

<b>MEETING:</b>	<b>CABINET</b>
<b>MEETING DATE:</b>	<b>10 APRIL 2014</b>
<b>TITLE OF REPORT:</b>	<b>WEST MERCIA ADOPTION SERVICE</b>
<b>REPORT BY:</b>	<b>ASSISTANT DIRECTOR: SAFEGUARDING &amp; EARLY HELP</b>

## **Classification**

Open

## **Key Decision**

This is a Key Decision because it is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates.

NOTICE has been served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

## **Wards Affected**

County-wide

## **Purpose**

To approve the future operating model for a West Mercia Adoption Service.

## **Recommendation(s)**

**THAT:**

- (a) To approve the proposed future operating model for a West Mercia Adoption Partnership commencing first with Option 2, as outlined in appendix one, page 9;**
- (b) To note the financial implications of this option; and**
- (c) To delegate any future decision on the implementation of the operating model, including a preferred provider, to the Director of Children's Wellbeing in consultation with the Lead Cabinet Member.**

## Alternative Options

- 1 An Outline Business Case for the project was presented to Cabinet on 4th October 2013. This included the following delivery options for the new service:
- 2 Option 1: Do nothing and stay 'as is', with each service maintaining its existing service set up, using 3rd parties independently procured.
- 3 Option 2: Deliver some key functions together and maintain delivery of other functions within individual authorities.
- 4 Option 3: Deliver a core adoption service across West Mercia, with commissioned non-core services based on local needs.
- 5 Option 4: Deliver a single adoption service, incorporating all core and non-core services, delivered by a lead West Mercia authority.
- 6 Option 5: Contract out all core and non-core services (on a not for profit basis), e.g., by going into partnership with a voluntary organisation or establishing a staff mutual.
- 7 Further analysis identified Options 2 & 3 to be very similar and a model mixing elements of both Options was developed as a new Option 2. The revised options are list below.
- 8 Option 1: Do nothing and stay 'as is', with each service maintaining its existing service set up, using third parties independently procured.
- 9 Option 2: Deliver some adoption functions within a single adoption service, hosted by a lead West Mercia authority, with some specific functions continuing to be delivered within the individual local authorities.
- 10 Option 3: Deliver a single adoption service, incorporating all the adoption services, hosted by a lead West Mercia authority.
- 11 Option 4: Contract out all adoption services (on a not for profit basis), e.g. by going into partnership with a voluntary organisation or establishing a staff mutual.
- 12 Analysis of the four options determined that:
- 13 The added benefits from Option 1 are negligible and would not achieve adequate cost and quality benefits as it does not sufficiently remove duplication and management costs within adoption teams.
- 14 It is felt that there has been insufficient progress made to date in developing the business model to permit a single authority to assume host status. Also the market for potential service providers is not at this time sufficiently developed or prepared to take on the overall management of the service. The risks are therefore perceived to be too high at this juncture to progress immediately to Option 3 or 4.
- 15 Option 2 will be feasible based on a cost/benefit analysis, be relatively low risk and provide a sound launchpad to progress to either Option 3 or 4 in the medium term.

## Reasons for Recommendations

- 16 The overall aim of the project is to develop a single West Mercia Adoption Service which delivers a more efficient and effective service to a wider range of children, with particular emphasis on improving the timeliness of placing children and young people for adoption. The phased approach to establishing a West Mercia Adoption Partnership will enable all authorities to progress achieving appropriate economies of scale and quality improvements for adoptive families and the children currently in our care

## Key Considerations

- 17 Under new powers provided to the Government under the Children and Families Act 2013, local authorities that are not performing appropriately will have their role as adoption agencies withdrawn. In addition, there is a longer term proposal in the Government's 'Action Plan for Adoption: Tackling Delay' which proposes as a default position that the recruitment and training of adopters will be transferred to voluntary organisations.
- 18 The four local authorities in the West Mercia region - Herefordshire Council, Worcestershire County Council, Telford & Wrekin Council and Shropshire Council - recognise that working collaboratively provides a genuine opportunity to respond to the national agenda and, following the success of a similar approach to establish a West Mercia Youth Offending Service, came together in April 2013 to discuss the possibility of joining forces to provide a single adoption service, which would potentially include a voluntary sector partner.
- 19 By delivering a single service whilst maintaining functions at a regional and local level, partners envisage achieving economies of scale and delivering a faster and more cost efficient process of providing alternative permanent homes for children across the West Mercia region.
- 20 It is proposed to develop a single West Mercia Adoption Service across Worcestershire, Shropshire, Telford and Wrekin and Herefordshire which delivers a more efficient and effective service to a wider range of children, with particular emphasis on improving the timeliness of placing children and young people for adoption.
- 21 If Option 2 is approved, the services to be delivered through the West Mercia Adoption Partnership will be:
- Non-agency adoption (step parents) and inter country
  - Adopter recruitment and front door
  - Training of adopters
  - Support for adopted adults
  - Post order support
  - Birth family support

- 22 These have been chosen because:
- It has been established that there are economies of scale that can be achieved quickly by combining the resources of the 4 authorities to deliver these particular functions.
  - This will establish a 'West Mercia' brand to enable more effective marketing and recruitment.
  - Adopters welcomed the flexibility that choice for accessing training and support would provide.
  - This will enable the provision of a more holistic and responsive adoption service.
  - It provides the option to contract on a not for profit basis by going into partnership with voluntary organisations around these functions and testing the market for Option 3.
- 23 One of the main considerations for all four authorities, has been the concern that quality continues to improve. Herefordshire is already performing well, and is one of only 36 authorities to achieve the government targets; the current combined Shropshire and Telford and Wrekin service is one of the top performing services in the country. This development therefore builds on existing strengths. The new service will at least maintain the quality of current provision and improve outcomes. It also has potential to deliver savings based on lower service costs arising from a more efficient staffing structure and economies of scale due to aggregated workloads. There is also the ability to strengthen training and recruitment of potential adopters which could increase the pool of families available locally to adopt children. The project is exploring the potential for reducing costs through better commissioning or joint arrangements and strengthening management arrangements and will ensure that Herefordshire will continue on its trajectory for improved performance.
- 24 The project will support Herefordshire's Looked After Children Strategy and will enable more children who are unable to live with their birth family, to cease to be looked after and to live in safe and loving adoptive homes. It is the intention that any new service will particularly benefit those children who have additional needs or characteristics that can make it more difficult to find an adoptive home.

## **Community Impact**

- 25 The proposals are complementary to the principle and broad strategic requirements outlined in the Children's Plan and the Health and Wellbeing Strategy.

## **Equality and Human Rights**

- 26 A Needs Assessment has been undertaken to assist in identifying key characteristics of children waiting for an adoptive home, prospective adopters, and the support needs of adoptive families and birth families. This will inform the full equality impact assessment that will be completed alongside the consultation. The findings will help to shape the development of any joint services.

## **Financial Implications**

- 27 The new arrangements will be developed within the existing budget of £439k. It is anticipated that cost benefits will be possible by reconfiguring management and support costs whilst being able to improve performance by rolling out best practice and standardising processes. It is not possible at this time to confidently predict the overall positive impact due to variations in accounting practices across the partners. This will be developed in stage two as the preferred option is put into place. Reconfigured costs would be achieved alongside the increasing performance of the combined team, not instead of.
- 28 The project is using the Adoption Reform Grant to support the transformation and costs are shared proportionate to the level of grant aid provided to each partner authority.
- 29 Provision of £14.3k from the Adoption Reform Grant has been made to cover the development phase in 2014/15.

## **Legal Implications**

- 30 Effective consultation will be required with staff and trade unions regarding proposals for change. If there are potential redundancies arising from the proposals a formal consultation period of 45 days will be required. Potential liabilities for redundancy and retirement costs would need to be considered and would be met by each partner.
- 31 If staff are to transfer employer to either another local authority or another organisation then consultation would be required on this and the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) would apply. Due diligence would have to be taken with providing TUPE information, including individual employee information and information on terms and conditions. In addition, implications for pensions would have to be considered.
- 32 The lead LA for delivery of legal support (and other corporate services) to this service will be considered at the next stage

## **Risk Management**

- 33 The council at present has a high level of performance in this service area as evidenced through inspection and the National Adoption Scorecard. As such it would not be at risk under the government's new proposal for under performing services. As stated above, two of these partners have a very highly performing service and the one which has been under performing is now improving. There is a risk that a partnership here could have a negative impact on service performance. This would be a particular risk as the service was being established.

- 34 The present Herefordshire service has a significantly smaller budget compared to the other partners. There is evidence from the YOS experience where a similar situation existed that the cost benefits were not as significant as for larger partners. It is also unclear at this time as to how future costs would be apportioned between partners which will be a key factor. There is also the unknown as to possible redundancy costs and IT costs are also yet to be determined. It is therefore difficult at this time to be precise as to what the financial benefits would amount to.
- 35 Both of the above which are seen as the two significant risks are greatly mitigated by the approach being proposed. By taking a phased approach commencing with the development of important but lower risk aspects of the service will both test the potential benefits, lead to real service improvements and obtaining a much more comprehensive appraisal of the cost benefits of progressing to the complete service model. In line with Council policy these risks will be included in the relevant risk register.

## **Consultees**

- 36 There is a Communication Strategy in place that includes a plan for wide consultation with all stakeholders. Workshops and focus groups have already taken place with representatives from prospective adopters, adoptive parents, adoption panel members and staff. There has also been a stakeholder event with voluntary organisations interested in providing services, or working in partnership. Their feedback has contributed to the detailed business case. Further workshops are planned with representatives of these groups of stakeholders and also with adopted children, adopted adults and birth parents. In addition, if the proposal is accepted there will be a public consultation on the council website.

## **Appendices**

Appendix 1 - Detailed Business Case Version 9 March 2014

## **Background Papers**

None