

Document purpose

- Documents the justification for undertaking a project. Any new project will cost the council in terms of people's time and money. It also presents risks to the business. Therefore a judgement needs to be made as to whether the proposed project is a worthwhile investment.
- Should provide sufficient information to the Projects Governance 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).
- May require input from a range of business areas such as finance, and input from stakeholders (for instance in developing the benefits). The Business Case may require several iterations as final details of the costs and revenue expected as a result of the project are confirmed.
- As the project develops the Detailed Business Case should be updated to ensure that there continues to be a valid business case. In the circumstances where the project no longer remains viable it should be stopped.

Project details

Project Name	Regional Adoption Agency – Adoption Central England
Project Manager	Sue Mann
Project Sponsor	Jake Shaw
Business Owner	Stuart Watkins

Amendment History

Document Owner: Sue Mann		
Version Number	Date	Reason for Amendment
V0.1	2 October 2017	Original Draft
V0.2	3 October 2017	Stuart Watkins Comments incorporated
V0.3	5 October 2017	Steph Simcox comments on behalf of finance
V0.4	5 October 2017	Tom Pollock comments on behalf of Legal
V0.5	6 October 2017	Jake Shaw Comments
V0.6	9 October 2017	Workstream leads comments
V1	10 October 2017	Final version
V2	13 October 2017	Final version incorporating Simon Mallinson's Comments

As part of any Project there are likely to be implications that require expertise from other areas of the organisation in order to understand the impact of change elsewhere in the system, for example HR and IT systems.

Please can you acknowledge below that you have discussed this business case with relevant departments and any actions that may be required to deliver the project in the future as captured within the business case.

Approvals (Where Relevant)					
Name	Who Consulted	By Who	Outcome	Version	Date
Procurement	Andrea Blake	Sue Mann			
Commercial	Andrea Blake	Sue Mann			
IT	Mike Lambert	Sue Mann			
Finance	Steph Simcox	Sue Mann		V1.3	12/10/17
HR	Richard Taylor	Sue Mann		V1.3	12/10/17
Legal	Tom Pollock	Sue Mann		V1.3	12/10/17
Equality and Diversity	Screening Tool	Rita Chohan	Further assessment post consultation	V0.1	2/10/17
Environmental and Sustainability	Screening Tool	Sue Mann	No further Action	V0.1	2/10/17
Project Sponsor	Jake Shaw	Sue Mann		V2	13/10/17

1. Executive Summary

In January 2013, the DfE issued the policy paper 'Further Action on Adoption: Finding More Loving Homes' which identified the need for the re-organisation of the existing adoption system based as it is on each local authority delivering an adoption service as well as a voluntary adoption sector. In June 2015, the DfE published 'Regionalising Adoption' which spelt out the government's expectations for all local authorities to be part of regional adoption agencies (RAA). This was followed by a new policy document published in April 2016, "Adoption: A vision for Change", in which the government committed to deliver radical, whole system redesign by regionalising adoption services by ensuring all local authorities were part of a Regional Adoption Agency by 2020.

Worcestershire County Council has evaluated its options around the government directive and since 2016 has worked in partnership with Coventry City Council, Solihull Metropolitan Council, Warwickshire County Council towards the creation of a Regional Adoption Agency that has been named Adoption Central England (ACE).

It is proposed that Warwickshire County Council becomes the host authority and the structure has been designed in a hub and spoke model. This design reflects the two aspects of adoption practice. Primarily, the recruitment of adoptive families, through a central hub. Secondly, the delivery of services to children with an adoption plan and adoptive families, through spokes that will be located in each of the local authority areas.

It is proposed to operate a secondment arrangement to support the ACE Shared Service model which will be hosted by Warwickshire and delivered through a partnership agreement. All staff in scope from Worcestershire will continue to be employed by Worcestershire and subject their terms and conditions of employment, policies and procedures (example pay, holiday and travel arrangements will remain the same). Line Managers may be employed by another authority however HR protocols will be in place so all staff in scope will be managed using Worcestershire's employment policies e.g. grievance, disciplinary etc.

Worcestershire will contribute £1,065,500 initially over the transition period until 31st March 2019. The contribution is forecast to be £935,935 from 1st April 2019. The saving of £130k has been included in draft proposals relating to the Medium Term Financial Plan for 2018/19 to 2020/21.

2. Project background

In January 2013, the DfE issued the policy paper 'Further Action on Adoption: Finding More Loving Homes' which identified the need for the re-organisation of the existing adoption system based as it is on each local authority delivering an adoption service as well as a voluntary adoption sector. In June 2015, the DfE published 'Regionalising Adoption' which spelt out the government's expectations for all local authorities to be part of regional adoption agencies (RAA). This was followed by a new policy document published in April 2016, "Adoption: A vision for Change", in which the government committed to deliver radical, whole system redesign by regionalising adoption services by ensuring all local authorities were part of a Regional Adoption Agency by 2020.

In response to these directives Worcestershire County Council was proactive by exploring possible RAAs with Herefordshire and Birmingham. Worcestershire also considered joining a RAA out of region. Initial work was carried out, however Worcestershire County Council decided not to pursue this route due to fundamental issues arising out of differing directions of travel and approach.

Since 2016, Coventry City Council, Solihull Metropolitan Council, Warwickshire County Council and Worcestershire County Council have worked together towards the creation of a Regional Adoption Agency that has been named Adoption Central England (ACE). ACE has an established project team that is leading on the design and creation and as a demonstrator project has closely worked with the Department of Education. The work is overseen by a Project Board and Executive Board on which representatives from all the partner agencies and key stakeholders sit including from the voluntary adoption sector and Coventry University.

3. Business Options

The following business options have been considered for Worcestershire's Adoption Service:

Option 1

Do Nothing – Worcestershire would continue to provide its adoption service without joining an adoption agency

Option 2

Join Adoption Central England – Worcestershire's adoption service is provided through the Regional Adoption Agency, Adoption Central England. Worcestershire has been part of the planning board since 2016 and has helped shape the potential service

Option 3

Research and join an alternative Regional Adoption Agency – Worcestershire would consider other Regional Adoption Agencies models and decide if any are "best fit" and apply to join

Option 4

Create a new Regional Adoption Agency with Birmingham – Birmingham is currently not associated with a regional adoption agency and is planning to apply to ACE. An alternative would be to set up a regional adoption service with Birmingham and any other interested party.

4. Options Appraisal and Risks

Option	Cost to deliver	Savings	Expected Benefits	Expected dis-benefits
Do Nothing	No cost attached	No savings attached	<ul style="list-style-type: none"> Worcestershire can continue to develop and build on its existing service Worcestershire will continue to provide local services 	<ul style="list-style-type: none"> Worcestershire will not meet Central Government's expectations for all local authorities to be part of regional adoption agencies as set out in the DfE's 'Regionalising Adoption' paper published in June 2015. The consequences of this decision would be that Worcestershire would probably be directed to join a RAA of the DfE's choosing
Join Adoption Central England (ACE)	£1,065,500	There would be a reduction in budget of £130k through efficiencies and economies of scale of the model. This saving is predicted to be realised in 2019/20	<ul style="list-style-type: none"> Worcestershire meets Central Government expectations for Regional Adoption Agencies Worcestershire has been involved in the formation and development of ACE from early on allowing input into structure, procedures and strategic direction There will be a greater pool of adopters, which improves choice and should result in less adoption breakdown 	<ul style="list-style-type: none"> Inevitably, Partnership arrangement has led to a position of negotiation and compromise, with Worcestershire losing some autonomy in decision making The project is still moving through design to implementation phase, resulting in some outstanding work to be completed

			<ul style="list-style-type: none"> • There will be access to a greater pool of skills and knowledge and a greater resource base • Provides a more desirable commissioning framework through have a larger area and support of the partner councils 	
Research and join an alternative Regional Adoption Agency	Figure unknown, but would include staff time for research and most likely an application fee	Saving unknown. This would depend on each Regional Adoption Agency but would likely to achieve the same or less in savings as the proposed ACE model	<ul style="list-style-type: none"> • Could provide an alternative solution, especially if look to join an established Regional Adoption Agency. Set up and associated problems are likely to be worked through 	<ul style="list-style-type: none"> • Would have little to no say in how the Agency would operate. • Limited choice in both the West Midlands and South West areas due to geographical set ups of existing Agencies
Create a new Regional Adoption Agency with Birmingham	This is likely to contain similar costing to the ACE model		<ul style="list-style-type: none"> • Alternative model which we could shape from the beginning • Only 1 other authority involved which could ease some of the set up and processes 	<ul style="list-style-type: none"> • Birmingham is a large Authority with a risk that Worcestershire's adoption service is annexed and resources diverted towards Birmingham

Recommended Option - Join Adoption Central England

Following research and consideration of all the available Regional Adoption Agencies, Worcestershire evaluated that Adoption Central England (ACE) would be the best fit for our service. ACE has held conversations with DfE, who have indicated that ACE would be the most suitable fit for Worcestershire. ACE will deliver the adoption agency functions of the four local authorities including the assessment, training and approval of adopters, the identification of prospective adopters for children who are in need of a new adoptive family and adoption support

to adoptive families and some Special Guardianship support services.

The primary function for ACE will be to achieve permanence for children with a particular focus on enabling a wider range of children to access adoption and will support local authorities in their permanence decision making and practice in accordance with an agreed service specification.

Hosting and Model

It is proposed that Warwickshire County Council becomes the host authority to facilitate the operational delivery of the shared service, however governance arrangements will ensure that all four authorities retain strategic responsibility for the performance delivery and outcomes.

A hub and spoke design has been proposed as the operating model. This is to reflect the two aspects of adoption practice. Primarily, the hub will focus on the recruitment, training and approval of adoptive families. Secondly, the spokes will work alongside each authority's social workers for family finding and matching and provide the adoption panel where formal matching takes place. The spokes will be co-located in each authority. The adoption social workers within the spoke will work closely with the social workers within the local authorities to ensure the timely and smooth transition of children to adoption.

Staff will be supported to work flexibly. Each will have a designated base but they will be able to access any of the spokes, the hub or work from home dependent on their work.

Governance and Legal

It is proposed that ACE will be governed by an Executive Board made up of senior representatives from each of the local authorities. In addition there will be Voluntary Adoption Agency (VAA) representation. The aim of the Executive Board is to deliver an effective "Better than the Best" adoption service and will provide strategic direction and oversight.

The Executive Board will be supplemented by a Practice and Stakeholder Panel whose primary function will be to operationalise and deliver an effective "Better than the Best" adoption service with responsibility for developing practice and joint partnership working between the local authorities and stakeholders.

HR Impact

It is proposed to operate a secondment arrangement to support the ACE Shared Service model which will be hosted by Warwickshire and delivered through a partnership agreement. Staff in scope from Worcestershire will be seconded on their existing terms and conditions, with a review of this after one year.

It was agreed at the Executive board that a secondment agreement approach would be put in place setting out the working arrangements under which staff from Worcestershire and the other authorities within ACE would work in the integrated service.

All staff in scope from Worcestershire will continue to be employed by Worcestershire and subject their terms and conditions of employment, policies and procedures (example pay, holiday and travel arrangements will remain the same). Line Managers may be employed by another authority however HR protocols will be in place so all staff in scope will be managed using Worcestershire's employment policies e.g. grievance, disciplinary etc.

All authorities within ACE have agreed that the ACE arrangement is long term and that normally Transfer of Undertakings (Protection of Employment) (TUPE) would apply. It has been agreed at the Executive board that longer term it is likely that a formal TUPE arrangement will be required.

Initially however, and so as to test the future sustainable viability of ACE it has been agreed in principle by all authorities to implement the model on the basis of a secondment agreement, with a review after a one year.

Throughout discussions Worcestershire's HR and legal team have advised that whilst this is a principle agreed for implementation and mobilisation of ACE in the timeframes available there is a risk that it could be argued that TUPE would apply at the onset of ACE. The risk of applying a secondment model for a period of time is that we may have failed to meet the requirements under TUPE consultation.

It is proposed to implement ACE using a secondment model, so staff will be asked to preference which post they are interested in being seconded into. It is possible that some staff may indicate they do not wish to be seconded into a role and unlike TUPE there is no recourse to force employees to take up a post if they do not deem it to be a suitable alternative role. As way of an example, Worcestershire is the authority which is geographically located furthest away from the host authority (Warwickshire). This may mean that some staff do not agree to be seconded due to practical requirements (i.e. travel to meetings and or the Hub). If this were to be the case Worcestershire would look to limit impact by seeking suitable alternative work within all service areas.

If the seconded posts being offered are not seen as being suitable by individual employees and we are unable to find suitable alternative employment then this may leave them at risk of redundancy. Worcestershire may therefore be liable for redundancy costs dependant on further discussions on whether the seconded posts are considered suitable alternatives.

Business and Operations Impact

The proposal is for business and operational matters to be managed by the host authority, Warwickshire. All staff in the spokes will be issued with Warwickshire equipment (lap tops, phones etc). The overhead costs have been built into the financial models. Scope for Worcestershire to draw savings on this is limited in the short term due to the nature of the contracts that we hold with our commissioned partners. However, longer term savings maybe realised which would need to be costed once the model is operational. Staff in the spoke will also be given access to the Warwickshire network. Work is still ongoing to find the best solution for staff to access and costings will be determined based on the final recommendations The financial impacts of any decision are expected to be covered within the overhead calculation included

within the overall affordability envelope for ACE.

The recommended case recording system for staff across ACE is the Warwickshire Mosaic system. The original plan was that ACE would use a system provided by Coram I in the short term. Data would then be migrated to Mosaic when it became available. The intention was to do this before Coram I became chargeable from 1st April 2018. Further work is required to get the Mosaic system ready which and is unlikely to be ready for the planned date. There is a possibility that extending the Coram I contract will incur a charge of an assumed £5,000 per authority per year. However, no contract or agreement has been entered into. This is most likely to be due to the fact that ACE does not exist as a legal entity. The financial impacts of any decision are expected to be covered within the overhead calculation included within the overall affordability envelope for ACE.

The data and performance workstream have worked on defining standard reporting specifications. These form a performance framework (a summary specification has been produced) to include in the hosting agreement and to be passed to Coram I for development. There is no clear on guidance the ongoing level of support expected from Coram I regarding amending existing and developing new reports.

The D&P workstream have strongly recommended that the post of data analyst within ACE is reinstated. The post was removed from structure. The post is required to manage ACE data, to coordinate the operation of the spokes and to manage the operation of the Coram I system (user administration, data quality, user training, change management etc). A Job description has been produced for this post. There is still a requirement of the LA's to report on child level data. There will therefore be no corresponding saving in reporting resources.

Financial Impact

Worcestershire's current "as is" cost for delivering the services which have been included within scope of ACE is £1,065,500. This figure, however, may change whilst work continues by the ACE Project as it finalises the staffing structure. A reduction in funding will reduce the cash limit of ACE and could put the project in difficulties.

A cost share document has been drawn up using information that has been supplied by the performance team. The cost share paper has gone to the Exec board and has been "agreed in principle" due to the fact that the cost share proportions may change based on the introduction of 17-18 financial information. The methodology has been agreed as a suitable method of calculating the cost share for each Local Authority (Appendix 1). Using these workings Worcestershire at present is responsible for funding 28.6% of the total overall cash limit of ACE. The cost sharing percentage is updated every 3 years and is due to be updated in 2019/20. It is worth noting that the cost share percentage is subject to change at each review, this will make financial planning in the medium and long term difficult as the impact Worcestershire could be positive (we will contribute less) or negative (we will contribute more).

The funding contributions for the authorities up to 31st March 2019 can be seen below.

Parties	Per Annum Funding Contribution (£)
Coventry City Council	£928,200
Solihull MBC	£440,000
Warwickshire County Council	£943,300
Worcestershire County Council	£1,065,500
Total	£3,377,000

Warwickshire and Coventry will be asked to contribute more than their current "as is" budget for the cost share apportionment calculation. In order to make the project financially viable the exec board have agreed that Worcestershire and Solihull will provide transitional funding up to 1st April 2019 to fund the gap. Worcestershire and Solihull will be contributing budget which matches their current as is spend position.

From 01 April 2019 each authority will be responsible for contributing their percentage cost share of the RAA cash limit. Which at present is;

Parties	Cash Limit Funding Share (%)	2019/20 Financial Contribution (2017/18 prices) per Annum (£)
Coventry City Council	29.0%	£949,025
Solihull MBC	11.4%	£373,065
Warwickshire County Council	31.0%	£1,014,475
Worcestershire County Council	28.6%	£935,935
Total ACE Cash Limit	100%	£3,272,500

Worcestershire's contribution will decrease from £1,065,530 to £935,935, a reduction of £129,595. The host agreement states that the cost share percentage will be updated after the first year of operation. The effect of this is that from 1st April 2019, the cost share percentage applicable to Worcestershire will change dependant on ACE activity.

The saving of £130k has been included in draft proposals relating to the Medium Term Financial Plan for 2018/19 to 2020/21. Any variation in this figure will impact on savings plans already

submitted either positively or negatively based on the impact of any changes to the cost share proportion.

ACE has incorporated budget for 15% of the staffing budget to cover overheads and non-staffing costs. This will be reviewed within 2 years of ACE being operational to evaluate if the charge is at the right level. The overhead budget has been set lower than expected due to the use of the secondment model. ACE will only charge overheads which are specific to the hub, such as additional ICT costs and hub floor space, (it is worth noting that the licences are yet to be confirmed within this charge). Worcestershire will still be expected to fund the overheads associated with the spoke. Upon TUPE of staff the overhead charge will need to be updated, This will be discussed in a finance meeting 11/10/17. No financial calculations have been made with regards to insurance. This needs to be worked on.

The host agreements between the 4 authorities mentions that a deficit year-end balance of 5% (of the total cash limit) can be carried forward into the next financial year, I will be seeking clarity to see if on the initial year of formation whether this deficit can be carried forward on the balance sheet.

5. Information Technology Impact

Area	Status	Comments
Application and Technical	Major	Adoption Central England proposes to use Mosaic in the long term as the programme of choice for the Agency. Whilst the system is put in place, the proposal is to use an interim programme, Coram i. Interfaces between WCC and the new system need to set up along with Information Sharing Protocols and the transfer of records

6. Expected Benefits

- Worcestershire will comply with the requirement for all Local Authorities to be part of a Regional Adoption Agency by 2020
- A regionalised approach to recruitment, assessment and training of adopters will result in a larger pool of potential adopters, which increase choice, speed up matching and the placing of children for adoption
- Regionalising adoption services will provide more opportunities to pool knowledge and skills and so potentially improve the quality of services provided

- Based on the current cost share proportion for Worcestershire, financial benefits should be expected from 2020/21 however this is subject to change when the cost share percentage changes

7. Negative Impact

- Pace of the project has been slow, with the timetable for launch pushed back twice
- Problems recruiting a Head of Service. The Head of Service from Warwickshire has been appointed as an interim for 12 months. It is expected that this will address the delays and ensure the project picks up pace
- Under the proposed secondment model, staff will have to voluntarily agree to be seconded into ACE, this cannot be forced. If staff are unwilling to be transferred and alternative positions cannot be found within Worcestershire, this would leave them at risk of redundancy
- Some of the tasks currently within the adoption service are normally carried out within Children and Family Social Work Teams. The Adoption Service therefore will align with other local authorities in ACE. Whilst there will be some resource held back for these functions, it will mean a transfer of tasks to frontline Social Work teams. These include tasks like Child Permanence Reports, Post-Order Support Plans and Adoption Placement Reports.

8. Timescales

The key milestones for the project are:

- Staff Engagement 10 July to 11 August 2017
- Detailed Business case available by 31 August 2017
- Cabinet sign off in October 2017
- Staff consultations October and November 2017
- Implementation during the winter of 2017 / 2018
- Go Live date February 2018

9. Project Costs

It is proposed to transfer £1,065,500 of the Adoption Service budgets to ACE. Worcestershire will retain £900,195 being:

- GM post
- Part-time ADM advisor role
- 3.5 wte social workers to continue to complete CPRs
- Special Guardianship Support (nb: this may transfer to ACE at a later date)
- Finance Officer time
- Adoption Financial Support
- Overheads and Insurances

Savings relating to the out of scope services are being modelled and included within the MTFP plans for 2018/19 to 2020/21 totalling £216k over the medium term

10. Funding Arrangements

The Project Management so far for the ACE project has been wholly funded through a DfE grant. This grant is time limited and any delays in implementation may impact on availability of programme management resources available

11. Resources

This is a major project involving Operational Staff, Finance, HR, Commissioners and Legal Service representation

12. Investment Appraisal

From the outset all 4 local authorities accepted the principle that there should as much as possible be no additional costs in running a RAA. The design work has therefore been based on current spend and activity. As Worcestershire provides other services that will not be part of ACE there is agreement that the County Council will retain approximately £900,195 from the Adoption Services budget to continue to run out of scope services (e.g. adoption payments, completion of child permanency reports). This figure will reduce by £216k as part of savings being suggested as part of the MTFP

A cost sharing formula has been agreed that determines how much each local authority contributes to ACE. In time Worcestershire's contribution is expected to fall and current financial projections suggest that a further £130,000 will be saved in 2020/21 but this is subject to change as and when the cost sharing calculation is revised.

SCREENINGS

EQUALITY IMPACT RELEVANCE SCREENING (EIA)

An EIA was undertaken as part of the Regional project and is attached in Appendix 2.

ENVIRONMENTAL AND SUSTAINABILITY IMPACT SCREENING

It is important to consider any environmental and sustainability implications that may be relevant to the service or project. The Environmental and Sustainability Impact Screening is designed to be completed during the early stages of a new project or programme. This will establish whether any further action is required to reduce any environmental impacts which may result from implementation of the project, and to mitigate any negative environmental or sustainability related issues. The Council must comply with all relevant environmental legislation. A list of environmental legislation has been collated which the Council must comply with. Please consult the ["Environmental Legislation for Commissioning"](#) page on OurSpace.

If you require further help or guidance, please contact the Sustainability Team at sustainability@worcestershire.gov.uk



Initial Environmental
and Sustainability Imp