

Cabinet

31st October 2017

Name of Cabinet Member:

Cabinet Member for Children and Young People - Councillor E Ruane

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

All

Title:

Creation of a Regional Adoption Agency

Is this a key decision?

No - although the proposals affect all wards, the impact is not expected to be significant.

Executive Summary:

The purpose of this report is to seek from Cabinet agreement for the City Council to become part of a Regional Adoption Agency (RAA) via a shared service arrangement with Solihull Metropolitan Council, Warwickshire County Council and Worcestershire County Council. This new Regional Adoption Agency to be known as Adoption Central England (ACE).

ACE will deliver the adoption agency functions of the four local authorities including the assessment, training and approval of adopters, the identification of prospective adopters for children who are in need of a new adoptive family and adoption support to adoptive families and some Special Guardianship support services.

It is proposed that Warwickshire County Council becomes the host authority to facilitate the operational delivery of the shared service; however governance arrangements will ensure that all four authorities retain strategic responsibility for the performance delivery and outcomes.

Recommendations:

Cabinet is requested to:

- (1) Consider the outcomes of the engagement and consultation and the resulting equality impact assessment.

- (2) Delegate authority to the Deputy Chief Executive (Place) (Legal Services) to finalise and approve the Partnership and Hosting Agreement
- (3) Subject to recommendation 2 above, delegate authority to the Director of Children's Services to sign on behalf of the City Council Council a partnership arrangement alongside Solihull Metropolitan Council, Warwickshire County Council and Worcestershire County Council for ACE to undertake the delivery of the City Council's adoption service
- (4) Subject to recommendation 2 above, delegate authority to the Director of Children's Services to sign on behalf of the City Council Council a partnership arrangement alongside Solihull Metropolitan Council, Warwickshire County Council and Worcestershire County Council for ACE to undertake the delivery of some of the City Council's Special Guardianship services
- (5) Approve Warwickshire County Council becoming the host authority to facilitate the operational delivery of the adoption service and some Special Guardianship support services on behalf of Coventry City Council
- (6) Agree the provisional financial proposals as outlined in the financial considerations section below (paragraph 1.12) to fund ACE (as agreed by the ACE Executive Board); and to delegate authority to the Section 151 Officer in consultation with the Director of Children's Services to agree the final value of the total cash limit.
- (7) Delegate authority to Deputy Chief Executive (People) (Human Resources) to progress staffing secondments to Warwickshire County Council as the host authority and to review the status of those agreements within the first twelve months
- (8) To consider any comments and recommendations from the Education and Children's Services Scrutiny Board (2).

List of Appendices included:

Appendix 1 – Staff and stakeholder consultation report
Appendix 2 - Equality impact assessment

Background papers:

None

Other useful documents:

Adoption: A vision for change

<https://www.gov.uk/government/publications/adoption-a-vision-for-change>

DfE paper, published 27 March 2016, updated 19 December 2016

Consultation on proposals to create a Regional Adoption Agency - Cabinet report dated 24th January 2017

<http://democraticservices.coventry.gov.uk/ieListDocuments.aspx?CId=124&MId=11339&Ver=4>

Has it been or will it be considered by Scrutiny?

A Briefing Note on the matter was considered by the Education and Children's Services Scrutiny Board (2) on 12th October 2017

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Creation of a Regional Adoption Agency

1. Context (or background)

- 1.1. It is the duty of every local authority to establish and maintain within their area a service designed to meet the needs in relation to adoption i.e. an Adoption Service.
- 1.2. A policy paper from the DfE in January 2013 – ‘Further Action on Adoption: Finding More Loving Homes’ identified the need for the re-organisation of the existing adoption system based as it is on each local authority delivering an adoption service as well as a voluntary adoption sector. The DfE’s ‘Regionalising Adoption’ paper published in June 2015 spelt out the government’s expectations for all local authorities to be part of regional adoption agencies (RAA). In April 2016 the DfE published a new policy document “Adoption: A vision for Change” in which the government committed to deliver radical, whole system redesign by regionalising adoption services by ensuring all local authorities were part of a Regional Adoption Agency by 2020.
- 1.3. In response Coventry City Council, Solihull Metropolitan Council, Warwickshire County Council and Worcestershire County Council came together to work towards the creation of a Regional Adoption Agency that has been named Adoption Central England (ACE). ACE has an established project team that is leading on the design and creation and as a demonstrator project has closely worked with the Department of Education. The work is overseen by a Project Board and Executive Board on which representatives from all the partner agencies and key stakeholders sit including from the voluntary adoption sector and Coventry University.
- 1.4. It is envisaged that ACE will deliver excellence in practice through innovation and stakeholder engagement to become an innovative adoption service that is “Better than the Best”.
- 1.5. The primary function for ACE will be to achieve permanence for children with a particular focus on enabling a wider range of children to access adoption and will support local authorities in their permanence decision making and practice in accordance with an agreed service specification.
- 1.6. Choice of the Partnership / Host Model**
 - 1.6.1. The Executive Board of ACE attended by the Directors of Children’s Services for each authority considered the options around different types of delivery structures and the preferred option recommended was a partnership host model which was approved as the preferred model to take forward for engagement and consultation by Cabinet on 3rd January 2017.
 - 1.6.2. A period of engagement on the proposed new service took place between the 11th of July to the 11th of August 2017 (the report outcome is appended)

1.7. Financial case

- 1.7.1. A finance group made up of finance leads representing each of the four local authorities have examined current costs and considered future proposals. They have jointly produced the detailed funding proposals which have been considered and agreed in principle by the Executive Board. There is confidence that this detailed financial work will support ACE, once established to maximise its greater scale and reduce unit costs. This will be achieved if a greater proportion of children are adopted through ACE having a sub-regional recruitment strategy. Further, the timely placement of children for adoption will reduce foster care costs and the development of a more comprehensive adoption support service will enhance stability to these arrangements.

1.8 Delivery Hub and Spoke Model

- 1.8.1. The hub and spoke design reflects the two aspects of adoption practice. Primarily, the recruitment of adoptive families, through a central hub. Secondly, and the delivery of services to children with an adoption plan and adoptive families, through spokes that will be located in each of the local authorities. The adoption social workers within the spoke will work closely with the social workers within the local authorities to ensure the timely and smooth transition of children to adoption.
- 1.8.2. Staff will be supported to work flexibly. Each will have a designated base but they will be able to access any of the spokes, the hub or work from home dependent on their work.

1.9. Governance

- 1.9.1. It is proposed that ACE will be governed by an Executive Board made up of senior representatives from each of the local authorities who will have voting rights. In addition there will be Voluntary Adoption Agency (VAA) representation. The aim of the Executive Board is to deliver an effective “Better than the Best” adoption service and will provide strategic direction and oversight.
- 1.9.2. The Executive Board will be supplemented by a Practice and Stakeholder Panel whose primary function will be to operationalise and deliver an effective “Better than the Best” adoption service with responsibility for developing practice and joint partnership working between the local authorities and stakeholders.

1.10. Staff engagement

- 1.10.1. Staff engagement to date has involved sharing information on the proposed model and providing opportunities for staff to give their indicative preferences. They have further been involved in service design opportunities. Along with unions, they have been provided with written information through the series of engagement events held in their local areas between the 11th of July and the 11th of August 2017. (See appendix.)

1.11.1. Staff implications

- 1.11.2. There are approximately 53 staff in scope across the local authorities and approximately 63 posts within the proposed ACE structure. The Executive Board has agreed to a secondment arrangement in order that staff maintain their current terms and conditions.
- 1.11.2. From the indicative staffing preference exercise the majority of staff can be accommodated within their first choice.
- 1.11.3. There is no expectation of redundancies and indeed there will be opportunities within the structure for promotion. Following Cabinet approval formal consultation will be undertaken and arrangements progressed to confirm staff within the new structure.
- 1.11.4. For Coventry City council the staffs affected are:

Grade	Job Title	Number of Posts	FTE
G9	Adoption Panel Advisor	1	0.5
G9	Team Manager	2	1.30
G8	Recruitment & Marketing Officer	1	0.27
G8	Senior Practitioner	1	0.59
G7	Senior Case Worker	3	2.01
G7	Social Worker	4	3.81
G5	Children & Families Worker	2	1.81
G5	Children & Families Worker/SGO Support	1	0.41
G4	Admin Support	3	2.5
	Total	18	13.2

1.12. Financial Considerations

- 1.12.1. From the 1st of February 2018 to 31st March 2019 each local authority would contribute proportionate funding according to its current in-scope costs (based on a three year average of actual income and expenditure):

Transitional Funding (to 31/03/2019):

Parties	Per Annum Funding Contribution (£)
Coventry City Council	£923,500
Solihull MBC	£445,000
Warwickshire County Council	£943,000
Worcestershire County Council	£1,065,500
Total	£3,377,000

- 1.12.2. This contribution is based on existing in-scope costs (as-is position). The final level up to this value will be negotiated under delegation by the Director of Children’s Services (DCS) and S151 officers of each authority.
- 1.12.3. From 1st April 2019 onwards the funding is based on a cost sharing methodology with an in principle fixed cash limit, the 2019/20 cash limit being £3,272,500, the cost sharing methodology and data being reviewed every two years. Again, the final value of the total ACE cash limit will be negotiated by the DCS and the S151 officers of each authority, up to this value.

1.12.4. On-going Funding (from 1 April 2019):

Parties	Cash Limit Funding Share (%)	2019/20 Financial Contribution (2017/18 prices) per Annum (£)
Coventry City Council	29.0%	£949,025
Solihull MBC	11.4%	£373,065
Warwickshire County Council	31.0%	£1,014,475
Worcestershire County Council	28.6%	£935,935
Total ACE Cash Limit	100%	£3,272,500

1.12.5. The cash limit funding shares have been calculated using methodology, which has been agreed in principle by the executive board. The data used to calculate the funding shares will be updated, and the methodology reviewed, on a bi-annual basis in order to provide stability for both ACE and the partner authorities.

2. Options considered and recommended proposal

2.1. Option 1

2.1.1. Cabinet could decide not to proceed any further with a Regional Adoption Agency in partnership with the other identified local authorities.

2.1.2. This is not recommended as the Government has made clear its intention to consider using its power under the Education and Adoption Act 2016 to ensure all local authorities’ adoption functions are being provided by an RAA by 2020.

2.1.3. Doing nothing would also lose the opportunity for the City Council to join with its neighbouring authorities to create a Regional Adoption Agency giving more children the opportunity to find an adoptive family and achieve permanency.

2.2. Option 2

- 2.2.1. To enter into a partnership agreement with Solihull Metropolitan Council, Warwickshire County Council and Worcestershire County Council to create a shared service to deliver the adoption functions of the authority. This model will operate as a partnership contractual arrangement with staff seconded into the host authority, Warwickshire County Council. The Executive Board will set the budget and strategy with the contractual agreement covering the nature of the financing and sharing at an operational level.
- 2.2.2. It is this option that provides for new ways of operating whilst minimising financial and HR risks that is recommended.

3. **Results of consultation undertaken**

- 3.1. The consultation outcome report is appended

4. **Timetable for implementing this decision**

- 4.1. Should Cabinet agree the recommendations proposed, a formal consultation with staff will take place with gradual implementation and a fully operational Regional Adoption Agency going live on the 1st of February 2018.

5. **Comments from Director of Finance and Corporate Services**

5.1. **Financial implications**

Detailed work has been undertaken to identify the current in-scope costs for the services to be provided by ACE, and to develop an equitable cost-sharing methodology for future cost sharing, which have been agreed in principle by the executive board. This is included in Section 1 of the report.

Each authority will initially contribute a maximum of its current spend on in-scope activities, until April 2019. Therefore there will be no additional spend in 2017/18 or 2018/19 compared with current levels. In the current financial year we are forecasting an underspend due to the level of vacancies in the service. However, the total full year amount to transfer, when fully staffed, is approximately £31k more than the current budget allocation; this is largely due to the fact that vacancies need to be filled, and we are moving away from having a joint fostering and adoption service and therefore need additional management capacity. These financial implications have been dealt with as part of the Children's Services redesign.

From 2019/20 it is proposed that the ACE funding will move to a cost share model, based on activity levels and indicative unit costs. Based on previous year's data, this would result in a potential annual increase in costs of approximately £25.5K (2.8%) for Coventry City Council. This will change however, based on current and future activity levels. Any increase / decrease in funding requirement will need to be met from/ contribute to the existing budget for Children's Services as part of the wider Children's Transformation.

It is important that the performance of ACE (including financial) is monitored and scrutinised closely to ensure that we are receiving an efficient and effective service. This is because adoption performance impacts on the level of the LAC population and ultimately placements and social work staffing costs. Monitoring will be carried out via the Executive Board of ACE, of which the DCSs of all partner authorities are members. The mechanism for monitoring, correcting and potentially funding any variations against the ACE budget are outlined in detail in the host agreement, and will also require regular reporting to the ACE executive board.

5.2 Legal implications

The Adoption and Children Act 2002 is the principle piece of legislation governing adoption and it includes the duty on local authorities to maintain an adoption service in their area.

The Children and Families Act 2014 allows for the Secretary of State by order to require all local authorities in England to make arrangement for some specified functions to be carried out on their behalf by one of more other adoption agency.

These functions include the recruitment of persons as prospective adopters, the assessment of prospective adopter's suitability to adopt a child and the approval of prospective adopters as suitable to adopt a child.

Further the Education and Adoption Act 2016 enables the Secretary of State to require local authorities to make arrangements for their adoption functions to be carried out by a Regional Adoption Agency.

The proposal to create a shared service arrangement enables the City Council to retain its adoption functions whilst having the advantages that a regionalised approach to adoption work brings.

6. Other implications

6.1. How will this contribute to achievement of the Council's Plan?

These proposals contribute to the Council's core aims by ensuring that children and young people are safe, achieve and make a positive contribution.

6.2. How is risk being managed?

The risks for the City Council associated with the proposal are that:

If the Regional Adoption Agency does not perform to expectations - this should be mitigated by robust business and performance management through the governance structure.

Further risks can include the ability for the Regional Adoption Agency to operate successfully within the agreed budget by a robust financial agreement that includes long term funding arrangements as stipulated in the Partnership and Hosting agreement.

6.3. What is the impact on the organisation?

The preferred model reduces impact on staff by creating a secondment arrangement for staff as opposed to the staff transferring into a separate body. ICT services will be delivered by the host who will also provide the hub facilities. Each local authority will be responsible for providing a suitable office premises for their spoke co-located or as near as possible to their children's teams by re-designating part of the existing estate. The hub will be located in Warwickshire at Saltisford Office Park in Warwick.

6.4. Equalities / EIA

ACE is designed to promote opportunities for permanence through adoption of a wider range of children and to broaden the potential range of people considered suitable to adopt.

The main impact on staff will be working in a wider geographical area but flexible working arrangements will mitigate the potential impact.

(See appendix attached)

6.5. Implications for (or impact on) the environment

None

6.6. Implications for partner organisations

The proposals require partnership working and agreement with the other local authorities proposing to share the Regional Adoption Agency and with the voluntary sector. The current Voluntary Adoption Agency (VAA) partnership is for the project period. Following agreement to move into a Regional Adoption Agency a procurement exercise will take place to secure a VAA partnership for ACE. Existing services commissioned from the VAA's will be extended until 30th March 2019. During this period the services will be reviewed and an analysis of needs completed to inform future commissioning activity. The therapeutic framework managed by the City Council which has been extended until the end of March 2019.

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