That Cabinet approves the financial contribution to the Regional Adoption Agency of £228,000, to be fixed for two years (2019/20 and 2020/21) and reviewed for 2021/22.
52. That Cabinet delegates authority to enter into the final partnership agreement to the Director of Children's Services in consultation with the Lead Member for Children's Services.

APPENDICES ATTACHED

53. [Appendix 1](#) – Recommended Structural Operational Model
54. [Appendix 2](#) – Local Authority Adoption Budgets in scope
55. [Appendix 3](#) – Organisational Structure for Adopt South

BACKGROUND PAPERS

This paper will be presented to the three other local authority Cabinets for approval during June and July 2018.

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