

Committee: Cabinet

Date of meeting: 7 February 2019

Title of Report: Coast to Coast Regional Adoption Agency

Report by: John Macilwraith – Executive Director – People (Deputy Chief Executive)

Cabinet Member: Anne Burns – Cabinet Member for Children’s Services

What is the Report About? (Executive Summary)

1. The purpose of the report is to inform Cabinet on the development of proposals for a Regional Adoption Agency model and to seek agreement of the Outline Business Case.

Recommendation of the Executive Director

2. Cabinet is asked to:
 - (i) approve the principle of forming a Regional Adoption Agency comprising the areas of Cumbria, County Durham and Sunderland (Together for Children) working in partnership with five Voluntary Adoption Agencies in accordance with statutory requirements;
 - (ii) consider and approve the Outline Business Case for the RAA;
 - (iii) note that Cumbria County Council is bidding to become the Host Authority when the RAA is established; and
 - (iv) Delegate authority to the Executive Director – People (Deputy Chief Executive), in consultation with the Cabinet Member for Children’s Services, to:
 - a. consider and approve the Full Business Case for the RAA; and
 - b. agree the terms of all legal agreements required to establish and govern the operation of the RAA.

Background to the Proposals

3. In 2015 the Government set out its commitment to require that all local authorities are part of a Regional Adoption Agency (RAA) by 2020. Any local authority not moving to this arrangement voluntarily would be subject to legislative powers and placed in an existing RAA.

4. The rationale for the development of the RAA model is to achieve the following benefits:-
 - Have a system in place where children were matched with the most suitable adopters as quickly as possible.
 - Ensure that recruitment of adopters is taking place at an efficient level to provide a pool of adopters large enough and well suited to the needs of children waiting; and
 - Ensure that there are high quality support services available nationwide.

Being Part of a Regional Adoption Agency

5. The DfE in the Education and Adoption Act 2016 were clear about the requirement for all Local Authorities to be part of the national RAA programme. In neighbouring parts of the North West, Lancashire and Blackpool are working together to establish an RAA by the end of 2019.
6. Discussions between Cumbria County Council, Durham County Council and Sunderland City Council took place in late 2016 and recognised the potential of a coast to coast area. This is how the RAA partnership began.
7. Having come together, the DfE were keen that the partnership establish the intention to apply to become a RAA. An application for approval and project grant funding was submitted in December 2017 when the DfE grant window opened and a set up project Grant of £670k was awarded to the partnership. Durham County Council act as sponsor for the Project and are the accountable body for the grant funding.
8. A Project Plan was developed by the Project Board and approved by the Governance Board. Details of the Project Board and Governance Board membership are included in the attached Outline Business Case report. A Project Manager with experience of previously developing a RAA was appointed in 2018. The Project Plan outlines all aspects of the process of moving to a live RAA by October 2019. One of the early considerations to be undertaken was the type of organisation the RAA could and should be. Legal representatives of the three Local Authorities provided an options paper on the potential legal model for the RAA Governance Board to consider in October 2018. The Outline Business Case confirms the outcome of this was that a host model is the preferred option. All three councils have initially indicated their wish to be considered to perform the host function and be the lead authority for the RAA. The Governance Board have therefore agreed a competitive process which will be evaluated by an independent body, who will make a recommendation to the Governance Board. The Executive Director will provide updates to Cabinet on the outcome of this process.

Outline Business Case

9. The Outline Business Case for the Coast to Coast Regional Adoption Agency is set out at appendix 1 and was agreed by the Governance Board on 16 October 2018.

10. All three adoption services are judged to be GOOD by OFSTED, and as a partnership they value the strengths that each of the organisations brings to the RAA. Some of the benefits of an RAA include:
 - Better outcomes for Children, Adopters and Birth Families
 - More Adopters for our Children
 - Ability to share resources
 - Ability to share expertise and best practice
11. The Outline Business Case document was developed following a series of workshops which have included members of staff, independent panel members and professionals across all partner organisations including the Voluntary Adoption Agencies.
12. The vision for the RAA is that children will achieve their full potential within a loving and secure family and everyone affected by adoption will receive a high-quality innovative and sustainable service.
13. The overall objectives are to:
 1. Provide child-centred services
 2. Deliver a high-quality accessible service to adopters and potential adopters
 3. Provide an accessible independent service for birth families affected by adoption
 4. Create strong partnership working with Local Authorities, the Voluntary Adoption Agencies and universal services
 5. Offer a service which is high-quality and provides good value for money
14. Included within the scope of the Regional Adoption Agency are:
 - Early Permanence planning
 - Marketing and Recruitment of adopters
 - Assessment and training of adopters
 - Matching and linking
 - Pre and Post Adoption Support
 - Birth Family Support
 - Intermediary Services
15. The RAA is proposing a different model of working which sees a stronger partnership with the Voluntary Adoption Agencies. By working together the RAA will be in a much stronger position to meet the challenges faced in Adoption Services.
16. The RAA has an ambition to extend and improve the early permanence planning for children. Early permanence planning will ensure that the RAA will work together with the Local Authorities to seek the right adoptive family as early as possible.

The Legal Form of a Regional Adoption Agency

17. The Outline Business Case appended contains information in relation to each model. The Governance Board considered each of the models with the key advantages and disadvantages as follows:

RAA hosted by single lead authority (Recommended Option):

The advantages of this model are that it is well established and feedback from the National Programme confirmed that the majority of RAAs were hosted by a single lead Local Authority. The benefits were described as being most affordable within budgets available, reducing the costs of setting up a separate legal entity and being able to draw on wider expertise quickly from the host organisation.

The main disadvantage identified for this model was the potential loss of control of adoption services by the other Local Authorities if not in a lead position, although all Local Authorities will be represented on any Governance Board arrangement.

RAA established as a Jointly Owned Local Authority Company:

The advantages of this model are that the three Councils jointly own the new Company. This model of business is not new to Local Authorities, many of whom have their own Companies to assist with their business opportunities.

The disadvantages around this are the set up and additional costs to ensure compliance as a business, which would be over and above the current budget available to the services in each of the Local Authorities.

In addition, there would be a need to set the Company up separately as a registered Adoption Agency. This would incur more costs and require additional Ofsted regime.

RAA established as a joint venture company between Councils and VAAs:

This option would move further away from the ownership of the three Local Authorities and would require a procurement exercise to find a further partner to participate.

Appoint third party to act as the RAA

Given that Sunderland City Council has already established an independent organisation for their Children's Services as a company known as 'Together for Children', it could effectively lead the RAA.

18. The Governance Board were unanimous in their recommendation that the RAA should move forward at this time to a Hosted Model or Hosted by Together for Children. The national Regionalisation Programme demonstrates that most RAAs have taken this as the preferred model to date.

The other North East Authorities and several North West Authorities have adopted a single Authority Host model of RAA.

Conclusion

19. The development of the RAA is a highly complex project working across three Local Authorities. The size and scale of the proposed RAA is extensive.
20. Given the emerging model, the hosted model offers best value for money and is in line with national and regional developments.

21. **Options Considered and Risks Identified**

Option (a) – Agree with the recommendation of the Governance Board

- Agree to the recommendation of the Governance Board and agree to the hosted model.

Option (b) – Proceed with an alternative legal form

- Agree to proceed but choose another preferred legal form as outlined in Paragraph 17.

Option (c) – Do Nothing

- This option is not appropriate given the expectation from DfE that all local authorities should develop and become part of an RAA model by 2020. In addition, the partnership has now been successful in securing grant funding to support the development and establishment of the Coast to Coast Regional Adoption Agency.

22. A new organisation will be established by October 2019.
23. Cumbria, Durham and Sunderland Local Authority/Together for Children will need to agree the model in order for the proposal to move forward and agree the host
24. If the principle of establishing the RAA is approved, a Full Business Case setting out the proposed detailed arrangements will be prepared for consideration and approval.

25. Full Business Case

The Full Business Case will make a recommendation as to the Host Authority and the detailed governance arrangements for the management of the RAA will be developed and agreed as part of the Full Business Case. These arrangements are likely to include an RAA Management Board (comprising the Directors or Assistant Directors for Children's Services in each of the three Councils) and an RAA Operational Group.

The full responsibility for the Coast to Coast RAA will lie with the RAA Management Board who will make all key strategic decisions including agreeing resources for the RAA. A delegation scheme will be devised which sets out the

respective roles and powers of the Management Board, the Operational Group and the Host.

There will be a partnership and hosting agreement between the three Councils, established under section 101 of the Local Government Act 1972, this will deal with the risks associated with the RAA and Host Function and the apportionment of liability between the Councils.

Risks

26. A full risk assessment is set out in the Outline Business Case.

Reasons for the recommendation/key benefits

27. Cumbria considered working with Blackpool and Lancashire in forming an RAA but after initial meetings the evidence was that a partnership with Durham and Together for Children would provide better outcomes.
28. The Hosted Model is the recommended model for the new RAA because it is the most cost effective solution and provides the greatest stability to the new organisation. This is the model which has been used by the majority of the new RAAs.

Financial – What resources will be needed and how will it be funded?

29. The resources required to progress from outline business case to final business case will be provided from within existing budgets and will consist mainly of staff time.
30. Financial modelling by all 3 authorities is underway and not yet complete, Durham County Council is the lead authority for this activity. The production of the final business case will include financial due diligence and identify the financial impact of the proposed hosted model. All three authorities are equal partners in the development of the proposal and are actively involved in work streams including the full business case, the legal and financial models, due diligence, IT/information governance and HR and pensions.
31. The completed final business case will identify the costs associated with running the Regional Adoption Agency and how these costs will be funded by the three authorities. The final business case, including the detailed arrangements such as financial governance and funding arrangements, will then be brought forward for consideration and approval.

Legal Aspects – What needs to be considered?

32. The legal considerations for the establishment of the RAA are included in the Outline Business Case. Under section 15 of the Education and Adoption Act 2016 the Secretary of State has the power to direct local authorities to join together to deliver their adoption functions. Alternatively, there is a power of direction transferring those power to other adoption agencies. It is therefore important to follow the DfE's "Regional Adoption Guidance" issued in June 2015 and work in collaboration with neighbouring authorities.

Recommended Option

In respect of the recommended option to establish an RAA which is hosted by a single lead Council. The host authority would act as the accountable body for the RAA and exercise the relevant statutory functions on behalf of the Councils. The host authority would hold the pooled budget for the RAA and hold, or have rights to use, the relevant service assets. The host would also provide all or most of the relevant support services to the RAA.

Council Plan Priority – How do the Proposals Contribute to the Delivery of the Council’s Stated Outcomes? (Outcomes - People in Cumbria are Healthy and Safe, Places in Cumbria are well connected and thriving, the Economy in Cumbria is growing and benefits everyone)

33. The proposal is to deliver an enhanced adoption service for children, with a particular emphasis on early permanence. This contributes to children being emotionally and physically healthy and safe, and able to participate in a growing economy in the future. Support service delivery will include local, county wide and regional opportunities for adoptive families.

What is the Impact of the Decision on Health Inequalities and Equality and Diversity Issues?

34. A full equality impact assessment will be undertaken as part of the Full Business Case. Major stakeholders are being consulted as part of the development of the RAA.

Appendices and Background Documents

Appendix 1 – Outline Business Case

Key Facts

Electoral Division(s): All

Executive Decision	Key Decision Included in Forward Plan	Exempt from call-in	Exemption agreed by scrutiny chair	Considered by scrutiny, if so detail below	Environmental or sustainability assessment undertaken?	Equality impact assessment undertaken?
Y	x	N/A	N/A		No-sustainability assessment in FBC	See para 34- will be in FBC.

Approved by the relevant Cabinet Member/s on 11.01.19

Previous relevant Council or Executive decisions

None

Consideration by Overview & Scrutiny

Not considered

Background Papers

None

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