

DECISION-MAKER:	CABINET		
SUBJECT:	ADOPTION SOUTH CENTRAL - REGIONAL ADOPTION AGENCY		
DATE OF DECISION:	18 APRIL 2017		
REPORT OF:	CABINET MEMBER FOR CHILDREN'S SOCIAL CARE		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
<p>The purpose of this report is to seek approval for Southampton Adoption Service, as part of Adoption South Central (ASC) Regional Adoption Agency (RAA) to move into the preferred option of a shared hosted service. ASC has representation from Hampshire County Council, Portsmouth City Council, the Isle of Wight and from the voluntary sector (VAA), Parents and Children Together (PACT), Barnardos and Adopter Voice.</p> <p>In 2015 the government announced its intention to establish Regional Adoption Agencies across England. Since then there have been repeated messages from the government that all local authorities need to pool resources to develop a regional adoption agency by 2020. The consequences for authorities that are not engaged in the process is that will need to join an existing RAA and thereby being at risk of not have equal representation in the governance of the RAA.</p> <p>Southampton has been fully engaged the regionalising adoption agenda since November 2015. This is in line with central government policy and will contribute to the outcome in the Council Strategy and Children and Family Strategy.</p>			
RECOMMENDATIONS:			
	(i)	To agree in principle that Southampton Adoption Service should transfer to the Adoption South Central Regional Adoption Agency (ASC RAA) on 1 st April 2018, subject to recommendation (v) below.	
	(ii)	To agree in principle that ASC RAA will operate via a shared service model with Hampshire County Council operating as the host authority. All four local authorities will have equal executive representation in governance arrangements to be determined and agreed.	
	(iii)	<p>To agree in principle to make a financial contribution to the operating cost of ASC RAA. Determination of the contribution will be based on two key principles:</p> <ul style="list-style-type: none"> - Authorities' financial contributions to the RAA will be calculated using a 'fair funding model' based on the level of 	

		<p>service provided to each, and approved by each authority.</p> <ul style="list-style-type: none"> - Authorities' financial contributions to the RAA in the first two years will be capped and will not exceed the agreed budget spend of 2016/17 (including fee subsidy, Adoption Support Fund or other grants).
	(iv)	The set up costs for the ASC RAA will not exceed the development grant allocated by the DfE for this purpose.
	(v)	A further report setting out the financial, staffing and governance implications will be brought back to Cabinet for agreement prior to entering into any final arrangements to deliver the service through an RAA.

REASONS FOR REPORT RECOMMENDATIONS

1.	<p>At the national RAA learning event on 22 September 2016 a message from the Minister of State for Children and Families, Edward Timpson, MP, stressed strongly that the Government remains fully committed to the RAA programme, anticipating that all LAs will be part of an RAA by 2020. As a manifesto commitment this policy retains a high priority. Any local authorities or voluntary adoption agencies (VAAs) who do not engage with the programme will miss out on early development funding and/or may be required to join an RAA not of their choosing at a future date.</p>
2.	<p>The Project Board for ASC has identified the benefits of a regional adoption agency as being:</p> <ul style="list-style-type: none"> • <i>Reduction of fragmentation through creation of larger agencies</i> – a consolidated regional service will certainly reduce instances of fragmented provision. ASC will bring together current services which are necessarily variable due to differences between agencies, and in some cases cannot be delivered efficiently due to issues of geography or scale. • <i>Improved timeliness and efficiency of matching of children with adopters, especially hard to place</i> – ASC will have instant access to a larger pool of adopters for all children who have an agreed plan for adoption, increasing speed and appropriateness of placement. • <i>Increased recruitment of potential adopters and development of specialised training to increase numbers able to take hard to place children</i> – pooling budgets for recruitment, assessment and training of adopters will enable provision of more targeted and specialist services. The competitive element of adopter recruitment between the four authorities will be removed, allowing more coherent and targeted campaigns. Efficient and timely training and assessment of adopters will be more viable across the larger area. <p><i>Development of higher quality, more flexible, responsive and efficient adoption support services</i> – uptake of adoption support services under ASC should be proportionately greater, allowing more specialist training and support events to be run across the region, increasing the level of choice for all adoptive families.</p> <p><i>Reduce direct costs through efficiencies and economies of scale and indirect costs by reducing numbers of children who do not achieve adoption</i> – efficiencies will follow from pooling of some management and back office costs. Furthermore the improved timeliness and rate of adoptions and reduced numbers of disrupted placements will provide significant savings to other services within each authority.</p>

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3.	<p>The four local authorities involved will effectively commission the delivery of adoption and adoption related services from ASC. Consideration has therefore been given to different strategic delivery options for ASC. The options considered were:</p> <ul style="list-style-type: none"> • A single LA hosting on behalf of the other LAs • Joint Venture between Local Authorities (a separate legal entity along the lines of a Local Authority Trading Company) • Joint Venture between the Local Authorities and the Voluntary Adoption Agencies (a separate legal entity, effectively the creation of a new 'regional VAA').
4.	<p>An early options appraisal of these three options was undertaken in February 2016, at the prompting of the DfE. The Project and Governance Boards agreed that this process had been entered into prematurely, without sufficient clarity around the intentions for the RAA programme nationally nor sufficient reflection on local needs and context. Nonetheless this process proved useful as a starting point for review of the options.</p>
5.	<p>Further detailed discussions followed during 2016. The Governance Board concluded that the preferred option for ASC was for services to be delivered through a Partnership model, with Hampshire County Council acting as host authority. The decision to proceed with the option of a Local Authority Hosted Service is due to the fact structural change to achieve single point of accountability should be as simple and painless as possible for the majority of staff within the region while still providing assurance that the aims of the ASC can be met. The benefits are that it builds on existing infrastructure, governance, expertise and capacity, as well as being the most cost effective model.</p>
6.	<p>ASC will not be established as an independent entity, but will have its own clear identity, both internally (delivering a comprehensive and consistent level of service across the region through a fully regionalised staff structure) and externally (having a strong brand and public facing image distinct from each of the four authorities).</p>
7.	<p>The key rationale for selecting this option is that it provides the flexibility and opportunity for innovation, while minimising the costs and complexity inherent in establishing a separate entity. It has also been selected on the understanding that it can be built on and improved over time – establishment of a separate entity (in the form of a local authority trading company or a community interest company) is not the currently preferred model, it may be that in future this is an appropriate direction of travel for ASC. This will be a likely option if ASC establishes itself as an effective and long term provider of adoption services for the region and/or if additional services are brought within scope of ASC (for example provision of SGO services, some fostering provision or other).</p>
<p>DETAIL (Including consultation carried out)</p>	
8.	<p>It is proposed that the ASC RAA will provide adopter marketing, recruitment and assessment, adoption support and early permanence for children through profiling and matching. Most notable Corporate Parenting Responsibility for the child will remain with the Local Authorities. Each local authority will retain the statutory responsibility for the child being placed for adoption and case manage through to the final adoption order. The rationale behind this decision was to ensure that ASC operated on a pure model of</p>

	providing adoption services and functions to the local authorities. It also alleviates the complex process of legally transferring Corporate Parenting Responsibility to a delegated authority.
9.	<p>The RAA programme is encouraging innovation and indicating a possibility to amend/relax some of the current regulations. There is appetite amongst all partners to take the opportunity to include innovation in all phases of planning, including consideration of:</p> <ul style="list-style-type: none"> • Improved recruitment via enhanced enquiry management service – all documents on line, evening and weekend visits • Improve efficiency of Panels, via a joint ASC panel and consideration of use of ‘virtual’ or ‘internal’ version within ASC for some functions • Develop a specialism in therapeutic parenting support and other high impact support services, perhaps to include Activity camps for adoptive families, a bespoke respite service, enhanced buddying, menu of specialist therapeutic input and others • Ensure practice developments are evidence based, making ASC RAA a centre for research based practice • Greater use of fostering for adoption and concurrency.
10.	<p>Stakeholder engagement can be broadly split into three core groups:</p> <ul style="list-style-type: none"> - Adoption staff: The three ongoing operational work streams have had multiple representation from each of the partner agencies. Additionally ASC hosted three all staff consultation events (summer 2016 – attendance 75 staff) and has sent 3 all staff communications updates. - Adopter and child voice: Adopter Voice within ASC is being managed and supported by Adoption UK, via an adopter forum and online consultation mechanisms. An ASC adopter voice forum has been established and met twice, with further meetings set up during 2017. This group will be asked to comment on operational and other planning for ASC and will be invited to make general comment on the needs and requirements of adoptive families. Consultation with adopted children has been limited to date though there are some young people groups which will be consulted on proposals in coming months. - Other agencies with role/interest in adoption: Operational leads have also been in contact with key external stakeholders – including CAMHS, virtual schools and CCGs. Panel members were invited to the staff events. A first formal meeting with all panel chairs has been arranged for April 2017. ASC will need to agree a number of protocols / contracts with external providers.
11.	By 30 th June 2017 a full report detailing the operational plan including staffing structure, locations, ICT systems and HR, procurement and transitions plans will be presented to the Governance Board. Once approved Hilary Brooks will approve the recommendation in consultation with the Cabinet Member for Children’s Safeguarding.
RESOURCE IMPLICATIONS	

<u>Capital/Revenue</u>	
12.	It has taken some time for ASC to identify the appropriate and available capacity to progress the financial planning for ASC. Capacity was finally secured in January 2017. Good progress has been made but there are many issues to be resolved, in terms of identifying current costs, producing a budget for ASC and agreeing a funding agreement between the four local authorities.
13.	There are elements of uncertainty within the relatively complex financial structure of the adoption system which are yet to be resolved – not least the future of the inter agency fee, its subsidy grant, the ASF and the ongoing pressure for Local Authorities to find savings. The financial leads for each authority are in the process of identifying current costs to inform the financial model for the RAA going forward. Despite the uncertainty financial savings are expected from the creation of the RAA, including: reduced senior/strategic management costs; efficiencies through centralisation of functions (marketing, administration, panels etc.); move from spot purchasing to commissioned service (e.g. VAA block provision and adoption support providers). Non cashable savings will also result, for example from quicker matching (reduced fostering costs), increased stability (reduction in need for second placements). Structural innovation, for example using home working and virtual panels will also drive savings.
14.	Prior to the transfer of any funds a final financial assessment and cost analysis will be presented back at Cabinet for approval and before Southampton formally enters into the RAA arrangement.
<u>Property/Other</u>	
15.	The recommendations for how the RAA will work are predicated on the idea of a hub and spoke model, with a central hub likely to host marketing and recruitment, corporate and strategic management, back office functions, IT and telephony, and co-ordination of training/support. Locality bases will also be required for some of the operational functions and spaces for training / hot- desking will be required across the region.
16.	The Project Board has requested that the Project Team produce an 'ideal' staffing distribution which can be mapped against current and potential future locations. The development of a RAA will not absolve each local authority of its statutory responsibilities, but will allow for certain functions to be delegated to facilitate operation of a regional adoption agency model.
17.	There will be a significant impact on staffing arrangements as a result of the preferred hosted authority operating model. The Governance Board has yet to agree on how staff will transfer to the ADC. Following HR advice, the required staff consultation will be completed in line with agreed Council policy.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
18.	The Adoption and Children Act 2002 provides the structure for an adoption service. 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).

19.	Where an administrative arrangement is agreed, the local authorities may delegate certain functions to another authority, to a specific officer or to a Joint Committee under Local Government Act 1972 (the “LGA 1972”). In addition to the administrative arrangement, or alternatively on its own, an inter authority agreement (an “IAA”) will exist between the authorities which will identify the Lead Authority to host the RAA and document the agreed arrangements. Section 101 of the LGA 1972, allows for one authority to arrange for the discharge of their functions by another authority. It is also possible for local authorities to establish a Joint Committee, to which the authorities may delegate functions.
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Other Legal Implications:

20.	A full Equalities Impact and Privacy Impact Assessment of the proposals will be required in accordance with the Equalities Act 2010 and the data Protection Act 1998 in order to support the proposals in the report and the operational arrangements of the RAA going forward. Further detailed legal advice on TUPE, Pensions, Governance arrangements, delegation of functions, procurement and contractual arrangements will be required as the proposals are taken forward and will be reported back to Cabinet prior to implementation.
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21.	<p>In respect of consultation, over the past year there has been a number of stakeholder engagement and consultation events. The stakeholder groups can be divided into three core groups:</p> <ul style="list-style-type: none"> • Adoption staff: The three ongoing operational work streams have had multiple representation from each of the partner agencies. Additionally ASC hosted three all staff consultation events (summer 2016 – attendance 75 staff) and has sent 3 all staff communications updates. • Adopter and child voice: Adopter Voice within ASC is being managed and supported by Adoption UK, via an adopter forum and online consultation mechanisms. An ASC adopter voice forum has been established and met twice, with further meetings set up during 2017. This group will be asked to comment on operational and other planning for ASC and will be invited to make general comment on the needs and requirements of adoptive families. Consultation with adopted children has been limited to date though there are some young people groups which will be consulted on proposals in coming months. • Other agencies with role/interest in adoption: Operational leads have also been in contact with key external stakeholders – including CAMHS, virtual schools and CCGs. Panel members were invited to the staff events. A first formal meeting with all panel chairs has been arranged for April 2017. ASC will need to agree a number of protocols / contracts with external providers. Operational leads will take forward this work to commissioning in coming months.
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POLICY FRAMEWORK IMPLICATIONS

22.	The proposal and recommendation are in accordance with the Council Strategy and the Children and Families Strategy.
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KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None
2.	
Documents In Members' Rooms	
1.	None
2.	
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	NO
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	NO
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None
2.	