

# Decision Pathway – Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 05 April 2022

<b>TITLE</b>	<b>Adoption West Contract Extension</b>		
<b>Ward(s)</b>	City wide contract		
<b>Author:</b> Fiona Tudge	<b>Job title:</b> Acting Deputy Director for Children, Families and Safer Communities		
<b>Cabinet lead:</b> Councillor Asher Craig	<b>Executive Director lead:</b> Hugh Evans		
<b>Proposal origin:</b> BCC Staff			
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> Cabinet			
<b>Purpose of Report:</b> To seek agreement for a five-year extension to the Adoption West Commissioning Agreement from 1 <sup>st</sup> March 2022- 28 Feb 2027. A 3 month extension has been agreed from 1 <sup>st</sup> March 2022 to ensure formal decisions can be made across the relevant Local Authorities. Adoption West is the regional adoption agency for Bristol, Bath and North East Somerset, Gloucestershire, North Somerset, South Gloucestershire and Wiltshire.			
<b>Evidence Base:</b> The services provided by Adoption West on behalf of Bristol City Council are required under the Children Act 1989 and the Children and Adoption Act 2006. Adoption is an essential part of the way in which the council discharges its statutory duties to safeguard children and provide permanent family care for children who cannot grow up within their birth family.  The Government set out its intent to move to Regional Adoption Agencies by the end of 2020 in its 2015 policy paper, Regionalising Adoption <sup>1</sup> and the 2016 paper, Adoption: a vision for change <sup>2</sup> . It emphasised the potential to achieve efficiencies whilst improving matching, recruitment and adoption support. It detailed the intention to maximise the use of adoption when this is indicated as the best outcome for a child, including increasing the potential to identify adopters for children who, in the past, local authorities have found it more difficult to identify adopters for.  To deliver regionalised arrangements Bristol, Bath and North East Somerset, Gloucestershire, North Somerset, South Gloucestershire and Wiltshire formed Adoption West in March 2019 a new public sector entity, a company limited by guarantee, wholly owned and controlled by the six participant local authorities.  In October 2017 Bristol Cabinet approved this approach to regional adoption arrangements, with the company establishing its operations from 1 <sup>st</sup> March 2019. Throughout the development phase, the overriding aim was to ensure that Adoption West could commence on a secure basis, thereby providing			

<sup>1</sup> [Department for Education \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

<sup>2</sup> [Adoption: a vision for change - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

continuity for affected employees, and children and families receiving adoption services.

Adoption West operates from three hubs co-located with relevant local authority children's services and has responsibility for the provision of services as set out in the Commissioning Agreement:

- Bristol covering Bristol and North Somerset
- Trowbridge covering BANES and Wiltshire
- Gloucester covering Gloucestershire and South Gloucestershire

Adoption West is established to deliver specified statutory adoption services on behalf of the six named local authorities.

Adoption West's model and constitution provides:

- A corporate joint venture 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 (VAA) and is subject to the associated regulatory framework in addition to the quality standards set out in the Commissioning Agreement with local authority partners.

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.

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. The Council's Legal Team worked to draw up the necessary papers and agreements with the five other participating local authorities and is the legal team commissioned to provide legal advice to Adoption West.

Governance arrangements comprise:

- Adoption West Board of Directors has senior representatives from each council and meets quarterly to discharge responsibilities for organisational strategy, financial oversight, performance and risk management, policy and procedures. The Board also has a representative from the Adoption Advisory Board to ensure the views of adoptive families are considered in key decision making and service developments.
- Joint Committee meets on at least annually and comprises the Directors of Children's Services from each participating council who act as the company 'owners', as defined in the Members Agreement. Working through the South West Association of Directors of Children's Services, the Joint Committee provides strategic direction to Adoption West and can respond to issues of significant change, for example any proposed withdraw of an authority and/or the winding up of arrangements

and/or significant changes to resourcing.

- Local Authority Adoption Leads Group comprising a senior service representative from each local authority. It reviews operational standards, ensures regulatory requirements are met and considers performance by reference to appropriate performance indicators.
- Joint Scrutiny Panel comprises elected members from the participating councils' scrutiny committees in order to provide a collective oversight and scrutiny function

The Adoption West Board receives comprehensive performance reports on a quarterly basis, with six monthly reports also provided to Ofsted, in line with the regulatory requirements placed on voluntary adoption agencies (VAA).

At an operational level, the working relationship between Adoption West and all six local authorities is positive, with regular senior manager meetings established, as well as monthly tracking for children. Over recent months, family finding activity has been significant with only 22 children across the regional arrangement without a potential placement at this time. This will not only be reflected in the timeliness data going forward but importantly for the children who are now securing permanence via adoption. Recruitment activity remains at a high level and will continue to focus on finding adopters for priority children, as well as younger children and early permanence placements. A clear message about the children waiting is being provided to applicants and potential adopters, from the website 'front door' through the preparation training and assessment process. As a consequence, there is an increased number of adopters considering siblings and the numbers of older children that have been placed with Adoption West adopters.

### **Improving outcomes for children**

The Regional Adoption Agency is a vehicle for local authorities to ensure specialist adoption services are delivered in a more cohesive, efficient and effective way, with practice developed to a high standard.

The key objectives shared jointly by the RAA and partnering local authorities are:

- To provide children with the right adopters at the right time, reducing delay and approving those equipped to meet the needs of children waiting.
- To minimise changes of plan away from adoption
- To reduce delay and improve timescales for matching and placement for all children by working with care planning processes in each LA to improve early identification and twin track planning
- To achieve best practice and consistency across the region.
- To improve earlier permanency planning using:
  - Concurrent Planning;
  - Fostering for Adoption;
  - Innovative approaches for children for whom it is more difficult to identify adopters such as linking children with adopters from enquiry stage onwards and focusing on preparation and relationship building to increase the chance of success
- To reduce the likelihood of placement breakdown through timely and improved matching, preparation and delivery of adoption support:
  - Providing a range of pre and post adoption support and intermediary services in conjunction with statutory and voluntary sector providers
  - Establishing effective working links with key partnership agencies (e.g. schools and health providers)
- To form strong and productive partnerships with adopters, adoptees, voluntary sector providers, Health and education
- To ensure that customer feedback and the views of service users are obtained and considered in the

development and future operation of the service

The Integrated Service is responsible for providing a service to:

- Children who require adoption
- Adults who wish to adopt
- All adoptive families living in the region eligible for adoption support
- Adopted adults
- Facilitate family time (previously referred to as 'contact') between adoptive and birth family members
- Birth parents and former guardians eligible for adoption support
- Independent support to birth parents who risk losing their child to adoption

### **The proposal**

The current Commissioning Agreement contains an option to extend its term for a period of up to 5 years, commencing on or after 1<sup>st</sup> March 2022, subject to the agreement of the participating councils.

Initial discussions between the participants, conducted via the Adoption West Board, have confirmed an appetite to proceed on this basis, acknowledging the progress made since 2019, and the costs and disruption of re-commissioning or changing the current arrangements.

The Adoption West leadership team received legal advice from Bristol City Council's Legal Services, who provide support as part of the contractual arrangements for Adoption West. They advised that the most practicable route for extending the term of the commissioning agreement would be for the participating authorities to enter into a variation agreement, under which they agreed to:

- a) Extend the term of the Commissioning Agreement for a period of 5 years, commencing 1<sup>st</sup> March 2022 and expiring 28<sup>th</sup> February 2027;
- b) Amend the current financial mechanism (Schedule 6 to the Commissioning Agreement); and
- c) Amend the current service specification (Schedule 2 to the Commissioning Agreement).

The proposed revised financial mechanism reflects the previously agreed move away from the financial position as it stood in 2019, which was based on historical spend, prior to the establishment of Adoption West. The new mechanism amends but does not replace the original mechanism and is based on adoption related activity, over the past two and a half years, alongside child in care population volumes.

The proposed revised service specification reflects the reality of the working relationship between Adoption West and participating authorities. It more accurately outlines the mutual responsibilities for those aspects of operational practice that were not fully outlined at the commencement of the commissioning agreement. These include support for foster carers around early permanence, linking and matching, direct contact arrangements, allowances and support for step-parents wishing to adopt. These areas have not generally required decisions by the Adoption West Board as they reflect day-to-day working arrangements and demands upon the service.

### **Options considered**

Government expects all local authorities with responsibility for Children's Services to deliver adoption services via a regional arrangement. Should Bristol choose not to continue with Adoption West, it would need to identify an alternative regional arrangement.

Hosted arrangements are the predominant delivery model elsewhere and realistically, the only alternative option for Bristol to consider. Hosted arrangements have one council hosting the pooled delivery resources

of the other participants, in order to deliver services on their behalf.

It would take time and undoubtedly be disruptive for staff, children and families to broker an alternative arrangement. Risk of disruption, time lost and outcomes adversely impacted for children will be exacerbated by the disruption already experienced as a result of COVID-19.

Further, any alternatives will take time to broker, such that they are in the interests of children, families and local adopters, with no guarantee that any alternative will be successful.

To progress any alternative will require:

- the agreement of the participant local authorities to end the current arrangement and establish an alternative (likely hosted) arrangement, or
- will need another regional adoption agency to accept Bristol

Bristol will need to assess its degree of confidence in delivering improved outcomes against the potential disbenefits of disruption and impact for children and families locally of joining a distant regional arrangement.

In any event, the notice period for a participant local authority seeking to depart the current arrangement is a minimum of 12 months, plus the remaining part of the financial year in which the initial notice period expires. There are also provisions within the current agreement which require any departing participant to indemnify the remaining parties against any costs incurred due to their departure.

For these reasons, the recommendation is to agree the extension of Adoption West Commissioning Agreement and to continue to support the progress made by Adoption West since its establishment in 2019.

#### Risks

1. A regional arrangement dilutes Bristol's control over its adoption service.  
Mitigation: Remaining closely involved in Adoption West's development and delivery. Joining other regional arrangements, as yet unspecified, at a later date could compound this risk.
2. The regional arrangement separates adoption services from the social work teams working directly with children, leading to delay.  
Mitigation: All participating councils are aware of this risk. Close monitoring of adoption performance and timeliness, shared quality and performance targets implemented through permanency tracking arrangements in each local authority and through Adoption and Special Guardianship National Score Card. Bristol benefits from co-located Adoption West and children in care services.
3. Adopters may lose confidence in service delivery via Adoption West.  
Mitigation: Ongoing communication and engagement with adopters using existing communication routes such as Adopter forums and newsletters evidences a positive view of Adoption West.

#### Financial implications

The proposals can be met from within existing budget proposals. The estimated total annual contract value for Adoption West for 2022/23 is £3,516,911 with Bristol funding £725,046 before any changes in National Insurance.

This figure excludes income and expenditure for interagency fees which remain outside of the Adoption West funding envelope.

At the time of commencement, the budget for Adoption West was based on the historic patterns of expenditure for each participant local authority, with a plan to move to budget apportionment based on activity and population volumes in order to more closely link activity, resources and costs.

During 2020/21, it was agreed to apportion the budget for future years based on the following weighted factors, with changes being phased over the forthcoming 5 years from 2022/23 onwards:

- Children in Care population (15% weighting)
- Adoptions (average over 3 years) (50% weighting)
- Adoption Support Activity (35% weighting)

Bristol's increased proportion of the budget will increase from £1,203 in 2022/23 to an increase of £3,007 2025/26 over the forthcoming five years based on the formula and weighting set out above.

Changes in levels of activity in future have the potential to impact on participant contributions subject to the weightings above and the agreement to taper in the revised financial model over 5 years.

#### **Cabinet Member / Officer Recommendations:**

That Cabinet:

1. Note the extension of the Commissioning Agreement for Adoption West for 3 months from 1<sup>st</sup> March 2022.
2. Authorise the Executive Director for People in consultation with the Cabinet Member for Children to take all steps required to extend the Commissioning Agreement for Adoption West for five years to 28 February 2027 and implement the proposed variations in respect of the financial mechanism and service specification as detailed in the report.

#### **Corporate Strategy alignment:**

- Empowering and caring
- Being great corporate parents

#### **City Benefits:**

Enabling prospective adopters to provide care and providing children in care with permanence through adoption delivers significant social value, not only to those children and families, but also the wider community. This value extends beyond the adoption process itself in the form of ongoing support to adoptive families, acknowledging that many of the children and young people will require therapeutic and other support post adoption.

#### **Equality implications**

The implementation plans put in place at the time of the commencement of Adoption West to meet the requirements of the Equality Act 2010 will remain in place through the extension proposed by this decision. As such, there are no significant equalities implications arising from this decision.

Has an Equalities Impact Assessment (EIA) been completed? Yes

The information sharing and data protection arrangements put in place at the time of the commencement of Adoption West will continue through the extended contract period. As such, there are no significant data protection implications arising from this decision Social value implications

<p><b>Consultation Details:</b></p> <p>An extensive programme of consultation involving adopters, adoptees, birth families, partner and stakeholders was undertaken in formulating the proposals for Adoption West.</p> <p>No further consultation has taken place beyond the ongoing discussions with participating authorities as the work underway since the October 2017 Cabinet decision has been to implement the agreed model, as informed by consultation.</p>
<p><b>Background Documents:</b></p> <p><a href="https://publishing.service.gov.uk">Department for Education (publishing.service.gov.uk)</a>  <a href="https://www.gov.uk">Adoption: a vision for change - GOV.UK (www.gov.uk)</a></p>

<b>Revenue Cost</b>	£ c£0.725m per annum	<b>Source of Revenue Funding</b>	General Fund
<b>Capital Cost</b>	£	<b>Source of Capital Funding</b>	e.g. grant/ prudential borrowing etc.
<b>One off cost</b> <input type="checkbox"/>	<b>Ongoing cost</b> <input checked="" type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

**Required information to be completed by Financial/Legal/ICT/ HR partners:**

**1. Finance Advice:** This report seeks to extend the term of the Commissioning Agreement with Adoption West for a period of 5 years commencing 1<sup>st</sup> March 2022 and expiring 28<sup>th</sup> February 2027. It also amends the current financial mechanism which moves away from the historical spend position when Adoption West was first created and will in future be related to weighted activity (as set out in the report). These changes will be phased in over 5 years. The estimated cost for 2022/23 is c£0.725m in comparison to the current budget of c£0.667m. An additional £63k has been included as part of 2022/23 budget setting proposals to meet these increased contract costs. If costs rise in future years because more adoptive families are identified, then there are likely to be much wider benefits and improved outcomes from avoiding on-going costs of care.

**Denise Hunt, Finance Business Partner, Accountancy, Risk and Insurance: 9/2/22**

**2. Legal Advice:** The Agreement provides that the term may be extended by agreement of the parties and also provides that any variation shall only be effective if in writing and signed by the parties (acting through their duly authorised representatives). A draft variation agreement has been prepared. It is understood that the other parties have agreed that the term be extended for a period of 5 years, from 1 March 2022 to 28 February 2027 and otherwise varied as set out in the report. The opportunity is being taken to revise the financial mechanism and the service specification. The report seeks authority for the Executive Director to agree the proposed changes and execute the variation.

**Eric Andrews, Legal Team Leader: 8/2/22 and updated 14/3/22**

**3. Implications on IT:** I can see no implications on IT in regards to this activity.

**Gavin Arbuckle, Head of Service Improvement and Performance; 3/2/22**

**4. HR Advice:** No HR implications evident.

**James Brereton, HR Business Partner, 7/2/2022**

<b>EDM Sign-off</b>	Hugh Evans, Executive Director: People	2/2/22
<b>Cabinet Member sign-off</b>	CIr Asher Craig	14/2/22

<b>For Key Decisions - Mayor's Office sign-off</b>	<b>Mayor's Office</b>	7/3/22
--	-----------------------	--------

<b>Appendix A – Variation Agreement -Service Specification</b>	<b>YES</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>NO</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>NO</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information</b>	<b>No</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>
<b>Appendix L – Procurement</b>	<b>NO</b>