Southend-on-Sea Borough Council

Report of Deputy Chief Executive (People)

to

Cabinet

on

7th November 2017

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Services &
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6th Month mid-year Adoption Report

**Department for People Scrutiny Committee – Executive Councillor:
Councillor James Courtenay**

A Part 1 Public Agenda Item

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1.   **Purpose of Report**

1.1   To report on the activities of the Southend Adoption Service between April and September 2017

2.   **Recommendation**

2.1   That Cabinet notes and agrees the contents of the report

3.   **Background**

3.1   The provision, standards and operations of the adoption service is governed by:

- The Local Authority Adoption Service (England) Regulations 2005 (amend 2013 & 2014)
- The Adoption Agencies and Independent Review of Determinations (amendment) Regulations 2011 and the
- Adoption National Minimum Standards 2011

3.2   National Minimum Standard 25.6 states that the Executive side of the Local Authority should :

a.   receive written reports on the management and outcomes of the agency
b.   monitor the management and outcomes of the service in order to satisfy themselves that the agency is effective and is achieving good outcomes for children and/or service users
c.   satisfy themselves that the agency is complying with the conditions of registration.

3.3   The most recent Adoption Leadership Board data published showed of those local authorities who provided data, Southend as being in the top 2 (1st in one) local authorities in the country in respect of timescales for the 2 key indicators; time between entering care and moving in with adopters and time between the court giving the local authority permission to place a child for adoption and the child being matched with an adoptive family.

3.4   In the 'Regionalising Adoption' White Paper (2015) the government set out its intentions to establish Regional Adoption Agencies (RAA) by 2020, with the aim of speeding up the matching process, improving the life chances of neglected children; improving adoption recruitment and adoption support and reducing costs. The government have continued to be clear that all Local Authorities will either need to be part of a Regional Adoption Agency (RAA) or will have delegated their adoption functions to a RAA by 2020.

3.5   Essex, Suffolk, Hertfordshire, Luton and Southend along with Adoption Plus, Adoption UK and Barnardo's have been working in partnership to design a new model of service delivery for adoption, in line with the government's agenda.

3.6   The issues that the government were seeking to address within the adoption reform are as follows:

Inefficiencies:
- The current system is seen as fragmented, with around 180 agencies, both Local Authority and Voluntary Adoption Agencies (VAA), recruiting and matching adopters for over 5000 children per year. The majority of agencies are operating at a very small scale and this hinders strategic planning and economies of scale.

Timeliness of placing children:
- Whilst there has been significant improvement in the performance of Local Authorities in placing children swiftly with adoptive families, there is believed to be further progress that can be made. This is particularly the case with harder to place children, often older, within a sibling group or with a disability.

Adopter recruitment:
- There has been improvement in both the number of adopters recruited and the timescales to achieve this. However, many of these adopters are less willing to consider those children who are harder to place.

Adoption Support
- The help that is offered to families after adoption is the responsibility of Local Authorities. However, it is currently fragmented and characterised by a combination of in-house and spot purchased arrangements with often significant variations between local authority areas.

Consultation has been carried out over the last two years with the Department for Education, other authorities, adopters and staff to determine the preferred model for Adopt East.

4. Other Options

4.1 The functions undertaken by the adoption agency are statutory requirements. In April 2014, Southend became a member of the East Anglian Adoption Consortium, following the ending of the Partners in Adoption Consortium. With however the new Regional Adoption Agency activity which was set up in 2015, this consortium ceased to exist and since that time, Southend has been a part of the activity of the Adopt East regional Adoption Agency.

4.2 As stated above, the Adopt East Regional Adoption Agency activity consists of Southend, Essex, Suffolk, Hertfordshire, Luton, Barnardo's, Adoption UK and Adoption plus.

4.3 Over the past two years work towards forming a Regional Adoption Agency has progressed, however significant issues have arisen regarding the financial viability of the project. A formal decision as to the way forward was made on 24th October 2017, as set out in 4.6 below.

4.4 Initially the project board were working towards a shared service, however early in 2017 it became clear that this was not financially viable due mainly to IT issues and an increase in some shared activity leading to an extended management team requirement. In addition some posts could not be extracted fully from the local authority function and as such additional post requirement was identified in order to make the required changes.

4.5 Throughout the work undertaken, the DCS lead has always been that any RAA must improve outcomes for children and families and be ultimately at no additional cost. Given the difficulties identified with the shared service, since the beginning of 2017 work has been undertaken to look at two potential alternative options, a hosted RAA (hosted by one of the partners) and more recently consideration of a Partnership model.

Option One: Create a hosted Regional Adoption Agency

Pros:
- Potentially makes better use of resources across the region to find adopters and match children to families quicker, which ultimately may lead to better outcomes.
- Gives a good opportunity to streamline and make consistent the recruitment and assessment, family finding and matching processes along with adoption support provision across the region to improve outcomes for children and families.
- Ability for each authority to keep a level of control over what happens within the adoption service through the Management Board.

Cons:
- Although there has been government assistance with the implementation costs, these cease in April 2018. The development of a hosted RAA will involve an additional level of cost to each authority with on-going additional pressure.
- Southend would lose responsibility for the direct delivery of adoption services, dependent on the host identified

Option Two: Create a Partnership Model and remain as 5 separate adoption agencies. This means not creating a formal RAA.

Pros
- no changes to current arrangements for staff
- Southend would remain fully responsible for the delivery of adoption services in Southend
- Some adoption activities would be delivered within the Partnership to ensure best practice and economies of scale
- Less risk to performance as no significant change to service delivery

Cons
- Potentially does not meet government requirement to regionalise.
- There will be some additional costs although these are identified as minimal and in the longer term should be managed through savings from economies of scale in other areas.

4.6   On 24th October 2017, senior representatives of Adopt East had discussions with the Department for Education (DfE). The DfE were updated on the present direction of Adopt East, which will be more of a partnership alliance, with the intention of developing a schedule of work which would be expected to go live in April 2018.

A very encouraging response was received from the DfE and the indication was that they had no concerns around the proposals. The Adopt East project team will now start to develop work streams and communications will be sent out to staff.

5.   Reasons for Recommendations

5.1   This report shows the activities of the Southend Adoption service in the first 6 months of 2017/8.

6.   Corporate Implications

6.1   Contribution to Council's Vision & Corporate Priorities

The mid-year report sets out the framework for the work of the adoption agency/service. It directly supports the delivery of the Corporate Priority to 'improve outcomes for vulnerable children'.

6.2   Financial Implications

Over the past few years, Southend Adoption Service has successfully achieved a surplus in income generation in respect of inter-agency placements.

During 2014/15, the Adoption Service spent £123,000 on inter-agency placements for adopters outside of the Borough. However £308,000 was raised by outside local authorities using Southend adopters; meaning a net income gain of £185,000. After taking into consideration the 2014/15 budgeted inter agency target of a budgeted net income gain of £84,000, means the adoption service delivered income of £101,000 above the planned target.

In 2015/16, although the number of children being placed nationally for adoption dropped, due to other grant activity by the government, and supporting payments for some inter agency placements, Southend continued to be successful in selling adopters through the national register and thus bringing income into the authority, to counteract the placements purchased for Southend children. During 2015/16 the Adoption Service spent £177,000 on interagency placements and received income of £262,000, resulting in a net gain of £85,000. Again, after taking into account the 2015/16 budgeted inter agency target of a net income gain of £84,000, means the adoption service delivered slightly over target by £1,000.

In 2016/17 the Adoption Service noticed for the first time the impact of the Regional Adoption Agency (RAA) Programme, with many RAA's choosing to become no fee consortiums' within their partnership groupings. In addition, within Adopt East for much of the year, three of the partners became no-fee between themselves and thus use of Southend adopters declined drastically during this period. This has now ceased within Adopt East until a final decision is made in October as to the delivery model. In 2016/17, the council's net income gain fell to £34,000, resulting in a shortfall of £50,000 against the £84,000 planned net income target.

In addition, the number of children being placed for adoption in Southend (and nationally) increased dramatically from 17 in 2014/15 to 28 in 2016/17. In the first 6 months of 2017/18 Southend has placed 21 children for adoption. We have a further 23 children with a primary plan for adoption awaiting court ratification and a further 20 with a parallel plan for adoption. Due to the high increase in placements made, at the end of September the forecast expenditure on inter-agency placements is £553,000 whilst income forecasts stand at £117,000; a significant forecast net deficit of £436,000 on interagency placements. This is likely to rise further once court ratification is given for the remaining children with a primary plan.

Southend continues to successfully recruit adopters and there are currently 17 households awaiting assessment for adoption and 9 in the assessment process. Whilst we are unlikely to be able to use many Southend adopters for local children, should there be capacity to assess these families in a timely manner, this will enable an increased income stream through interagency placements to part offset inter agency expenditure pressures in 2017/18 and 2018/19. We are currently in the process of recruiting a social worker on a short term contract to support the completion of assessments of prospective adopters.

6.3   Legal Implications

At this stage there are no legal implications.

Dependent on the decision as to the RAA, there may be legal implications in the future regarding the adoption service. One of the options being considered by Adopt East is a hosted model which would result in the partner agencies transferring their adoption functions to the host authority. At this stage the host has not been confirmed. The second option being considered at this stage is a Partnership Model in which adoption services would remain within each partner agency and would therefore have no legal implications for Southend.

6.4   People Implications

At this stage there are no people implications.

Dependent on the decision as to the RAA delivery model, should a hosted model be pursued, then the likely implications for staff is that they would be TUPE'd to the host authority. Staff are fully aware of the current situation. Should Southend be successful in becoming the host, this would lead to around 200 staff being transferred over to Southend.

HR are fully involved in the work being undertaken as there are complications with partners being involved in three separate pension pots (all in the LA scheme) as well as issues around staffing of the RAA should vacant posts be transferred into the agency.

6.5   Property Implications

None at this stage.

Should the RAA pursue a hosted model, there may be some property implications. These will vary dependent on the identified host. Should Southend be successful in becoming the host, there may be a requirement for some centralised services which would require property space.

Should another partner become the host, then adoption staff would remain based in Southend in the main, whilst being employed by one of the partner agencies.

Should the partnership model be pursued, there will be no property implications for Southend.

6.6   Consultation

The adoption service was inspected by OFSTED in May 2016 and adopters and prospective adopters were also consulted at that time by Inspectors. The outcome of the inspection was reported to Cabinet in July 2016 when adoption services were found to be good. Further consultation took place in early spring 2016 with regards to the Adopt East regional activity. Regular feedback is requested from adoptive families to ensure that services continue to meet their needs and are adaptive to the changing horizon of adoption.

Some adopter representatives attended the Regional conference regarding Adopt East and the way forward and several are now a part of the formal Adopter Voice consultation group, who are represented on the Adopt East Board.

6.7   Equalities and Diversity Implications

Adopt East covers a diverse geographical area and enables a wider choice of families for Looked after Children in Southend-on-Sea being placed for adoption. Every effort is made to match children and adopters in relation to culture, ethnicity and religion, but such factors are only one element of the matching process and do not take priority over the overall ability of a prospective adopter to meet the needs of a child.

In the first 6 months of 2017, The Southend adoption service has approved 7 new adoptive households and has matched 13 Southend children with adoptive parents.

Another 7 children are due to be matched in the next 2 panels. The numbers of adopters coming forward nationally continued to drop in 2016/17. Whilst nationally there is no sign of this trend changing in the near future due to increased complication in court decision making processes; Southend continues to positively gain interest from prospective adopters and we have noticed a slight rise over the past 3 months in families coming forward.

6.8   Risk Assessment

There are no risks at this time.

Adopt East should continue to reduce the risk of not finding suitable adoptive families for children. Although not yet formally agreed as an adoption agency in its own right, considerable work has already been undertaken in ensuring joint registers for adopters and children to ensure the widest availability of placements both within the RAA and nationally.

Full risk assessments have been completed for Southend in respect of the RAA. The key risks for a hosted model are regarding potential drop in performance at least initially during any transition phase and financial pressure from some additional centralised posts and IT system. The risk assessment identified significant risks in some areas for Southend and it is these risks which are being closely monitored by the DCS group.

Should a Partnership model be pursued, there will be less risk for Southend as services will still be delivered as currently. There may be a small financial cost with centralised posts however these will be minimal.

6.9   Value for Money

There is a high risk in 2017/18 that we will have a deficit in inter-agency placements leading to a substantial budgetary pressure. This is due to a substantial increase in the number of children being placed for adoption.

Effective quality assurance supports value for money within the service. Adopt East gives Southend-on-Sea a wider choice of families.

The regional negotiations and planning has successfully introduced some shared services during 2016/17/18 such as Adoption Exchange days and Adoption Parties. These have shown an increase in more local links for some children, however has not shown any savings.

Funding has been available for the Regional Adoption Programme, however this stops in April 2018 when RAA's are expected to be self-funding. As such progress towards a fully shared service has slowed down and at this stage it is still unclear whether a fully shared service is financially viable.

Work undertaken for the RAA shows that Southend's adoption service in its current form is excellent value for money. A review of work undertaken across the region for the past 3 years shows that to match the region, Southend would have required 11 workers to complete the work that they did whilst the team has 5 core workers.

6.10   Community Safety Implications

None

6.11   Environmental Impact

None

7.   Background Papers

None

8.   Appendices

None