

Report for: Cabinet – 13 December 2016

Item number: 13

Title: Setting up of London Regional Adoption Agency



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Ward(s) affected: All

Report for Key Decision:

1. DESCRIBE THE ISSUE UNDER CONSIDERATION

- 1.1 Following the publication of the DfE paper, *Regionalising Adoption* (June 2015), the Department invited councils and Voluntary Adoption Agencies to submit Expressions of Interest in becoming part of new regionalised arrangements. In response, the Association of London Directors of Children's Services (ALDCS) submitted a London proposition, which was approved for development in 'scope and define' phase. Through the development of regional agencies, the DfE and ALDCS aspire to speed up matching, improve adoption support and achieve cost efficiencies.
- 1.2 A number of possible models for the London Regional Adoption Agency have been explored. ALDCS have recommended the creation of a new local authority owned entity operating in a hub and spoke approach. The model is expected to retain a strong local link. It is recognised that local knowledge and relationships will be essential.
- 1.3 Haringey Council will need to formally agree whether they wish to join the ALDCS Regional Adoption Arrangements, or seek other arrangements to join. The final detailed operational arrangements are expected to be developed by September 2017. This report seeks Cabinet approval for the Council to work collaboratively with other London boroughs to continue to develop the London Regional Adoption Agency with the intention of joining the agency, when it becomes operational in 2017/18. The approval of Cabinet is required to enable the Council to participate in negotiations about the delivery model for the adoption services through the London Regional Adoption Agency.
- 1.4 The main report has been prepared by London Councils for London Boroughs to seek Executive approval. However, minor amendments have been made by Haringey Council officers. London Council are leading on the arrangements for the London Regional Adoption Agency.

2. CABINET MEMBER INTRODUCTION

- 2.1 In accordance with the Department for Education's ambition to establish regional adoption services, the Education and Adoption Act 2016 requires all local authorities to join a regionalised adoption agency by 2020.
- 2.2 The proposals for the London Regional Adoption Agency, developed by the Association of London Directors of Children's Services, represent a major step towards a London-wide approach to adoption, which aims to speed up matching and improve outcomes for adopted children, improve adoption support and achieve cost efficiencies.
- 2.3 This in-principle decision to join the London Regional Adoption Agency follows and builds on Haringey's existing work with local authorities and voluntary adoption agencies across London. Working in partnership across London will help us in our aims to find safe and secure homes for all our young people, and ensure every child is given the best start in life.

3 RECOMMENDATIONS

- 3.1 That Cabinet agrees to the development of the London Regional Adoption Agency, a not-for-profit corporate entity, jointly owned by the founding London boroughs and working in partnership with Voluntary Adoption Agencies to deliver adoption services and as set out in paragraph 15 of this report;
- 3.2 That Cabinet agrees in principle to join the proposed London Regional Adoption Agency subject to the detailed business case and financial analysis; and
- 3.3 That there be a further report to Cabinet on the details of the proposed arrangement including the business case, financial analysis, arrangement for consultation with staff and other stakeholders and related legal documentation and for a final decision on joining the London Regional Adoption Agency.

4 REASONS FOR DECISION

- 4.1 The Cabinet approval is required for the Council to work collaboratively with other London boroughs to continue to develop the London Regional Adoption Agency with the intention of joining the agency, when it becomes operational in 2017/18.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The London Regional Adoption Agency has been developed to meet the needs of London boroughs. It would operate in a similar manner to the London Admissions and London Grid for Learning Teams, with governance through ALDCS and London Councils.
- 5.2 The DfE require all local authorities to join a regional agency by 2020, therefore 'do nothing' is not an available option within the current policy and political landscape.
- 5.3 Alternatives to the London option would be to join another developing regional agency or create a new model. Other developing regional agencies have not been developed with the involvement of London boroughs. No other regional agencies have proposed a model linked to the governance of London local authorities. The London model is

being developed with the complexity of the borough and provider landscape in mind. Many of the models being developed in other regions e.g. single LA host, would not be appropriate to meet this complexity of need.

- 5.4 Any new agency being developed would have the same timescale requirements and would need to access development funding independently. ALDCS identified that using existing arrangements (e.g. consortia) would not remove the performance and service variation across London and most current consortia regions would not achieve the DfE aims for scale. A sub-divided London would lose the benefit of the wider pool of adopters and the standardisation of service offering.
- 5.5 Given the policy drive from the Government and examples of good joint working in other areas of children's services, a Regional Adoption Agency as described in this paper is considered to be the only viable option at present.

6 THE POLICY BACKGROUND TO REGIONALISATION

- 6.1 Adoption is a way of providing new families for children who cannot be brought up by their biological parents. It is a legal process in which all parental rights and responsibilities are transferred to the adoptive family. Once an adoption has been granted, it cannot be reversed. Alternative permanency options include special guardianship orders (SGOs) and long term fostering.
- 6.1 Successive governments have raised concerns that children in care may experience poorer outcomes due to a low rate of adoption as well as delays in the process. 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 and a poor care experience can exacerbate rather than remedy these issues. Conversely, a well-timed and good placement match can make a significant and positive difference to the long-term outcomes of children who have difficult and damaging pre-birth and early year's experiences which lead to an adoptive placement.
- 6.2 In order to improve outcomes for children in care, the then Coalition Government introduced *An Action Plan for Adoption: tackling delay*¹ 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.
- 6.3 The Department for Education (DfE) paper, *Regionalising Adoption*² proposed the move to regional adoption agencies in order to:
- a) Speed up matching
 - b) Improve adopter recruitment and adoption support
 - c) Reduce costs.
 - d) Improve the life chances of vulnerable children.
- 6.5 The government has reinforced their policy ambition through provisions in the Education and Adoption Bill. The DfE's ambition is for all local authorities to be part of a regionalised service by 2020.
- 6.6 Through *Adoption: a vision for change*³, the Department highlighted the need to draw on the best of both the statutory and voluntary sectors to ensure that systems are designed around the needs of children. It also reinforced the vision to ensure that the voice of children and adopters is at the heart of policy making and service delivery.

¹ An Action Plan for Adoption: tackling delay (DfE, 2012)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/180250/action_plan_for_adoption.pdf

² Regionalising Adoption (DfE, 2015)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/437128/Regionalising_adoption.pdf

³ Adoption: a vision for change (DfE, 2016)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/512826/Adoption_Policy_Paper_30_March_2016.pdf

6.7 There has been no ministerial change following the changes in government during July and the DfE has, since those changes, reaffirmed a commitment to this policy. A communication from the DfE to DCSs on 15th September 2016 stated ‘RAAs will make an enormous difference to some of our most vulnerable children. We and the team would welcome any further feedback on how we can best work together to deliver the great potential which RAAs have to offer...’.

Working together to improve adoption services in London

6.8 London boroughs and VAAs have a history of working together to improve adoption services.

Pan-London joint working

6.9 In 2013, the London Adoption Steering Group was set up to enable pan-London good practice sharing and development. This group transitioned to the London Adoption Board in 2014. The London Adoption Board includes London boroughs and voluntary adoption agencies (VAAs) and is sponsored by the CVAA. The London Adoption Board has supported the collection of adoption data, facilitated best practice showcase events, advocated with external groups on behalf of London, and enabled the development of standards for adoption services.

Consortia arrangements

6.10 All London boroughs belong to an adoption consortium. These consortia allow best practice sharing between local authorities and enable joint working on some aspects of the service. In some cases, services are carried out jointly between boroughs via these consortia arrangements. Examples of service areas that are carried out jointly include adopter training, recruitment activity, and joint subscriptions. There is a range of levels of integration within the different consortia. Figure 1 shows the current consortia regions.



Figure 1. London adoption consortia arrangements

The engagement between boroughs and VAAs ranges from individual service contracts and spot purchase arrangements with VAAs to outsourcing the full adoption service. Many VAAs are involved in the consortia arrangements shown above.

The London Regionalised Adoption Project

Governance

- 6.11 Following the publication of this paper (i.e London Regionalised Adoption Project), the Department invited Councils and Voluntary Adoption Agencies to submit Expressions of Interest in becoming part of new regionalised arrangements. In response, the Association of London Directors of Children’s Services (ALDCS) submitted a London proposition in late 2015. The DfE subsequently approved the ALDCS proposition as a “scope and define” project.
- 6.12 ALDCS set up and chair a Regionalisation Project Steering Group that has driven the development of the initial recommendations outlined in this document. The Regionalisation Steering Group sits under the governance of ALDCS and makes operational decisions to drive the project forward. An ALDCS reference group (5 DCS members) has also been set up to support the Regionalisation Steering Group Chair with ensuring that the views of London as a whole are represented at a senior level. A diagram of the governance arrangements is shown below.

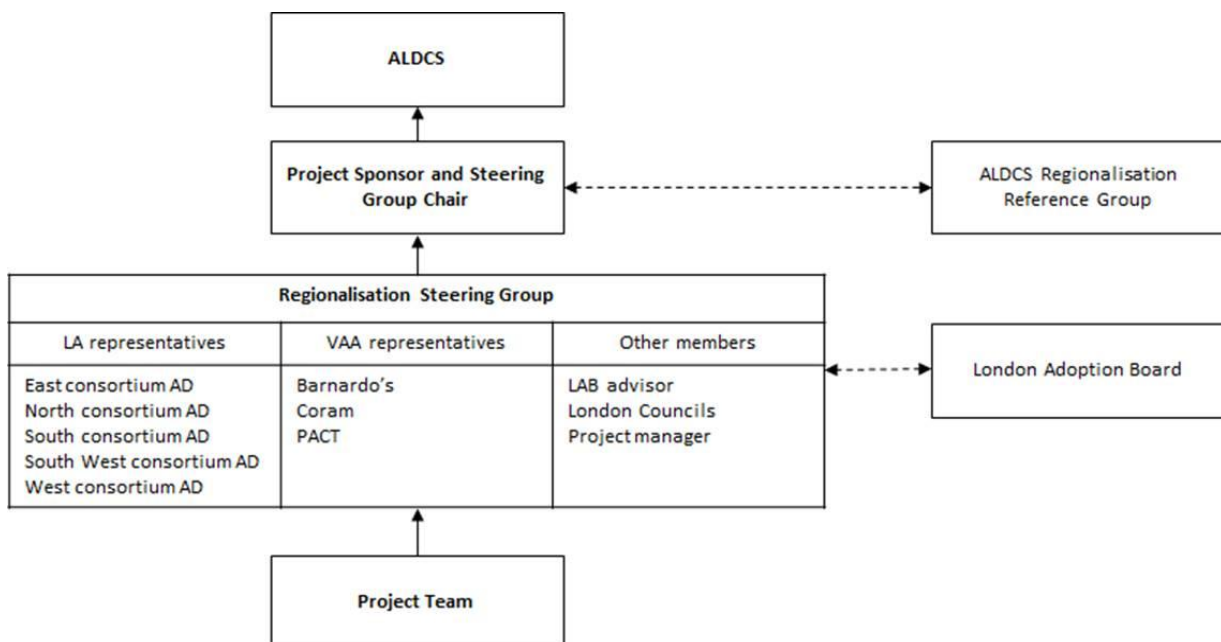


Figure 2. London Regional Adoption project governance and membership.

The vision for London

- 6.13 The development and assessment of models for the London Regional Adoption Agency was preceded by the development of a vision for London. This vision was agreed by Directors and engaged upon with stakeholder groups.
- 6.14 The core of this vision is to ensure that all London's children who require adoptive families receive excellent services that meet their needs leading to excellent outcomes for them and their adoptive family. See **Appendix 1** of the vision statement.

Opportunity for London

- 6.15 The vision highlighted a focus on achieving the best outcomes for all London's children in need of an adoptive placement and reducing any current postcode lottery of provision across the capital.

Outcome performance for children and adoptive families

- 6.16 With regards to the current outcome performance, the majority of London boroughs do not achieve the national average waiting time from entry to care to moving in, and there is wide variation in performance on this metric and the timeline from placement order to matching.
- 6.17 An activity survey carried out in the first phase of the project showed variable practice regarding the use of adopters approved by other agencies (other LA or VAA), and variation in the use of the adoption support fund. These practice differences may influence the placement timelines.
- 6.18 Adopter focus groups reinforced the need to improve equality in service provision across London. In particular, they raised concerns that training availability was limited in some areas and there was inconsistent access to adoption support.
- 6.19 Within these performance metrics, there is some clustering of performance seen within some consortia groups. This suggests that there is opportunity to improve through closer integration, but may also be influenced by the cohorts of adopters and children in these regions.

Cost and efficiency performance

- 6.20 For Local Authorities, the vision cites a need to support cost efficient and effective delivery that enables future flexibility. Figure 2 shows the variation in adoption numbers by borough during 2015-16. This shows that adoption is a very small service within many boroughs, which may result in inefficiencies and may reduce focus on this area within staff training and development.



Figure 3. Number of children adopted from care Q1-3 2015/16, ALB data set (unrounded)

- 6.21 There is also significant variation in cost per adoption, which partially relates to the efficiency aspects described above, but also reflects savings opportunities. An economic analysis during the first phase of work estimated the average cost per adoption in local authorities was £58,900, based on submissions from 21 local authorities, compared to an interagency fee average spend of £33,300. This does not include indirect costs, adoption allowances, Adoption Support Fund spend, and third party payments. Further analysis is required to confirm the data and identify which tasks are carried out by local authorities and not by external agencies. This will provide an indication of the window of opportunity for efficiency improvement.
- 6.22 The greatest area of saving potential was identified within staffing, but the potential models are hypothetical and need further testing in the context of the service design. Further analysis is required of local authorities with low cost per adoption and good performance on timeliness and quality to identify whether these achievements are possible to extend to other areas. The London Regional Adoption Agency will measure performance against Adoption Leadership Board statistics, quality metrics including breakdowns, process efficiency and satisfaction required of local authorities with low cost per adoption and good performance on timeliness and quality to identify whether these achievements are possible to extend to other areas. The London RAA will measure performance against Adoption Leadership Board statistics, quality metrics including breakdowns, process efficiency and satisfaction. Proactive tracking and problem solving processes will be a core function of the RAA.

Development of the Service and Delivery Model

- 6.23 The Regionalisation Steering Group considered a number of options for the delivery model, and recommended two for further investigation. In order to be able to advise Boroughs, ALDCS has sought legal advice regarding the proposed London scheme. In addition, there have been two events for lead members, as well as engagement with adopters, prospective adopters, and adopted young people.

Development of the high level service model

- 6.24 To create a London Regional Adoption Agency that best meets the needs of children and adopters in line with the expected Government guidance there was a need to consider the types of delivery vehicles and models that would make the difference in improving our specified outcomes. In January 2016, the project team held an options development workshop with LA, VAA and adopter representatives. Participants were provided with information collated from throughout the project engagement to date, and asked to identify the outcomes expected from each aspect of the adoption journey in order to achieve the vision. Groups then identified the commissioning and delivery scale required to achieve the outcomes. A diagram showing the outcomes identified in this workshop can be seen in **Appendix 2**.

Options analysis on the delivery model

- 6.25 Building on this service design, the workshop participants were introduced to the potential delivery vehicles and structures. They agreed the desirability and feasibility criteria for scoring these vehicle/ structure combinations. These criteria were agreed by ALDCS.

Delivery vehicles considered

- 6.26 The following delivery vehicles were considered as part of the options appraisal process at either the pan-London level or the creation of multiple regional agencies:

- Single LA hosting on behalf of other LAs.
- New LA owned entity.
- LA-VAA joint venture.
- Outsourcing to existing London VAAs.

- 6.27 Within the above delivery models, a number of structures were considered:

- Fully centralised: a single London body;
- Hub and spoke: central hub for London-wide co-ordination, commissioning and delivery, with sub-regional spokes for delivery and local commissioning under the same organisation.
- Tiered approach: top strategic tier, second strategic/ operational tier, third delivery tier.
- As-Is+: current arrangement with more formalised partnerships.

Recommendation on preferred models

- 6.28 The Regionalisation Steering Group carried out scoring of desirability and feasibility criteria and held a discussion of the available options based on engagement with stakeholders and other data captured. The group recommended the following options for further investigation:
- 6.29 LA trading company delivery model with a strategic VAA partnership operating in a hub and spoke structure (Option 1).
- 6.30 LA-VAA joint venture operating in a hub and spoke structure (Option 2).
- 6.31 A summary of the assessment of the individual options can be found in **Appendix 3**.

6.32 At the March meeting of ALDCS, Directors received a report of stakeholder engagement in respect of the potential delivery models which could form the model for a future regionalised offer. Those preferences, based on guidance from stakeholders including VAAs, were a local authority trading company and a joint venture. Directors supported this recommendation.

London Councils legal advice on the potential delivery models

6.33 On the direction of ALDCS, legal advisors were appointed by London Councils to produce detailed advice report on the two preferences.

6.34 An Executive Summary of the legal advice report is attached as **Appendix 4**.

Recommended model

6.35 The report received from the legal advisors recommends that the Agency would be a not-for-profit community benefit society which is jointly owned by all of the LAs (Option 1) who wish to participate in the project from the outset (Founding Councils). The figure below shows the structure of the recommended model.

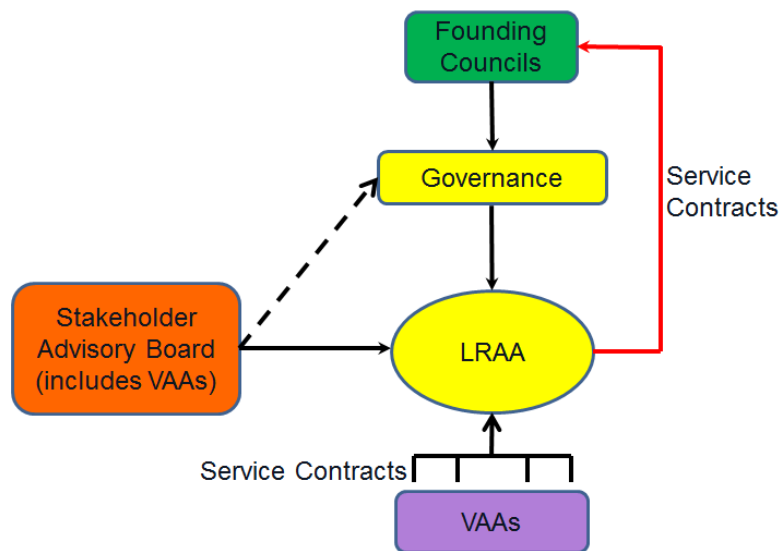


Figure 4. A multi-LA owned corporate entity working in partnership with VAAs to deliver adoption services

6.36 The Founding Councils' involvement in the Agency would be governed by a Members' Agreement. The Agency would be managed by a board of directors including officers of the Founding Councils, with places reserved for elected VAAs, and potential for other service user or stakeholder involvement. This model is quicker and cheaper to set up, and retains close VAA partnership working.

Engagement and Consultation

London-level member engagement

6.37 In July 2015, London Councils published a Member Briefing⁴ on the Department's regionalisation policy platform and informed members that ALDCS had submitted an Expression of Interest. This was followed by a report to London Councils' Executive in October 2015 setting out regionalisation project in high level terms and seeking Executive's in principle support, which was agreed.

6.38 In November 2015, a London Councils Member Event⁵ was hosted by the project team. The feedback from members subsequently informed the project vision and detailed project plan. In July 2016, a further London Councils Member Event was held to share the initial options analysis and the report on legal implications of the potential models.

Other stakeholder engagement

6.39 The Project Development Group has engaged with voluntary adoption agencies, adopters and prospective adopters, and children and young people during the development of the recommendations. A list of these engagement sessions can be found in **Appendix 5**.

7. CONTRIBUTION TO STRATEGIC OUTCOMES

7.1 This proposal links to Priority One of the Corporate Plan "Best Start in Life" by ensuring that adoptive families are provided as soon as possible for children who can not be brought up by their biological parents.

8. STATUTORY OFFICERS' COMMENTS (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance and Procurement

This paper seeks support for joining the future London Regional Adoption Agency subject to detailed financial analysis. Until this analysis is undertaken, it is not clear whether the new adoption new adoption arrangements will be more or less likely to provide suitable and sufficient adoptive families at a reasonable price for Haringey children than the current local arrangements. Neither is it clear that the balance between the overall costs of the adoption service and the savings from having children looked after for less time (ie because more will be adopted or will be adopted sooner) will be generally beneficial for the authority, compared to current practice.

8.2 Legal

The report at this stage is seeking Cabinet's support to the the development of a London Regional Adoption Agency as the preferred pan London model. The -legislative basis for the arrangement is set out in Section 15 of the Education and Adoption Act 2016 ("*Local authority adoption functions: joint arrangements*") which provides the

⁴ <http://www.londoncouncils.gov.uk/members-area/member-briefings/children-and-young-people-member-briefing/regionalising-adoption>

⁵ Reforming Adoption in London. Nov 6th 2015.

Secretary of State with the power to direct the transfer of adoption functions of a local authority to another local authority or adoption agency. The functions specified are: a) the recruitment of persons as prospective adopters; b) the assessment of prospective adopters' suitability to adopt a child; c) the approval of prospective adopters as suitable to adopt a child; d) decisions as to whether a particular child should be placed for adoption with a particular prospective adopter; and e) the provision of adoption support services. A direction from the Secretary of State is necessary.

8.2.2 The registration with Ofsted of the London Regional Adoption Agency as a registered adoption society or an adoption agency is central to the proposals as it enables the participating local authorities to delegate their own adoption agency functions to it.

8.2.3 The external Legal Advisers commissioned by London Councils have in their Executive Summary report in Appendix 4 identified legal and other issues that should be addressed when the details of the arrangement are fully developed and before Cabinet makes the final decision on whether to join the London Regional Adoption Agency.

8.3 Equality

8.3.1 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

8.3.2 The Council aims for those vulnerable children and young people who cannot remain with their own families to be offered the best possible care. A well timed and good matched adoption placement can make a significant difference to the long-term outcomes of children who have difficult and damaging early year's experiences. Adoption can therefore be a key intervention to reducing inequality.

8.3.3 There are known inconsistencies across London over adoption practice and placement matching. The average length of time it takes from entering care to moving in with adopted parents in Haringey (and many other London boroughs) is above the national threshold. The exploration of a London wide Regional Adoption Agency is intended to help improve the timeliness, consistency and quality of adoption practice and placement matching, contributing to positive outcomes for some of the most vulnerable children.

8.3.4 The development of a Regional Adoption Agency is still at an elemental stage, and this Cabinet report is to endorse officers to continue to collaborate in exploring viable options. At a later stage, an equality impact assessment should be undertaken to inform a future final decision on whether to enter into a Regional Adoption Agency, considering the anticipated impact on both service users and staff.

8.4 Staffing Issues

Adoption staff and trades unions will need to be consulted as arrangements develop and proposals for staff become clearer. It is, however, currently assumed that those staff involved in delivering the Adoption Service will transfer via TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended) and that the LRAA would join the Local Government Pension Scheme (LGPS) thereby ensuring that staff are able to maintain current pension arrangements.

9. USE OF APPENDICES

1. *ALDCS (Nov 2015) Regionalising Adoption: A vision for London Councils*
2. *Adoption journey outcome summary (Jan 2016)*
3. *ALDCS (March 2016) London Adoption Regionalisation – Project Update – Section 2*
4. *ALDCS (July 2016) London Adoption Regionalisation – Project Update*
5. *ALDCS (May 2016) London Adoption Regionalisation – Project Update*

10. Local Government (Access to Information) Act 1985

Appendices above.