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| <b>Meeting:</b>         | <b>Cabinet</b>   |
| <b>Meeting date:</b>    | <b>Thursday 28 February 2019</b>   |
| <b>Title of report:</b> | <b>Approval for Herefordshire Adoption Service to join Adoption Central England (ACE) regional adoption agency</b> |
| <b>Report by:</b>       | <b>Cabinet member children and families</b>  |

## **Classification**

Open

## **Decision type**

Key

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

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**

(All Wards);

## **Purpose and summary**

To approve a decision that Herefordshire join Adoption Central England (ACE) regional adoption agency (RAA) jointly with Warwickshire, Solihull, Coventry and Worcestershire local authorities in accordance with central government expectation that all local authorities are part of a RAA by 2020.

## Recommendation(s)

That:

- (a) **Herefordshire adoption service joins Adoption Central England (ACE) regional adoption agency with effect from 1 July 2019; and**
- (b) **the Director of Children and Families be authorised to take all operational decisions necessary to complete the partnership and hosting legal agreements with ACE.**

## Alternative options

1. Do nothing. The Department for Education published 'Regionalising adoption' in June 2015 and 'Adoption: A vision for change' in March 2016, outlining plans to radically redesign the whole adoption system - the structures, systems and workforce. In order to deliver their vision new service models were proposed, delivered through Regional Adoption Agencies (RAAs) and voluntary adoption agencies (VAAs) working together to deliver adoption services. All councils are required to be part of a RAA, or to have delegated their adoption functions to a RAA by 2020. If we do not join an RAA the available pool of adopters available to match children from Herefordshire with is likely to reduce resulting in potential delay for children and financial and reputational risk for the council.
2. Join a different RAA. Gloucestershire and South Gloucestershire are both part of Adoption West RAA. It is not proposed that we join this RAA as these counties are not part of the West Midlands region and increasingly children's social care are working collaboratively with other authorities in the region on a range of issues. Powys and Monmouthshire are both in Wales which operates a different legal framework to England. Shropshire are part of a joint service with Telford and Wrekin, Stoke and Staffordshire councils. It could be an option to apply to join this RAA however Herefordshire has worked closely with Worcestershire for many years and demographics are more similar to the ACE councils.

## Key considerations

3. In "Adoption: A vision for change" the government established its vision for adoption services which included:
  - a. Decisions about placements are always made in children's best interests
  - b. Service delivery has at its heart innovation and practice excellence
  - c. Social workers are highly skilled professionals who make high quality, evidence based decisions and do not tolerate damaging delay for children in their care.
  - d. Matches are made without unnecessary delay.
  - e. Every adoptive family has access to an ongoing package of appropriate support with a right to a high quality, specialist assessment of need.
  - f. The voice of adopters and their children is at the heart of national and local policy decision making and delivery of services.
4. The government's view is that to achieve this vision adoption services need to operate on a sufficient scale. Most local authorities have quite small adoption teams and so the requirement is to form or join a regional adoption agency.

5. Herefordshire has a long established relationship with Worcestershire adoption service and our local authorities have worked jointly to deliver training for adopters and exchanged adoption placements for many years to mutual benefit.
6. ACE is a collaboration of Warwickshire, Coventry, Solihull and Worcestershire local authorities and is hosted by Warwickshire. These local authorities are largely similar in demographics to Herefordshire and enable the existing positive relationship with Worcestershire to be further developed. Performance data on ACE has not yet been published but Warwickshire have been assessed by OFSTED as having a “good” adoption service in July 2017.
7. ACE went “live” as a service in February 2018. They operate a “hub and spoke” model of service where recruitment and assessment work is held in the hub in Warwick and each local authority has its own “spoke” based in the locality which is responsible for family finding and post-adoption support services. It is expected that Herefordshire would join this model of service delivery although it is acknowledged that due to the large geographical area it will be necessary to have a “sub-hub” in Worcester. This will be further explored during implementation planning.
8. Preliminary meetings have been held with ACE to understand their service model and whether it would be in the best interests of Herefordshire’s children to be part of ACE. We have completed an initial application which was considered by ACE Board on 23<sup>rd</sup> October 2018. The board agreed that Herefordshire could join the service subject to approval by their respective authorities.
9. ACE has an aim to deliver excellence in practice through innovation and stakeholder engagement to become an adoption service that is “Better than the Best”. 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 it will support local authorities in their permanence decision making and practice in accordance with an agreed service specification.
10. The Hub and Spoke design reflects the two aspects of adoption practice primarily the recruitment of adoptive families, through a central Hub and secondly, the delivery of services to children with an adoption plan and adoptive families, through Spokes that are 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.
11. Staff will be supported to work flexibly. Each will have a designated base but will be able to access any of the Spokes, the Hub or work flexibly from other bases dependent on their work at any given time.
12. ACE is governed by an Executive Board made up of senior representatives from each of the council’s who have equal voting rights. The Executive Board is the key decision making body of ACE and has strategic oversight of the operation of ACE, including reviewing and endorsing the budget. Members of the Board make decisions on behalf of their respective council’s and report back to their own organisation through their respective governance arrangements. Under the National Minimum Standards for Adoption there is a requirement for the council’s Executive to receive an annual report regarding the management, outcomes and financial state of the Adoption Service and this will continue if we join ACE.
13. The Executive Board is supplemented by a Practice and Stakeholder Panel whose primary function is to develop good practice and joint working between the local

authorities and stakeholders, as well as making recommendations in relation to the performance of ACE and reviewing and endorsing proposals produced by the ACE Lead Manager. The Panel includes senior officers from each of the authorities along with key stakeholders. Herefordshire would have representatives on both the Executive Board and Practice and Stakeholder Panel.

14. The OFSTED inspection in June 2018 identified several areas of good practice in Herefordshire's adoption service including timeliness of adoption decisions, matching decisions and post adoption support. The service benefits from an experienced staff group who initially would be seconded to ACE. ACE currently operates by partner local authorities seconding staff however the ACE board is considering whether staff should be employed via Warwickshire through TUPE arrangements in the future. Herefordshire's Human Resources team will work closely with Warwickshire to support staff to understand the implications for them and to transition to new working arrangements.
15. Children with a plan of adoption often need to be placed out of area to ensure that they are safeguarded from their birth family. In Herefordshire this poses a particular challenge with the main city being the focal point for the County. Therefore it had become common practice for us to exchange adopters with Worcestershire and other neighbouring authorities. As all of our neighbouring authorities are now part of a RAA they are now exchanging adopters within their own RAA leaving Herefordshire with no option but to purchase adoptive placement through a Voluntary Adoption Agency when a suitable match is not available with Herefordshire adopters. This is now reducing the choice of adopters available for Herefordshire children and adding an additional financial burden to the service. Joining ACE would resolve this issue increasing the range of adopters available and enable better matching for children.
16. Herefordshire will no longer require its own Adoption panel if we join ACE. Instead these functions will be managed by ACE adoption panels. Existing Herefordshire panel members will be given the opportunity to join the central panel list for ACE and suitable representation on the panel from Herefordshire residents and professionals will continue.
17. An implementation plan has been prepared setting out a timeline for the tasks relating to governance, legal, ICT, human resources, practice, premises, infrastructure, commissioning, workforce development, performance and communications and this work will be overseen by the project group consisting of relevant personnel from Herefordshire council and ACE.

## **Community impact**

18. It is a council priority to "keep children and young people safe and give them a great start in life". Enabling children who cannot be safely cared for by their family to benefit from early permanency via adoption is part of achieving this.
19. Any arrangements will comply with the code of corporate governance and the partnership arrangements will comply with the principle of transparency and accountability.
20. The Corporate Parenting strategy includes objectives of ensuring that children achieve permanency as soon as they can and this can only be achieved with an effective adoption service working jointly with our children's social workers to assess and find forever families for children. The annual report on the adoption service will continue to be presented to Cabinet and the Corporate Parenting panel on an annual basis to ensure that the service delivers outcomes for children.

## Equality duty

21. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

22. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation and the existing partnership and hosting agreement for ACE already incorporates commitments to equality and diversity that meet the equality duty. This agreement will be revised and updated if Herefordshire council joins ACE

## Resource implications

23. ACE local authorities agreed to a transitional funding agreement of contributing existing in scope costs to the service from 1<sup>st</sup> February 2018 to 31<sup>st</sup> March 2019. These are set out in the table below. The ACE board meeting on the 31<sup>st</sup> January 2019 will agree funding contributions for 2019/20 but aim to move towards an agreed funding formula.

| 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                         |
| <b>Total</b>                  | <b>£3,377,000</b>                  |

24. Current budgeted spend for adoption services during 2019/20 is £653,867 and there is no proposal that this changes if Herefordshire joins ACE. It is proposed that Herefordshire contribute funding of £494,747 for 2019/20 to ACE. Our adoption service currently provides functions that are not included within the ACE specification and therefore resource of £159,120 will be retained by the local authority to ensure these functions continue.
25. The gap between current adoption service resource and funding to ACE would be used to carry out functions currently completed by our adoption service that would not be

covered by ACE e.g. Child and Adolescent therapist preparing children for adoption, quality assurance of adoption reports, tracking of children with a plan for adoption, matching of children who are not “hard to place” and support and quality assurance of adoption support plans.

26. It is therefore proposed that three posts from our existing adoption team are not seconded to ACE but are moved to work within our Child Protection and Court teams with specific functions to support the work related to children with a plan for adoption. The posts retained would be one social worker, one family support worker and one child and adolescent therapist.
27. ACE have a funding formula within their existing Partnership and Hosting Agreement which has been shared with us but not yet applied to the service. Having applied this formula to our circumstances we would expect our contribution to be circa £400,000 per annum. It is anticipated that this funding formula will be reviewed and refined at the next Board meeting on 31<sup>st</sup> January 2019.
28. In the last three years we have been net purchasers of inter-agency placements as set out in the table below. We currently have a budget of £135,000 allocated for inter-agency placements within our adoption service. This budget is increasingly under pressure as we have to purchase inter-agency placements from Voluntary Adoption Agencies if there is no suitable match with a Herefordshire adopter. If we join ACE it is anticipated that this cost pressure will end as we will have access to a choice of adopters across the ACE region and so should only have to seek placements outside of ACE on a very exceptional basis for children with very specific needs.

| <u>Financial Year</u> | <u>Spend</u> | <u>Income placements</u> | <u>Expenditure placements</u> |
|-----------------------|--------------|--------------------------|-------------------------------|
| 14/15                 | -47,826.00   | 6                        | 4                             |
| 15/16                 | 150,875.67   | 0                        | 7                             |
| 16/17                 | 124,029.00   | 5                        | 10                            |
| 17/18                 | 147,552.00   | 4                        | 10                            |

29. If ACE is successful in delivering an effective “Better than the Best” service then it will produce savings in the longer term, through a combination of a) reducing the unit cost per adoption, b) increasing the number of adoptions per year, and c) increasing the speed of adoption. The latter two would result in savings in the local authority’s fostering placement budget.
30. The Department for Education will award an implementation grant of £60k upon receipt of an appropriate application. ACE Executive Board have been clear that they would not be willing to meet any direct costs arising from Herefordshire joining ACE. The main costs are likely to arise in relation to ICT hardware and installation costs and legal cost which the implementation grant should be sufficient to cover. The time and resource of relevant personnel in achieving successful implementation will be available from ACE and Herefordshire.

## Legal implications

31. The Adoption and Children Act 2002 provides the duty on councils to maintain an adoption service in their area.
32. The Children and Families Act 2014 allows for the Secretary of State by order to require all councils in England to make arrangement for some specified functions to be carried out on their behalf by one or more other adoption agency.
33. Further the Education and Adoption Act 2016 enables the Secretary of State to require councils to make arrangements for their adoption functions to be carried out by a Regional Adoption Agency.
34. The proposal enables the council to retain its adoption functions whilst having the advantages that a regionalised approach to adoption work provides.
35. Legal services will provide ongoing advice in respect of any TUPE implications of the recommendations.

## Risk management

36. There is a risk that ACE does not perform to expectations. This risk will be mitigated by robust business and performance management through the governance structure as detailed in paragraphs 12 and 13 above.
37. There is a risk that ACE and children's social care do not work effectively together resulting in drift and delay for children. The staff working in the spoke will continue to be co-located with children's social care ensuring daily communication and joint working between the services continues. Clear procedures for tracking children and communication between services will be established. Clear procedures and protocols have already been established in ACE and Herefordshire can benefit from this work having already been undertaken and will work during the implementation phase to align our existing working practices to minimise any disruption to service delivery.
38. Our existing experienced staff group may not wish to be seconded to ACE and may obtain alternative employment. We will work with colleagues in Human Resources in Herefordshire and Warwickshire to ensure the staff group are kept fully informed and are involved during the implementation phase so that they can be offered as much reassurance as possible about their terms of employment and expectations to minimise the risk of staff leaving. If staff vacancies do arise then Warwickshire will recruit on their terms and conditions and Herefordshire would promote opportunities locally.
39. There is a risk that the costs of being part of ACE would escalate. Each Local Authority who is part of ACE have already made commitments that service costs will be maintained at existing levels and any cost pressures will be managed within the service. This will not change if Herefordshire joins but any risk will be mitigated by a robust financial agreement that includes long term funding arrangements as stipulated in a Partnership and Hosting agreement. There could be some initial set up cost pressures if the implementation grant is insufficient to cover the costs for Herefordshire and ACE.
40. There is a risk that ACE does not recruit and assess sufficient adopters to meet the needs of children placing a budget pressure on the inter-agency budget of the service.

This will be mitigated by an active focus on recruitment and assessment, forward planning and robust oversight by the Executive board and Practice and Stakeholder panel.

## **Consultees**

41. ACE management board considered and agreed a proposal that Herefordshire join the service on 23<sup>rd</sup> October 2018. This recommendation is now being taken through appropriate decision making processes in each of the local authorities that are part of ACE.
42. The proposals have been circulated to political group leaders. A response was received from group leader for the Green Party who indicated the group's support for the proposal and that the uncertainty regarding arrangements for joining a regional adoption agency has now been resolved.

## **Appendices**

Appendix 1 – ACE service specification

## **Background papers**

None identified