

Institution: University of Bristol
Unit of Assessment: 22 - Social Work and Social Policy
Title of case study: Improving adoption services: removing the disincentive of the inter-agency fee
<p>1. Summary of the impact</p> <p>Research on adoption and the inter-agency fee influenced a major governmental review of adoption policy and practice. Selwyn's work led to positions as: academic advisor on the Government's expert working group on adoption; advisor to the Treasury; member of No 10's policy group; and she gave written and oral evidence to the House of Lords and House of Commons Select Committees as part of the adoption reform. Her research on adoption and the subsequent government action led to a significant strengthening of the capacity of the voluntary adoption agencies and changes in social work practice resulting in adoption numbers rising from 3,090 (2011-12) to 3,980 (2012-13). Local authorities were advised to remove the structural disincentive caused by the fee no later than September 2013. Findings also provided key evidence for the Charity Commission in its case against the Catholic Church's appeal to be exempt from equality legislation.</p>
<p>2. Underpinning research</p> <p>Adoption provides a new family for children in care who are unable to live with their parents. Most of these children come from a background of abuse/neglect and whose parents misused drugs/alcohol. Research has consistently shown that most adopted children have more stable placements and better outcomes than children in foster or residential care [1]. However, the number being adopted has fallen while there has been an increase in the number of infants staying in the care system: about 25% of children with a plan for adoption are never found a family [1]. Yet about 500 adoptive parents approved by voluntary adoption agencies (VAAs) are waiting for a placement [a]. One of the reasons for this 'mismatch' was the financial arrangement that takes place between a Local Authority (LA) and a VAA. If a LA wishes to place a child with an adopter approved by a VAA, the LA must pay an inter-agency fee (£23k). The fee is intended to help the VAA recoup their costs of assessing and training the adoptive parents.</p> <p>The research aimed to understand how the inter-agency fee was affecting the placement of children; estimate the costs of adoption; and to make recommendations about future policy and practice.</p> <p>It was found that:</p> <ul style="list-style-type: none"> • LA managers did not understand, or have readily available data to estimate, the costs of their services. They did not know what services cost, overheads costs were usually omitted (these were perceived as free) and decisions about commissioning and funding of services were based on inaccurate financial data. This lack of understanding had perverse consequences such as children being left in care (minimum cost £25k per year) rather than the one off inter-agency fee being paid. • Although the inter-agency fee (£23K) was perceived by LA staff as expensive it actually fell short of the actual cost (£37K). In fact, LAs and VAAs costs were very similar once overheads were included in the comparison. But VAAs provided better value for money because they found families for the more difficult to place children e. g. sibling groups, minority ethnic children. The view that VAAs were expensive was misguided and inaccurate. • It was estimated that the VAAs were contributing annually about £4 million from their own resources (donations, legacies etc.) to adoption services. It was therefore not surprising to find that many VAAs were in financial difficulties, three agencies had closed and that the sector was in crisis and there was a very real danger that the expertise of more agencies would be lost. • Nationally there was a severe shortage of adoptive parents, resulting in many children never finding an adoptive family. Yet the fee acted as a disincentive for LAs to recruit more adopters than were needed in their local area.

Impact case study (REF3b)

The study involved interlinked pieces of work. The research was led by Dr Julie Selwyn (Senior Lecturer, 2003 to 2009; Reader 2009-2012 and Professor of Child and Family and Social Work, August 2012 to present) at the University of Bristol with Loughborough University having responsibility for estimating LA adoption agency overheads. The study utilised: i) financial accounts for 2007-2008 from adoption teams in 10 LAs and 17 VAAs; ii) activity data (outputs) from 8 LAs and 10 VAAs; iii) telephone interviews with 61 adoptive parents; iv) other LA financial data; and v) analysis of historical documents relating to the fee from the 1970s.

3. References to the research**Outputs**

The final report [1] was reviewed by three peer reviewers and also reviewed by the independent Department for Children, Schools and Families (DCSF) Research Liaison Group. This latter group was made up of senior academics, policy makers and local authority decision makers.

Professor Jennifer Beecham, (PSSRU, University of Kent and London School of Economics) stated in her peer review of the final report:

“The study has involved some detailed and painstaking work to pull apart the expenditure accounts of some 20 adoption agencies and re-build them so that the scope of the accounts is similar and costs can be compared. The report also contains a very useful discussion and estimation of ‘overhead costs’ in both LAs and VAAs. This has been a bone of contention among those involved in adoption for a long while, and has been an unfinished research task for many years. Few people will be quite as aware as I am about the amount of time this type of work takes; the researchers should be applauded for their persistence and commitment.” [b]

The research also led to a peer-reviewed journal article [2].

[1] Selwyn, J. et al., (2009) Adoption and the inter-agency fee, Department for Children, Schools and Families Research Report DCSF-RR149. ISBN 978 1 84775 516 2

<https://www.gov.uk/government/publications/adoption-and-the-inter-agency-fee>

[2] Selwyn J and Sempik J. Recruiting Adoptive Families: The Costs of Family Finding and the Failure of the Inter-Agency Fee *Br J Soc Work* (2011) 41(3): 415-431. doi:10.1093/bjsw/bcq075

Grant

[3] The grant (Title: Evaluation of the cost of adoption, with an emphasis on inter-agency fees) was awarded to Selwyn by the Department for Children Schools and Families. The award was £59,851 and the research was conducted March 2008-May 2009. Selwyn was a senior lecturer during this period.

4. Details of the impact

Ministers expressed concern that about 5,000 children were waiting for suitable adoptive parents when there was a lack of adoptive parents and that the research clearly identified the fee as contributing to structural problems in the system. Selwyn was invited to Downing Street to join a ‘round table’ on child welfare policy; she became one of the key advisors to HM Treasury’s review of adoption and was the only academic advisor on the Government’s Expert Working Group on Adoption [c]. The Parliamentary Under Secretary of State for Children, Young People and Families sent a letter (2009) to all Directors of Children’s Services stating:

“I am writing to draw your attention to a report on adoption and the inter-agency fee... The report raises some challenging but helpful questions about the way some local authorities structure their budgets for children in care and commission adoptive placements” [d].

A year later (2010) The Minister quoted the findings in a letter sent to Directors of Children’s Services *“Despite all the evidence - most notably in Dr Julie Selwyn’s report last year on adoption and the inter-agency fee - there still seems to be a widespread view that making use of voluntary adoption agencies should be seen as a last resort... I want to see more collaborative working and effective partnerships”* [e]. The Minister referred to the findings in Statutory Guidance (2010) on the new ‘Sufficiency duty’ [f] and in his Foreword to Statutory Adoption Guidance wrote: *“Many*

voluntary adoption agencies specialise, and are successful, in finding families for children who are perceived as difficult to place... And there is clear evidence that there is little difference in the cost of placing a child with the local authority's own adopters and adopters from a voluntary adoption agency. In many cases, it will yield savings for the local authority and free up a fostering placement...".[g]

Government signalled its intention to legislate to change the structure of adoption services quoting the research findings [h]. Selwyn gave a presentation to the House of Lords Select Committee on adoption legislation and was recalled to give oral evidence (20/11/2011;19/06/2012). She also appeared before the Children and Families Bill Committee (legislative scrutiny) to give oral evidence in the House of Commons. In 2013, the DfE published 'Further Action on Adoption' again quoting the study and stating:

"The rapid growth in the numbers of children waiting on placement orders in recent years suggests that the adoption system is not effective in translating increases in the numbers going through the system into increased incentives on agencies to recruit and assess. This analysis of the structure of the system helps to explain why. It demonstrates that the real improvement we need cannot happen while provision is dominated by 152 local authorities trying to recruit and approve only the adopters they immediately need and around 30 voluntary agencies artificially limited by the reluctance of local authorities to use their adopters." [i]

The Government called for rapid change in practice and stated that a new statutory power would be acquired to remove adoption services from local authorities if they did not remove systemic barriers constraining the recruitment of adopters. In 2013, Government announced an additional £16 million for the expansion of the VAA sector [j].

In response, the Association of Directors of Children's Services, the Local Government Association and the Society of Local Authority Chief Executives announced that one of the steps they intended to take was *swift progress on the levelling of the inter-agency fee*, describing it as a systematic disincentive to adopter recruitment. Their joint statement stated that by September 2013, all LAs should have implemented a single fee set at the higher VAA rate [k].

Media coverage

Extensive media coverage followed the study launch 2009-2010 (The Guardian, The Times, The Telegraph, Local Government Chronicle, Children and Young People Now, Communitycare.co.uk). Selwyn gave live interviews to Radio 5 and Radio 4 Women's Hour. Findings were comprehensively cited in a Policy Exchange report on adoption and in a key Demos report on the care system [l].

Influenced an appeal to the Charity Commission

Selwyn provided evidence in 2011 in the case of the Charity Commission v Catholic Care (VAA). The VAA argued that unless it were permitted to discriminate against gay/lesbian prospective adopters, it would no longer be able to raise the voluntary income from its supporters on which it relied to run the adoption service, and it would therefore have to close its adoption service. The Charity advanced a case of proportionate discrimination in order to achieve a legitimate aim and argued it should be exempted from equality legislation. Selwyn was called as a witness and evidence was used from the study to argue against Catholic Care's case.[m]

"The Tribunal concluded that... the Charity's case was... contradicted by evidence presented to the Tribunal of the dominant influence that local authority funding arrangements have on the work of the voluntary adoption agencies and the inability of the voluntary adoption agency sector to overcome the problems created by that system through its own practice...in all the circumstances and having considered the evidence carefully, the Tribunal has unanimously decided to dismiss the Charity's appeal." (para 61)

This forced all the 12 Catholic VAAs to change their literature and practice and prevented further appeals to be exempt from equality legislation. There has since been a growth in the number of

gay/lesbian adopters [a].

Impact on social work practice

2012-2013 saw an increase in the number of children adopted and was the highest figure since records of adoptions from care began in 1992. This represented an increase of 20% on the previous year while the care population as a whole grew only 2% over the same time period. There was also greater use of VAAs who placed more children for adoption than in any of the previous 10 years: exceeding the previous year by 20% [a]. The research evidence had clearly shown that the inter-agency fee was a major barrier to effective collaboration, that perceptions that VAAs were expensive were false and that the fee acted as a deterrent for agencies to recruit more adoptive parents. Government ministers accepted the findings and strongly encouraged the sector to remove the disincentive and supported VAAs to grow, investing £16 million in the expansion. A strong voluntary sector was seen as crucial to sustainable reform of the adoption system. The intention being to ensure that enough adoptive parents were recruited and that children were placed with adoptive parents who best met their needs, not adoptive parents who appeared to cost the least.

5. Sources to corroborate the impact

- [a] National adoption statistics (SFR20/2012 Department for Education) and annual statistics from the Consortium of Voluntary Adoption Agencies
- [b] Letter from peer reviewer to DfE research manager. Can be made available upon request
- [c] Email from 10 Downing Street and The Treasury inviting Selwyn to join advisory groups
- [d] Letter from Baroness Delyth Morgan in relation to report on adoption costs
- [e] Letter from Tim Loughton MP entitled “The Adoption Challenge”
- [f] Department for Education (2010) *Sufficiency - Statutory guidance on securing sufficient accommodation for looked after children*, London, DfE.
<http://www.education.gov.uk/aboutdfe/statutory/q00222838/secure-accomm-looked-after>, ISBN: 978-1-84775-675-6
- [g] DfE (2011) *Adoption Guidance, Adoption and Children Act 2002*, London DfE (page 2)
- [h] Department for Education (2012) *An Action Plan for Adoption: Tackling delay*, London DfE (pages 7, 15, 22, 25). <https://www.gov.uk/government/publications/an-action-plan-for-adoption-tackling-delay>
- [i] Department for Education (2013) *Further Action on Adoption*, London DfE (page 16, 17, 19). <https://www.gov.uk/government/publications/further-action-on-adoption-finding-more-loving-homes>
- [j] Department for Education (2013) Funding to increase the recruitment of adopters announcement 15th August 2013
- [k] LGA, SOLACE and ADCS commitments to a sector-defined approach to increasing the number of approved adopters – response to DfE criticisms in Further Action on Adoption
http://www.local.gov.uk/c/document_library/get_file?uuid=0028c810-ddbf-4b90-91fb-d0ba02a68635&groupId=10171
- [l] Hannon C., Wood, C. and Bazalgette, L. (2010) *In Loco Parentis*, DEMOS London. ISBN 978-1-906693-46-6
- [m] ca/2010/0007 in the First-tier tribunal (Charity) General regulatory chamber appellant: Catholic care (Diocese of Leeds) respondent: The Charity Commission for England and Wales heard in public in London on 10 & 11 March 2011