



## CABINET

**Subject Heading:**

Adopt London East Cabinet Report

**Cabinet Member:**

Councillor Robert Benham (Lead member)

**SLT Lead:**

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**Policy context:**

A legislative framework for the regionalisation of adoption services came into existence on the 16 March 2016 through the Education and Adoption Act 2016

**Financial summary:**

Havering's overall financial contribution is: £361,018 in year 1, reducing to £313,929 from year 2 onwards.

**Is this a Key Decision?**

A key decision is required as there will be a significant impact on two or more wards in the Borough.

**When should this matter be reviewed?**

12<sup>th</sup> of December

**Reviewing OSC:**

Children and Learning

**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	[X]	
Places making Havering		[ ]
Opportunities making Havering	[ ]	
Connections making Havering	[ ]	

**SUMMARY**

The purpose of the report is to propose a model for the future delivery of East London's Regional Adoption Agency.

It is proposed that the East London Regional Adoption Agency (RAA) is created through combining the adoption services for the four East London Boroughs of Havering, Tower Hamlets, Newham and Barking and Dagenham. These agencies wish to build on the success of their existing services to improve performance in meeting the needs of children who require permanence through adoption, by bringing together the best practice from each authority within the RAA. This proposal forms part of an overarching project to develop four RAAs across London. Each of the four RAA's will have a host/lead authority. Havering will be the lead authority for East London. All local authorities in England are statutorily required to join a regional adoption agency by April 2020.

Following the recent news regarding Waltham Forest's cabinet decision to join 'Ambitious for Adoption' an alternative Regional Adoption Agency, this report recommends a four local authority model. The remaining four local authorities are committed to establishing the model proposed in this report and full business case. The table below sets out the timescales for cabinet sign off in each of the constituent local authorities.

LA	Cabinet sign off
Havering	January 2019
Tower Hamlets	January 2019
LBBB	February 2019
Newham	March 2019

In Havering, the average annual spend for adoption services over the last three years (plus a projected spend 2017/18) was £340,929.00 this includes £27k (net) that was spent on inter-agency fees – the cost of placing a Havering child with an adopter approved outside of the adoption agency.

Under the proposed formation of an East London RAA a contribution of £313,929 is required to fund future costs within the RAA.

Inter-agency fees will remain the responsibility of each Local Authority and will not form part of the budget for the RAA – a budget will be retained to cover inter-agency fees within each constituent Local Authority including Havering.

Each member of the RAA will need to provide a one-off contribution to the set-up costs of the RAA – these are costs that are not currently covered by individual adoption budgets including the Head of Service for the RAA, and the centralised business support function. The Havering contribution will be a one-off payment of £47,089, with the other three Local Authorities also making one-off contributions. As the host authority, Havering will receive an income of circa £200k in the first year to cover the cost of transition, a new head of service and hosting costs.

The business case to support this model enables each Local Authority partner to reduce the amount it spends on inter-agency fees, as the RAA recruits more of its own adopters, and places more of its children with its adopters. Alongside this reduction in expenditure, the model also projects an income that will be derived from other Local Authorities placing their children with East London Adopt carers, thus attracting a fee income to the RAA. This projected income will allow the transition costs to be tapered off to £0 in year 2 of the RAA going live. The combined effect of an inter-agency fee income (which will be retained by the East London Adopt RAA), and the reduction of inter-agency expenditure (the costs of which will be allocated proportionately, and budgetary responsibility retained by each of the constituent Local Authorities) enables the model to project a reduced overall cost of delivering adoption services over the next three years (see table below).

The table below sets out the proposed savings to Havering's adoption spend in the first three years of the model. These are based on reducing interagency costs in line with targets set out in the performance section of this report and full business case.

<b>Havering</b>	<b>RAA Funding</b>	<b>Transitional Payment</b>	<b>Assumed Efficiencies</b>	<b>Inter agency Fees</b>	<b>Inter agency Income</b>	<b>Inter agency Total</b>	<b>Total adoption spend</b>	<b>% reduction in spend</b>
	£	£	£	£	£	£	£	
RAA Budget 16/17	313,929			138,974	(155,461)	(16,487)	297,442	
RAA Budget 17/18	313,929			162,212	(136,433)	25,779	339,708	
RAA Budget 18/19	313,929			93,000*	(128,567)*	(35,567)*	278,362*	
RAA Budget 19/20	313,929	47,089		31,000	(128,567)	(97,567)	263,451	5%
RAA Budget 20/21	313,929	47,089	(47,089)	0	(128,567)	(128,567)	185,362	33%
RAA Budget 21/22	313,929	47,089	(47,089)	0	(128,567)	(128,567)	185,362	33%

\* This is the current forecast for both interagency fees paid and income for 2018/19.

The Income and Expenditure model is based on the following assumptions:

- Interagency Expenditure - where budgetary responsibility will be retained by each LA
- Interagency Income – this is expected to accrue from 2 income streams
  - I. The element of Interagency income derived from each LA’s current investment in adopters – for Havering this is currently projected at approximately £128k per annum
  - II. Interagency Income due to the Region from investment from the pool arrangements, to be retained by the East London RAA to:
    - Offset the additional transition / set up costs;
    - Fund new developments within the RAA
    - Supplement the RAA funding each year that the RAA hits its performance targets. The RAA funding commitment will reduce in line with the reduction in interagency fees brought about by improved performance.

**Benefits of regionalisation in East London**

Adoption services across all East London agencies are small and Individual Local Authorities struggle to provide the full range of adoption services. Detailed evaluation of adoption services has identified a number of challenges (see table below) all of which will benefit from a regional approach within East London.

The performance section of this report details target performance improvements in years 1 to 3. These have been developed using a cautious model of service delivery working towards best practice models.

The East London Adoption services already work together through the ELPAC consortium in order to ameliorate some of these challenges. Working in cooperation has provided many benefits and these existing working relationships will be built upon to ensure a smooth transition into one organisation

<b>Challenge</b>	<b>Regional solution</b>	<b>Benefits</b>
Against a background of intensive challenge from the voluntary sector adopter recruitment has not been maximised	Working in partnership with the Pan London Adopt London brand brings a dedicated service communications budget a large single brand and an ability to develop both London wide and East London specific campaigns	Improved adopter base for child matches maintaining their connection to the local area  Savings against the Inter-agency fee budget
Some delays in assessment due to worker availability	One recruitment and assessment team will undertake all assessments, work will be allocated more effectively. Should demand for assessments increase	Increased number of adopters  Adopters do not apply elsewhere

	Independent social workers may be used	Savings as above
Numbers of children with a placement order for adoption are relatively low across East London.	An East London regional adoption agency will provide a forum for effective working relationship with the East London courts	Increased number of children benefit from the stability offered through adoption  In LA savings against the LAC budget
Some matches of harder to place children take longer than they should	A single family finding team working across East London and beyond will pool resources to work more effectively. Local relationships with children's social workers will be maintained through maintenance of a partial base in each Local Authority	Children benefit from the stability offered through adoption at the earliest opportunity  In LA savings against the budget
The adoption support offer is underdeveloped. A small local adoption support service is unable to provide the range of services needed.	A single adoption support service will pool all resources and enable the service to develop a clear core offer to all adopters and maximise usage of the Adoption Support Fund	Adoptive families benefit from improved support. Outcomes improve  Placement disruptions decline
Regional partnerships are under developed	A single agency operating in a coterminous region to key partner agencies will engage with agencies in development of innovative partnership working, clear referral pathways and co-working relationships	Adoptive families benefit from a clear shared offer  Children are better supported in education and health services  Maximisation of the partnership offer will impact positively on budgets
Courts delay and often block the progress of the adoption process	A single agency, operating under a single head of service, led by a partnership of local authorities will be far better placed to influence court decision making processes	Speedier processes and improved performance  Enhanced regional reputation

No joined up commissioning	A single commissioning framework and quality assurance process across the region and potentially across London	Commissioned services are better aligned to the needs of children and young people Value for money and reduced overall spend on commissioned contracts
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Furthermore, becoming a member of one of the 4 local authority hosted models that make up the wider pan-London model will only serve to enhance all of the benefits listed above through collaborative working across.

Havering also intends to cultivate and build on existing partnerships and build new regional arrangements where possible to realise further benefits in its adoption services. For example, the ongoing relationships with Southend Borough Council and Essex as a region.

## **Financial Summary**

### **East London RAA- Future Finance and Performance Overview - Havering**

#### **1) Overview of costs**

- **Havering will contribute £313,929 per annum**
- There will also be a transitional payment of **£47,089 in year 1** to cover the extra costs (A new regional head of service and increased hosting costs) of the regional model, although this is currently projected to occur annually in the above table, the expectation is for this cost to be managed down as a result of improved working arrangements and efficiencies from co-location.
- Interagency budgets will not come into the model but the RAA will maintain a system of distributing costs equitably among the constituent LA's.

#### **2) Principles**

- The establishment of the new RAA is about improved performance across the region and the business case sets out an invest to save model. The extra transitional costs will be offset due to both a) the reduction in inter-agency placements (and corresponding fees, retained by constituent Local Authorities), and b) the retention of inter-agency placement income by the East London Adopt RAA. The business case projects that this should allow the transitional fee to be reduced to a nil contribution for all Local Authorities by year two of the RAA going live.

In addition to this, the financial model predicts savings of circa £45k per year from year 2 onwards.

**Headline Risks**

The table below sets out the key risks and mitigating actions associated with the formation of the East London RAA.

<b><u>Risk</u></b>	<b><u>Explanation</u></b>	<b><u>Mitigation(s) / Principle(s)</u></b>
Redundancy costs	There is a risk that all redundancy costs (post-implementation) fall to the host authority	<ul style="list-style-type: none"> <li>• The RAA partnerships agree that all future redundancy costs are spilt equitably among the constituent local authorities</li> <li>• Any redundancy costs (pre-implementation) remain with the originating local authority</li> </ul>
Current assets (adopters)	Each local authority will join an RAA with a pool of adopters recruited by that local authority. There is a risk that the income generated by those adopters becomes RAA income and is therefore being apportioned equally among the constituent local authorities	<ul style="list-style-type: none"> <li>• Any income generated through assets (adopters) brought into the model will be able to be drawn down by the local authority that recruited them</li> <li>• Beyond implementation (or the date that joint recruitment commences) all adopters will be considered RAA assets. The income generated from these adopters will remain with the RAA and discussed by the partnership as to how the money is best used / apportioned</li> </ul>
Paying Interagency fees	There is a risk that the RAA spend on interagency fees is apportioned equally across all local authorities. There could be a situation where a high % of the children come from a single borough but the costs are split equally.	<ul style="list-style-type: none"> <li>• The RAA's will operate a sliding scale formula for how interagency costs are apportioned.</li> <li>• It will take into account the originating borough of the child</li> <li>• It will also take into account the previous year's spend on interagency placements</li> <li>• The partnership agreements will work these formulae up in consultation with local project boards and the executive</li> </ul>
Unpredictable demand	Performance suggests that adoption demand is unpredictable.	<ul style="list-style-type: none"> <li>• The RAA will have tolerances for capacity across the region and for each local authority based on</li> </ul>

	<p>There is a risk that the current funding may not be enough if there is a spike in demand</p>	<p>a target unit cost per child placed</p> <ul style="list-style-type: none"><li>• The partnership agreements will agree the process for how extra funding can be drawn down to cope with rising demand</li><li>• Should the RAA's meet their performance targets, the associated savings could be used as a buffer</li><li>• Income generated from RAA adopters could also be used as a buffer</li><li>• While budgets have been set for the first three years, each RAA will operate a yearly budget review and setting exercise to ensure flexibility</li><li>• The RAA's will aim to become demand led organisations by the end of year 3 at which point, future budgets will be based on unit costs and likely future demand</li></ul>
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**RECOMMENDATIONS**

That Cabinet

- approve the business case at appendix A to this report to proceed with an East London Regional Adoption Agency led by the London Borough of Havering to commence by July 2019 agree the budget commitment set out in the body of this report
- Delegate authority for the implementation of the project to the Director for Children Services including but not limited to entering into partnering agreements, agreeing the final terms of any Inter-authority risk and partnership sharing agreement and agreeing and arranging Tupe of staff between the authorities.

**REPORT DETAIL**

**Contextual Background**

In March 2016, the government announced changes to the delivery of adoption services setting a very clear direction that all local authorities' adoption services

must be delivered on a regionalised basis by 2020. The premise of regionalisation is to:

- Increase the number of children adopted
- Reduce the length of time children wait to be adopted
- Improve post-adoption support services to families who have adopted children from care
- Reduce the number of agencies that provide adoption services thereby improving efficiency and effectiveness.

The implementation of the new RAA for East London follows substantial project work from March 2018 where the decision was taken and agreed with the DfE to pursue four separate RAAs in London. It is proposed that Havering Council be appointed as the lead borough for the East London's Regional Adoption Agency which will be known as Adopt London East (ALE). Havering Council has been acting as lead authority in the discussion and planning to date. ALE will build upon the previous positive practice established within the East London consortium – East London Adoption and Permanence Consortium (ELPAC) which is already delivering services effectively across the East region.

### **The Principles**

The principles which this business case has followed were agreed by the Adopt London Executive Board which was delegated by the Association of London Directors of Children's Services (ALDCS) to oversee the development of the four London Regional Adoption Agencies. These principles have been endorsed by the DfE:

1. Local authorities involved in Adopt London and each of the four RAAs are committed to collaborating adoption arrangements so that the best interests of children and their adoptive families are secured and kept at the forefront of decision-making.
2. Adopt London will provide an overarching framework for enabling effective coordination, coherence and partnership working across London.
3. Adopt London authorities, and the four RAAs will make sure that there is consistency of approach in relation to key strategic and operational decisions, e.g. about whether staff are transferred under TUPE arrangements. Project teams in the four RAAs and RAA governance arrangements should reflect the ambition to promote such consistency of approach.
4. There is a commitment to working effectively together with Voluntary Adoption Agencies (VAAs), making sure that their unique and important contribution is maximised and that VAAs are involved in the development of the RAAs and Adopt London.
5. The focus of work over the next 18 months will be on establishing the four RAAs; in phase two, developmental work on the Adopt London hub will progress. We will use the Adopt London Executive Board to operate a virtual Hub in the coming period, with a view to exploring options for joint commissioning across London, maintaining common design principles for the

spokes and exploring opportunities for further development of the Hub in phase 2.

**Service delivery model, performance targets and budget**

Adopt London East is committed to designing services capable of improving outcomes for children for whom the plan is adoption through:

- Placing more children quicker
- Placing more children in an early permanence placement
- Providing quality support to ensure fewer placement disruptions and happier families
- Improving timescales for adopter assessments
- Assessing adopters well; leading to good and speedy matches

The proposed service delivery model is based on a research evidence base of what works in Adoption and on initial consultation with adopters and key stakeholders.

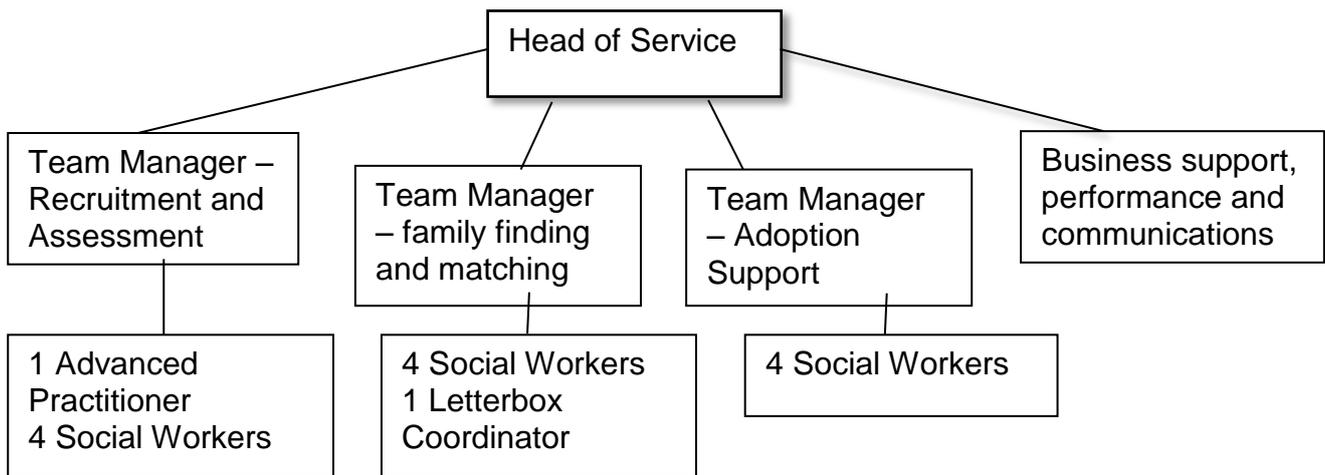
**Proposed service delivery model**

The service delivery model includes one head of service and three team managers who manage the three key thematic areas in Adoption; recruitment and assessment; family finding and matching and adoption support.

Team managers will manage teams who will have workers allocated to local areas but operate as a pan East London service. All workers will be expected to operate outside specific Local Authority boundaries according to need and to meet regularly as a team.

Performance expectations and accountabilities of the RAA, Local Authority, each team and each worker must be clear.

This outline structure will be subject to further modelling and may change in some aspects of detail through the next phase of development; thematic operational Task and Finish Groups. These groups will involve first line managers, adoption social workers and adopter representatives in co-production of the working model.



### **RAA performance targets**

A detailed analysis of current performance has been undertaken. This has been reviewed against best practice nationally and in the region. This has informed the setting of SMART performance targets for ALE.

<b>Target</b>	<b>Current</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Improved Outcomes</b>
<b>Adopter Recruitment</b>	29	36	40	45	<ul style="list-style-type: none"> <li>- Children placed within East London</li> <li>- Improved placement choice</li> <li>- Improved adopter confidence</li> </ul>
<b>Family Finding and Matching</b>	57	60	65	70	<ul style="list-style-type: none"> <li>- Children placed in East London</li> <li>- Increased number of children adopted</li> <li>- Improved placement choice</li> <li>- Improved matching through placement with adopters known to agency</li> </ul>

### **Becoming the host authority**

The proposal is that Havering become the lead authority for the East London Region, hosting the model. There are both a number of benefits and implications associated with becoming the lead. The benefits are listed below and the risk and implications are appended:

#### **Benefits of becoming the host authority**

- As the host authority, 200k has been allocated to fund back office function and this will effectively form an income stream for Havering from RAAs.
- Establishing and developing its' brand both within the region and across London Borough of Havering.

- Leading practice in permanence
- Increased respect across the East London region
- More influence over policy change
- More influence over key decision makers such as the courts

**Implications**

Appendix B sets out the risks and implications associated with both becoming the host authority and being a constituent member of the RAA. Inter-authority risk and partnership sharing agreement will ensure any risks are mitigated through an agreed process which is signed up to by all local authorities.

**High level timeline**

The project team are working to a detailed project plan to ensure all necessary processes and pathways are in place prior to go live. Below is a high level visual timeline for the implementation of this project

Adopt London East - Regionalisation Plan										
Month	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Staff engagement event (1)										
Business case signed off by RAA board										
Cabinet meetings & decisions for all councils										
Staff task & finish groups										
Staff engagement event (2)										
Formal consultation with unions and staff										
Recruitment of permanent HoS										
Staff transfer procedure										
RAA go live										

**REASONS AND OPTIONS**

**Reasons for the decision**

In March 2016, the government announced changes to the delivery of adoption services setting a very clear direction that all local authorities' adoption services must be delivered on a regionalised basis by 2020. The premise of regionalisation is to:

- Increase the number of children adopted
- Reduce the length of time children wait to be adopted
- Improve post-adoption support services to families who have adopted children from care
- Reduce the number of agencies that provide adoption services thereby improving efficiency and effectiveness.

### **Other options considered**

An options appraisal was undertaken in the initial stages of development of the Pan London model for regionalisation of adoption. This model was subsequently refined into four 'Adopt London' Regional adoption agencies with a central hub providing further opportunities for efficiencies of scale. The detailed modelling benefitted from experience in Yorkshire; an early adopter with a similar model:

The rationale for the pan London approach:

- A Pan London resource for London children and families
- 4 Regional agencies providing responsive services at a local level within a recognisable geographical area
- London boroughs who understand local need and challenges to host each agency
- Ability to recruit adopters to meet identified need within the local area
- Opportunities for further economies of scale through working Pan London
- Opportunities for further funding for innovation through Practice Improvement Funding

In order to further test the proposed model consideration has been given to joining a regional adoption agency with other local providers. The only local provider who may be available for consideration is the Coram led regional adoption agency in partnership with Redbridge and other Local Authorities. We made an informal approach to Coram to establish whether they have the capacity to consider Havering as a partner and source information on the delivery model and associated costs.

The local authority model has now been determined as the preferred option due to the following factors:

- Significant reputational risks of pulling out of the model, as the host authority at such a late stage

- Staff across all local authorities have been involved in the design of the new system for three months and there is a commitment from those staff to make this model work
- The likelihood that the DFE would want to claim back project development funds if the model of delivery were to change now
- Targets for performance improvements in the East London model will achieve better outcomes and larger scale efficiencies

## **IMPLICATIONS AND RISKS**

### **Partnership and risk sharing agreements**

The RAA will be governed by a partnership board made up of a number of key stakeholders. (See full business case for detail and appendix B - **Pan-London RAA Finance and Risk Sharing**)

- The partnership will work to an agreed risk and partnership sharing agreement that will cover all financial, HR and legal implications
- This agreement will be drawn up in consultation with all constituent local authorities and legal colleagues during the set-up phase of the project. Many of the risks are already known and are set out below and in appendix B, at a high level with some commentary relating to likely mitigating actions for a number of possible scenarios.

### **Financial implications and risks**

The primary financial implication for Havering is a requirement to contribute its Adoption staffing resource budget to the partnership, to be mobilised as part of a Regional Adoption Agency (RAA) service for north East London. In addition, as the hosting authority, Havering can expect to receive some contribution to cover any incidental costs from the arrangements.

Further work will be undertaken to evaluate the proposed arrangements highlighted in the outline business case, including fully costing the proposal in determining the extent any benefits (or additional costs) could accrue. As mentioned in the main report, there is an expectation of improved performance and value for money plus the potential for savings over the medium term. There is also an indication that each partner will need to make an additional contribution of approximately £47k in the early years of the arrangement, the extent this will occur will also need to be verified as part of the evaluation. Although each partner will retain their direct provision budget, there is a risk that the shared budgets could be insufficient should demand for the service exceed expectations, this is a risk in itself for the Authority and can be mitigated to some extent by the risk share arrangement.

Any other material risks arising from the detailed financial evaluation will be communicated to the internal stakeholders and partner organisations, and may

require corrective action to support the ongoing viability and success of the partnership. The expectation is for the arrangement to be cost neutral (worst case scenario) for Havering as the hosting authority, especially as a result of the £200k transitional grant available to cover that function.

**Legal implications and risks**

The report seeks authority to make appropriate arrangements with Havering leading in adoption provision arrangements for four other RAAs which will include transfer of functions and officers to TUPE over to Havering for the delivery of the activity.

The Council's duties in respect of placing children for adoption, assessing and approving adopters and providing adoption support are set out in the Adoption and Children Act 2002 and supported by Adoption Agencies Regulations 2005 (as amended), and associated statutory guidance. The Children and Families Act 2014 introduced changes in relation to adoption, including new provisions regarding fostering for adoption, post adoption contact, and attempts to streamline the adoption recruitment and matching process. Education and Adoption Act 2016 (the "Act") requiring local authorities to join a regional adoption agency came into effect 16 March 2016. s15 of the Act provides the Secretary of State power to direct the transfer of adoption functions of a local authority to another local authority or adoption agency unless entered into voluntarily by local authorities. Local authorities are no longer required to maintain adoption services within their area.

s101 Local Government Act 1972, allows for authorities to arrange for the discharge of their functions by another authority.

Information sharing is permitted through Adoption and Care Planning (Miscellaneous Amendments) Regulations, March 2018, with amendments of the Family Court Practice Directions and the Disclosure of Adoption Information Regulations 2005 and the Care Planning and Placement (England) Regulations 2010.

Changes in provision of services with arranging a shared model should be considered in accordance with the public sector equalities duty under s149 Equalities Act 2010, which requires the Council when exercising its functions to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic. The report details a proportionate equality analysis.

Officers will seek to enter into arrangements by agreement between the RAAs and the Council covering budget commitments, indemnities, transfer of functions and terms and conditions of employment including pension arrangements, continuous service and potential redundancies.

## **Human Resources implications and risks**

The HR comments in the business case set out the current position with regard to the applicability of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). In line with the minimum expectation of the DfE, staffs in scope of this new East London Regional Adoption Agency are expected to transfer into the host borough, Havering Council, under TUPE regulations.

It is envisaged that these proposals will initiate significant changes to the way Adoption services are delivered across the 4 boroughs and ultimately new ways of working.

The TUPE regulations impose limitations on the ability of the new employer and employee to agree a variation to the terms and conditions unless there is a genuine Economic, technical or organisational (ETO) reason:

- There needs to be a valid business reason for the change
- The ETO reason must 'entail changes to the workforce'. This means that changes to workforce numbers or job functions must be the objective of plan
- Changes to location of work are now covered as an ETO reason under TUPE. This means that TUPE-related relocations will not be treated as automatically unfair but should still be treated in line with the normal employment principles in terms of formal consultation.

Therefore, it is likely that as well as informing/consulting as part of the TUPE process, formal consultation will take place with staff and unions on the new structure, location and job descriptions triggering a change management process.

It is recognised that all local authorities are likely to follow a similar change management process. However, a proposed Change Management "Terms of Agreement" has been developed and aims to provide clarity and equity between the boroughs throughout the management of the change process. This agreement has been consulted upon with HR leads across the boroughs and will then be shared with the unions. Both the TUPE and restructuring consultation processes will be managed in line with the ACAS guidelines and will run concurrently.

## **Pensions**

All local authorities, pension's provisions are provided under the Local Government Pensions Scheme. The actuary have confirmed that a bulk transfer is only applicable if 10 or more members are transferring from any one previous organisation.

Each local authority is unlikely to be transferring 10 or more members; therefore, the process for bulk transfers is not applicable. The process that will need to be followed is that of a normal transfer from a previous Local Government Pension Scheme i.e.:

- The members will be admitted to the London Borough of Havering pension scheme and will then be subject to 22% employer contribution rate (the employee rate is dependent upon their salary)

- The pension team will write to the previous authorities requesting transfer estimates, calculated in accordance with actuarial guidance issued by the Secretary of State
- Once the details are received, the pensions team will write to the members, highlighting the 'pros and cons' of transferring and ask them to make their decision.
- If members elect to transfer, the pension team will ask the previous authority to make the payment of the relevant transfer value.
- The transfer value, paid from the pension fund, should be enough to cover previous pension liabilities so there is no need for any budget from individual services for pension costs.

However, if any local authority exceeds the bulk transfer number of 10 members, then the process will need to be reviewed and could impact on timescales and costs. The above process will be factored into the formal consultation period.

### **Havering specific risks**

#### **Redundancy risks after go-live**

There is a clear risk around the potential costs of redundancy falling to Havering (as the lead authority) after staff have been TUPE transferred into the model and onto Havering's terms and conditions. The mitigation for this will be the partnership and risk sharing agreement which will be formulated by the project board prior to go-live. The risk-sharing agreement will state that any costs of redundancy will be shared among the partner organisations, should the model fail.

#### **Risks around not transferring Staff under TUPE**

The DFE / national feedback suggest the following:

- The preferred method for the DFE is TUPE
- The feedback nationally about secondment arrangements is not positive

Members of the HR work stream have considered the DFE and national feedback set out the following points as the rationale for a TUPE process before going live with the new model:

- In reality, secondment is an interim arrangement which delays a true go live process and is not a means of securing a permanent change
- Due to the significant changes to the way Adoption services will be delivered across the 4 boroughs i.e. new ways of working, changes to job profiles and location, under TUPE regulations (ETO reasons) this allows the host borough to consult formally on these issues and make the necessary long term changes to enable the ELA to become a successful integrated agency.
- Long term secondments are likely to have TUPE implications There are a host of management issues that can stem from not having all staff managed

under the same management structure / processes and different working conditions

- Secondment arrangements can inhibit real culture change which is required for a newly configured service. There are potential funding issues if posts become vacant / are taken out during secondment arrangements. It may also create some recruitment and retention issues.
- It is much more difficult to create a new identity under seconded arrangements

**Equalities implications and risks:**

See appendix C

**BACKGROUND PAPERS**

None

**Appendices:**

***Appendix A – ELRAA full business case***

***Appendix B – Pan-London finance and risk sharing principles***

***Appendix C – EIA and covering letter***

***Appendix D – Benefits of Regionalisation***