Detailed Business Case - West Mercia Adoption Service

DOCUMENT PURPOSE
The Business Case documents the justification for undertaking a project. The Business Case should provide sufficient information to the Project Board to enable them to make a judgement about whether the project should go ahead based upon whether it is desirable (cost/benefit/risk balance), viable (it can produce what is required) and achievable (the benefits can be achieved).

PROJECT DETAILS	
Project Name	West Mercia Adoption Service
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DOCUMENT DETAILS	
Version	9
Version Date	28.03.14
Status	Final

1. EXECUTIVE SUMMARY

This Detailed Business Case explores the potential options for developing a West Mercia Adoption Service. It recommends four options to look at how the four West Mercia authorities can work collaboratively to meet the needs of looked after children by improving the timeliness of placing them for adoption. It also weighs the benefits, risks and financial implications for each option and considers the views of stakeholders across the four West Mercia authorities - adopters, foster carers, health representatives, Adoption Panel chairs/members and staff. Current plans are to ensure the views of children and young people also shape the project as it develops.

As the project has progressed its thinking around the options for future delivery has developed. The four options outlined in the Business Case are a starting point, but are not a limiter, and as implementation of the preferred option progresses the Project Board may develop it into something more dynamic.

The preferred option is Option 2. This would be the first phase of service transformation which will lead to an Option 3 service model by 2016/17, if evidence continues to support this as the overall preferred option. This first phase would also allow time for the four authorities to better understand all best practice elements between them and develop a West Mercia culture in order to then capitalise on it and develop a fully integrated service model. It would also allow time to form relationships with voluntary organisations.

Positive outcomes for the child and value for money are both fundamental principles underlying this Business Case.

Summary of Recommendations:

It is recommended that:

- A data set is agreed and developed across the 4 authorities to better understand the reasons why some children wait longer for adoption.
- A data set is agreed and developed across the 4 authorities to better understand disruptions.
- Further work is undertaken to provide a detailed costing of the functions delivered by each authority.

2. PROJECT BACKGROUND

The overall aim of the project is to develop a single West Mercia Adoption Service which delivers a more efficient and effective service to a wider range of children, at least maintaining if not improving the existing best practice provision, and with particular emphasis on improving the timeliness of placing children and young people for adoption.

Under new powers provided to the Government under the Children and Families Bill 2013, local authorities that are not performing appropriately can have their role as adoption agencies withdrawn.

The four local authorities in the West Mercia region - Herefordshire Council, Worcestershire County Council, Telford & Wrekin Council and Shropshire Council - recognise that working collaboratively provides a genuine opportunity to respond to the national agenda. Following the success of a similar approach to establish a West Mercia Youth Offending Service, they came together in April 2013 to discuss the possibility of joining forces to provide a single adoption service, which would potentially include a voluntary partner.

By delivering a single service whilst maintaining functions at a regional and local level, partners envisage achieving economies of scale and delivering a faster and more cost efficient process of providing alternative permanent homes for children across the West Mercia region.

The project is exploring the potential for reducing costs through better commissioning or joint arrangements and strengthening management arrangements. The new service will at least maintain the quality of current best practice provision, improve outcomes, whilst delivering savings based on lower service costs arising from a more efficient staffing structure and economies of scale due to aggregated workloads.

The project will support West Mercia local authorities Looked After Children Strategies and will enable more children who are unable to live with their birth family to cease to be looked after and to live in safe and loving adoptive homes. It is the intention that any new service will particularly benefit those children who have additional needs or characteristics that can make it more difficult to find an adoptive home.

The key objectives of the project are:

- To retain local accountability and service delivery based on local need.
- To maintain or improve outcomes for children, young people and adopters, building on the strengths of existing services.
- To improve efficiency through:
  - ➢ Streamlining management costs by creating a single service.
  - ➢ Streamlining service delivery via processes and pathways.
  - ➢ Ensuring better value from commissioning non-core functions.
- To identify the most appropriate delivery arrangements for the single service.

3. NEEDS ANALYSIS

The full Needs Analysis is appended as Appendix 1, however, below are the key highlights.

Current Demand

Looked After Children - Numbers

Age	Herefordshire				Shropshire				Telford				Worcestershire			
	10-11	11-12	12-13	13-14*	10-11	11-12	12-13	13-14*	10-11	11-12	12-13	13-14*	10-11	11-12	12-13	13-14*
0-4	48	52	65	61		64	64	69	65	75	75	76	127	140	134	150
5-9	37	50	49	51		44	53	66	55	65	60	58	112	112	127	133
10-14	51	52	58	65		90	87	79	115	115	120	95	155	164	182	174
15-19	61	56	43	65		118	121	128	35	45	65	76	187	184	192	194
Totals	197	210	215	243	220	205	241	269	270	300	320	305	590	600	635	651

* as at 18.2.14

Looked After Children - Rate per 10,000

Age	Herefordshire				Shropshire				Telford				Worcestershire			
	10-11	11-12	12-13	13-14*	10-11	11-12	12-13	13-14*	10-11	11-12	12-13	13-14*	10-11	11-12	12-13	13-14*
0-4	50.00	53.61	67.01	62.24	25.32	23.93	27.71	32.16	56.52	64.66	64.10	64.41	40.79	44.44	41.23	45.18
5-9	40.22	53.76	51.58	53.13	22.29	20.13	29.01	34.76	54.46	62.50	56.07	53.21	37.22	36.36	40.45	41.96
10-14	49.04	50.98	59.79	68.42	38.76	37.21	42.35	43.71	108.49	112.75	120.00	95.00	47.95	51.90	59.28	57.24
15-19	56.48	53.85	41.35	63.11	39.58	37.43	41.08	45.30	30.17	39.13	57.02	69.09	53.89	53.80	58.18	60.06
Totals	195.74	212.20	219.73	246.90	125.96	118.69	140.16	155.94	249.64	279.03	297.19	281.71	179.85	186.51	199.14	204.44

* as at 18.2.14

These figures do not include children in care who have achieved permanence outside of local authority care via Special Guardianship or Residence Orders.

The West Mercia picture of children in care shows Worcestershire as having the highest numbers and Herefordshire having the lowest. This reflects the child populations of the local authorities. There is an increase in the trend from 2008 to 2014 (18th February) for Herefordshire and Worcestershire, with Shropshire seeing a decrease in the numbers from 2011 to 2012 followed by a steady increase and Telford seeing a decrease from 2013 to 2014.

The majority of children adopted are under 10 years old and mostly under 5 years old, except on the very rare occasion that adopter is their existing foster carer. Across West Mercia the 0-4 years cohort has increased from 2010-11 to 2013-14 across all 4 LAs.

Children subject to an adoption plan

There were 169 children who were subject to an adoption plan as at 31st of March 2013 across the West Mercia region. Telford has the highest average percentage of looked after children who ceased to be looked after who were adopted and the figures have been fairly consistent over the 5yrs, between 2009 and 2013. Worcestershire has the lowest over the same period, and Herefordshire and Shropshire have similar averages. The reasons for this are multi-faceted and complex.

	Percentage of looked after children adopted during the year					
Local Authority	2009	2010	2011	2012	2013	5yr average
ENGLAND	**13**	**13**	**11**	**13**	**14**	**12.8**
Herefordshire	14	<5	20	10	9	13.25
Shropshire	17	10	7	13	19	13.2
Telford and Wrekin	4	21	22	21	24	22
Worcestershire	11	13	8	11	18	12.5

Special Guardianship and Residence Orders

The number of children that ceased to be looked after due to a Special Guardianship Order or Residence Order are:

	Herefordshire		Shropshire		Telford		Worcestershire	
	2012/13	2013/14*	2012/13	2013/14*	2012/13	2013/14*	2012/13	2013/14*
SGOs Granted	21	6	1	1	4	6	16	28
ROs Granted	14	12	1	2	3	5	7	8

* as at end Jan 2014

Children Who Wait Longer for Placement

	2012/13	2013/14*
Sibling groups	5	16
Children with a disability	11	4
BME Children	12	4
Children in care > 21 months	x	10

* as at 31st Jan 2014

There were 11 (6.5%) children with disabilities across the four West Mercia authorities who were subject to an adoption plan as at 31st March 2013, 12 (7.1%) children from a BME background and 5 sibling groups whose placements commenced between 1st April 2012 and 31st March 2013. Figures vary from year to year; at the end of January 2014, compared to the previous year, the number of sibling groups had increased but there was a smaller proportion of children with a disability and from a BME background.

Although the percentage of children is small, it is very significant as these children sometimes wait longer to be matched. Statistical information alone will not give the richness that qualitative data can give. Some details about the experiences of these children would be advantageous to gain a fuller understanding of why their needs have not been met by perhaps tracking some of these children over the next year. Information about children who were not put forward for adoption on the basis that it would be too hard to find a match and as such a child may be waiting an unreasonable length of time before a permanent stable care arrangement could be achieved would also be useful.

> It is recommended that a data set is agreed and developed across the four authorities to better understand the reasons why some children wait longer for adoption.

Disruptions

There are three types of disruption – during introductions prior to being placed, within a relatively short period after adoption due to a change in circumstances or where it emerges that the parents aren't able to meet the child's needs, or some years later (typically in adolescence). Although there is no requirement to collect data nationally or locally, placing authorities always know about disruptions in the first 3 years as they have a duty to provide support. They may not know about the later disruptions where children live in another local authority that is responsible for taking them into care if this is necessary – and these children can have complex needs which require expensive care placements.

Within this context in West Mercia the numbers of disruption we know of are very low for the period 1st April 2012 to 31st March 2013, with no disruptions in Herefordshire, 2 children (1 family) from the joint service in Shropshire and Telford and 3 children (2 families) from Worcestershire. In order to get a realistic picture of the trend in disruptions it would be advantageous to collect data for at least 3 years and to obtain experiences of children and families to gain a fuller understanding of why their needs have not been met.

> It is recommended that a data set is agreed and developed across the four authorities to better understand disruptions.

Adopters

Postcode maps have been produced, which show there is a large pocket of adopters in the main towns of each local authority. The Shropshire/Telford joint adoption service is relatively very successful in recruitment and has over 50% of the adopters across the West Mercia Region (37 approved adopters in Herefordshire and Worcestershire combined, and 39 in Shropshire/Telford 2013/14).

Analysis of recruitment activity for 1st April 2012 to 31st March 2013 shows that Worcestershire has the lowest conversion rate from the number of initial enquiries made to the number of applications received, currently a rate of 13.2%, compared to Shropshire/Telford at 25.6% and Herefordshire at 36%. Worcestershire also have the lowest conversion from the number of initial enquiries to enquiries leading to approved adopters, currently at 9.2% compared with 23% in Shropshire/Telford and 38.6% in Herefordshire.

Projected Demand 2014-2016

Population Projections for Children:

Age	Herefordshire			Shropshire			Telford			Worcestershire		
	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
0-4	9,800	9,900	9,800	17,100	17,300	17,600	11,800	11,900	11,900	33,200	34,000	34,400
5-9	9,600	9,700	10,000	16,400	16,700	16,900	10,900	11,100	11,200	31,700	31,800	32,100
10-14	9,500	9,400	9,400	16,700	16,600	16,700	10,000	9,900	10,100	30,400	30,500	30,800
15-19	10,300	10,100	9,800	18,100	17,800	17,300	11,000	10,900	10,600	32,300	31,700	30,900
Totals	39,200	39100	39,000	68,300	68,400	68,500	43,700	43,800	43800	127,600	128,000	128,200

The population projections for children indicate that the 0-4 and 5-9 age groups (where the majority of adoptions will come from) sees a generally increasing trend across the region, though Herefordshire

and Telford & Wrekin are relatively stable, with particular increases in Worcestershire and Shropshire, therefore, indicating that more children will need adoptive families going forward.

Looked After Children Projections (Numbers):

Age	Herefordshire			Shropshire			Telford			Worcestershire		
	14-15	15-16	16-17	14-15	15-16	16-17	14-15	15-16	16-17	14-15	15-16	16-17
0-4	57	54	51	68	77	86	74	70	66	160	168	176
5-9	47	44	42	78	92	108	56	53	50	138	145	152
10-14	58	56	53	78	81	83	91	87	82	193	203	213
15-19	59	56	54	87	90	93	73	70	66	216	227	239
Totals	221	210	200	310	340	370	294	280	264	707	743	780

Looked After Children Projections (rate per 10,000):

Age	Herefordshire			Shropshire			Telford			Worcestershire		
	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
0-4	58.16	54.55	52.04	39.77	44.51	48.86	62.71	58.82	55.46	48.19	49.41	51.16
5-9	48.96	45.36	42.00	47.56	55.09	63.91	51.38	47.75	44.64	43.53	45.60	47.35
10-14	61.05	59.57	56.38	46.71	48.80	49.70	91.00	87.88	81.19	63.49	66.56	69.16
15-19	57.28	55.45	55.10	48.07	50.56	53.76	66.36	64.22	62.26	66.87	71.61	77.35
Totals	225.46	214.93	205.53	182.10	198.96	216.23	271.45	258.67	243.56	222.09	233.18	245.02

Looked After Children projections for 2014/15 through to 2016/17 indicate a predicted increase year on year in Shropshire and Worcestershire and a predicted decrease year on year for Herefordshire and Telford & Wrekin.

Worcestershire's projection is based on 'worst case scenario' if no mitigating action was taken. There is an action plan with mitigating actions and a planned change to project days looked after rather than LAC numbers. Shropshire's projection is also based on 'worst case scenario' if no action was taken and, therefore, does not take into account any changes in the service's approach to managing LAC, prevention strategies in place, etc. Telford's projection is based on a 5% reduction each year, based on work/actions in place to mitigate numbers, eg, Strengthening Families, Systemic Practice and Stepdown Work. Herefordshire's projections are also based on actions being in place to reduce numbers. The West Mercia authorities will need to agree how future projections are calculated going forward.

The number of LAC aged 0-9 as at 18th February 2014 across the West Mercia authorities was 664. The combined number of projected LAC aged 0-9 for the West Mercia region indicates an overall increase over the next 3 years:

- 2014/15 - 678 (44% of the combined WM LAC projection for this year)
- 2015/16 - 703 (44% of the combined WM LAC projection for this year)
- 2016/17 - 731 (45% of the combined WM LAC projection for this year)

Although the numbers of Looked After Children are generally going up in the West Mercia, there are commissioning activities taking place at individual local authority level which are contributing to some predicted reduction in numbers, for example, changes in the early help offer, reaction to the Troubled Families Programme and increased support to children and young people on the edge of care.

More work needs to be done to better understand the difference between authorities in speed of delivering the various stages of the adoption process. However, taking into account the requirement

to increase the pool of adopters and match more children more quickly, there is no evidence that indicates a reduction in the number of social workers required.

Current Service Provision

Shropshire and Telford & Wrekin councils have had a joint adoption service since 1998. This service came out of Local Government Reorganisation with Telford & Wrekin separating from Shropshire, but keeping some joint services. The majority of functions are delivered in-house with the exception of marketing for the recruitment of prospective adopters, birth parent support and counselling, and access to records from other authorities for adopted adults, which are commissioned.

All of Worcestershire's adoption service functions are delivered in-house with the exception of adopter support groups which are commissioned. Worcestershire includes more functions under the umbrella of its Adoption Service as a result of the full-service redesign in 2013.

All of Herefordshire's adoption service functions are delivered in-house.

Current Budget

Costs	WCC £000's	Shropshire / Telford* £000's	HCC £000's	Total £000's
Establishment staff costs	1,052	579	370	2,001
Direct operational Costs	133	145	69	347
Direct Costs	**1,185**	**724**	**439**	**2,348**

Further work is required to provide a more detailed breakdown of direct costs (above) and also indirect costs (eg inter-agency costs, adoption allowances etc).

 Current Staffing Figures

	No. of FTEs
Herefordshire	9.73
Shropshire/Telford	21.47
Worcestershire	30.93*
Total	62.13

*Includes family-finding and post-order additional services

It is recommended that further work is undertaken to provide detailed costings of the functions delivered by each Local Authority.

4. BUSINESS OPTIONS

The Outline Business Case identified five potential options as listed below:

Option 1	Do nothing and stay 'as is', with each service maintaining its existing service set up, using third parties independently procured.
Option 2	Deliver some key functions together and maintain delivery of other functions within individual authorities.
Option 3	Deliver a core adoption service across West Mercia, with commissioned non-core services based on local needs.
Option 4	Deliver a single adoption service, incorporating all core and non-core services, delivered by a lead West Mercia authority.
Option 5	Contract out all core and non-core services (on a not for profit basis), eg, by going into partnership with a voluntary organisation or establishing a staff mutual.

When considering Options 2 and 3 during the options appraisal process, it was felt that these options were fundamentally similar, therefore, these have been considered as a refined option.

The revised Options are:

Option 1	Do nothing and stay 'as is', with each service maintaining its existing service set up, using third parties independently procured.
Option 2	Deliver some adoption functions within a single adoption service, hosted by a lead West Mercia authority, with some specific functions continuing to be delivered within the individual local authorities.
Option 3	Deliver a single adoption service, incorporating all the adoption services, hosted by a lead West Mercia authority.
Option 4	Contract out all adoption services (on a not for profit basis), eg, by going into partnership with a voluntary organisation or establishing a staff mutual.

5. OPTIONS APPRAISAL

The options appraisal has been developed through work with the Project's Service User Pathway workstream, a Commissioning Needs Analysis and a financial appraisal of current and predicted expenditure across the four local authorities. Legal services and human resources have been involved and provided challenge and comments in relation to the options.

Stakeholder reference groups with adopters, foster carers, health representatives, Adoption panel chairs/members and staff have been held across the four authorities. Their views on the options have been considered and incorporated into the options appraisal. Further work is planned to ensure the views of children and young people shape any future service provision.

OPTION 1

Do nothing and stay 'as is', with each service maintaining its existing service set up, using third parties independently procured.

Option 1 is not deemed to be a viable option as the benefits would be negligible, the project objectives and desired outcomes would not be achieved, nor would it deliver the Government's Adoption reform agenda. Stakeholders acknowledge the Government agenda and understand the rationale for the need to change, therefore, this option is not agreeable to stakeholders.

In light of the Adoption reform agenda and the revised adoption scorecard threshold indicators, local authorities will not be able to keep pace with adopter recruitment and the placement of children if services do not evolve and adapt. Retaining the status quo would also mean that financial savings would not be made and the current level of service performance may not be maintained or improved.

OPTION 2

Deliver some key functions together through a new single entity established as the West Mercia Adoption Partnership as below, maintaining delivery of other specific functions within individual authorities. This model is a refined version of the original Option 2 (deliver some key functions together) and Option 3 (deliver a core service across West Mercia with commissioned non-core services based on local needs).

The Services in scope for the new single entity would be:

- Non-agency adoption (step parents) and inter country
- Adopter recruitment and front door
- Training of adopters
- Support for adopted adults
- Post order support
- Birth family support

These have been chosen because:

- It has been established that there are economies of scale that can be achieved quickly by combining the resources of the 4 authorities to deliver these particular functions.
- This will establish a 'West Mercia' brand to enable more effective marketing and recruitment.
- Adopters welcomed the flexibility that choice for accessing training and support would provide.
- This will enable the provision of a more holistic and responsive adoption service.
- It provides the option to contract on a not for profit basis by going into partnership with voluntary organisations around these functions and testing the market for Option 3.

The services out of scope (to continue to be delivered by the individual local authorities) would be:

- Family-Finding (including child permanence planning/preparation of the child/matching).
- Assessment of potential adopters.
- Panel and Adoption Decision-Making.
- Post-approval support to adopters including placement of child and support to point of Adoption Order.
- Adoption Financial Support.

These were chosen to continue to be delivered by the individual authorities because:

- These are the functions where the local authority remains most accountable for their own children.
- The practice in each local authority differs within these functions and more work is required to understand the elements that contribute to best practice in each authority.
- The four local authorities need to better understand the resources that would be required within these functions to deliver the best outcomes.
- The market is less well-developed in the provision of these functions by an agency other than the accountable local authority.

Cost to Deliver the Service

Under this option the budgets for the combined functions would be pooled and managed by the West Mercia Adoption Partnership. This would be established as a new single entity, hosted by a lead authority on behalf of the four local authorities.

It is proposed that the four local authorities use a proportion of their Adoption Reform Grant to fund a dedicated Transformation Manager for 12 months to support implementation.

Staff currently involved in the work associated within these functions would be seconded to the West Mercia Adoption Partnership within their existing terms and conditions, pending any re-commissioning of the functions, or the local authority will provide the pro-rata budget for the function. However, this would be subject to formal consultation with staff.

Functions retained in each authority:

- Assessment of potential adopters
- Child Pathway: permanency plan, family finding, preparation of child
- Panel and Adoption Decision-Making
- Post Panel support including placement of child and support to the point Adoption Order is made
- Process/Team/Strategic Management

Budgets and staff for these functions will be retained by each authority and the delivery of these functions will remain the responsibility of each authority.

This is the first phase of service transformation which we anticipate will lead to an Option 3 service model. By combining these functions they would be more attractive to potential providers and could more easily be contracted out on a not for profit basis, if soft market testing showed this to be a more cost effective way to deliver them. This first phase would also allow time for the four authorities to better understand all best practice elements between us and develop a 'West Mercia Adoption Service' culture in order to then capitalise on it and develop a fully integrated service model (option 3).

Funding would need to be made available in 2014/15 and 2015/16 to recruit a temporary dedicated Transformation Manager to manage the West Mercia Adoption Partnership and lead the transition to a fully integrated service (option 3). This would ensure the project's ability to deliver within timescale and provide a consistent focus. This option would, therefore, be considered as an 'invest to save' initiative.

The following identified gaps will be the immediate focus for the Transformation Manager:

- Future demand over next 3 years - a robust assessment of those aspects of the service which will need to be enhanced or reduced.
- Forecast of activity costs based on future demand over the next 3 years.
- Adoption Partnership, identifying potential savings.

Financial Savings

Financial savings under this option could be made through a reduction in management costs and commissioning some of the combined functions, however, a forecast of activity costs based on future demand and indicative costs of contracting out on a not for profit basis have yet to be determined.

Savings could also be achieved through an increase in the number of adopters and sharing adopters which would provide increased opportunities for placements of children who wait longer. For example across the four authorities we have currently identified a cohort of 25 children who wait longer to be placed due to age, disability, ethnicity or sibling groups, with an additional 10 children who have been in care longer than 21 months. If each authority was able to place one more child in one of these categories, it would equate to a saving of £72,000* per year in foster care payments for a possible 14 plus years. This is not withstanding the benefits for the child which permanence through adoption would represent.

* This is based on an average cost of external and internal foster carer placement of £2,000 per month, and so savings vary across authorities.

Expected Benefits

- Increased number and choice of Adoptive Carers.
- Speedier matching.
- Wider range of services for adoption support
- More consistent training and choice of training events
- Pooling of staff skills and expertise
- Economies of scale
- Bargaining power of a West Mercia brand
- Consistency across the region in delivery of merged functions
- Retained local accountability
- Consistent working to best practice across West Mercia
- Involving staff and service users in the development of the new approach
- No major legal implications

Risks

- Different IT systems may impact on performance.
- Staff turnover rate may increase if future is uncertain.
- Poor commissioning and implementation may result in service performance declining.
- Projected savings might not be made in individual authorities within the original timeframe

Considerations

- Consultation timescales with staff and trade unions.
- Differences in terms and conditions of staff.

- Lead authority would need to comply with their standing orders and financial regulations in relation to procurement rules.
- Shropshire/Telford's marketing and recruitment contract with Ontrac ceases in March 2015.

Stakeholder Feedback

Feedback from stakeholder consultation on this option indicates that stakeholders felt this option would provide a wider choice of resources in relation to placements for children, opportunities to work collaboratively to develop and deliver preparation training for adopters and more holistic flexible adoption support including services to birth families. The joint commissioning of marketing and recruitment of adopters was viewed very positively. Overall stakeholders felt this option could provide economics of scale and opportunities for skill and resource sharing.

However, stakeholders also expressed concern that delivering some functions within individual authorities whilst delivering others together through a West Mercia Adoption Partnership had the potential to create a 'disjointed service' which could create confusion and build in delay for service users. They also felt that there could be a negative impact on service delivery during the implementation phase of the project. These concerns could be addressed through a risk management approach during implementation.

OPTION 3

Deliver a single adoption service, incorporating all adoption services, delivered by the West Mercia Adoption Partnership, hosted by a lead West Mercia authority.

- West Mercia Adoption Partnership as single employer
- Single entity, fully integrated single adoption service delivering all adoption functions.
- Shared Governance arrangements with clear agreements between the 4 local authorities to clarify lines of accountability for management of resources, benefits and risks
- Commissioning arrangements with any other organisation (egg voluntary organisation) fully integrated into arrangement – eg, for hard to place children and support services.
- One 'brand', one culture, consistent good practice, shared aims and vision, and one set of procedures.
- Integrated IT system.
- One route from marketing partner into the Adoption Partnership.
- Shared Panel arrangements.

Cost to Deliver the Service and Financial Savings

The cost to deliver this service is unknown at present. It is anticipated that by combining and delivering some functions together under a West Mercia Adoption Partnership, and commissioning those combined functions which would be more cost effective to be delivered by another/single provider (Option 2), the West Mercia authorities would be better placed to make the transition to this option. This would involve transferring those functions which were retained in each individual authority under Option 2 into a single service. Until Option 2 is implemented the cost to deliver this option is unknown, therefore, the financial savings cannot be identified at this stage.

However, ongoing savings could be achieved through an increase in the number of adopters and sharing of adopters which would provide increased opportunities for placements of children who wait longer, as outlined under Option 2.

Expected Benefits

- Best practice in each authority across functions could result in a gold standard service.
- Pooling of skills and expertise.
- Economies of scale
- Reduction in costs
- Bargaining power of a West Mercia brand
- Regional service delivered locally
- Increased number and choice of families.
- Speedier matching.
- Wider range of services for adoption support
- More choice and range for placements.
- More frequent training and choice of training events for adopters.

Risks

The implementation timescales are too short to allow the consultation and restructure required in this option, in particular in relation to TUPE and recruitment/redeployment, the integration of procedures and IT systems and commissioning. The risks to pursuing this option at this stage are therefore:

- Staff turnover rate may increase
- Decline in service performance (local authorities will remain legally accountable for their performance in relation to successfully finding permanent families for children in their area)
- Savings not made - short term increase in costs particularly around IT
- Increased demand at a time of upheaval so demand will be unmet
- Poor commissioning - risk of wrong service / service which is not fit for purpose being delivered.

Considerations

- Timescales for consultation with staff and trade unions.
- Differences in terms and conditions of staff.
- Lead authority would need to comply with their standing orders and financial regulations in relation to procurement rules.

Stakeholder Feedback

Feedback from stakeholder consultation on this option indicates that stakeholders felt that this option could provide a streamlined, consistent service for children and adopters. They felt it would be advantageous to have a lead manager that would have an overview of all children / adopters across the region which would support appropriate family matching. Offering adopters a choice in respect of when and where to attend training and panel was also seen as beneficial, supporting the 'adopter led' ethos in relation to the new two stage assessment process.

There was some concern that this option represents a 'big change' and stakeholders questioned if it was achievable within the proposed implementation timescale. Developing a shared identity within timescale was raised as an issue in several groups who felt the change management process for staff and stakeholders needed to be given appropriate time in order to promote a smooth service transition and consistent service delivery from the outset.

Some concerns were expressed about potential inconsistencies across the four local authorities in relation to pursuing adoption for the widest range of children, however, stakeholders felt that as long as a shared ethos was developed and agreed in order to promote consistent service delivery these could be addressed.

Overall, stakeholders felt that whilst this model could meet the project's objectives, it may be more achievable to move to Option 2 in the first instance, which could be a 'stepping stone' towards implementation of Option 3 which was felt to be an ambitious and desirable service delivery model for the future.

OPTION 4

> Contract out all adoption services (on a not for profit basis), eg, by going into partnership with a voluntary organisation or establishing a staff mutual.

An event with voluntary organisations in liaison with the CVAA was held in September 2013 to test out which providers may be interested in working in partnership with us and how. Barnados, Adoption UK, Adoption Focus and St Francis' Children's Society expressed an interest in working with us and exploring how this might be done once future demand and cost is clearer.

Potentially, smaller voluntary organisations could work together in partnership to deliver the various functions as a consortium. Section 3(4) of the Adoption and Children Act 2002 states that "A local authority may provide any of the requisite facilities by securing their provision by (a) registered adoption societies, or (b) other persons who are within a description prescribed by regulations."

However, as the option to contract out all core and non-core services in their entirety was deemed to be too big a step to take for the West Mercia authorities at this stage and therefore considered to be a longer term option, no further soft or hard market testing has been conducted. The cost to deliver this service and the financial savings it could make are unknown for similar reasons identified under Option 3.

Expected Benefits

- Potential to bring in new ideas/deliver services more innovatively
- Economies of scale

Risks
- Responsibility retained but less control over how services are delivered and managed
- Potential decline in service performance
- Quality of staff not guaranteed
- Staff turnover rate may increase prior to transfer
- Providers may over promise and under deliver leading to poor performance and safeguarding issues for children and young people
- Increased demand at a time of upheaval so demand will be unmet
- Poor commissioning - risk of wrong service / service which is not fit for purpose being delivered.

Considerations

- Timecales of consultation with staff and trade unions.

- May need to lean services and make staff reductions to make the service more attractive to potential providers
- Possible implications for staff pensions
- Complex commissioning and procurement process - external expertise may be required.
- Who would hold/manage the contract/partnership agreement.
- Robust market testing would need to be undertaken and a cost/benefit analysis undertaken to determine who is in the market, what could be delivered, would it cost less.
- Staff TUPE process and timescales

Stakeholder Feedback

Stakeholders were unsure about this option, feeling it was a 'very different vision to get your head around'. They were concerned that this model could create loss of consistency and a possible lack of local relationships with children's social workers in the local authorities. In addition, they felt that local authorities could 'lose control' resulting in a loss of continuity for the child.

On a positive note they felt that it could provide a more flexible service which would reduce bureaucracy with more scope for innovation.

6. PREFERRED OPTION

Option 1 is not deemed to be a viable option as the benefits would be negligible, the project objectives and desired outcomes would not be achieved, nor would it deliver the Government's Adoption reform agenda.

Option 2 has significant benefits. It is anticipated that through combining and delivering some functions together under a West Mercia Adoption Partnership and commissioning those combined functions which would be more cost effective to be delivered by another/single provider, the West Mercia authorities would be better placed to make the transition to Option 3 (fully integrated service model) in 2016/17. This first phase of transformation would also allow time for the four authorities to better understand good practice between them and develop a West Mercia culture in order to then capitalise on it and develop a fully integrated service model (Option 3). It would also allow time to form relationships with voluntary organisations.

Progressing straight to Option 3 at this stage would incur a high number of risks which would outweigh the benefits.

Option 4 is deemed to be too big a step to take for the West Mercia authorities at this stage because of all the risks outlined for Option 3 and also because the market is untested, and is, therefore, considered to be a longer term option. The risks also outweigh the benefits of progressing straight to this option.

For these reasons, and taking into consideration feedback from stakeholders on each option, the preferred option is Option 2 for 2014/15 with transition to Option 3 in 2016/17 if the evidence continues to support this as the preferred option.

7. EXPECTED BENEFITS

The project will maintain and improve the quality of current provision and improve outcomes whilst making financial efficiencies. Reducing the length of time taken in the "end to end" process of the adoption journey, ie, from initial inquiry to a child being placed for adoption, will minimise the impact of delays for both the children and adopters. Whilst operational efficiencies will be achieved through

the pooling of resources, the organisational changes expect to improve on the quality of the current provision across the region.

Savings could be achieved through an increase in the number of adopters and sharing adopters which would provide increased opportunities for placements of children who wait longer. For example across the four authorities we have currently identified a cohort of 25 children who wait longer to be placed due to age, disability, ethnicity or sibling groups, with an additional 10 children who have been in care longer than 21 months. If each authority was able to place one more child in one of these categories, it would equate to a saving of £72,000 per year in foster care payments for a possible 14 plus years. This is not withstanding the benefits for the child which permanence through adoption would represent.

In particular, the project will achieve the following outcomes:

- Retained local accountability and services based on local need.
- A reduction in the length of time taken in the 'end-to-end' adoption process, ie, from initial inquiry to a child being placed.
- A reduction in the overall cost of adoption for the four authorities across a number of different budgets.
- Children waiting for adoption will be matched more quickly and placed with adoptive families sooner, particularly those with a disability or from a BME background.
- Children's social workers will have increased choice of potential adopters to enable the successful matching of children.
- The four authorities will be assisted to meet new Government requirements on timescales.
- Swifter and more effective assessment, training, approval and support for adopters.

8. NEGATIVE IMPACT

Stakeholders may perceive the decision to progress to Option 2 with the future potential to progress to Option 3 as building in two phases of change as opposed to being bold and moving directly to Option 3.

Some stakeholders expressed anxiety that Option 2 could create a disjointed service, creating delay and dissatisfaction for service users.

9. TIMESCALES

Key Milestone	By When
Detailed Business Case approved by each WM Cabinet	24th April 2014
Appoint Transformation Manager	End May 2014
Develop Implementation Plan for Option 2	End June 2014
Deliver Implementation Plan for Option 2	July – October 2014
Option 2 West Mercia Adoption Partnership operational	November 2014
Evaluation and updated Options Appraisal for Option 3	April 2015
Transition to Option 3	2016/17

10. PROJECT COSTS 2014-16

The majority of the work involved in designing and implementing the preferred option is likely to fall to existing staff across the four authorities, including project management, HR, Finance, Legal, Commissioning, Procurement, IT, Service User Pathways and Communications support.

In addition, in 2014/15 and 2015/16 a dedicated Transformation Manager would be required to manage the West Mercia Adoption Partnership and lead the transition to a fully integrated service (Option 3), if the evidence continues to support this as the preferred option.

11. FINANCIAL IMPACT

Delivering the preferred option would require an investment and initial increase in costs due to the appointment of a Transformation Manager.

Combining the recruitment activity of adopters would result in an increase in the number of adopters beyond our internal needs. This would mean that the West Mercia Adoption Partnership would be in a position to sell our adopters (provide inter-agency placements) to other local authorities at a cost of £27,000 per placement (based on the current inter agency fee), thereby generating an income.

The project may deliver additional income streams through traded services provided to other local authorities where opportunities exist to develop expertise and capacity to provide specific services.

12. FUNDING ARRANGEMENTS

Funding for the project will be provided by partner contributions through staff time in kind and a pooled budget made up of a contribution from each authority's Adoption Reform Grant, which can specifically be used for adoption transformation.

13. PROJECT RISKS

Ref.	Risk	Mitigation	Status
WMA1	Conflict between the project's vision/objectives and the strategic direction of each individual adoption service or authority.	Monitor throughout the life of the project via Project Board and Steering Group which meet monthly and promote open and honest working relationships.	Medium
WMA2	Change in leadership in any of the authorities could lead to buy-in to the project being lost.	Monitor throughout the life of the project via Project Board and Steering Group on a monthly basis.	Medium
WMA3	Lack of stakeholder support.	• Communications strategy. • Communications plan. • Consultation framework. • Staff engagement channels/events. • Dedicated HR and Comms resource in place.	Medium
WMA4	Lack of resources to deliver the project effectively and within timescale.	• Project management and governance arrangements in place. • Clearly defined roles, responsibilities and accountabilities agreed. • Steering Group and Project Board will be kept informed of any personnel changes that might have a detrimental impact on the project's success. • Use of Adoption Reform Grant to add capacity as and when required.	Medium
WMA5	Ability to resolve complex issues such as IT within timescale.	ICT, Property Services and other identified specialist support will be	Medium

Ref.	Risk	Mitigation	Status
		involved in the emerging design of the new service and the scoping of its ICT, telephony, property, etc, requirements.	Medium
WMA6	Loss of key quality staff through the change process.	• Identify key operational roles/people. • Staff consultation and engagement. • Dedicated HR resource in place.	Medium
WMA7	Under the Children and Families Bill, the Secretary of State will have the power to direct LAs to arrange for the recruitment, assessment and approval of prospective adopters to be carried out by one or more other adoption agencies.	• Detailed Business Case • Stakeholder engagement	Low
WMA8	Target savings may not be achievable across the board.	• Detailed Business Case • Due Diligence • Project Plan • Stakeholder engagement • Risk register	Medium
WMA9	Quality of service provision may deteriorate during development of the new service.	• Robust commissioning process • Staff engagement and consultation • Regular performance monitoring • Due Diligence • Management oversight	Medium

14. EQUALITY IMPACT ASSESSMENT

The project aims to improve outcomes for children and young people aged 0-18 and adopters over the age of 21 regardless of disability, gender, race, religion/belief, sexual orientation or gender reassignment. It also aims to improve outcomes for birth parents.

Could this project have a disproportionate impact on the Protected Groups listed below?	Positive	Negative	Neutral
Age			
Children (0 – 15 years)	X		
Young People (16 – 24 years)	X		
Older People (50+ years)		X	
Disability			
(e.g. people who have mental health, physical, sensory, learning and/or other disabilities)	X		
Gender			
Male	X		
Female	X		
Race			
(E.g. Asian, Chinese, Gypsy Roma Travellers).	X		
Religion or Belief			
(e.g. Christian, Muslim, Jewish, Sikh)	X		
Sexual Orientation			
lesbian, gay, bisexual Gender Reassignment	X		

Pregnancy and Maternity	X		

15. APPENDICES

Appendix 1 - Needs Analysis

WMAS Needs
Analysis UPDATED 26

AMENDMENT HISTORY		
Document Owner: Davinder Gill		
Version Number	**Date**	**Reason for Amendment**
V1	14.2.14	Original
V2	19.2.14	Amendments following WM Adoption Steering Group
V3	21.2.14	Further amendments from WM Adoption Steering Group
V4	28.2.14	Amendments following WM Adoption Project Board
V5	7.3.14	Further amendments from WM Adoption Project Board
V6	14.3.14	Further amendments from WM Adoption Project Board and amendments from WM Adoption Working Group
V7	19.3.14	Further amendments following West Mercia Adoption Steering Group
V8	27.3.14	Amendments incorporating firmed up financial information from Shropshire
V9	28.03.14	Amendments to financial information

APPROVALS		
Name	**Date**	**Version**
WM Adoption Project Board	7.3.14	V5