

Report of Director of Children’s Services

Report to Executive Board

Date: 14th December 2016

Subject: Regionalisation of Adoption



Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

The government is committed to adoption services being reorganised under regional arrangements whereby a group of local authorities collaborate to provide services in a newly created Regional Adoption Agency (RAA). The driver for this proposed change is to enhance the outcomes for children in achieving more timely placements of children for adoption; facilitate greater recruitment of the right adopters for children and speedier identification of the matches of children and families. This will take place with an increased emphasis upon the paramount need for timely and expert adoption support at every step of the adoption journey for families from recruitment right through to adoption support.

In July 2016, the Executive Board gave permission to support and endorse the proposals towards progressing the arrangements to establish a Regional Adoption Agency and the creation of a West Yorkshire Adoption Agency hosted by Leeds City Council.

Further work has been completed regarding progressing this and this report is now seeking a decision to formally delegate the functions of the adoption service to a Joint Committee (JC), made up of elected members from the 5 West Yorkshire councils to oversee the arrangements. The JC will have formal oversight of the regional agency but will be invited to sub-delegate the functions to the Director of Children’s Services to enable the day to day

running of the service via the host agency. The Director will in return be accountable to the JC for discharge of the adoption functions.

The regional agency will be operated under the terms of a Partnership Agreement, which will confirm the legal and governance arrangements; the budget; staffing and funding contributions for the 5 local authorities.

The operational accountability of the regional agency will be to the Management Board, which will comprise of Senior Officers delegated by each Director of Children Services with representation drawn also from key stakeholders, including the Adopter Voice Forum and the Voluntary Adoption Alliance (VAA).

The intention is that the regional agency will be led by a Head of Service with a staffing structure, designed with reference to the application of best practice drawn from West Yorkshire, the voluntary sector and extensive research.

Staff from the other Local Authorities will be transferred into the employment of Leeds City Council, to work as part of the RAA. There has been ongoing engagement with staff affected and will be ongoing consultation with the trade unions about the transfer of the function, the structure and the vision and aims of the new agency and the implications for staff.

Recommendations

To ask the Executive Board to endorse the arrangements for the new Regional Adoption Agency and, contingent upon all the other partner authorities also agreeing these recommendations, to make the following decisions:

- With effect from 10th January 2017 to:
 - Formally appoint the West Yorkshire Adoption Joint Committee ('the Joint Committee');
 - Approve and delegate to the Joint Committee the functions set out in the Terms of Reference attached (Appendix 1C)
 - Approve the Constitution and Procedure Rules of the Joint Committee (Appendices 1A and B);
- Formally agree that Leeds City Council hosts the West Yorkshire Adoption Agency that is a shared service and that the name of the Agency is One Adoption West Yorkshire;
- Authorises the Director of Children's Services to progress with the other local authorities in order to implement the Regional Adoption Agency.

And that the Executive Board notes the following:

- That the Leader will appoint the Executive Member for children as a principal elected member to the Joint Committee and the deputy executive members for children as substitutes.

- The principles of the partnership agreement as set out in Section {4 .5} and the process for recommending the budget as set out in section [3.21] of this report, and that the Director of Children’s Services has the authority to approve the Regional Adoption Agency funding formula, terms and signature of the partnership agreement through their existing delegated powers;
- That the Joint Committee will be invited to delegate responsibility to the Director of Children’s Services (see Appendix 1D) for adoption services including:
 - the recruitment and approval of potential adopters;
 - identification of potential matches between children and adopters;
 - provision of adoption panels; and
 - provision of adoption support services to adopters, adoptees, birth families and relevant professionals;
- The transfer of staff via TUPE from other Local Authorities into the employment of Leeds City Council to work within the RAA;
- The creation of an organisational unit within Leeds City Council for the West Yorkshire Adoption Agency. The lead officer for this will be the Director of Children’s Services (DCS) and the unit will sit within Children’s Services.
- That this report discusses further work required regarding non agency adoption and support for special guardians and therefore seeks agreement from the Executive Board that the DCS can make further arrangements for extending the breadth of the delegation to this aspect of the function following agreement by the management board and Joint Committee as the project develops.

1 Purpose of this report

The purpose of this report is to inform the Executive on the progress regarding the regionalisation of adoption services and to seek a formal decision regarding the arrangements for the delegation of the adoption service to a Regional Adoption Agency (RAA). The government's adoption reform proposals contained within the Education and Adoption Act 2016 are clear that all local authorities will be part of a RAA or will have delegated their adoption functions to a RAA by 2020.

Leeds has been working in collaboration with other Local Authorities and the Voluntary Adoption Alliance (VAA) throughout the Yorkshire and Humber region to create a new model of service delivery for adoption services in line with the government's agenda. This report provides the up to date position on the plans for Leeds to transition to the new arrangements and to seek a decision to delegate the adoption service function to a shared service between the 5 West Yorkshire authorities with the appointment of a Joint Committee to oversee the arrangements.

2 Background information

Nationally

- 2.1 The Education and Adoption Act 2016 is clear about the regionalisation agenda and government is clear that all local authorities will be part of a Regional Adoption Agency (RAA) or will have delegated their adoption functions to a RAA by 2020. The background of the national landscape and drivers are covered in detail in the paper that came before the Executive Board in July 2016.

Yorkshire and Humber Region

- 2.2 The Yorkshire and Humberside Local Authorities and Voluntary Adoption Agencies have been part of an adoption consortium for many years and have worked pro-actively to develop the best arrangements as we move towards a regionalised approach for the delivery of adoption services in the region. This has been assisted with transitional funding from the Department for Education (DfE).
- 2.3 There will be three groupings who will become separate Regional Adoption Agencies within the wider Yorkshire and Humberside (Y &H) region; South Yorkshire, North and the Humber and West Yorkshire. The West Yorkshire councils are Bradford, Calderdale, Kirklees, Leeds and Wakefield.
- 2.4 The Y& H project has been selected as one of the 5 demonstration projects by the DfE (out of 19 projects in England). It is anticipated that the West Yorkshire RAA will commence operation on 1 April 2017. West Yorkshire councils have all agreed *in principle* at the Executive/Cabinet Boards to the

transfer of the adoption service function to establish a regional adoption agency.

- 2.5 These three RAA's – South, North and West are connected by a Hub who will fulfil some functions on behalf of all the three Regional Adoption Agencies (RAA's) across the Yorkshire and Humber region. The work that the hub will do on behalf of the three RAA's is still work in progress but aims to add value and improve outcomes for children as well as providing value for money.

3 Main issues

- 3.1 The Education and Adoption Act 2016 is clear about the regionalisation agenda and government is clear that all local authorities will be part of a Regional Adoption Agency (RAA) or will have delegated their adoption functions to a RAA by 2020.
- 3.2 The plan is that the West Yorkshire RAA will become operational by April 2017 providing a high quality service for children and adoptive families.

Corporate Parenting role

- 3.3 The RAA will work in partnership with social work services in each Local Authority (LA). Each LA will retain the corporate parenting responsibility for looked after children and each Local Authority will still retain the responsibility for decisions about the planning for children and the match with a family. In Leeds, this will remain the responsibility of the Director of Children's services and sub delegated to a senior officer, currently the Chief Officer, Children's Social Work Service.
- 3.4 The RAA will be a regional agency with an emphasis on the local delivery of services. The RAA will retain a base in each local authority office and will work with each LA to ensure that children's needs are prioritised and that there is a sense of urgency in the planning for children regarding permanence. This will also ensure that families are recruited to meet children's needs and that adoption support can be delivered effectively at a local level.

Governance and legal arrangements

- 3.5 The new arrangements will be overseen by a Joint Committee (JC) of councillors representing each of the 5 local authorities, who have knowledge of and responsibility for Children's Services. The Chair of the JC will be the Member appointed by the host authority. It is proposed that the JC will meet as a minimum of two meetings per year with others to be arranged at the chair's discretion. This will enable flexibility in terms of number of meetings if Members feel more control is necessary in the early days but are happy to exercise a lighter touch as the RAA becomes established.

The Joint Committee will exercise the corporate parenting role of the Participating Authorities in relation to the functions of the RAA. The remit of the JC, as detailed in the Terms of Reference will be to agree the annual report and receive reports in relation to the performance and progress of the agency, oversee the discharge of the Delegated Functions, including monitoring of the budget and strategic direction of the service.

- 3.6 The operational accountability of the regional agency will be to the *Management Board*, which will comprise senior officers delegated by each Director Children Services with representation drawn also from other stakeholders, including the Adopter Voice forum and the Voluntary Adoption Alliance. The management board will meet 2 monthly to review both RAA functioning and also the impact for West Yorkshire's children, adopters and birth families. Specifically it will promote good performance in relation to the Delegated Functions, reflecting added value brought by the RAA in outcomes for children and their adoptive families; monitor the budget allocated to the RAA and review value for money achieved by the RAA. The Director of Children's Services will appoint a Head of Service for the RAA.
- 3.7 It is intended to invite the Joint Committee to delegate adoption functions to the West Yorkshire RAA¹ s including: Recruitment and approval of potential adopters²; Identification of potential matches between children and adopters; Provision of adoption panels; and provision of adoption support³ services to adopters, adoptees, birth families and relevant professionals.
- 3.8 *Members should note however that although the authority may choose to delegate functions to a Joint Committee, and that Committee may further sub-delegate the functions to an officer, the delegating authority remains accountable for, and may choose to discharge those functions itself.*
- 3.9 Across the five LA's, non- agency adoption work is carried out by the adoption services in 3 of those and will become part of the new RAA immediately. Further work is required about the resources required to undertake this specific function in respect of the work currently carried out by Leeds City Council. For the time being such non-agency work will be carried out by Leeds City Council but the DCS can extend the breadth of the Leeds City Council delegation to include arrangements for the RAA to carry out non-agency work within the limit of the delegations set out in the Terms of Reference.
- 3.10 In addition, there is also further scoping work to be done to look at the support for Special Guardians in 2017 to be considered as part of the RAA as the project develops and again the Executive Board is requested to note that the DCS can agree this following consultation with the management board and Joint Committee as the project develops.

¹ These functions will have first been delegated to the JC by each of the Local Authorities and can then be delegated by the Joint Committee to the Director of Children's Services at LCC who will in turn sub-delegate to the Head of Service within the organisational unit.

² This includes agency, non-agency and inter-country adoption but some of the LAs may decide to discharge these elements of the function through their existing teams

³ This also includes oversight and access to adoption records.

- 3.11 The regional agency will be operated under the terms of a Partnership Agreement, which will confirm the legal and governance arrangements; the budget; funding contributions for the 5 local authorities. *The principles regarding the partnership agreement are set out and explained in Section {4.5} of this report with some aspects discussed below for clarity.*

Staffing Issues

- 3.12 The regional agency will be led by a Head of Service with a staffing structure, designed with reference to the application of best practice drawn from West Yorkshire, the voluntary sector and extensive research. The draft staffing structure agreed by the Project Board and endorsed by the Shadow Management Board is being consulted on with the unions as are the staffing implications and any measures envisaged arising from the transfer.
- 3.13 It is envisaged that staff from Bradford, Wakefield, Kirklees and Calderdale adoption services will be transferred into the employment of Leeds City Council, within the RAA pursuant to the Transfer of undertakings (Protection of Employment) Regulations 2006 (TUPE). The transfer of staff requires detailed HR processes to address assimilation, due diligence etc. as well as formal consultation with the trade unions in the coming months. For the employees who TUPE transfer to Leeds City Council their pension benefits within the West Yorkshire Fund will transfer to Leeds City Council. The value of the pensions benefit for transferring employees will not be affected by the transfer.
- 3.14 There has been engagement with the affected staff and trade unions by each local authority and in addition the regional adoption project has had actively engaged with affected staff from all the 5 agencies. This is covered further in Section {4.1.4}.
- 3.15 Leeds City Council will be employing around 105 Full time equivalent staff to discharge the function. This will include both existing LCC employees and approximately 60 staff from the other 4 West Yorkshire local authorities. This will include employing a Head of Service for the agency.
- 3.16 The Regional Adoption Agency will be based in Leeds and staff will be based in offices in all 5 local authority areas. Appropriate arrangements will be put in place to ensure that they have adequate resources.
- 3.17 It is proposed to put in place the new structure so far as possible before the transfer date to enable the service to be able to operate effectively from this date, 1st April 2017. This would commence with recruitment to the Head of Service post, which is a new post.
- 3.18 The unions will be consulted about the proposals.
- 3.19 *Budget*

The budget proposals put forward have been recommended by the shadow management board from across the five local authorities for approval as part of the budget setting process. The proposed budget is 6.85 million and is described in Appendix 2. The contributions of each LA have been calculated as the % of each council's budget in proportion to the aggregated budget of all 5 LAs for the provision of adoption services in 2016-17.

- 3.20 The budget proposal does not include "adoption allowances" that are provided directly to adoptive families to support the arrangement. In Leeds this budget is just under 2 million. The majority of these will be long standing commitments by each Local Authority to families that will continue until the children in the families reach adulthood. The payment of adoption allowances and the corresponding budgets show a significant degree of variance between the 5 local authorities and the new management of the RAA service will have very limited scope to influence this large expenditure for several years. These historical arrangements will continue to be administered and reviewed by each local authority whilst further work is undertaken regarding new system for recipients from April 2017. This work will need to consider the eligibility criteria for support, financial assessment model, rates, duration and review.
- 3.21 In drafting the proposed budget, consideration has been given to the efficiencies that will be made from bringing together five adoption services. However, as a new venture and a national demonstration project it is important that the agency is able to function effectively as a new entity. In addition the numbers of children requiring adoption at a national level are in a period of flux and therefore the budget needs to be able to be flexible enough to respond to this.
- 3.22 One of the key drivers in bringing agencies together is to improve practice in adoption and improve outcomes for children and families. It is essential that the staffing structure provides a good skill mix of staff to deliver the service; setting up policies, systems and processes to support the work; providing good management oversight and practice leadership; and develop quality assurance systems to ensure a high quality service in the region.
- 3.23 In Year 1 the proposed budget achieves efficiencies of 3% as there are reductions with regard to rationalising adoption panels, commissioned services for adoption support and inter agency fees. Over time there are likely to be further efficiencies in adoption support and management costs as practice is embedded and the systems are put in place to support the service.
- 3.24 The RAA budget will be ring fenced during the year to the agency, with any underspend in the budget at the end of the year apportioned out to each local authority in line with the funding formula. Conversely, should there be an overspend (due to increased demand) this would be met by each Local Authority.
- 3.25 In future years the proportion of the annual budget that each authority pays will be in accordance with a pre-agreed formula but the budget itself is

subject to the agreement of each individual authority through the management board. The budget will only change in line with local authority pay settlements and changes to the scope of the function that is being discharged.

4 Leeds Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 There has been regional consultation with Executive members for children across the region to keep them updated about progress and this has also taken place locally. Steps have also been taken to ensure that new elected members have been briefed and there will be more detailed and ongoing consultation as the project develops.
- 4.1.2 There have been regular information provided and discussions with affected staff across West Yorkshire to ensure they are to date regarding the progress of regionalisation. The trade unions have also been kept up to date on the progress of the plans to date.
- 4.1.3 The transfer of the adoption function to the regional agency and staff from other Local Authorities to Leeds will require detailed HR processes to address TUPE, assimilation, due diligence etc. as well as formal consultation with the trade unions in the coming months. There has already been engagement with staff across West Yorkshire regarding the vision and the aims of the new RAA as well as discussions about practice improvement and service delivery.
- 4.1.4 In October and November 2016, engagement sessions were held with staff about the vision and aims of the agency, the legal and governance arrangements and to involve staff in thinking about the structure to ensure a high quality service delivery.
- 4.1.5 Engagement of adopted young people, adoptive parents and birth families has been undertaken and is on-going regarding this agenda, with adoptive parents on the project board to ensure that the service is developed.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality impact assessment screening report has been completed and the RAA will complete a full impact assessment within the first 6 months of the new agency being operational.

4.3 Council policies and Best Council Plan

- 4.4 The adoption service contributes to the Best Council Plan outcome for everyone in Leeds to 'be safe and feel safe' with specific priorities for 2016-17 to 'keep people safe from harm' and 'support children to have the best start in life'. In addition, the supporting Children and Young People's Plan identifies Looked after Children as one of three priority 'obsessions'. The adoption service is integral to our plan to safely and appropriately reduce the numbers of Children Looked After through ensuring all our children are placed in a permanent family outside the care system as soon as possible and developments to improve adoption services address this priority.

4.4 Resources and value for money

- 4.4.1 A regional adoption budget has been proposed and covers the costs of running the RAA, including the staff that will be transferring into the service. (Appendix 2). It is not envisaged that there will be additional financial costs to the authority and this has been discussed in Section {3.15}.
- 4.4.2 It is envisaged that significant practice improvement for children and adopters will be achieved, as well as the scope for economies of scale and cost efficiencies, through the establishment of a regional agency over time.
- 4.4.3 The adoption staff will be working in a number of locations across the West Yorkshire area. The main office base will be within Leeds.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The new arrangements will be underpinned by a detailed Partnership Agreement, determining a regional adoption budget with an agreed funding formula from each of the LA's. The following information relates to the key elements within the partnership agreement for the Executive board to be aware of: These issues have been discussed in section 3 but specific issues are highlighted here.
- 4.5.2 The agreement will detail the adoption service that is being provided and the responsibilities of the head of the regional agency.
- 4.5.4 Management board: this will be made up of one representative from each authority along with representatives from the third sector. The board will work on the basis of one member one vote with the third sector only having a vote on matters that they can lawfully contribute to (e.g. the third sector will not be involved in approving the annual budget). The management board will take decisions on a majority basis with the exception of approval of the annual budget which will require the unanimous agreement of the local authority members. In the event of an agreement not been reached then a dispute resolution process is proposed within the partnership agreement with an escalation of this to Directors of Children's Services and Chief Executives in

each local authority if the matter cannot be resolved by the management board.

- 4.5.5 *Budget:* In future years the proportion of the annual budget that each authority pays will be in accordance with a pre-agreed formula but the budget itself is subject to the agreement of each individual authority through the management board. The budget will only change in line with local authority pay settlements and changes to the scope of the function that is being discharged
- 4.5.6 *Term of Agreement:* The term of the agreement will be 10 years with an initial review after 5 years. The partnership members will be able to renew the term at expiry of the 10 year period. One or all partnership members will be able to withdraw from the partnership agreement (and therefore the regional agency) upon giving [18] months' notice. This ability to withdraw from the RAA is subject to following a dispute resolution procedure first and can be triggered if one or more partners have concerns about the operation of the RAA and at will. The partnership agreement will deal with allocation of costs, losses and liabilities between the partnership members in the event of termination.
- 4.5.7 The details of the partnership agreement, including those set out above, are subject to change as the project develops but the principles will remain the same. The Director of Children's Services will continue to consult with Members and officers including the Executive member for Children and Families as the agreement and the project as a whole is developed and finalised.
- 4.5.8 This report is subject to Call In.

4.6 Risk Management

- 4.6.1 As the host local authority Leeds needs to ensure that the risks in taking this on are minimised with a clear partnership agreement and robust governance and accountability arrangements to be put into place.
- 4.6.2 There is a host working group, chaired by the Chief Officer in Children's services ensuring that the full responsibilities of hosting the agency are met and any risks minimised.
- 4.6.3 If Leeds does not implement this proposal this does not meet the governments expectation to reduce the number of adoption agencies and Leeds would be out of step with the Yorkshire and Humber Local Authorities and would also miss the opportunity of government funding to implement the agency.

5 Conclusions

- 5.1 Leeds has been working in collaboration with other Local Authorities and Voluntary adoption agencies (VAA's) throughout the Yorkshire and Humber

region to create a new model of service delivery for adoption services in line with the government's agenda. There is an agreed approach to the future delivery of services in West Yorkshire. This will improve services for children and adoptive families and deliver a more effective and cost efficient service, utilising government funding to manage the transition and improve the practice in this important area of work.

6 Recommendations

6.1 To ask the Executive Board to endorse the arrangements for the new Regional Adoption Agency and, contingent upon all the other partner authorities also agreeing these recommendations, to make the following decisions:

- With effect from 10th January 2017 to:
 - Formally appoint the West Yorkshire Adoption Joint Committee ('the Joint Committee');
 - Approve and delegate to the Joint Committee the functions set out in the Terms of Reference attached (Appendix 1C)
 - Approve the Constitution and Procedure Rules of the Joint Committee (Appendices 1A and B);
- Formally agree that Leeds City Council hosts the West Yorkshire Adoption Agency that is a shared service and that the name of the Agency is One Adoption West Yorkshire;
- Authorises the Director of Children's Services to progress with the other local authorities in order to implement the Regional Adoption Agency.

6.2 And that the Executive Board notes the following:

- That the Leader will appoint the Executive Member for children as a principal elected member to the Joint Committee and the deputy executive members for children as substitutes.
- The principles of the partnership agreement as set out in Section {4 .5} and the process for setting the budget as set out in section [3.21] of this report, and that the Director of Children's Services has the authority to approve the Regional Adoption Agency funding formula, terms and signature of the partnership agreement through their existing delegated powers;
- That the Joint Committee will be invited to delegate responsibility to the Director of Children's Services for adoption services including:
 - the recruitment and approval of potential adopters;
 - identification of potential matches between children and adopters;

- provision of adoption panels; and
- provision of adoption support services to adopters, adoptees, birth families and relevant professionals;
- The transfer of staff via TUPE from other Local Authorities into the employment of Leeds City Council to work within the RAA;
- The creation of an organisational unit within Leeds City Council for the West Yorkshire Adoption Agency. The lead officer for this will be the Director of Children's Services (DCS) and the unit will sit within Children's Services.
- That this report discusses further work required regarding non agency adoption and support for special guardians and therefore seeks agreement from the Executive Board that the DCS can make further arrangements for extending the breadth of the delegation to this aspect of the function following agreement by the management board and Joint Committee as the project develops.

7 Background documents⁴

7.1 None

⁴ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.