

INDIVIDUAL CABINET MEMBER DECISION REPORT

Published on 8 February 2019

Report Title: Approval for Gloucestershire County Council to participate in Adoption West: Regional Adoption Agency

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| Dates between which decision will be taken | Earliest date: 18 February 2019 Latest date : 20 February 2019 |
| Children and Young People | Councillor Richard Boyles |
| Key Decision | Yes |
| Background Papers | Cabinet Report – 29 th March 2017 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/437128/Regionalising_adoption.pdf https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/512826/Adoption_Policy_Paper_30_March_2016.pdf |
| Location/Contact for inspection of Background Documents | See above. |
| Main Consultees | N/A |
| Planned Dates | Decision to be taken between 18-20 February to enable Adoption West to commence on 1 March 2019. |
| Divisional Councillor | All |
| Officer | Any representations should be sent to: Andy Dempsey Director of Partnerships and Strategy andy.dempsey@gloucestershire.gov.uk Tel. no. (01452) 425019 By 5pm on Friday 15 February 2019 |
| Purpose of Report | To seek approval for Gloucestershire County Council to implement the Cabinet Decision dated 29 th March 2017 in respect of a public sector owned and controlled Regional Adoption Agency known as “Adoption West” (made up of the following Councils: Gloucestershire, Bath and North East Somerset, Bristol, North Somerset, South Gloucestershire and |

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| | Wiltshire), as varied by this Decision Report. |
| Recommendations | <p>To delegate authority to the Director of Children’s Services in consultation with the Lead Cabinet Member for Children and Young People, to:</p> <ul style="list-style-type: none"> (i) take all necessary steps and execute all necessary documentation (including, without limitation, an Inter Authority Agreement between the above-mentioned participating councils) to implement the Cabinet Decision dated 29th March 2017 as varied by this Decision Report for the purpose of establishing and launching a public sector owned and controlled Regional Adoption Agency known as “Adoption West”; (ii) award a public procurement law compliant contract to Adoption West for the provision of an integrated adoption service. The proposed contract shall continue for an initial period of 3 years and include an option to extend such period by 5 further years. The council’s continued participation in Adoption West shall run concurrently with the term of such contract; and (iii) appoint appropriate council officers to a range of statutory roles and offices in Adoption West. |
| Reasons for Recommendations | <p>In line with government policy, Gloucestershire is required to be part of a Regional Adoption Agency by 2020. Gloucestershire has been working with 5 other Councils – Bath & North East Somerset, Bristol, North Somerset, South Gloucestershire and Wiltshire and a number of local adoption agencies in order to create a regional delivery model for adoption services.</p> <p>This arrangement provides the best option for Gloucestershire to fully participate in setting up a RAA in line with the government’s expectations for 2020.</p> |
| Resource Implications | <p>The proposals can be met from within existing budgets and the estimated contract value is circa £829.9k per annum; this excludes the impact of interagency fees where proposals are still being developed by the Adoption West Board.</p> |

MAIN REPORT CONTENTS

1.0 Background

- 1.1 The development of Regional Adoption Agencies (RAA) forms part of a central government programme to develop a regionalised approach for the future delivery of adoption services, as set out in Regionalising Adoption (July 2015) and Adoption: a vision for change (March 2016).
- 1.2 In July 2016 Cabinet considered a range of options for a regional delivery model, working with 5 neighbouring Councils. It opted to create a new public sector entity – a wholly owned Council Company Limited by Guarantee – known as Adoption West.
- 1.3 In March 2017 Cabinet agreed to progress with the aim of commencing operations by 1 April 2018. The complexities of creating an entirely new entity, through which to deliver adoption services has taken longer than anticipated and a commencement date of 1 March 2019 has now been agreed. Throughout the development phase, the overriding aim has been to ensure that Adoption West can commence on a secure basis thereby providing continuity for affected staff and children and families receiving adoption services.
- 1.4 Adoption West will operate from three hubs, each of which will have responsibility for the provision of services as set out in the Commissioning Agreement:
 - Bristol – City of Bristol Council and North Somerset Council
 - Trowbridge – BANES and Wiltshire Councils
 - Gloucester – Gloucestershire and South Gloucestershire Councils

The Gloucester Adoption West hub will be located in Shire Hall within the existing accommodation for the Adoption Team who will transfer to the employment of Adoption West under TUPE.

- 1.5 As a company limited by guarantee of the six local authorities, established in order to deliver specified statutory adoption services on their behalf, Adoption West is underpinned via a series of legal agreements:
 - Commissioning Agreement
 - Members' Agreement
 - Articles of Association
 - Inter Authority Agreement

These are, in turn, supported by a series of documents addressing key operational matters:

- Adoption Service Specification
- Information Sharing Agreement
- A Licence to Occupy specified desks at Shire Hall for the purpose of operating one of the above-mentioned “hubs”.

1.6 Adoption West is established as a company jointly controlled by the partner local authorities and as such benefits from the following features:

- A corporate joint venture creates a new entity which affords all partners equal status and responsibility in ensuring the success of Adoption West.
- All partners are represented on the Board of Directors and Joint Committee providing control and independence.
- Local authority control provides security and efficient commissioning of services enabling the new agency to develop.
- Innovation and growth are encouraged including exploring new practice methodologies and trialling alternative evidenced based practice models.
- Adoption West has been registered by Ofsted as a Voluntary Adoption Agency and is subject to the associated regulatory framework in addition to the quality standards set out in the Commissioning Agreement with local authority partners.

1.7 The Commissioning Agreement, Members Agreement and Articles of Association are the core documents and set out the scope and working arrangements between the participating Local Authorities and Adoption West. They define roles and responsibilities and highlight the key points of connectivity between Local Authorities and Adoption West staff. The related guidance and procedural documents, such as the service specification and information sharing agreement, should be read and considered within that context.

1.8 Whilst the Commissioning Agreement, Articles of Association and Members Agreements outline how participating Local Authorities work together through Adoption West, the Inter Agency Agreement (IAA) is intended to provide an arms length mechanism to hold Adoption West to account for any failure to perform its obligation under those agreements. It also provides a means of addressing the individual liabilities of each authority in respect of their obligations towards Adoption West. A senior member of the GCC legal team has been working with colleagues to finalise all key documentation as set out in 1.5.

1.9 The budget for Adoption West is based on the cumulative historical spends of the six adoption teams, with the usual adjustments for inflation and pay awards in subsequent years. The total annual total value of the Adoption West contract is £3.055 million for 2019/20, of which Gloucestershire County Council’s contribution is estimated at £829.9k per annum. Since the Cabinet Report in March 2017, Gloucestershire County Council’s contribution has changed from 19% to 27% due to inter agency fees being excluded.

1.10 Set up costs, which have been in the main for IT hardware and installation, have been met from the Department for Education (DfE) grant funding for the

establishment of a Regional Adoption Agency. Schedule 6 (Financial Mechanism) of the Commissioning Agreement addresses how any significant overspends/underspends due to variations in activity/demand will be dealt with. A senior member of Gloucestershire County Council's finance team has been working with colleagues from partner authorities to agree the financial arrangements and budgetary contributions set out in this report.

1.11 An extensive network of governance and oversight arrangements has been established to ensure that Adoption West provides an effective vehicle for the delivery and future development of adoption services on behalf of participating local authorities. This comprises:

- Adoption West Board of Directors – will meet quarterly and have responsibility for organisational strategy, financial oversight, performance and risk management, policy and procedures. The Director of Partnerships and Strategy has been appointed as Gloucestershire County Council's representative on the Board.
- Joint Committee – comprises of the Director of Children's Services from participating councils, and will act as the 'owners' of Adoption West as defined by the Members Agreement. Working through the South West Association of Directors of Children's, the Joint Committee will provide direction to Adoption West and deal with issues of significant change, such as the withdrawal of an authority, winding up of the arrangements, and significant changes to resourcing.
- Operational Governance Group – comprises of Service Directors (or equivalent) from participating Local Authorities and provides strategic oversight of Adoption West in line with the Commissioning Agreement.
- Local Authority Adoption Leads Group – comprising of a senior service representative from each local authority, it will review operational standards, ensure regulatory requirements are met and review performance by reference to appropriate performance indicators.

1.12 Although the Cabinet decision in March 2017 gave delegated authority to the Director of Children's Services to finalise the Adoption West documentation, the term of contract being awarded has increased in length in the interim from 2 years, with an option of a 1 year extension, as originally proposed to a 3 year agreement with an option for a further 5 years. This represents a material change and requires further Cabinet approval. The contract extension reflects a consensus view amongst participating local authorities that a 3 year initial term is the minimum term necessary to enable Adoption West to commence with a sufficient period of certainty to achieve operational stability.

2.0 Options

- 2.1 There is an expectation on the part of central government that all upper tier authorities with responsibilities for Children's Services will deliver adoption services via a regional arrangement by 2020.
- 2.2 If Gloucestershire does not progress with Adoption West, there is the potential for it to be directed into an arrangement over which it has no influence or direct involvement in shaping.

3.0 Risk Assessment

- 3.1 There are five main risks identified:

1. Risk: Gloucestershire currently has direct control over its adoption service; regionalisation has the potential to dilute this. **Mitigation:** Being closely involved in developing Adoption West offers some mitigation to this risk, joining other arrangements at a later date could compound this risk.

2. Risk: The development of an RAA separates adoption services from the social work teams working directly with children. Services may become fragmented leading to delay for children. **Mitigation:** All participating councils are aware of this risk; engagement of social work teams for children is planned. Close monitoring of adoption delay and rates of adoption is now in place at national, regional and council level to closely track any changes. One of the delivery hubs will be located in Gloucester offering opportunities for continued, good communication with children and families services.

3. Risk: Disruption during the period of transition and managers/staff becoming focussed on the change process rather than service delivery may lead to delays in plans for children. Any change (including regionalisation) to the service risks a dip in performance. **Mitigation:** This risk can be managed by careful transition planning which enables staff to continue to focus on local priorities, adopters and children.

4. Risk: Adopters may lose confidence during the change process resulting in the potential for fractured relationships and breakdown in service delivery. **Mitigation:** Communications planning and involvement of adopters throughout the process using existing communication routes such as Adopter forums and newsletters. Service monitoring during transition to ensure no impact on service delivery.

5. Risk: Set up and running costs may be underestimated leading to unforeseen liabilities or deficits for partners and/or the new RAA. This is especially pertinent in relation to the current levels of income all participating adoption services currently generate by selling their services to other councils across the country. **Mitigation:** Financial analysis and modelling involving expert advice is included in the financial and transition plans. Sufficient time will be allocated to these activities and engagement of all partners in agreeing proposals to ensure estimates are understood by all and are as accurate as

possible. Income targets for the RAA are in place and will be closely monitored to offer early warning of any issues.

4.0 Officer Advice

- 4.1 It considered that the Adoption West arrangements set out herein provide the most practical option to enable GCC to meet the government's expectation that it participates in a regional adoption arrangement by 2020.
- 4.2 Gloucestershire County Council officers have been fully involved in developments to-date at all levels and have shaped the solution proposed. The location of a hub in Gloucester will support continued, good communication with local children and families services and high quality practice standards. Doing nothing is not an option. By not proceeding with Adoption West, Gloucestershire risks being directed into arrangements over which it has had no influence or involvement. This could result in unforeseen liabilities and realisation of some of the risks described above.

5.0 Equalities considerations

- 5.1 The due regard statement indicates that Adoption West RAA could offer some opportunities to impact positively on some protected characteristics. The arrangements for the TUPE transfer of GCC staff to Adoption West will need to take account of the predominately female workforce who are statistically more likely to have additional caring responsibilities. Likewise sensitivity in arrangements and future consultation methods will be required to engage the full range of adopters and adopted children and young people.

In Gloucestershire, the largest proportion of adopters are from the 30-40 age group and the majority of adopted children are aged 5 and under. Adoption West will seek to build on the good Gloucestershire practice which finds a larger number of older children adoptive families. Slightly more boys are adopted than girls which accords with national rates of adopted children and those in care.

The implementation plans specifically aim to ensure that the requirements of the Equality Act 2010 are complied with and all public bodies involved in the project are subject to the public sector equality duties, as will the new organisation. The project will continue to consider how the equality duties will be actioned by the new organisation.

Overall, this work has the potential to significantly progress equality of opportunity and advance equality for all groups of vulnerable young people across the region through the identification of inequalities and clear action planning to address these, thus advancing equality of opportunity for all.

6.0 Consultation feedback

- 6.1 An extensive programme of consultation involving adopters, adoptees, birth families, partner and stakeholders was undertaken in formulating the

proposals for Adoption West. These are reflected in the Cabinet Reports of July 2016 and March 2017.

- 6.2 No further consultation has taken place beyond the ongoing discussions with participating authorities as the work underway since the March 2017 decision has been to implement the agreed model, as informed by consultation, rather than any material change.

7.0 Performance Management/Follow-up

- 7.1 A protocol for data and performance reporting is currently in development and will be in place for the commencement of Adoption West on 1 March 2019. Participating local authorities will provide Adoption West with all data for reporting under indicators A1 and A2 of the Adoption Scorecard. Adoption West will have responsibility for reporting on the data in relation to adopters. Tracking information and performance data for children will be collected by both the six Authorities and Adoption West.
- 7.2 Data sharing and reporting arrangements are underpinned by the Information Sharing Agreement which has been developed on collaborative basis by the Information Governance leads for the participating authorities. Adoption West will provide regular reports on adoption performance to Adoption West's Board of Directors, and to participating councils via their Operational Governance Group and Adoption Leads Group as part of the governance and oversight arrangements established to support its operation.

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| Report Title | Approval for Gloucestershire County Council to participate in Adoption West: Regional Adoption Agency |
| Statutory Authority | The Education and Adoption Act 2016 Adoption and Children Act 2002 |
| Relevant County Council policy | Looking to the Future 2019 - 2022 |
| Resource Implications | The proposals can be met from within existing budgets and the estimated contract value is circa £829.9k per annum; this excludes the impact of interagency fees where proposals are still being developed by the Adoption West Board. |
| Sustainability checklist: | |
| Partnerships | This proposal seeks to develop a regional adoption agency through partnership working with five other councils. All relevant partners have been consulted on the proposals to establish Adoption West. Some key partners such as NHS are already part of the arrangements. |
| Decision Making and Involvement | Adopters are represented as part of the governance arrangements for Adoption West. |
| Economy and Employment | Whilst there are no direct economic implications arising from this report or its recommendations, a vibrant local market of voluntary adoption service providers is integral to the development of regional adoption agencies and better outcomes for children and families. |
| Caring for people | The proposals accord with the council's strategic priorities relating to caring for people. |
| Social Value | Adopters provide safe, secure homes for children who most need them. |
| Built Environment | No impact. |
| Natural Environment' including Ecology (Biodiversity) | There are no perceived environmental implications arising directly from this report. |
| Education and Information | No immediate impact although the long term evidence is that children achieving permanence through adoption achieve better in education and employment terms over their lifetime. |

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| Tackling Climate Change | Carbon Emissions Implications? Neutral Vulnerable to climate change? No |
| Due Regard Statement | Has a Due Regard Statement been completed? Yes Yes - considerations included in main body of report A copy of the full Due Regard Statement can be accessed on GLOSTEXT via http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1 Alternatively a hard copy is available for inspection from Jo Moore, Democratic Services Unit, e-mail: jo.moore@gloucestershire.gov.uk . |
| Human rights Implications | None. |
| Consultation Arrangements | As detailed in report. |