

25th February 2022

**UPDATE ON ARRANGEMENTS TO ESTABLISH FORMAL
GOVERNANCE AND HOSTING ARRANGEMENTS FOR THE
NATIONAL ADOPTION AND FOSTER WALES**

Purpose

1. To update members on progress being made in establishing a Joint Committee for the National Adoption Service and Foster Wales, as well as the development of a formal agreement with Cardiff Council to host the central team of the national service on behalf of the other Welsh councils.

Background

2. The National Adoption Service (NAS) was established in 2014, with the overall aim to improve adoption services across Wales, including the experiences of both adopters and adoptees, sharing and promoting best practice. NAS is a local government collaborative for the provision of adoption services, bringing together all local government adoption services, along with a small number of Adoption Agencies, into a three-tier structure, creating a national service which operates as follows:
 - agreeing children's plans, in this case for adoption, remains located at local authority level;
 - five regional adoption collaboratives provide the majority of the adoption agency functions;
 - co-ordination, leadership and support for improvement is provided by a small central team and Director.
3. The creation of NAS was in part a response to concerns that had been raised by the National Assembly for Wales Children and Young People Committee and the Business Model for creating a national Service was developed by ADSS Cymru in response to a request from Welsh Government in collaboration with local authorities, WLGA and Voluntary Adoption Agencies (VAAs). The role and operation of the NAS however must also comply with the Adoption and Children Act 2002 (Joint Adoption Arrangements) (Wales) Directions 2015. The Directions give power to Welsh Ministers to direct local authorities in relation to "the provision of specified services" as per Section 3(1) of the Adoption and Children Act 2002. Essentially, these are adoption services to meet the needs of children who may be adopted; their parents or guardians; people who want to adopt a child; and adopted people, their parents, natural parents and former guardians, and includes its role in relation to improving efficiency and

consistency, reducing delay and increasing quality and sustainability, as well as promoting collaboration.

4. The Directions also set out a number of requirements that must be complied with in relation to regional collaborations and specified national level management arrangements (“national arrangements”) in relation to the operation NAS:
 - Establishment of a national Governance Board and a national Advisory Group, including its membership and functions of both;
 - Appointment of a Director of Operations; and
 - Designation of a lead local authority for the arrangements at a national level.
5. A Care Inspectorate Wales Report, ‘Review of National Adoption Arrangements’ published in March 2018 noted the complexity of the arrangements and concluded: ‘The clear direction and intent of the National Adoption Service for Wales has benefited the children and families affected by adoption. The governance mechanisms are well understood but are complex and can be a barrier to implementing a national framework.’ WLGA Members had previously agreed to the commissioning of a review of the governance of NAS, with a view to clarifying arrangements and strengthening its ability to secure further improvements for adoption in Wales. One of the recommendations included the need for, “A formal agreement whereby the central NAS team would have the agreement of partners to direct the shared resources involved at both central and regional level to delivering project objectives”.
6. A number of changes took place following the review, including creating a Combined Governance Board (bringing together the Advisory Group and Governance Board as required by the legislation) and the development of a new Partnership Agreement to replace the original functional model that had been originally developed. However, legal advice obtained by the WLGA reflected that in order for NAS to operate effectively on behalf of all 22 Welsh authorities, and for there to be a robust arrangement with the host authority for provision of the national and enabling functions, co-operation between Welsh local authorities needed to be put on a formal footing.
7. From 2015, the National Adoption Service Director and central team have been supporting the work of the National Fostering Framework (NFF) to create a similar national, regional and local collaborative arrangement to improve Welsh fostering services, albeit not through the creation of a national fostering service. Foster Wales has now emerged from the NFF and brings together the 22 Welsh Local Authority fostering services into a national collaborative network to deliver transformational change in the way foster carers are recruited, retained, supported, respected and remunerated. In moving to Foster Wales, it was hoped that the national functions for fostering be linked to the National Adoption Service national functions to reduce duplication and costs as well as to maximise resilience, flexibility and longevity across both functions. This was supported by the NAS combined Governance Board.

8. In October 2021, the WLGA Executive Board agreed to the establishment of a Joint Committee to provide governance and accountability arrangements for the National Adoption Service for Wales and Foster Wales. The proposed Joint Committee and the agreement underpinning it has been extended to include Foster Wales as has the capacity for national co-ordination and enabling through a combined Central Team. The link to the Joint Committee is critical for Foster Wales given the lack of a legislative basis for such co-operation for fostering services.

Establishing a Joint Committee

9. It is proposed the national Joint Committee will, on behalf of the 22 Welsh Local Authorities, exercise their powers for the provision of the collaborative arrangements for the National Adoption Service for Wales (NAS) and for Foster Wales (FW). It will be comprised of Council Members to be appointed via the WLGA meeting twice yearly. Lawyers engaged by WLGA on behalf of NAS have drafted a Joint Committee Legal Agreement for consideration and agreement by all 22 local authorities, which is currently underway. The Agreement sets out the Joint Committee will approve / receive:
 - The Annual Report of NAS and of FW;
 - The annual programme of work for the NAS and for FW;
 - The budget for the office of the Director and national work for NAS and for FW; and
 - The agreement, and any changes to the agreement, for the host authority support of the office of the Director and national work for NAS and FW.
10. The draft Agreement also contains a formal Scheme of Delegation and provision for the formal agreement with the host local authority for national functions. If agreed by Councils when established the Joint Committee will provide the mechanism for all Welsh local authorities to discharge an executive and oversight role for NAS and FW.

Formal agreement to host the National Adoption Service

11. The central team of the NAS is hosted by Cardiff Council. This was agreed following a communique to councils seeking expressions of interest to host the service which was offered to all authorities. Following submissions of interest and an interview for those authorities who had expressed an interest, Cardiff was successful in their bid. The intention has always been to develop a formal agreement with the host authority and the establishment of a Joint Committee enables this to now be taken forward. Previous to this, there has been a general acceptance by Cardiff Council that a formal agreement would be developed, including identifying financial implications of hosting NAS and ensuring any liabilities as a consequence of Cardiff employing the central team staff are

shared with other councils. Discussions are on-going with Cardiff to develop a formal agreement which would be subject to agreement of the Joint Committee.

12. Following a decision of the then WLGA's Coordinating Committee in March 2014, the central elements of NAS are funded via a topslice of the Revenue Support Grant. The work of Foster Wales is also supported through a topslice of the RSG, as well as a grant from Welsh Government. While NAS currently pays Cardiff an agreed amount to cover basic costs for hosting the service, a more detailed analysis of the support required and therefore the future costs that will be incurred by Cardiff has recently been undertaken. This has reflected the need for additional funding, potentially in the region of between £40-£80k, some of which is linked to the additional but necessary democratic and accounting responsibility linked to enhanced governance, across the two functions of NAS and FW. Unfortunately, due to timescales, this has not been factored into the draft NAS budget for 2022/23 and as such some additional funding will likely be required to meet this funding gap, with identified additional costs to be split between NAS and Foster Wales.
13. Further information and detail, including what support Cardiff will provide to the central team and the costs included, will be provided to members when available. Some of these additional costs will be funded through the increased topslice provided to NAS and FW in 2022/23. However, with other calls on the funding, for example, the need for a national marketing budget for NAS, some additional funding from councils will likely be needed. There are options for how any funding gap to cover support costs for NAS/FW could be met, such as building the additional funding into the next topslice of the RSG or invoicing local authorities individually for their contribution to the additional amount during the current financial year and members may wish to provide a view on their preferred method.

Recommendations

12. Members are asked to:

- 12.1 Note the contents of the report and the update provided; and**
- 12.2 Discuss how any additional costs for the National Adoption Service of a formal hosting agreement with Cardiff Council could be met as per options in paragraph 10.**

Report cleared by Cllr Huw David, Spokesperson for Health and Social Care

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