

Cabinet Member for Children and Young People	Ref No:
September 2019	Key Decision: Yes
Formation of a Regional Adoption Agency	Part I
Report by Director of Children's Services	Electoral Divisions: All

Summary

In June 2015 the Department for Education (DfE) published a paper, Regionalising Adoption, which proposed the move to regional adoption agencies in order to:

- Speed up matching between children and adopters
- Improve adopter recruitment and adoption support
- Reduce costs
- Improve the life chances of vulnerable children.

Since this time West Sussex County Council, in conjunction with Brighton and Hove City Council, East Sussex and Surrey County Councils has developed a proposal to deliver its adoption services via a Regional Adoption Agency (RAA), Adoption South East (ASE). In October 2017 local authorities were advised of continued ministerial resolve to complete regionalisation by April 2020. The Adoption South East arrangement now requires formalising to meet the Government's expectation that all local authorities become part of a RAA by April 2020.

West Sussex Plan: Policy Impact and Context

The establishment of a RAA will improve outcomes for children with adoption care plans by providing a greater pool of adopters to meet children's needs, with the opportunity of earlier matching and placing children locally. This will reduce costly and more risky interagency adoption placements for children. Collaboration as Adoption South East will provide improved recruitment, assessment and support to prospective and approved adopter households.

Financial Impact

Work is ongoing to finalise the financial arrangements for the RAA. The current assumption is that Local Authority contributions would be no more than the existing budget for RAA 'in- scope' activity, which for West Sussex is the annual budget of £1.8m in 2019/20.

Recommendations

The Cabinet Member for Children and Young People is asked to:

1. Approve the establishment of and West Sussex County Council's participation in a Regional Adoption Agency (RAA), to be known as Adoption South East (ASE), in partnership with Brighton and Hove City Council, and East Sussex and Surrey County Councils as described in this report.
2. Delegate authority to the Director of Children's Services to take any action necessary or incidental to the above including entering into and signing the

Partnership Agreement and any other agreement between the participating Authorities in order for the Regional Adoption arrangement to be implemented by April 2020.

3. Delegates authority to the Director of Children's Services in consultation with the Director of Finance and Support Services to determine and agree the transfer of the County Council's contribution to a pooled RAA budget as set out in this report and to settle arrangements for the pooled budget through the Partnership Agreement.

Proposal

1. Background and Context

- 1.1 Adoption is a way of providing new families for children who cannot be brought up by their biological parents. It is an irreversible legal process in which all parental rights and responsibilities are transferred to the adoptive family.
- 1.2 Successive governments have raised concerns that children in care are more likely to be unemployed, to experience mental health problems, to become homeless and to have their own children removed from them. It should be noted that children in care often arrive in care with significant issues that contribute to poor outcomes; however, a poor care experience can exacerbate rather than remedy these issues. Conversely, a well-matched, timely adoptive placement can make a significant and positive difference to the long-term outcomes of children.
- 1.3 In order to improve outcomes for children in care, the Coalition Government introduced *An Action Plan for Adoption: tackling delay* https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/180250/action_plan_for_adoption.pdf with legislative changes to the monitoring of the adoption process through an Adoption Scorecard. This set targets for Local Authorities to speed up the adoption process. In many authorities, those targets have not been met and the speed of adoption remains a local corporate parent and central government concern. The subsequent Department for Education (DfE) paper, *Regionalising Adoption* https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/437128/Regionalising_adoption.pdf proposed the move to regional adoption agencies, in order to:
 - Speed up matching
 - Improve adopter recruitment and adoption support
 - Reduce costs
 - Improve the life chances of vulnerable children.
- 1.4 As well as placing children for adoption, local authority adoption functions also include recruiting, assessing and advising potential adopters and providing post adoption support as required for children and adopters. There

is also a duty of support for families coming into West Sussex who are adopters and adoptees from other areas of the country.

- 1.5 In response to the Action Plan for Adoption West Sussex County Council, in conjunction with Brighton and Hove City Council, East Sussex and Surrey County Councils has developed a proposal to deliver its adoption services via a RAA. The Government has a power through the Education and Adoption Act 2016 to direct a Local Authority to join a Regionalised Adoption Agency if it has not done so by 2020.

2. Proposal Details

- 2.1 The proposal is that the 4 authorities work together as Regional Adoption Agency, Adoption South East, to provide adoption services for children and adults from April 2020.
- 2.2 The partnership between the four local authorities has developed since 2015, with strong foundations at senior management and operational levels. Each of the four authorities has well performing adoption services and strong relationships were forged in a previous local consortium approach to adoption services. Building on this, discussions at Director of Children's Services level commenced at an early stage between the four authorities to explore regionalisation at a future date, taking account of the specific needs and geography of the proposed region.
- 2.3 In October 2017 local authorities were advised of continued ministerial resolve to complete regionalisation by April 2020. By this time the first RAAs had gone live, enabling learning from the new agencies about the challenges of integrating services and the emerging benefits of working together, prompting a proposal for the formation of Adoption South East to be submitted to the Department for Education. This was successful, securing grant funding to support further project work. As at May 2019 half of local authorities nationally are already part of live RAAs, with local authorities involved in remaining projects working to go live by April 2020.
- 2.4 A Project Board of operational Adoption Managers from each of the four authorities was established in 2016. Its remit was initially to consider the pros and cons of forming an RAA and later, following receipt of grant funding, this has moved to undertaking the necessary preparatory work for implementation.
- 2.5 Informed by the project work, the proposed arrangements for the formation of the RAA have been developed to demonstrate that the optimum way of delivering services within a RAA is through a Hub and Spoke operating model. This means that most adoption functions will sit within the current local authorities (spokes), with some aspects being managed centrally (hub) This conclusion has arisen from consideration of various options and learning from live RAAs. Taking all of this into account, there is confidence across the Authorities that the RAA can be successfully delivered with minimal disruption to staff, within existing budgets and without diminution of service quality.

- 2.6 The requirement is for the regional agency to operate either as a stand-alone legal entity or through one of the partners acting as 'host' authority with some services provided by the host and others through the partners. Adopting this 'hub and spoke' approach (with spokes in each Local Authority) would meet the requirements for a regional agency, support centralisation of some administrative activities, whilst allowing service users to continue to access services locally- which is important given the size of the proposed region. Staff would remain in their current locations and remain with the same employing local authority.
- 2.7 The RAA would increase placement choice for children and support early permanence, benefitting children and releasing resources (notably foster placements) with the additional benefit of reduced inter agency spend which is currently payable if matched adoptive families are approved by another agency.
- 2.8 Creating a comprehensive ASE support offer for adoptive families would be a longer-term objective; however, some initiatives by partner authorities could be scaled up at relatively little cost in the short term.
- 2.9 A large service would promote service resilience, providing opportunities for staff development and making staff turnover easier to manage. The number of children placed for adoption by the four local authorities is within the suggested envelope of around 200 for bringing services together as a RAA.
- 2.10 One of the four authorities is required to act as host; East Sussex County Council is well placed to act as host and has offered to do so, this offer is supported by the other three Local Authorities.
- 2.11 As the host, East Sussex County Council would act as the service contracting body on behalf of the RAA. Finance and additional corporate support to the RAA would include commissioning and maintaining a RAA case management system and provision of Information Governance and Legal Services (critically, providing legal advice with respect to the RAA's role as an approving body for prospective adopters.) Senior management support would also be provided by East Sussex County Council, who will lead the recruitment process for a Head of Service for the RAA (a new position, to be offered on East Sussex County Council Terms and Conditions and funded from the RAA budget.). The Head of Service will shape service design and delivery in the lead up to 'go live' and will be accountable to the 4 partner authorities through the Executive Board.
- 2.12 East Sussex County Council would be funded from the RAA pooled budget for the costs incurred as the host. It is expected that the hosting costs would be reasonably modest given that accommodation and facilities costs for staff would continue to be met by the individual local authorities (given that the RAA spokes will be located within the Local Authorities.)
- 2.13 Statutory responsibilities for looked after children with adoption plans would continue to be carried out by the four Local Authorities, including agency

decision making with respect of children's adoption plans and matching with an adoptive family (meaning that the required legal advice provided to support agency decisions would be obtained by the local authority with responsibility for the child.)

- 2.14 Family finding would be undertaken by the RAA, which would also undertake adopter recruitment, assessment and support. The RAA would additionally provide post adoption support services and offer a non-agency adoption service to applicants adopting a step child, relative or a child adopted from overseas.
- 2.15 The Hub would be the strategic and business centre for the RAA, geographically based in East Sussex, albeit the number of people physically located together in the hub would be minimal-notably the Head of Service, business support and finance. The majority of the RAA's staff will be based in 3 spoke(with one spoke each for West Sussex and Surrey and one for East Sussex and Brighton and Hove combined). Each spoke will provide case work to service users, notably social work assessments of prospective adopters, family finding for children with adoption plans and adoption support-with locally based managers overseeing this work. In addition, some elements of service delivery might be undertaken by workers based in a spoke, on behalf of the whole RAA e.g. provision of adopter training, matching meetings and adoption panels. These would be services that can be accessed by children and families irrespective of where they live within the region. As such some workers will have both hub and spoke functions to perform (See Annex 1.) A detailed RAA service structure would be agreed following appointment of a Head of Service, however Annex 2 indicates the relationship between the proposed RAA, the LAs and other partners as well as showing the role of the hub and the spokes.
- 2.16 An Executive Board of Directors and Assistant Directors of Children's Services, chaired by the Director of Children's Services in East Sussex is charged with setting direction and allocating resources.
- 2.17 In addition a Project Board of operational adoption managers and additional project support is chaired at present by the Project Lead, seconded from the role of Adoption Service Manager for Surrey County Council. Chairing will move to the new Head of Service once appointed. The chair of the Project Board / Head of Service reports to the chair of the Executive Board.
- 2.18 With future governance in mind, it is proposed that the Executive Board oversees the Strategic Partnership and direction of travel as set out in an annual RAA Business Plan in order to comply with the duties placed on local authorities to monitor the provision of adoption services.
- 2.19 The Partnership Agreement will set out the detail for the RAA, making provision for the Head of Service to make day to day operational decisions, and reserve strategic decision making to the Executive Board.

3. Consultation

3.1 Members

Corporate Parenting Panel – since work commenced on the proposal to deliver adoption services via a RAA the Panel has been kept updated on the development as part of their consideration of the annual adoption report. The most recent report was provided to the Panel on the 5th June 2019. The annual adoption reports are also accessible to all Members via the Members Information Network.

Children and Young People's Services Select Committee – the proposed decision was previewed by the Children and Young People's Select Committee at the meeting on 11 September 2019. The Committee (*add in outcome of Committee after the meeting*).

Members of Adoption Panels will also be consulted in relation to the work of the panels and how roles may be affected by the proposed changes and the future plans for discharging adoption agency responsibilities through the regional arrangements.

3.2 External

Two adopter champions are engaged by ASE; they are supporting consultation with adopters/prospective adopters, acting as a bridge between the RAA project and service users to develop an engagement strategy.

3.3 Internal

Stakeholder engagement events have been held with staff on 16.07.18 and 21.05.19, with the next event planned for 12th November 2019. The feedback demonstrated enthusiasm for developing closer working but also understandable anxieties about change. There have also been early discussions with Unison and this will continue as the staffing implications are developed and further work on role allocations is undertaken through the work leading to the Partnership Agreement.

4. Financial (revenue and capital) and Resource Implications

(delete if no financial - revenue/capital impact)

4.1 There are no changes to the revenue budget expected as a result of this proposal. The existing budget of £1.8m would be pooled as part of the RAA arrangements.

4.2 *The effect of the proposal*

4.2.1 The funding of the pooled budget, the sharing of risks and the modelling of contributions will be further worked up through the partnership agreement. However, the following points represent the current proposals –

4.2.2 As host, East Sussex County Council would manage the pooled budget arrangements. Work is ongoing to finalise the financial arrangements for the RAA, including discussions with existing RAAs in order to test assumptions.

However, the partners are working on the assumption that the contributions would be no more than the existing budget for RAA 'in- scope' activity. The total revenue budget in scope across the RAA is likely to be in the region of £5.6m, of which the contribution from West Sussex represents 32%. This percentage is derived from our share of adoption activity across the RAA.

- 4.2.3 The proposal is that the budget assumptions for the pooled RAA budget will be built into the partnership agreement and will include provision for an annual uplift of staff costs, in line with inflation.
- 4.2.4 The basis for assignment of additional costs (and reimbursement in the event of underspend) will also be set out in detail in the partnership agreement. A draft flowchart showing how this might work is shown in appendix 3.
- 4.2.5 The financial risk is considered low as, under the pooling arrangement, it would be limited to the proportionate share of any overspend from the RAA, i.e. similar to the current financial risk of this activity through budget monitoring process.

4.3 Future transformation, savings/efficiencies being delivered

- 4.3.1 There is an expectation, but not currently a planning assumption, that forming the RAA will deliver efficiencies in the medium to long term, thereby also potentially reducing any financial risk to the partners.
- 4.3.2 If final planning work shows that the RAA cannot be implemented within the existing budget envelope, discussion will be required as to whether changes need to be made in relation to the proposals.

4.4 Human Resources, IT and Assets Impact

- 4.4.1 The proposal is for all ASE agencies to use the same IT system for shared ASE work where feasible but that each partner will maintain current systems for their own activities. There are significant IT implications and timescales are short, though most of the burden falls to ESCC, who will lead the discovery and design phase with in-house resource (analysts, business partner, architects), however these will need points liaison with equivalent subject experts from WSCC and its IT outsourced provider. Once the business operating model is better understood the design of data flows and supporting systems and infrastructure can be started. We have consulted with the County Council agreed that the IT Client team and they will lead on IT input until such time as business requirements are clear, from then the project will then move into a delivery phase which will attract a cost. It is anticipated that setup costs can be funded through a draw-down of funding made available for the set-up of the RAA.
- 4.4.2 The proposal is that the RAA should involve minimal change to employment arrangements for approximately 100 staff. It is therefore proposed that adoption service staff will remain employed by their current employing councils, on existing terms and conditions and, when vacancies arise in the future, these would be recruited to by the council where the position arises.

is that 'there is likely to be a need for some matrix management and streamlining of practices as staff across all partners work together'. HR support would be provided by the shared service partnership (Orbis) for East Sussex County Council and Brighton and Hove Council employees, and West Sussex and Surrey County Councils would be supported by their own HR departments.

5. Legal Implications

5.1 The Council's principal functions in relation to adoption services are set out in the Adoption and Children Act 2002 (ACA 2002). Section 3 (*Maintenance of Adoption Service*) ACA 2002 requires the Council to maintain within its area adoption services designed to meet the needs of:

- a) children who may be adopted, their parents and guardians;
- b) persons wishing to adopt a child; and
- c) adopted persons, their parents, natural parents and former guardians; and for this purpose, must provide requisite facilities.

Regulation 5 (*Arrangement for securing provision of services*) of the Adoption Support Services Regulation 2005, permits the Council to secure the provision of adoption support services by another local authority.

5.2 The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 enables the Council to arrange for the Council's adoption services functions to be discharged by another local authority.

5.3 Although these functions can be delegated to the RAA, the Council would still retain its overall statutory duty to maintain within its area an adoption service as defined in the ACA 2002.

5.4 Section 15 of the Education and Adoption Act 2016 ("*Local authority adoption functions: joint arrangements*") provides the Secretary of State with the power to direct the transfer of adoption functions of a local authority to another local authority or to one or more other adoption agencies. The functions specified are:

- the recruitment of persons as prospective adopters;
- the assessment of prospective adopters' suitability to adopt a child;
- the approval of prospective adopters as suitable to adopt a child;
- decisions as to whether a particular child should be placed for adoption with a particular prospective adopter; and
- the provision of adoption support services.

The proposal meets these requirements.

5.5 Adoption South East will be subject to a Partnership Agreement between the four participating authorities. The terms of the Agreement are yet to be agreed but will include the duration of the agreement, appointment of East Sussex as the Host Authority, delegation of adoption functions and services,

annual strategic plan, financial arrangements and contributions, staffing arrangements, and governance arrangements.

6. Risk Implications and Mitigations

The potential implications are as follows:

Risk	Mitigating Action (in place or planned)
That the proposal will not meet the statutory requirements.	Care will be taken to secure advice and to build a partnership agreement which addresses the requirements.
That the arrangements may not be ready by the required date of April 2020.	The project team will maintain controls over the project timeline overseen by the Executive Board.
That the desired service benefits of the proposal may not be realised.	These will be monitored as the service is implemented and the reporting and accountability lines will focus on the work required to demonstrate benefit realisation.
That the arrangements and support services for delivering and managing the service through a hub and spoke model are too complex to maintain.	The project team will work with IT, HR and other advisers to identify service needs and fully scope solutions to such risks.
That the planned size and management of the pooled budget are not sustainable in keeping costs under control or in achieving savings.	The Partnership Agreement will address the actions required to manage such risks which will be overseen by the Executive Board.
IT Setup is more complex than expected, leading to higher cost and delay	Attempt to define business functions and process flows early to enable an IT cost estimate to be provided alongside an detailed implementation plan, enabling early draw-down of appropriate funding.
On-going support budget is not available.	Following completion of set up activity make an estimate of running costs and make appropriate budget provision from the existing service revenue budget.

7. Other Options Considered (and reasons for not proposing)

- 7.1 A partnership model was considered initially for the RAA, however this would not confer legal entity status unless established as a Local Government Trading Company (which would incur start-up costs.) In accordance with

Government expectations, the RAA needs to be a stand-alone legal entity or to be hosted by one authority in order to contract with other parties.

- 7.2 Adopting a Voluntary Adoption Agency (VAA) hosted model was discounted given the limited VAA presence across the region. Instead the recommendation is that the RAA is hosted by one of the local authorities, on behalf of the four partners.

8. Equality and Human Rights Assessment

- 8.1 A preliminary review was undertaken in relation to the need for an Equality Impact Assessment. At this stage the proposals are for administrative arrangements and service structure across boundaries and do not have any implications for service changes that could have any impact for service users with protected characteristics. Equality impact in relation to staffing changes will be assessed as the detailed work is followed through in relation to the implementation of the proposal.

9. Social Value and Sustainability Assessment

- 9.1 Working as part of a RAA will be of social value to West Sussex children with adoption care plans, in providing greater placement choice more locally, especially for children who would previously have been placed further afield, including:
- Children with special needs
 - Children from black and minority ethnic backgrounds
 - Older children
 - Sibling groups
- 9.2 This increases the opportunity for longevity of adoption placements by placing them with adopters from trusted and known partner agencies. It will mean that some children will travel less distance in introductions as they are placed more locally, which in turn means fewer miles travelled by West Sussex social workers and reviewing officers.
- 9.3 The formation of a RAA will dispense with the interagency fees for any adoption placements made between its 4 member agencies, and will increase the potential for selling adopter households to agencies outside of the RAA

10. Crime and Disorder Reduction Assessment

None

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Appendices

Appendix 1: Roles and responsibilities of the RAA and the LAs

Appendix 2: RAA preferred model

Appendix 3: Decision making tree for allocation of share of overspend or refund in the event of budget surplus

Background papers None

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