

<b>Bath &amp; North East Somerset Council</b>		
<b>MEETING/ DECISION MAKER:</b>	<b>Children and Young People Policy Development and Scrutiny Panel</b>	
<b>MEETING/ DECISION DATE:</b>	<b>13<sup>th</sup> September 2016</b>	<b>EXECUTIVE FORWARD PLAN REFERENCE:</b>
<b>TITLE:</b>	<b>Update on “Adoption West”</b>	
<b>WARD:</b>	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b>		
N/A		

**1. THE ISSUE**

- 1.1. This paper seeks to update the Children and Young People Panel on the progress in developing a Regional Adoption Agency in accordance with government requirements.
- 1.2. The development of Regional Adoption Agency proposals is part of the national regionalising adoption agenda as set out in the government document ‘Regionalising Adoption’ (July 2015), and further developed in ‘Adoption; A Vision for Change’ (March 2016). Proposals are also informed by the Education and Adoption Act 2016.
- 1.3. This proposal involves formal collaboration with a number of local authorities to establish a Regional Adoption Agency (RAA) in line with Government requirements. The local authorities involved are:  
 Bath and North East Somerset Council  
 City of Bristol Council  
 Gloucestershire County Council  
 North Somerset Council  
 South Gloucestershire Council  
 Wiltshire Council

## **2. RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 2.1. A report that detailed the progress of the project and the implications for the Council was presented to Cabinet on 13<sup>th</sup> July 2016. Cabinet noted the progress and agreed for a further update in the Autumn.
- 2.2. A full business case detailing projected costs and setting out funding arrangements will form part of the next stage of the process and as stated above will be reported back to Cabinet in Autumn 2016 (as it will for the other five local authorities).
- 2.3. The proposal is to establish a local authority trading company which as such will be controlled by each of the participating local authorities which will form the membership (shareholders) of the company. Each local authority has a fiduciary duty to look after the funds entrusted to it and to ensure that the taxpayer's money is spent appropriately. For that reason, a local authority must carefully consider any trading venture that it embarks on. The 2009 Trading Order England requires the local authority to prepare a business case. A business plan was included in the reports that were reviewed by Cabinet and which will receive further scrutiny in the Autumn.
- 2.4. The plans for Adoption West RAA will not increase costs and will seek to deliver efficiencies.
- 2.5. For the purposes of the applicable VAT legislation, the RAA will be providing "welfare services". This would bring the RAA within a VAT exemption. The consequences of the VAT exemption are twofold:
  - The RAA will not be required to charge VAT to the participating authorities in respect of the welfare services it provides.
  - Since it will be making exempt supplies, the RAA may not be able to recover the VAT it incurs in procuring support services from third parties, such as finance, human resources advice and ICT. As such the potential costs of these services to the RAA should be factored into the full business case as part of the final decision making process.
- 2.6. It is also anticipated that appropriate current employees of the local authorities will transfer to the new agency under the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations 2006 to the RAA as responsibility for the delivery of all aspects of the Adoption Services are transferred. A due diligence review of the Terms and Conditions which currently apply to employees is underway.

## **3. STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 3.1 This proposal addresses the duties placed upon the Council under the Adoption and Children Act 2002 as amended by the Education and Adoption Act 2016.
- 3.2 The Education and Adoption Act 2016 amends the 2002 Act to include:

- 3.2.1 The Secretary of State may give directions requiring one or more local authorities in England to make arrangements for all or any of their functions within subsection (3) to be carried out on their behalf by—
- (a) one of those authorities, or
  - (b) one or more other adoption agencies.
- 3.2.2 A direction under subsection (1) may, in particular—
- (a) specify who is to carry out the functions, or
  - (b) require the local authority or authorities to determine who is to carry out the functions.
- 3.2.3 The functions mentioned in subsection (1) are functions in relation to—
- (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;
  - (e) the provision of adoption support services.
- 3.3 The legislation also reserves the right of the Secretary of State to require local authorities to terminate or change any relevant arrangements made in relation to adoption and to amend any regulations pertaining to adoption functions and services.

#### **4. THE REPORT**

- 4.1 The Adoption West project has developed from a steering group that formed in July 2013 to consider the possibility of more collaborative working to improve adoption and permanence service delivery across potentially eight local authorities (Bath & North East Somerset, Bristol, Gloucestershire, North Somerset, South Gloucestershire, and Wiltshire). Somerset and Swindon have subsequently joined other regional agencies. Initial work was undertaken by commissioning leads from Gloucestershire and Wiltshire before engaging the Institute of Public Care (IPC) to complete more detailed work. IPC presented a commissioning plan to the Directors of Children's Services for the Adoption West area and on the 18th July 2014 it was agreed that work should be undertaken to move towards a collaborative model of providing adoption services. Work began in April 2015 on activity to concentrate on and jointly commission a number of adoption service functions regionally.
- 4.2 Following the general election in May 2015 the context within which the Adoption West project was operating changed with the publication of 'Regionalising Adoption' (July 2015). In which, the government set out their proposals to move to Regional Adoption Agencies by the end of the Parliament in 2020 and invited expressions of interest from local partnerships. The paper included an emphasis on getting

adoption/permanence right for harder to place children whilst ensuring adoption support is available and accessible to these adoptive families and set out three key aims:

- To speed up matching and improve the life chances of neglected children
- To improve adopter recruitment and adoption support
- To reduce costs

It is also clear that DfE expect to see Voluntary Adoption Agencies (VAA's) / Adoption Support Agencies (ASA's) actively included in whichever delivery model is finally agreed and implemented and are 'particularly keen to consider models that have an element of cross-sector collaboration'.

4.3 Following market testing, an engagement event with voluntary sector providers and expressions of interest, it was agreed that 6 VAA / ASAs would be contributors to the design and development of Adoption West. The Voluntary Adoption Agencies and Adoptions Support Agencies involved in Adoption West include:

- Action for Children
- Adoption UK
- After Adoption
- The Adoption West expression of interest was submitted in September 2015 and DfE agreed funding to begin in November 2015. Funding was agreed for resources to support the project including project management, professional leadership and independent specialist legal, financial and technical advice. Support and challenge to the project is also provided through an allocated coach offering guidance and acting as a link with the DfE. The project is required to provide progress reports to the DfE on milestone delivery and spending, subsequent phases of funding are contingent upon meeting DfE reporting and project gateway requirements.
- The participating authorities will enter into a members or shareholders agreement. Any members' agreement will set out clearly what the purpose of the collaboration is and will clearly assign roles and responsibilities to each of the participating authorities. It will also deal with governance and issues such as dispute resolution. Adoption is regulated by statutory provisions and administered through the courts in line with these principles. Adoption services are administered through agencies approved by the secretary of state and are subject to inspection by OFSTED. Proposals will consider the potential impact of the inspection requirements, acknowledging that DfE and OFSTED are working together to agree the best approach for new delivery models. The Adoption Leadership Board and Regional Adoption Boards provide leadership to the adoption system, improve its performance and tackle the key challenges it currently faces by supporting the collection, analysis and dissemination of timely performance data and the sharing of best practice.

## 5. SUMMARY

- 5.1. This proposal meets the requirements placed upon the Council to develop a new form of service to deliver our statutory adoption functions. The preferred model secures best outcomes for children, prospective adoptive families and enables the Council to ensure that its excellent record and reputation in relation to adoption is secured into the future.
- 5.2. Staff have been supported throughout the process via engagement events in November 2015, and March 2016, with a further event scheduled for October 2016. In conjunction with these events our HR remain fully briefed and there is ongoing communication with service managers and the project team through operational team meetings. Trade Unions have been informed of outline proposals and arrangements are in place for ongoing consultation as proposals are developed further. The adopter voice is provided through adopter champion representation within the governance structures and plans are in place for more structured involvement of service users, including the voice of the child.

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<b>Background papers</b>	None
<b>Please contact the report author if you need to access this report in an alternative format</b>	