

Forward Plan reference number: FP/500/08/22

Report title: Adopt East Adoptive Placements Agreement	
Report to: Councillor Beverley Egan, Member for Children & Families	
Report author: Helen Lincoln, Executive Director of Children & Families Services (DCS)	
Date: 15 November 2022	For: Decision
Enquiries to: Sarah Carter, Head of Permanency, Placements & Sufficiency	
County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 'Everyone's Essex' sets out four strategic aims and 20 commitments. Within the strategic aim of 'a good place for Children and Families to grow' there is a commitment to improve the Outcomes for the most vulnerable and disadvantaged groups including Children in Care, Care Leavers, Children with special educational needs or a disability and children from Black, Asian and Minority Ethnic (BAME) communities, by working with children, young people and partners across the system.
- 1.2 Consistent with achieving this commitment, this paper sets out a proposal to enter into an Adoptive Placements Service Agreement with other members of the Adopt East Regional Adoption Alliance, a collaborative model of regionalised adoption services across 8 local authorities, setting out the terms and conditions by which adoptive placements will be made between the 8 local authorities.

2. Recommendations

- 2.1 Agree to enter into an agreement for Adoptive Placements Services, for an initial period of 3 years, with the local authorities listed in paragraph 3.2 of this report

3. Background and Proposal

- 3.1 In June 2015 the Government announced changes to the provision of adoption services by proposing that adoption services be delivered on a regional basis by 2020.
- 3.2 In response to this Essex County Council (ECC) has joined with Hertfordshire County Council, Norfolk County Council, Suffolk County Council, Southend on Sea City Council, Luton Council, Thurrock Council and Bedford Borough Council (the Partner Authorities) to deliver the Government's policy objectives through a regional adoption alliance known as 'Adopt East'. The Collaboration Agreement between the Partner Authorities establishes the role and responsibility of each Partner Authority to ensure a collaborative discharge of respective adoption functions and identifies the purpose, ambition and delivery of a regional approach to adoption across the eight local authorities.

3.3 The priorities of the regionalisation agenda are as follows:

- Decisions about placements are always made in the child's best interests
- Service delivery has at its heart innovation and practice excellence
- Social Workers are highly skilled professionals who make high quality evidence-based decisions and do not tolerate damaging delay for children in their care
- Matches are made without unnecessary delay

3.4 When a local authority places a child with an adopter approved by another adoption agency (this could be another local authority, a regional adoption agency, or a voluntary adoption agency (VAA)) a charge is paid by the placing authority (the Interagency Fee). The Interagency Fees for adoptive placements made between local authority adoption agencies are currently charged at the following rates:

One child: £27,000

Two children: £43,000

Three children: £60,000

3.5 The Adopt East Adoptive Placements Service aims to create one pool of children and adopters for all Partner Authorities within Adopt East. This will create a larger pool of adopters to promote more choice and timely matching for children who need adoption. It is expected that a larger matching pool will be more efficient in promoting sufficiency, particularly for the harder to place children.

3.6 As set out at paragraph 6.1 below, from July 2021 no Interagency Fees have been paid or received for placements made between the Partner Authorities. Interagency Fees continue to be paid or received for placements made with local authorities outside of Adopt East, or with VAAs. Each Partner Authority makes a contribution towards a pooled fund (the Pooled Fund) based on the volume of children that need to be placed. All Interagency Fees received by Partner Authorities are paid into the Pooled Fund. The Pooled Fund is used to fund any Interagency Fees incurred by the Partner Authorities and is administered by ECC as the lead authority for finance within Adopt East.

3.7 Matching children in a more efficient way and removing financial barriers will reduce interagency costs over a three-year period and promote sufficiency for Adopt East.

3.8 The Partner Authorities have been informally working in line with the Adoptive Placement Services Agreement (the Agreement) since July 2021 and wish to formalise these arrangements by entering into the proposed agreement.

3.9 By entering into the Agreement, ECC will be committing to pay:

- an annual contribution towards the Pooled Fund based on the volume of children that ECC place as set out in paragraph 6.1.5 below; and
- any Inter Agency Fees received by ECC into the Pooled Fund.

As the current lead authority for Finance, ECC has the additional obligation of administering the Pooled Fund.

- 3.10 The service does not consider that there are significant risks associated with ECC entering into the Agreement. The most probable potential risk is if a Partner Authority fails to pay or disputes their contribution, or withdraws from the Agreement midway through an Adoptive Placement, however these risks are shared proportionately with the other Partner Authorities.

4. Links to our Strategic Ambitions

- 4.1 This report links to the following aims in the Essex Vision:

- Provide an equal foundation for every child

- 4.2 Approving the recommendations in this report will have no impact on the Council's ambition to be net carbon neutral by 2030.

- 4.3 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- A high quality environment
- Health wellbeing and independence for all ages
- A good place for children and families to grow

5. Options

5.1 Option One – Do Nothing

- 5.1.1 The Council will fail to maximise the benefits of the Regional Adoption Alliance for Essex children and adoptive parents. Pooling of funds is a key requirement necessary to fulfil the definition of a Regional Adoption Agency as set out in the Department for Education (DfE) Regionalising Adoption agenda. Doing nothing will result in a failure to comply with the DfE requirements.

5.2 Option Two – Enter into the Adoption Placements Services Agreement

- 5.2.1 By removing the perceived 'financial barrier' to matching children and prospective adoptive families across the Partner Authorities, a greater number of Essex children and prospective adoptive families will be matched within Adopt East. Matches and placements will be made more swiftly; enabling children to benefit from the stability and permanency of adoption at the earliest stage.

- 5.2.2 The Adoptive Placements Services Agreement requires a 'pooled budget' within Adopt East that will be administered by ECC. Although administering the Pooled Fund carries a level of risk for ECC in terms of non-payment of and/or dispute in relation to Partner Authority contributions, the pooling of funds is a

key requirement necessary to fulfil the definition of a Regional Adoption Agency as set out in the DfE Regionalising Adoption agenda.

5.2.3 Option Two is therefore the preferred approach.

6. Issues for consideration

6.1 Financial implications

6.1.1 ECC and other local authorities have historically paid Interagency Fees for every placement made with another local authority, or with adoption agencies. Under the proposed option two, we would no longer pay a fee, or receive a fee, if the placement is made between Essex County Council and one of the other seven partner authorities.

6.1.2 Fees would continue to be paid or received for placements made with Authorities outside of Adopt East, or with Voluntary Adoption Agencies and any payments or receipts would be applied from and to the pooled fund.

6.1.3 The pooled fund is estimated to receive contributions in the region of £1.2m per financial year, although the actual values could fluctuate significantly due to the difficulty in forecasting to volumes both of children to be placed, and adopters recruited. Over the three-year duration of the agreement, it is therefore estimated that the value of the pooled fund will be in the region of **£3.5m**.

6.1.4 In quarter one of financial year 2021/22 (April-June), placements were made in the same manner that historically they had been, with a fee paid or received for every placement made. From 1st July 2021, no fees were paid or received for placements made between the Partner Authorities. Adopt East were responsible for matching and making placements, and so all fees were paid by the partnership.

6.1.5 Essex, as lead authority for Finance, were responsible for implementing a pooled budget arrangement for Adopt East for interagency payments. A formula that used recent placement history was used to calculate each Partner Authority's contribution into the pooled fund and this is invoiced quarterly. For Partner Authorities that provided more adopters into the pool than children to be placed, a rebate is given. ECC placed 29 children in the 9 month period for July 2021 – March 2022, and supplied 34 adopters into the pool, and received a rebate of £68,138.

6.1.6 Removing the perceived financial barrier of the Inter-Agency Fee should result in more readiness and therefore more timely matching within the Adopt East pool. It is therefore hoped that over time Adopt East will become increasingly self-sufficient in terms of Adopt East adopters for Adopt East children. This should reduce the overall numbers of children placed outside of the Partner Authorities.

6.1.7 There is no additional financial cost to the recommended option, as the formula ensures that after some smoothing for sibling groups and VAA's (which all attract

slightly different rates), Partner Authorities essentially only pay for the placements that are made on their behalf.

6.1.8 As the finance lead, ECC hold the budget for Interagency Fees on behalf of Adopt East. This budget is net nil as any expenditure is shared between the Partner Authorities according to defined formulae. Interagency placement contributions are invoiced at the beginning of each quarter based on estimates, and then corrected based on actuals alongside the next quarter's contribution. If an authority is forecast to provide more adopters than children, then there is nil contribution. Rebates are provided to the Partner Authorities in the final quarter.

6.1.9 Because ECC hold the Adopt East budget, any contribution or rebate is left until year-end closure in order that the exact amount can be adjusted for between budget codes. Through the year accruals are raised on the ECC budget code to accrue for the estimated contribution/rebate.

6.1.10 To date, no savings have been included within the Medium Term Resource Strategy (MTRS) in relation to interagency placements. Recruitment of adopters has been volatile due to COVID 19 pandemic, and the placement of children uncertain due to court delays.

	2020/21 Actual £000s	2021/22 Actual £000s	2022/23 Budget £000s
Income	(451)	(262)	0
Expenditure	172	77	240
Total	(279)	(185)	240

If more placements can be made within the alliance, then the need to place children externally will reduce and therefore cashable savings could be made in future years. We will review the position on an annual basis during the MTRS process to identify any potential savings to ECC in future years.

6.2 Legal implications

6.2.1 The Adoption and Children Act 2002 brought in new measures relating to permanency options for children, new Adoption Registers and the requirement for all Local Authorities to act as adoption agencies in order to promote permanency options for children entering Local Authority Care.

6.2.2 Following the new measures brought in by the Adoption and Children Act 2002, there were concerns that the adoption approaches nationally were fragmented. In 2015, the Department for Education formulated Regional Adoption Agencies as a method to rectify this.

6.2.3 There is no specific duty to create a Regional Adoption Alliance, but rather it is a policy initiative from the Department for Education. However, Central Government reinforced its policy ambitions through provisions within the Education and Adoption Act 2016. This Act gives the Secretary of State the power to direct one or more named Local Authorities to make arrangements

for any, or all, of their adoption functions to be carried out on their behalf by other Local Authorities, or by another agency and require such plans to be carried forward within 2 years.

- 6.2.4 A key aim of the new measures is to improve the matching process by creating a larger more diverse pool of adopters. A core element of a Regional Adoption Agency is the existence of a single pooled budget for delivery of core functions (recruitment, matching, support). Under s10 of the Children's Act 2004 ECC has a duty to make arrangements to promote co-operation with other local authorities and appropriate bodies to improve the well-being of children in Essex and have the power to contribute to a fund out of which relevant payments can be made.

7. Equality and Diversity implications

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8. List of appendices

Equalities Comprehensive Impact Assessment

9. List of Background papers

None

I approve the above recommendations set out above for the reasons set out in the report.	Date
Councillor Beverley Egan Cabinet Member Children and Families	16.01.2023

In consultation with:

Role	Date
Helen Lincoln, Executive Director for Children Families & Education Services	03.01.2023
Executive Director for Corporate and Customer Services (S151 Officer) Stephanie Mitchener on behalf of Nicole Wood	06.12.2022
Director, Legal and Assurance (Monitoring Officer) Laura Edwards on behalf of Paul Turner	15.11.2022