

## **CABINET**

**9 JULY 2019**

### **REGIONAL ADOPTION AGENCY – MEDWAY COUNCIL, KENT COUNTY COUNCIL AND LONDON BOROUGH OF BEXLEY**

Portfolio Holder: Councillor Mrs Josie Iles, Children’s Services (Lead Member)

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#### **Summary**

This report seeks to set out the rationale for moving into regionalised arrangements, between Medway, Kent and Bexley Councils, for the delivery of adoption services to commence in April 2020.

This report sets out the background, potential benefits and outline service delivery model, alongside the likely financial implications of entering into a regional model.

#### **1. Budget and Policy Framework**

- 1.1 The proposals support the following priorities and ways of working, set out in the 2016/17 – 2020/21 Council Plan
- Supporting Medway's people to realise their potential
  - Giving value for money
  - Working in partnership where this benefits our residents
- 1.2 Proposals for partnership working are currently being met within the existing budgets of the three Local Authorities, and are inside the Council’s Policy Framework.
- 1.3 The Department for Education (DFE) has mandated that all local authorities must be delivering their adoption services through a regional arrangement by April 2020. The minister for Children and Families, Nadhim Zahawi MP, issued a letter to Medway and Council’s across the country in February 2019, confirming the Government’s expectation for all local authorities to be part of a Regional Adoption Agency (RAA) by 2020. For any authority who fails to do this, the Government have the legal power to direct local authority adoption services to another RAA (Appendix 1).

1.4 In accordance with Article 10 of the Council's Constitution, the authority to establish joint arrangements in respect of executive functions is devolved to the Leader.

## 2. Background

2.1 In March 2016, the government announced changes to the delivery of adoption services setting a very clear direction that all local authorities' adoption services must be delivered on a regionalised basis by 2020.

2.2 The premise of regionalisation is to:

- increase the number of children adopted;
- reduce the length of time children wait to be adopted;
- improve post-adoption support services to families who have adopted children from care; and
- reduce the number of agencies that provide adoption services, thereby improving efficiency and effectiveness.

2.3 The most recent correspondence from the Department for Education (DfE) to all local authorities nationally, has clarified the minimum operating criteria for a RAA as the following:

- A single line of accountability for all functions which sit within the RAA, including but not limited to:
  - all aspects of adopter recruitment, approval and preparation;
  - providing expert advice on available matches; and
  - providing and/or commissioning adoption support functions.
- Reporting into robust governance arrangements, with the right level of leadership and underpinning partnership and risk sharing agreements.
- A Head of Service for the RAA.
- Pooled funding into a single budget to cover:
  - staffing;
  - recruitment;
  - matching;
  - support; and
  - staff training.
- Core functions of recruitment matching and support are transferred to the RAA.
- Pan-regional approaches to embedding best practice.
- A system-wide approach to meeting the needs of children and families through engagement with:
  - other adoption agencies;
  - Voluntary Adoption Agencies (VAAs);
  - adoption support providers;
  - health services;
  - the judiciary; and
  - schools.

2.4 A report on the proposed establishment of a RAA was considered by the Children and Young People Overview and Scrutiny Committee on 6 October 2016. Noting the comments of the Overview and Scrutiny Committee, the Cabinet subsequently agreed on 25 October 2016 in principle, to enter into formal dialogue with a view to the establishment of a RAA with the local

authority partners, London Borough of Bexley and Kent County Council subject to formal agreement from the Cabinet on the findings (decision no. 124/2016).

- 2.5 2018 saw a time of leadership changes across partner authorities, resulting in a slow pace to RAA discussions. Nonetheless, it was proposed by the Executive Board across the three Local Authorities to progress with the preferred model being a hosted one and after a due diligence exercise, Kent County Council agreed to act as the host authority.
- 2.6 This report now aims to seek further commitment to the RAA and agreement to proceed to the detailed design phase for a RAA across the local authority areas of Kent, Bexley and Medway. The RAA project team will also prepare a more detailed Cabinet paper and business case for final sign off on the financial model and change management procedure, scheduled for Cabinet on 22 October 2019.
- 2.7 It is proposed that a new RAA is created through combining the adoption services for the three authorities of Kent, Bexley and Medway. These agencies wish to build on the success of their existing services to improve performance in meeting the needs of children who require permanence through adoption, by bringing together the best practice from each authority within the RAA. It is proposed that Kent County Council will be the lead authority for the RAA. It is important to note that Kent, Bexley and Medway Councils have been engaged in consortia working arrangements for some time. The model aims to build on these arrangements wherever possible.
- 2.8 The Kent, Bexley and Medway RAA intend to use the Department for Education criteria to guide the outline scope and delivery of the model. For the Kent, Bexley and Medway RAA this will mean:
- one Head of Service, to be recruited prior to the implementation date to lead the detailed design and ultimately, the delivery of the new service;
  - a Partnership Board which will hold the delivery of regional adoption services to account, underpinned by a robust risk sharing and partnership agreement;
  - a single budget, held by Kent County Council as the lead authority;
  - the RAA will deliver all the core functions of adoption across the region and will commit to pan-regional approaches to formulating and embedding best practice; and
  - a collaborative approach and model will engage and consult with wider stakeholders to achieve the best possible service.
- 2.9 Key principles

The principles below aim to add clarity and assurance around some key areas:

- **Budget** – The overall model of delivery will cost no more than the current cost of services, collectively across the region and each authority will be asked to contribute no more than its current budget in year one for delivering adoption services. The full business case, to be presented in October 2019, will set out the financial model for the first three years of implementation. The intention remains that future spend will be directly in line with activity and totally equitable among partner authorities.

- **HR** – Staff will TUPE transfer (where applicable) into Kent as the host authority. The partnership is exploring a number of possible options for the preferred staff transfer mechanism through conversations with other RAA's and internal HR colleagues. The full business case will offer a preferred method and rationale for the transfer of staff into the RAA.
- **Governance and accountability** – The RAA will be underpinned by a partnership and risk sharing agreement, to be agreed by members of the executive board comprising of Directors and Senior Managers from each of the local authorities and finance, legal and HR colleagues prior to implementation.

## 2.10 Objectives of the model:

2.10.1 The RAA will aim to place itself at the cutting edge of adoption services through provision of the highest quality service and innovative approaches. The region will also be committed to collaborative adoption arrangements that will mean the best interests of children and their adoptive families are secured and kept at the forefront of decision-making. Ultimately, the RAA will mean that we will have even better chances to place children across the region.

2.10.2 The key objectives of regionalisation (as set out by the DfE) are:

- early identification of children for whom adoption is the right option;
- timely placement of all children including sibling groups and older Children;
- placements which are sustainable with the right support as needed;
- a sufficient range and number of adopters able to parent children with a wide range of profiles and needs, enabling more children to be placed "in house";
- making available a range of different adoption placement types, including early placement approaches such as Foster to Adopt; and
- to have an effective and well performing service which would be reflected in the adoption scorecard.

2.10.3 There is a recognition that adoption services are already operating very well across the region in relation to many of the objectives above. The model will ensure that services are not disrupted and continue to deliver and strengthen performance and outcomes for Medway children.

## 3. Options

3.1 An update paper was considered by the Children and Young People Overview and Scrutiny Committee in October 2017 and the Cabinet in November 2017 which contained the rationale for moving towards the development of the RAA. The Executive Board has met on a number of occasions and has given consideration to the Project Initiation Document (PID) which presented an outline for RAA development. The PID contained options for RAA development based on the experience and learning from other RAAs who were working with DfE mentors and had allocated RAA funding.

#### 4. Advice and analysis

- 4.1 The full business case, which is scheduled for consideration and sign off in October will include advice, analysis and impact assessments on the model.

#### 5. Risk management

- 5.1 Risk management is an integral part of good governance. The Council has a responsibility to identify and manage threats and risks to achieve its strategic objectives and enhance the value of services it provides to the community. Using the following table this section should therefore consider any significant risks arising from your report.

<b>Risk</b>	<b>Description</b>	<b>Action to avoid or mitigate risk</b>	<b>Risk rating</b>
Governance and accountability	There is a risk to the governance and accountability of the model as a result of regionalisation. Medway Council needs to have oversight, scrutiny and decision making powers within the new structure.	The partnership will be underpinned by a robust partnership agreement in which all partners will have equal responsibility for the delivery of the regionalised service.	D3
Agreeing budgets	An accurate budget must be agreed at no extra cost to the Council in year one.	The financial principles of the model, guarantee that future funding for the model will not exceed the current spend on adoption services. Agreement will be needed on use of approved adopters and children needing placement when RAA goes live.	C3

#### 6. Consultation

- 6.1 The strategic and service leads for adoption across the region have been engaged through monthly executive boards. The project manager and service leads have also begun early consultation work with adoption staff to gain feedback and input into the emerging model. In addition, informal and formal consultation with all key stakeholders, through a joint change management procedure, is currently planned to take place as soon as possible after the

final decisions are made in each of the local authorities to formally establish the RAA.

## **7. Financial implications**

7.1 The 2018-19 budget for the delivery of adoption services in Medway, was £710,900. Further financial modelling work is currently taking place to agree a completely accurate financial contribution to the RAA in 2019-20. This work will take place alongside annual budget setting and review in each local authority. It is expected that Medway will contribute no more than their agreed adoption budget for 2019-20. The full detail of this contribution will be presented in the full business case in October.

7.2 The RAA will aim to move from current spend to an activity based spending model by year 3 of implementation. The exact mechanism is still being agreed by the executive board and finance colleagues but early indications suggest that the spending model will be:

- 100% existing budget in year 1
- 66% existing budget and 33% activity based in year 2
- 33% existing budget and 66% activity based in year 3
- 100% activity based in year 4

7.3 From the work completed to date by the finance work stream the following principles are suggested as a basis for the development of the demand led funding formula:

- There should be no overall increase in spend on adoption service
- The quality of the service should be at least as good as it is now
- Interagency fees will be abolished between participating local authorities
- A transition arrangement to take authorities from current spend to a formula driven spend is acceptable
- The funding mechanism must be acceptable to all participating local authorities
- The funding mechanism must be acceptable to the host Local Authority (Kent County Council)
- It must be transparent, open and based on published data
- Services not included will be explicitly identified (e.g. Adoption Allowances).

7.4 Interagency fees will be abolished from the day the RAA goes live, it may be necessary to have a mechanism to recognise the adopter contribution versus the number of children awaiting placement at this point (i.e. if an authority joins with a surplus of adopters they may receive some financial compensation for the work done to recruit and assess them or if they join with a shortfall of adopters to children requiring placements there may need to be an additional charge). The RAA Executive Board will start to monitor performance in these areas ahead of the launch and agree a process for dealing with this issue.

## **8. Legal implications**

8.1 A legal work stream is currently being established across the three Local Authorities to advise and inform the emerging model. The Cabinet report and

full business case, scheduled for presentation and sign off in October 2019, will include the legal implications of joining the regional adoption agency.

- 8.2 Article 10 of the Council's Constitution states the Leader may establish joint arrangements with one or more local authorities to exercise functions, which are executive functions.

## **9. Recommendation**

- 9.1 The Cabinet is asked to instruct the Director of People - Children and Adults Services, in consultation with the Portfolio Holder for Children's Services (Lead Member) to:

- a) Formulate the detailed design of the Regional Adoption Agency model in collaboration with local authority partners, Kent County Council and the London Borough of Bexley; and
- b) Complete the full business case for the establishment of the Regional Adoption Agency for approval by the Cabinet in October 2019.

## **10. Suggested reasons for decision(s)**

- 10.1 An agreement to begin the detailed design of the model is now required as the DFE mandate states that the model must be in operation from April 2020. Undertaking the detailed design alongside the formulation of a full business case will allow the adoption agency to be set up within the mandated timescales.
- 10.2 A full business case will be necessary for both the executive and elected members, in order to make a final, informed decision on the viability of the model.

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### **Appendices**

Appendix 1 - Letter from Minister for Children & Families Nadhim Zahawi MP to all Local Authorities on 19 February 2019.

### **Background papers**

Cabinet Report Regional Adoption Agency, 25 October 2016

<https://democracy.medway.gov.uk/ielssueDetails.aspx?IId=18064&Opt=3>