

## Decision Report - Executive Decision

Forward Plan Reference: FP/23/08/09

Decision Date – 4 October 2023

Key Decision – Yes



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### Integration of Cornwall into Adopt South West

Executive Member(s): Lead Member for Children, Families and Education

Local Member(s) and Division: n/a

Lead Officer: Claire Winter, Executive Director, Children, Families and Education

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### Summary / Background

In June 2015, the Department of Education (DfE) required all local authority and voluntary adoption agencies in England to consider how they could work more closely together on a regional basis. This was formalised in the Education and Adoption Act 2016 which required local authorities to group together to deliver their adoption functions in a more cohesive manner.

On 11 April 2018, Devon Cabinet agreed that a Regional Adoption Agency named Adopt South West be established, hosted by Devon County Council and incorporating the adoption services of Somerset County Council, Torbay Council and Plymouth City Council.

Cornwall and the Isles of Scilly Adoption Service did not join a regional adoption agency at this time due to uncertainty about the model being proposed, and concerns at the time about whether consistent practice standards could be established. However, seven years have since passed since the Education and Adoption Act 2016 came into force and Regional Adoption Agencies across England have developed significantly over that period.

Cornwall is now one of only two Local Authorities nationally that are not yet part of a regional adoption agency and the DfE has given a clear message that Cornwall should join a regional adoption agency as soon as possible.

In partnership with Adopt South West, Cornwall has undertaken a review of options for Cornwall's future relationship with Adopt South West.

Cornwall Council is now requesting permission from all existing Adopt South West member Councils (Devon, Somerset, Torbay, Plymouth) to join the regional adoption agency as a full member.

Full membership will delegate all Cornwall and the Isles of Scilly adoption core functions to Adopt South West. The regional benefits will include a larger area of media coverage leading to more potential adopters, a streamlined service

over a large proportion of the south west area and continuity of service not only for staff working within adoption but also for children and adopters.

Cornwall Council, in common with all other local authorities in Adopt South West, will retain decision-making responsibility for children, from their authority area.

Cornwall and the Isles of Scilly Adoption Service propose to TUPE staff to Devon County Council (as the host authority for Adopt South West) and provide an agreed level of finance to support Adopt South West to continue to deliver high quality adoption practices across the region.

## **Recommendations**

That the Executive agree the proposal for Cornwall and the Isles of Scilly Adoption Service to join Adopt South West as a full member.

(The Isles of Scilly will be included in the agreement on their existing arrangement terms with Cornwall and a new Service Level Agreement will be agreed between Devon County Council and the Isles of Scilly.)

## **Reasons for recommendations**

Cornwall joining Adopt South West will provide several key benefits to existing Local Authorities:

- Cornwall has an outstanding adoption service and expertise across children's social care, evidenced in its outstanding Ofsted inspection report outcome (2019). This would indicate that Cornwall can contribute positively to the good quality of social work practice in Adopt South West. Although Adopt South West has not yet been inspected by Ofsted a peer review by Essex County Council in 2021, identified a good quality of practice.
- Cornwall joining will expand the number and range of potential adopters for children across the Adopt South West area.
- An increase in the number of partners to share overhead costs will see each of the existing partners benefit by over £203k overall in the first year of their membership (see financial implications below for full details).

## **Financial and Risk Implications**

Work has taken place over recent months to ensure that Adopt South West will have sufficient additional budget to take on the functions for which it will now be responsible. In total additional budget of £916k will be required, but this will be covered from existing budget already in the service, and is not an additional request for funding. This comprises:

<b>Budget Heading</b>	<b>Amount (Based on 23/24 prices) £</b>	<b>Comments</b>
Direct Staffing costs	592,137	Based on 12.2 full time equivalent staff
Indirect staffing costs	20,630	Training, travel and other overheads
Step Parent Assessments	23,000	Contract with independent Social Worker
Subscriptions	20,150	Includes subscriptions that will transfer from Cornwall plus expected additional costs incurred by ASW due to increase in size of the RAA
Internal Support Services	33,538	ICT, HR, Insurance etc
Panel Costs	20,100	
Post Adoption Support functions	42,000	
Advertising	10,000	
Other operational budget items	4,000	Equipment, ICT hardware etc
<b>Total Operational Budget Costs</b>	<b>765,555</b>	
Inter-agency fees	150,000	Based on estimated annual spend
<b>Total</b>	<b>915,555</b>	

The figures above are based on 23/24 prices and will be refreshed as part of the 24/25 budget setting exercise, when details such as pay award assumptions are known.

In August 2023 the Adopt South West Strategic Board agreed a new funding formula for use for the period 2024/25 to 2026/27. This new methodology fundamentally changes the basis on which partners are recharged for the costs of Adopt South West and uses volumetric activity data to determine charges to each partner. Partners have informally indicated that they are happy with the new methodology and a 2-year phasing process, pending political approval in each Local Authority area.

In the event that any partner's political process fails to ratify the amended funding formula proposal the existing funding formula would continue to apply.

Cornwall have worked closely with the Adopt South West finance team to enable their contribution levels under both the existing and proposed funding formula to be calculated by providing operational volume data and historic spend information.

Under the existing funding formula, which is recommended to be discontinued for use prior to Cornwall joining the RAA they would be responsible for 19.48% of the total costs of Adopt South West. This equates to a total charge of circa £1.236m (based on 23/24 prices).

Under the proposed revised formula phased in over 2 years, the charge to Cornwall would reduce and be representative of the amount of work relevant for Cornwall Council. The charge would be as follows:

	2024/25	2025/26	2026/27
Overall percentage of total ASW costs	17.63%	15.78%	15.78%
Charge	£1,118,948	£1,001,166	£1,001,166

Cornwall's charges under this formula is in excess of the expected additional budget required for Cornwall activity (as shown in the first table above) and recognises the requirement for them to contribute to the overall cost of Adopt South West including the RAA's management and overhead costs.

There are other financial benefits to Cornwall joining Adopt South West – for example inter-agency fees which are currently charged for children placed by Cornwall with Adopt South West adopters, will no longer apply.

The implementation of the new funding formula and its phasing are subject to the democratic decision-making processes of each partner.

There are no individual risks for Somerset Council. A summary of an exercise completed to assess the possible risks as a result of the integration, is set out below:

Ref	Risk description	Mitigation
1	<b>RESPONSIBILITIES:</b> Devon, as Adopt South West host authority, will become accountable for another local authority's adoption services. This may potentially attract a financial cost, for example if there are legal costs related to a complaint	<ul style="list-style-type: none"> <li>• Clear Governance and effective Inter Authority Agreement, e.g., delegation and financial arrangements</li> <li>• Responsibility for performance and inspection remains with the child's Local Authority, in the same way an authority retains responsibility for commissioned services</li> </ul>
2	<b>COST:</b> Devon as the Host of the RAA will	<ul style="list-style-type: none"> <li>• Funding Model will have appropriate mechanisms to</li> </ul>

Ref	Risk description	Mitigation
	attract additional costs e.g., corporate service functions such as IT and HR	<p>ensure the Host does not wholly bear additional cost and there are appropriate mechanisms to manage financial risks agreed by all authorities</p> <ul style="list-style-type: none"> <li>• Regular review of the funding model</li> </ul>
3	<p><b>COST:</b> Local authorities may see an increase in cost of service as Cornwall's contribution split doesn't cover the additional cost of incorporating Cornwall into ASW</p>	<ul style="list-style-type: none"> <li>• Cornwall's contribution has been proportionately evaluated during the project using the current and proposed funding formula.</li> </ul>
4	<p><b>COST:</b> Limited budget currently available to do the work required to ensure a smooth transition, and provide the new IT equipment required</p>	<ul style="list-style-type: none"> <li>• Ensure we have an early understanding of the full estimated costs so additional funding can be sought, if required</li> </ul>
5	<p><b>FUNDING FORMULA:</b> New funding formula currently under development that could impact on the contribution levels of both existing Partners and Cornwall</p>	<ul style="list-style-type: none"> <li>• We have had sight of the proposed funding formula which is currently financially beneficial to Cornwall</li> </ul>
6	<p><b>STAFFING:</b> Cornwall may see staff leaving their adoption services ahead of the transfer due to the uncertainty of change</p>	<ul style="list-style-type: none"> <li>• Early decision on posts in scope for TUPE so staff are aware of the position</li> <li>• Communication of the benefits of joining ASW, and what this means for staff, and ensuring they are engaged throughout the process</li> <li>• Transparent and timely consultation to inform working arrangement e.g., teams, locations, work base, and terms and conditions</li> </ul>
7	<p><b>STAFFING:</b> Lack of experienced staff with local knowledge transferring across in key roles</p>	<ul style="list-style-type: none"> <li>• Communication of the benefits of joining ASW, and what this means for staff, and ensuring they are engaged throughout the process</li> <li>• Transparent and timely consultation to inform working arrangement e.g., teams,</li> </ul>

Ref	Risk description	Mitigation
		locations, work base, and terms and conditions <ul style="list-style-type: none"> <li>• Staff engagement between ASW and Cornwall colleagues has commenced and will be ongoing until Cornwall join, as proposed, by April 2024</li> </ul>
8	<b>RECRUITMENT:</b> Devon as Host Local Authority may end up with a number of vacancies immediately after the transition, with recruitment slowed down by the extra steps required due to the recruitment freeze within Devon	<ul style="list-style-type: none"> <li>• Early agreement on interim recruitment processes to allow Devon to recruit to known vacancies as soon as they are known, or gaps identified</li> <li>• Start the process of getting approval to recruit as soon as aware of a vacancy</li> </ul>

## Legal Implications

The Regional Adoption Agency is governed by an Inter Authority Agreement which formalises the following amongst the current participants:

- A shared service model with Devon County Council (DCC) as the host
- The transfer of specified adoption functions from the current participants to DCC to exercise on their behalf (please see Appendix 1)
- The delivery of the adoption service including ancillary services to support the adoption service and staffing
- The transfer of staff, assets, contracts, and records to DCC
- Financial arrangements including annual budget setting, funding contributions, and risk sharing
- The use of premises
- Information sharing protocols
- Governance and decision making

To admit Cornwall Council as a full member to the RAA, DCC will enter into a separate Inter Authority Agreement with Cornwall Council and, simultaneously enter into a deed of variation with the existing partners to amend the current Inter Authority Agreement. To meet the envisaged timeline, as set out in the next section, partners would need to agree to the principle that we would only be making amendments to the existing Inter Authority Agreement to the extent necessary to admit Cornwall Council as a full partner.

## HR Implications

There will be no HR implications for Somerset Council.

## **Other Implications:**

### **Equalities Implications**

The equalities implications were considered as part of a full Equalities Impact Assessment conducted as part of the development of the original business case, see Appendix 1.

### **Community Safety Implications**

There will be no community safety implications for Somerset.

### **Climate Change and Sustainability Implications**

There will be no climate change or sustainability implications for Somerset.

### **Health and Safety Implications**

There will be no health and safety implications for Somerset.

### **Health and Wellbeing Implications**

There will be no health and wellbeing implications for Somerset.

### **Social Value**

There will be no impact for Somerset in terms of social value.

## **Scrutiny comments / recommendations:**

The Scrutiny Committee – Children and Families considered and scrutinised the request from Cornwall Council to join the regional adoption agency (Adopt South West) at its meeting on 13 September 2023 ([link to the report](#) considered at the meeting). The Committee was generally supportive of the proposal for Cornwall to join and asked that the position regarding the recent Ofsted judgement for the Isles of Scilly be included in the decision report.

The Committee also asked to be provided with further details on the percentage / figures detailed in the paper, for clarification.

## **Background**

### **Background Papers**

Full business case to support the proposal for Cornwall's integration into Adopt South West.

## Appendices

- Equalities Impact Assessment developed for business case signed off by the Adopt South West Strategic Partnership Board

## Report Sign-Off

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	21.9.23
Communications	Peter Elliott	21.9.23
Finance & Procurement	Nicola Hix	26.09.23
Workforce	Alyn Jones	21.9.23
Asset Management	Oliver Woodhams	21.9.23
Executive Director / Senior Manager	Claire Winter	21.9.23
Strategy & Performance	Alyn Jones	21.9.23
Executive Lead Member	Tessa Munt	21.9.23
<b>Consulted:</b>	Councillor Name	
Local Division Members	n/a	
Opposition Spokesperson	Cllr Frances Nicholson Opposition Spokesperson for Children, Families and Education	22.9.23
Scrutiny Chair – Children and Families	Cllr Leigh Redman	21.9.23