

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	REGIONAL ADOPTION AGENCY ( ADOPT SOUTH )		
<b>DATE OF DECISION:</b>	17 JULY 2018		
<b>REPORT OF:</b>	CABINET MEMBER FOR CHILDREN'S SOCIAL CARE		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>	
None	
<b>BRIEF SUMMARY</b>	
<p>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. The proposal is in line with Government policy and will ultimately support an increase in family finding for children whose plans are to be adopted.</p>	
<p>The model seeks to build on the current good practice within each authority to further improve performance and deliver a more cohesive, efficient and effective service for some of our most vulnerable children and their families. 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.</p>	
<p>This report seeks to:</p> <ul style="list-style-type: none"> <li>• Set out the background to the RAA;</li> <li>• Set out the financial contribution to the RAA;</li> <li>• Give an overview of the proposed model; and</li> <li>• Outline the next steps of the project</li> </ul>	
<b>RECOMMENDATIONS:</b>	
Having complied with paragraph 15 of the Council's Access to Information Procedure Rules. These recommendations will :-	
	(i) Approve the proposed model for delivery of adoption services as a Regional Adoption Agency.
	(ii) Approve the financial contribution to the Regional Adoption Agency of £1.387 M to be fixed for two years (2019/20 and 2020/21) and reviewed for 2021/22.
	(iii) Delegate authority to enter into the final interagency agreement to the Director of Children's Services in consultation with the Directors

	of Finance and Commercialisation and Legal & Governance and following consultation with the Cabinet Member for Children's Services.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	This report is submitted for consideration as a General Exception under paragraph 15 of the Access to Information Procedure Rules in Part 4 of the City Council's Constitution, notice having been given to the Chair of the relevant Scrutiny Panel and the Public. The Service has relied upon joint working to progress this report and did not appreciate the requirement for the item to be included on the Forward Plan. This was an oversight on behalf of the Service.
2	The proposal in line with Government policy and will ultimately support an increase in family finding for children whose plans are to be adopted. The model would be capable of expansion to cover other services such as Adoption Information Exchange, or to incorporate wider functions subject to further consultation and option appraisal / business case for increasing scope.
3	If this is delayed beyond July we would be out of step with our regional partners and there would be insufficient timescales to meet the consultation requirements to enable the proposed go live date of 1 <sup>st</sup> April 2019 agreed by the Governance Board and communicated to the DfE. Whilst this timescale has been known about for some time there has been a particular challenge for Southampton. In 2017 there were a number of changes of management representatives within the operational project group.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
4.	To remain outside the Regional Adoption Agency. This would be challenged by the DfE under the Education and Adoption Act 2016 as The DfE are seeking for all authorities to enter into a regional arrangement for their Adoption Services. Southampton's Adoption Service would be increasingly vulnerable within an already challenging market if they had to compete for adopters alongside a locally based Regional Adoption Agency. This could lead to further delay for those children awaiting adoptive homes. There may also be increased costs related to purchasing Inter- agency placements.
5	Full integration as an RAA with the cessation of the four Local Authority Adoption Agencies. This was rejected as there were major implications for the transfer of staff, activity and services. The host partner would need to be willing to undertake the increased legal responsibility for staff and services.
<b>DETAIL (Including consultation carried out)</b>	
6	DfE have undertaken consultation in preparation for the recommendation of regionalisation. Adoption Voice has consulted with stakeholders on behalf of Adopt South.
	<b>Contextual information</b>
7	In June 2015, the Department for Education (DfE) published 'Regionalising Adoption' and asked all adoption agencies in England to consider how to work much more closely together on a regional basis. This was enacted as

	the Education and Adoption Act 2016, which advised authorities and voluntary adoption agencies to join together to form Regional Adoption Agencies (RAAs).
8	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.
9	The Government's view is that structural change will improve the process for children and adopters leading to improved numbers of children being adopted, an improved 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.
10	In late 2015, the four 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.
11	The authorities have engaged actively since 2016 in a programme of work to develop a model that fulfils the criteria put in place by the DfE for a Regional Adoption Agency and does not represent an unacceptable risk to any of the authorities involved. The model retains flexibility to enable authorities to respond to future policy; and most importantly, is considered to provide genuine opportunities for improving the outcomes of children and families.
12	In the future, the model may be expanded to cover other services such as Adoption Information Exchange, or to incorporate wider functions. Some of the above functions will be solely delivered by Adopt South on behalf of the region. However, many of the functions will require joint working and/or collaboration with local authority functions. 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. A model is now recommended that sets out a clear structure, operating model, service offer and financial framework.
	<b>Recommended operating model see also appendix 1 and 2</b>
13	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.
14	An options appraisal was undertaken and 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 making responsibility for children (plans and matching).
15	The principles underpinning the design of a Regional Adoption Agency have been that there should be consistency of the offer across the region; and that the overall offer should not lead to the offer in any one area of the county being reduced.
16	The proposed offer and the summary of the separation of roles and responsibilities between Adopt South and local authority partners can be found in Appendices 3 and 4

17	<p>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.</p> <p>Principles set out by Directors of Children's Services for the structural model were:</p> <ul style="list-style-type: none"> <li>• Minimum requirement for transfer under TUPE arrangements for Southampton staff, and other changes to staff terms and conditions will be minimised where possible.</li> <li>• Due care will need to be taken to identify roles requiring Qualified Social Work status – some functions will be better carried out by non-qualified staff, freeing up QSWs for more specialist work.</li> <li>• For Adopt South to realise the strategic benefits identified, there will need to be investment in staffing / resource at particular points in the structure: these are likely to include a well-resourced marketing strategy and a well-resourced adoption support offer.</li> </ul>												
18	<p>The preferred structural model is set out at Appendix One, and can be characterised as a hub and spoke model. For those services to be provided through the central RAA "hub", HCC will act as a host authority. For services provided in a "spoke", staff will continue to be employed by the authority they are currently employed with.</p>												
19	<p>This option does not currently require Southampton 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 recruitment (for example, a Head of RAA post) by the RAA host authority.</p>												
	<p><b>Financial model</b></p>												
20	<p>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.</p>												
21	<p>The legal basis for establishing a pooled budget is given in Section 10(6) of the Children Act 2004, as follows:</p> <p><i>“(6) A children's services authority in England and any of their relevant partners may for the purposes of arrangements under this section-</i></p> <p><i>(a) provide staff, goods, services, accommodation or other resources;</i></p> <p><i>(b) (b) establish and maintain a pooled fund.”</i></p>												
22	<p>The recommended starting point for the initial partner contributions was the individual authorities’ ‘in scope’ budgets, as disaggregated from the 2017/18 figures:</p> <table border="1" data-bbox="331 1742 1377 1888"> <thead> <tr> <th></th> <th>HCC</th> <th>IWC</th> <th>PCC</th> <th>SCC</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><b>2017/18 Budget</b></td> <td><b>1,381</b></td> <td><b>228</b></td> <td><b>764</b></td> <td><b>1,387</b></td> <td><b>3,760</b></td> </tr> </tbody> </table>		HCC	IWC	PCC	SCC	Total	<b>2017/18 Budget</b>	<b>1,381</b>	<b>228</b>	<b>764</b>	<b>1,387</b>	<b>3,760</b>
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23	<p>If these contributions are agreed by authorities, then there will be no further recourse to local authorities for funding for adoption services in scope of the RAA except in the case of overspending against external placements as set</p>												

	out previously, or in the case of exceptional circumstances to be agreed through the RAA Governance Board.
24	The use of interagency placements has been a significant feature of Southampton achieving timely placements for those children whose identified plan is adoption. This, plus the high number of adoption orders obtained, account for the high level of contribution from Southampton.
25	It is recommended to keep partner contributions the same for an initial two years (2019/20 and 2020/21) and to review them for year three based on key activity indicators. 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 shock as a result of the arrangements
26	As part of the interagency agreement, Service Level Agreements with each authority will be agreed, based on the caseload assumptions detailed in the operating model, and the capacity available within authorities.
27	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 bureaucracy.
	<b>Legal and governance implications</b>
28	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.
29	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.
30	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 inter-authority agreement.
31	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.
32	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 shared service model. This means that day-to-day operational decisions will be taken by the Head of the RAA, as specified in the inter-authority 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.
33	The Board would only be able to make decisions to the extent that the members and officers on the Board have the requisite authority from their appointing local authority. 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. The data protection and information governance of the RAA would be expected to meet all the standards required under the Adoption Agency regulations and Data Protection Act and GDPR. The operating system has not yet been agreed and so further detail will be available prior to full implementation. A detailed implementation plan and risk register must be agreed with the Council's Information Governance Team. Regular reporting to the Council's Information Governance Board (IGB) is required to approve and monitor data security and data sharing arrangements. This is needed before the service can go live or any data be transferred, used or processed by third parties in order to ensure regulatory compliance on behalf of the Council. A high level DPIA has been carried out to scope the IG work required and this will inform discussions between the service area and IGB to ensure the Council's obligations in relation to the personal and sensitive personal data in scope of the RAA proposals are met.
34	<b>Project implementation</b> This work will be progressed by the four local authorities working in partnership, and the work will be monitored by the Governance Group. The target date for implementation of the new arrangements is 1 <sup>st</sup> April 2019, which is supported by the DfE. In order to achieve the implementation of the new model of working, a number of areas of work need to be undertaken: These are set out in Appendix 5
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
35	See paragraph 20-27
<b><u>Property/Other</u></b>	
36	None
<b>LEGAL IMPLICATIONS</b>	
37	None.
<b><u>Statutory power to undertake proposals in the report:</u></b>	
38	See Section 28-33 above
<b><u>Other Legal Implications:</u></b>	
39	A completed EIA assessment has been undertaken please see appendix 6 There has been consultation at a national level through the DfE. Adoption Voice has been in discussion with stakeholders on behalf of the project. This included those who have previously adopted. Direct consultation with service users will be included in the next phase of implementation in order to inform further decision making on service delivery. With the current proposed model

	<p>much of the activity will remain with the Local Authority. Adopt South will be expected to maintain the same legislative compliance in line with the Local Authority for those activities that it undertakes on their behalf. This includes the requirement to exercise all functions in compliance with the Council's duties under s.149 of the Equalities Act 2010 (the public sector equality duty) and the Human Rights Act 1998. The EIA has assessed the impact of the proposals on both equalities and protected characteristics and will inform the implementation plan to be agreed as the project progresses.</p>
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**RISK MANAGEMENT IMPLICATIONS**

40	<p>The recommendations in this report will support the Council in effective mitigation and management of financial and legal challenge risks associated with the Council's sufficiency responsibilities.</p> <p>There will be increased risk in terms of data protection as data will be shared with the regional partners. Further work will be undertaken to mitigate this risk in the next phase when the procurement of the IT system will be undertaken and the operational policies and procedures brought in line with the individual responsibilities of the partnership agencies. A detailed implementation plan setting out how IG compliance will be achieved will be agreed with the Council's Information Governance Team and Information Governance Boards to ensure the Council's compliance with all relevant information security and data protection legislation.</p> <p>Operational policies for both Southampton City Council and the RAA will need to be aligned in line with the work undertaken in the work streams in the next phase of implementation and further decisions may be required in order to achieve this.</p>
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**POLICY FRAMEWORK IMPLICATIONS**

41	<p>This is in line with the Education and Adoption Act 2016. The proposal has been included in the Adoption business plan. It will contribute to the outcomes for adoption for children being delivered within the expected performance parameters in terms of timeliness.</p>
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<b>KEY DECISION?</b>	<b>Yes</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	All
<u>SUPPORTING DOCUMENTATION</u>	
<b>Appendices</b>	
1.	Recommended structural model
2.	Organisational structure for Adopt South
3.	Roles and Responsibilities between Adopt South and Local Authority Partners
4.	Adopt south core offer to adopters
5.	Work to be undertaken by Partners

**Documents In Members' Rooms**

1.	EIA Assessment none
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<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>		<b>Yes</b>
<p>The City council has a duty to foster good relations between persons who share a relevant protected characteristic and persons who do not share it</p> <p>This project will have positive impacts on groups with protected Characteristics providing opportunities for children to be adopted from a wider pool of adopters whom have access to a wider range of support services.</p>		
<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?</b>		<b>YES</b>
See Attached Document		
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>		
1.		
2.		