

Title: New approval process for prospective adopters and legislation on referrals to the Adoption Register IA No: Lead department or agency: Department for Education Other departments or agencies:	Impact Assessment (IA)			
	Date: 27/02/2013			
	Stage: Final			
	Source of intervention: Domestic			
	Type of measure: Secondary legislation			
Contact for enquiries: Alison Mattock 0114 2742274, David Pearce 02077838355				

Summary: Intervention and Options	RPC Opinion: GREEN
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
£4.68m	£0.53m	-£0.06m	Yes OUT

What is the problem under consideration? Why is government intervention necessary?

The current assessment process for families wishing to adopt leads to a loss of potential prospective adopters from the system, thereby contributing to the gap between the numbers of children awaiting adoption and the number of families approved to adopt them. Evidence also shows that delay in finding suitable adoptive families for children is associated with the time it takes before local authorities decide to seek a family outside of their own group of approved adopters. Delay in finding adoptive families for children and can have adverse consequences for their well-being.

What are the policy objectives and the intended effects?

Firstly, to speed up the approval process from initial enquiry through to assessment and, at the same time, to improve the quality of service received by, and the experience of, prospective adopters, with a view to increasing the numbers that enter and complete the process. Secondly, to ensure that everything possible is done at both national and local level to speed up the matching of approved prospective adopters with children. The overarching intention of both objectives is to reduce the amount of time children wait to be placed for adoption with a suitable adoptive family.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Through legislation to:

- introduce a new, shorter two stage approval process with initial training and preparation (including required checks) separated out from full assessment, and fast track procedures for previous adopters and approved foster carers; and
- place a duty on adoption agencies to refer children and adopters promptly to the adoption register if local matches are not being actively sought; to ensure that the information held on the register is kept up to date; and to agree a matching plan with approved adopters setting out what the adopters will do and to what timescales, to search for a child, along with the on-going support to be provided by the agency.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: Month/Year					
Does implementation go beyond minimum EU requirements?				N/A	
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro No	< 20 Yes	Small Yes	Medium Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)				Traded: N/A	Non-traded: N/A

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible SELECT SIGNATORY: _____ Date: _____

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year 2013	PV Base Year 2013	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate: £4.68m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low			
High			
Best Estimate		£0.016m	£0.134m

Description and scale of key monetised costs by 'main affected groups'

An increase in child and adopter referrals to the Adoption register by local authority agencies will require the use of register team resource to process these referrals.

Other key non-monetised costs by 'main affected groups'

An increase in referrals by Local authority agencies will require the use of LA agency resource.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low			
High			
Best Estimate		£0.559m	£4.814m

Description and scale of key monetised benefits by 'main affected groups'

Cost reductions to voluntary adoption agencies and local authority agencies through the fast-track method in the new assessment process.

Other key non-monetised benefits by 'main affected groups'

Cost reductions to voluntary adoption agencies and local authority agencies through unsuitable adopters being identified at an earlier point in the assessment process. Cost savings to local authorities due the lower cost of maintaining children in adoptive placements. Benefits to children, prospective adopters and wider society through the positive welfare effects associated with the creation of stable adoptive placements.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
<p>The new assessment process aims to increase the number of individuals who proceed through assessment. It is not possible to predict the increase in the number of approved adopters due to changes in the process. The monetised impacts associated with the new process are therefore derived under current adoption levels.</p>		

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: £0.0m	Benefits: £0.1m	Net: £0.1m	Yes	OUT

Evidence Base (for summary sheets)

Problem Under Consideration

1. The fundamental problem we are trying to address is delay in the adoption system and the impact that this has on the welfare of children. For looked after children who go on to be adopted, the average time between them entering care and moving in with their adoptive family is one year and ten months.¹
2. Delay in finding a suitable adoptive family for a child can cause lasting harm. Research shows that children need to form attachments, or secure and stable relationships, with one or two main carers in order to develop physically, emotionally and intellectually.² Children who are insecurely attached have more difficulties regulating their emotions and showing empathy for others. They may also have difficulties forming attachments later in life.³ A study following up a sample of children who were adopted or in long-term foster care, found that the later a child was placed with permanent carers, the lower the chances of improvement in relation to their emotional and behavioural difficulties.⁴ These difficulties, in turn, are associated with an increased risk of the adoptive placement breaking down.⁵ Furthermore, there is also evidence showing that a child's likelihood of achieving an adoption reduces with each year of delay.⁶

The existing adoption assessment process contributes to the current mismatch between the numbers of children awaiting adoption and the number of families approved to adopt

3. One of the reasons why children miss out on adoption altogether, or spend most of their early childhood waiting to be matched with a family, is the disparity between the numbers of children awaiting adoption and the families approved to adopt them. We estimate that there are currently at least 3,000 more children in foster care waiting for adoption than there would be if we had sufficient adopters.⁷ To address this gap, we need to recruit more prospective adopters and we need to do more to encourage and help them to adopt children with more complex needs.
4. Many people give up before becoming approved adopters or are deterred from pursuing their interest in the first place because adoption agencies respond slowly or not at all to initial enquiries. For example, an Ofsted survey of 147 Local Authorities and 33 Voluntary Adoption Agencies) showed that of the 25,380 initial enquiries made to these agencies in 2011-12 only 16% (4,145) went on to become applications for adoption.⁸ Many prospective adopters feel unable to ask obvious questions or discuss their concerns openly during initial training and preparation because this runs in parallel with, and so may compromise, the assessment of their suitability to adopt. Above all, many prospective adopters find that the process takes much longer than the eight month timescale in the statutory adoption guidance, sometimes with no clear sense of when it will end. Adoption UK (2010), for example, in a survey of their prospective adopter members, found that in only 50 per cent of cases were applications submitted to an adoption panel within eight months of the application being accepted.⁹

¹ See Table E2 of National Statistics on Children Looked After
<http://www.education.gov.uk/rsgateway/DB/SFR/s001084/>

² Ward, H.; Brown, R. and Westlake, D. (2012) *Safeguarding Babies and Very Young Children from Abuse and Neglect*. Jessica Kingsley Publishers.

³ Child Welfare Information Gateway (2009) *Understanding the effects of maltreatment on brain development*.
www.childwelfare.gov/pubs/issue_briefs/brain_development/

⁴ Biehal, N.; Ellison, S.; Baker, C. and Sinclair, I. (2010) *Belonging and Permanence. Outcomes in long-term foster care and adoption*. British Association for Adoption and Fostering.

⁵ Selwyn, J.; Sturgess, W.; Quinton, D. and Baxter, C. (2006) *Costs and outcomes of non-infant adoptions*, British Association for Adoption and Fostering.

⁶ Selwyn *et al* (2006) *Ibid*

⁷ Department for Education (2013). *Further Action on Adoption: Finding More Loving Homes*
<https://www.education.gov.uk/publications/eOrderingDownload/Further%20Action%20on%20Adoption.pdf>

⁸ Ofsted (2012) *Adoption quality assurance and data forms 2011-12 first statistical release* <http://www.ofsted.gov.uk/resources/adoption-quality-assurance-and-data-forms-2011-12-first-statistical-release>

⁹ Adoption UK, (2010). *Waiting to be parents: adopters' experiences of being recruited*.
<http://www.adoptionuk.org/files/242948/FileName/Waitingtobeparents-adopters'experiencesofbeingrecruited.doc>

Slowness in seeking an adoptive family outside of a local authority's own group of approved adopters contributes to delay

5. Local authority adoption agencies (LAs) can search for an adoptive parent for a looked after child amongst the prospective adopters that they have approved themselves (an 'internal placement') or they can seek out prospective adopters approved by other LAs or by Voluntary Adoption Agencies (VAAs) (an 'external placement'). VAAs (who are all civil society organisations) focus their effort on the recruitment and assessment of prospective adopters and in providing support to matches after the adoption. The Adoption Register is one tool that LAs can use in order to find external placements. It is a nationwide database holding information on children awaiting adoption and prospective adopters awaiting a match.¹⁰ When a LA refers a child to the register, a search is conducted by the register team and details of prospective adopters identified as a potential match are sent to the child's social worker. The social worker then considers whether to pursue these links. The social worker then considers whether to pursue these links. The Register is currently run by the British Association for Adoption and Fostering (BAAF) (a civil society organisation) under contract to the Department for Education so if any extra costs were to be incurred they would be covered by the Department. The contract will be re-tendered later in 2013 and a new contract will begin on 1 April 2014. The changes this IA covers will only relate to the new contract. It is free of charge for adoption agencies to use.
6. Current statutory guidance requires agencies to use the Adoption Register promptly and to keep the information held on it up to date.¹¹ The rationale for this is to ensure that external placements are considered promptly by LAs if internal placements are not being actively sought and to ensure that the Register serves as an effective matchmaking tool. More specifically, the guidance urges:
 - LA agencies to refer children to the Adoption Register when they are not actively considering a local match for the child, i.e. being in the process of exploring a potential match with a named prospective adopter. Referrals can be made either when the agency's decision-maker has decided that the child should be placed for adoption or after three months of that decision during which the agency had unsuccessfully sought a local or consortium match;
 - LAs and VAAs to refer prospective adopters to the Register either at the point the prospective adopter is considered suitable to adopt, or three months after approval to adopt and if the agency is not actively considering a local match with a child. Actively considering is defined as "being in the process of exploring a potential match with an identified, named child(ren)" and
 - agencies to ensure that the information the Adoption Register holds prospective about adopters and children is kept up to date. Any change in the child's circumstances must be notified to the Register.
7. Despite this statutory guidance, evidence suggests that many LAs do not make good use of the Adoption Register and that this contributes to delay in the adoption system. A recent study into family finding and matching, for example, identified that in 30 per cent of cases, delay was associated with slowness in seeking a family outside of a local authority's own group of approved adopters.¹² Here, delay was defined as a child waiting more than 6.5 months for a match after the adoption recommendation. A leading group of experts from across the adoption sector, who the Government asked to help rethink adoption system, also emphasised that it is 'essential that there is enforcement

¹⁰ <http://www.adoptionregister.org.uk>

¹¹ <http://www.education.gov.uk/aboutdfe/statutory/g0072314/guidance>

¹² Farmer, E.; Dance, C.; Beecham, J; Bonin, E., and Ouwejan, D. (2010). An investigation of family finding and matching in adoption- briefing paper. DfE-RBX-10-05.

<http://www.adoptionresearchinitiative.org.uk/briefs/DFE-RBX-10-05.pdf>

The study was based on 149 children in 10 English Local Authorities who had an adoption recommendation at panel. 82 were sampled retrospectively and 67 sampled prospectively in 'real time'.

of the requirement for regular updating of information (especially medical) about children who are waiting since its lack of availability discourages prospective parents'.¹³

Rationale for Intervention

8. Delay in finding a suitable adoptive family for a child can have adverse consequences for their well-being. One reason for this delay is a mismatch between the number of approved adopters and the number of children waiting to be adopted. Evidence suggests that a slow and unwelcoming approval process for those looking to adopt a child contributes to this mismatch. Another reason for delay is slowness by LAs in seeking an adoptive family outside of their own group of approved adopters.

Description of the Policy Change

9. There are three policy measures:

- A new assessment process for families wishing to adopt a child.
- A requirement for adoption agencies to agree a matching plan with approved prospective adopters.
- Legislative changes surrounding agency usage of the adoption register.

A new assessment process for families wishing to adopt a child

10. We intend to introduce a new, time-bound, two stage approval process with initial training and preparation and required checks separated out from full assessment and fast track procedures for previous adopters and approved foster carers.¹⁴ The main features are:
 - **A new, time-bound, two-stage approval process framework.** This will allow potential adopters first to learn more about adoption, and then to move quickly to the main assessment process. The assessment process will comprise of a two month initial training and preparation stage (stage one) followed by a four month assessment stage (stage two). In stage one, prospective adopters will use materials that offer them the opportunity to develop their understanding of adoption and to reflect on what they have to offer before deciding whether to submit an application to be assessed. Agencies will carry out all statutory checks and seek references. This has the benefit of accelerating the process by 'front-loading' it and also of eliminating the need for wasteful investment in more detailed assessments for applicants with clear contra-indicators, so that social worker time is freed up to concentrate on those prospective adopters who are most likely to be approved.
 - **Information giving.** Adoption agencies provide an information session, a visit, pre-planned telephone call or similar arrangement for those people who want to find out more before deciding whether formally to register their interest. These will inform prospective adopters about adoption, the children available for adoption and the approval process itself. Some agencies already currently operate information sessions.
 - **Assessment 'plans'.** Adoption agencies will draw up and agree with prospective adopters plans at both stages setting out what will be involved and what the timetable will be given their particular circumstances. This should increase adopter understanding of the assessment process and what this will entail with a view to ensuring that they do not lose interest and pull out.

¹³ The members of this group and its full set of reform proposals can be found here: <http://www.education.gov.uk/childrenandyoungpeople/families/adoption/a00205069/action-plan-for-adoption-tackling-delay>

¹⁴ Further detail of the changes can be found in the expert working group on adoption's report and the consultation document produced by the Department for Education. <https://www.education.gov.uk/publications/eOrderingDownload/working%20groups%20report%20on%20redesigning%20adoption.pdf>
<https://media.education.gov.uk/assets/files/pdf/a/adoption%20and%20fostering%20tackling%20delay%20-%20consultation%20document.pdf>

Some agencies will already operate similar agreements on an informal basis. The cost of drawing up such agreements is expected to be small.

- **Independent Review Mechanism (IRM).** Prospective adopters can apply to the IRM for a review of the adoption agency's determination should the agency consider them not to be suitable to adopt.¹⁵ Under the new process, a prospective adopter's access to the IRM will be restricted to decisions made at stage two. This is expected to meet reduce the burden on agencies and the IRM of spending time preparing cases where decisions were purely made on statutory checks.
- **A fast-track process for people who have adopted before and foster carers.** It is envisaged that, in the majority cases, prospective adopters from these groups would skip stage one (although decisions about fast-tracking would need to be made on a case by case basis) and will receive a specially tailored assessment (the extent of which would be determined in each individual case).

A requirement for adoption agencies to agree a matching plan with approved prospective adopters

11. In addition to these changes to the explicit assessment process, we also propose to require all adoption agencies to agree with each approved prospective adopter a plan setting out what the adopter will do and to what timescales to search for a child, along with the ongoing support to be provided by the agency - the delivery of which to be monitored and subject to report in the agency's annual report. This matching plan will also be covered in legislation.

Legislative changes surrounding agency usage of the adoption register

12. To ensure the effective use of the adoption register as a mechanism to identify external placements, we also intend to transfer the statutory guidance around agency use of the register (see paragraph 6) into regulations. This suggestion was presented by a leading group of experts from across the adoption sector.¹⁶ The proposed legislative change will require LAs to make full and timely use of the Adoption Register, as one available route for searching out an external match, when a suitable internal/local placement cannot be found. It will also improve the accuracy of the information stored on it, so that potential matches are identified at the earliest possible stage.
13. The proposed legislative changes regarding the register will not impact on Ofsted as the current National Minimum Standard, which they use in their inspections, already include this. Standard 13.2 states that "The prospective adopter's details are referred to the Adoption Register as soon as they have been approved as suitable to adopt if they consent and it seems unlikely that there will be a placement with a child in their area, or at three months when no locally identified match is being actively pursued. Prospective adopters are advised that they may refer themselves to the Adoption Register three months after their approval". The legislative changes will underline that this is an issue to consider when making their judgement on adoption services but will not add any extra requirements.

Costs and Benefits to Business

14. In this section we lay out the cost and benefit estimates to business. We cover each of the policy measures set out in paragraph 9 in turn.

A new assessment process for families wishing to adopt a child

15. The recruitment and assessment of prospective adopters is carried out by Local Authorities (LAs) and also by Voluntary Adoption Agencies (VAAs). There are 22 Voluntary Adoption Agencies (VAAs)

¹⁵ The IRM allows applicants to apply to an independent body to review an agency's determination not to approve them as adopter. It started operation in April 2004.
<http://www.independentreviewmechanism.org.uk/>

¹⁶ The members of this group and its full set of reform proposals can be found here:
<http://www.education.gov.uk/childrenandyoungpeople/families/adoption/a00205069/action-plan-for-adoption-tackling-delay>

in England.¹⁷ Some of these have more one branch. 49 branches were registered with Ofsted in England at 31 March 2012.¹⁸ Ofsted data shows that there were 3,516 applications from people wishing to adopt in 2011/12 received by the LA agencies that responded to their survey. The LA return rate was 98 per cent. 629 applications were received by the VAAs that responded. The return rate for VAAs was 82.5 per cent.

16. To derive an estimate of the cost-benefit implication of the policy measure to VAAs we have estimated the cost to VAAs to approve an adopter under the existing process and the cost to VAAs under the new process. To do this, we have applied a bottom-up costing methodology.¹⁹ This entails identifying the activities within a service or process and then deriving a cost estimate of each one. We collected information to populate the model from various sources, including published literature and information collected informally from VAAs and LAs.²⁰
17. The model uses estimates of the time taken by each worker in a VAA to complete actions during the adopter approval process. It then derives the cost of each action by multiplying the time estimate by an estimate of the unit cost of each worker's time. The costs of each action are then added together to produce the total cost per worker per approved adopter. This is then multiplied by the number of total adopters involved to produce national-level figures across all VAAs.
18. The model covers the period up to the decision at the end of stage two so covers information giving and assessment but not actions relating to the Independent Review Mechanism (IRM). Any cost changes relating to the IRM are likely to be reductions as prospective adopters will only be able to make representations regarding decisions made at Stage Two rather than at any stage in the process as currently happens. Between 1 April 2011 and 31 March 2012 the IRM accepted 15 adoption cases so a reduction in numbers would only achieve negligible savings.
19. Table 1 shows the number of hours taken by each worker in a VAA to complete each main action within the current adoption approval process. The main workers involved in the process are administrators, family placement workers, family placement managers, adoption planning managers, and Chief executives. Table 2 shows the figures for the new adoption process.

¹⁷ http://www.cvaa.org.uk/news/stats12/CVAA_Sector_Performance_Report-ENGLAND2011-12.pdf

¹⁸ Ofsted (2012) Adoption quality assurance and data forms 2011-12 first statistical release <http://www.ofsted.gov.uk/resources/adoption-quality-assurance-and-data-forms-2011-12-first-statistical-release>

¹⁹ Beecham, J. (2000). Unit costs - Not exactly child's play. A guide to estimating unit costs for children's social care. Report for the Department of Health. <http://www.pssru.ac.uk/pdf/B062.pdf>

²⁰ Dance, C. Ouwejan, D., Beecham, J. and Farmer, E. *Linking and Matching: A survey of Adoption Agency Practice in England and Wales*, (London: BAAF, 2010); Department for Education, *The Adoption and Children Act 2002: Adoption Statutory Guidance*, (2011); Department for Education, *Adoption and Fostering: Tackling Delay*, (2012); Holmes, Lisa, McDermid, Samantha, Sempik, Joe, *The Costs of Short Break Provision*, (DCSF, 2010); Personal Social Services Research Unit (PSSRU), *Unit Costs of Health and Social Care 2011*, (Canterbury, 2011); Selwyn, JT, Sturgess, W, Quinton, DL & Baxter, C. *Costs and outcomes of non-infant adoptions*, British Association for Adoption and Fostering (BAAF, 2006)

Table 1: Estimated number of hours to complete each stage in the current adoption approval process

	Administrator	Family Placement Worker	Family Placement Manager	Adoption Planning Manager	Chief Executive
ENQUIRY STAGE					
Enquiry to Agency	0.21	0.00	0.00	0.00	0.00
Referral Conversation	1.60	0.63	0.00	0.00	0.00
Information Session (client facing elements of work)	0.00	1.63	0.00	0.00	0.00
Information Session (non-client facing elements of work)	0.00	0.03	0.00	0.00	0.00
Initial Meeting (client facing elements of work)	0.00	2.00	0.00	0.00	0.00
Initial Meeting (non-client facing elements of work)	0.00	2.00	0.50	0.00	0.00
Provide Application Form to Adopter	<u>0.25</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
total for enquiry stage	2.06	6.28	0.50	0.00	0.00
APPROVAL STAGE					
Potential Adopter Completes Application Form and Submits	0.00	0.00	0.00	0.00	0.00
Agency Sets Up Case Record	0.25	0.00	0.00	0.00	0.00
CRB/Police Checks	1.00	0.00	0.00	0.00	0.00
Interviews with Prospective Adopter (client facing elements of work)	0.00	21.50	0.00	0.00	0.00
Interviews with Prospective Adopter (non-client facing elements of work)	0.00	19.00	0.00	0.00	0.00
Potential Adopter Preparation and Training (client facing elements of work)	0.27	9.00	0.00	0.00	0.00
Potential Adopter Preparation and Training (non-client facing elements of work)	0.00	3.00	0.00	0.00	0.00
Health Check	0.00	0.50	0.00	0.00	0.00
Other Checks	0.00	2.50	0.00	0.00	0.00
Meetings with Referees (client facing elements of work)	0.00	4.50	0.00	0.00	0.00
Meetings with Referees (non-client facing elements of work)	0.00	3.00	0.00	0.00	0.00
Family Placement Worker Writes Prospective Adopter's Report (PAR)	0.00	19.50	0.00	0.00	0.00
supervision by managers	0.00	0.00	3.00	3.00	0.00
PAR reviewed by Managers and Administrator	3.00	0.00	0.00	0.00	0.00
PAR Shared with Prospective Adopter	0.00	0.25	0.00	0.00	0.00
Information/PAR Sent to Adoption Panel	0.00	0.25	0.00	0.00	0.00
Adoption Panel	14.25	2.00	2.00	0.00	0.00
Decision by Agency Decision Maker	<u>0.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2.75</u>
total for approval stage	19.27	85.00	5.00	3.00	2.75
TOTAL FOR WHOLE PROCESS	21.33	91.28	5.50	3.00	2.75

Source: Table is populated by estimates from various sources. These include published estimates (see footnote 15) and information gathered informally from Voluntary Adoption Agencies and Local Authorities.

Table 2: Estimated number of hours to complete each stage in the new adoption approval process

	Administrator	Family Placement Worker	Family Placement Manager	Adoption Planning Manager	Chief Executive
PRE-STAGE ONE					
Enquiry to Agency	0.21	0.00	0.00	0.00	0.00
Referral Conversation	1.60	0.63	0.00	0.00	0.00
Information Session (client facing elements of work)	0.00	1.63	0.00	0.00	0.00
Information Session (non-client facing elements of work)	<u>0.00</u>	<u>0.03</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
total for pre-stage one	1.81	2.28	0.00	0.00	0.00
STAGE ONE					
Potential Adopter Formally Registers Interest	1.75	0.00	0.00	0.00	0.00
Agency Makes Decision on Whether to Accept Registration of Interest (client facing elements of work)	0.00	1.00	1.00	0.00	0.00
Agency Makes Decision on Whether to Accept Registration of Interest (non-client facing elements of work)	0.25	0.50	1.25	0.00	0.00
Police/CRB Checks	1.00	0.00	0.00	0.00	0.00
Initial Adopter Preparation/Training (client facing elements of work)	0.00	6.00	0.00	0.00	0.00
Initial Adopter Preparation/Training (non-client facing elements of work)	0.09	2.00	0.00	0.00	0.00
Health Check	0.00	0.50	0.00	0.00	0.00
Other Checks	0.00	2.50	0.00	0.00	0.00
Meetings with Referees (client facing elements of work)	0.00	4.50	0.00	0.00	0.00
Meetings with Referees (non-client facing elements of work)	0.00	3.00	0.00	0.00	0.00
Agency Make Decision on Whether Potential Adopter Can Proceed to Stage Two	<u>0.25</u>	<u>1.50</u>	<u>1.75</u>	<u>0.00</u>	<u>0.00</u>
total for stage one	3.34	21.50	4.00	0.00	0.00
STAGE TWO					
Prospective Adopter Informs Agency That they Wish to Proceed to Stage Two	0.25	0.00	0.00	0.00	0.00
Agency Makes Assessment Agreement with Potential Adopter	0.00	1.50	0.00	0.00	0.00
Interviews with Prospective Adopter (client facing elements of work)	0.00	21.50	0.00	0.00	0.00
Interviews with Prospective Adopter (non-client facing elements of work)	0.00	19.00	0.00	0.00	0.00
Intensive Adopter Preparation / Training (client facing elements of work)	0.00	3.43	0.00	0.00	0.00
Intensive Adopter Preparation / Training (non-client facing elements of work)	0.09	1.14	0.00	0.00	0.00
Family Placement Worker Writes Potential Adopter's Report (PAR)	0.00	13.07	0.00	0.00	0.00
supervision by managers	0.00	0.00	2.50	2.04	0.00
PAR reviewed by Managers and Administrator	2.00	0.00	0.00	0.00	0.00
PAR Shared with Prospective Adopter	0.00	0.25	0.00	0.00	0.00
Information/PAR Sent to Adoption Panel	0.00	0.25	0.00	0.00	0.00
Adoption Panel	14.25	2.00	2.00	0.00	0.00
Decision by Agency Decision Maker	<u>0.05</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2.25</u>
total for stage two	16.64	62.14	4.50	2.04	2.25
TOTAL FOR WHOLE PROCESS	21.79	85.92	8.50	2.04	2.25

Source: Table is populated by estimates from various sources. These include published estimates (see footnote 15) and information gathered

20. Table 4 shows the estimated costs to a VAA of assessing an adopter that goes through the full assessment process. To derive these estimates, the time estimates reported in tables 1 and 2 above are multiplied by the unit costs per hour of each worker. **Unit costs estimates were sourced from information in PSSRU (2011) and the calculations are also laid out in table 3.**²¹ We estimate a unit cost of £18 per working hour for administrators, a unit cost of £25 for family placement workers, and a unit cost of £32 for family placement and adoption planning managers. To estimate the unit cost for the head of the agency, who as shown in tables 1 and 2 has some involvement in the final decision making at the end of the assessment, we turn to PSSRU (2011, p.17). This shows that the full unit cost of the head of service (including all overheads) is three times the full unit cost of a social worker (equivalent to a ‘family placement worker’). We therefore use an estimate of £75 for the relevant unit cost for this occupation (e.g. £25 x 3). These figures are derived from local government estimates but have been used here for both LAs and VAAs as separate information is not available on unit costs within VAAs. Since our unit costs are based on salary and salary on-costs, any differences in unit costs between LAs and VAAs will stem from differences in labour compensation across the two sectors. Selwyn et al (2009) provides evidence for similar average payroll costs in VAA and LA adoption teams.²²

Table 3: Unit cost estimates for workers involved in the adoption assessment process

	Administrator	Family placement worker	Family placement manager / Adoption planning manager
annual salary	£22,214	£30,441	£38,328
salary on-costs	£6,110	£8,644	£11,074
	£28,324	£39,085	£49,402
maximum number of working days per year ¹	261	261	261
number of days of annual leave	29	29	29
number of statutory leave days	8	8	8
number of study/training days	5	10	10
number of days for sickness leave	9.2	9.2	9.2
actual number of working days per year	210	205	205
actual number of working hours per annum ²	1573	1535	1535
unit cost per hour of working time ³	£18	£25	£32
Source for estimates	PSSRU (2011, p.158)	PSSRU (2011, p.157)	PSSRU (2011, p.155)

¹ This is given by 52.1775 weeks in year multiplied by 5 working days in a week

² This is given by actual number of working days per year multiplied by 7.5

³ This is given by annual salary + salary on-costs divided by number of working hours per annum

21. We estimate the value of the resources spent engaged in the adoption assessment process – and the resource cost savings from changes in the amount of time spent on the assessment process - based upon the employer’s maximum willingness to pay for that resource. Table 3 shows that employers are willing to pay £28,324 for the annual output produced by the (marginal) administrator. Since administrators spend 1,573 hours engaged in output production, this implies a value of £18 for the output produced in an hour of production time.

²¹ PSSRU (2011). Unit costs of health and social care (2011)

²² Selwyn, J., Sempik, J., Thurston, P., and Wijedasa, D. (2009). Adoption and the Inter-agency Fee Research Report No DCSF-RR149

Table 4: Adopter approval process - average costs to the agency per prospective adopter completing all stages

	Administrator	Family Placement Worker	Family Placement Manager	Adoption Planning Manager	Chief Executive	Totals
<u>current adoption process</u>						
enquiry stage	£37.05	£157.03	£16.00	£0.00	£0.00	£210.08
approval stage	£346.82	£2,125.00	£160.00	£96.00	£206.25	£2,934.07
total	£383.87	£2,282.03	£176.00	£96.00	£206.25	£3,144.15
<u>new adoption process</u>						
pre-stage one	£32.55	£57.03	£0.00	£0.00	£0.00	£89.58
stage one	£60.11	£537.50	£128.00	£0.00	£0.00	£725.61
stage two	£299.51	£1,553.41	£144.00	£65.33	£168.75	£2,231.00
total	£392.16	£2,147.94	£272.00	£65.33	£168.75	£3,046.19

Note: Cost estimates in 2010/11 prices.

22. Table 4 shows that the estimated costs of completing the full current assessment (£3,144.15 in 2010/11 prices) and the estimated costs of completing the full new assessment process (£3,046.19 in 2010/11 prices) are estimated to be very similar, though marginally less under the new process.
23. Deriving the expected realised total cost saving to VAAs due to the new two stage assessment process is challenging because not all adopters that submit applications to adopt complete the full assessment process and the new process is likely to affect the timing of withdrawals. To derive an estimated cost saving requires knowledge of the distribution of when in the current assessment process people drop out **and** knowledge of the distribution of when people will drop out in the new assessment process. National level data is not collected on the former and the latter is unobserved as the new process has not yet been implemented.
24. Table 5 below shows the number of applications to adopt received by VAAs in each of the last five years against the number of applications that they have approved in each of these years. Data from Ofsted indicates that those who are not approved tend to drop out at some point during the assessment process. Few complete the full process and then have their application refused by the agency decision maker.²³ Across all adoption agencies (VAA and local authority) that responded to their survey there were 4,145 applications from people wishing to adopt in 2011/12, but only 22 applications for approval rejected by the agency decision maker in the same period.

Table 5: number of adoption applications versus number of adopters approved by VAAs

	2007-08	2008-09	2009-10	2010-11	2011-12
Number of applications received by VAAs	620	504	515	510	664
Number of adopters approved by VAAs	419	461	423	373	435

Source: http://www.cvaa.org.uk/news/stats12/CVAA_Sector_Performance_Report-ENGLAND2011-12.pdf

25. The new process is also expected is to allow for unsuitable adopters to be identified at an earlier point in the assessment process. There are two main routes through which earlier identification will materialise:

²³ <http://www.ofsted.gov.uk/resources/adoption-quality-assurance-and-data-forms-2011-12-first-statistical-release>

- Agencies will supply more information to adopters nearer the beginning of the process (see 'description of the policy change' section above). This will therefore enable potential adopters that discover that adoption is not for them, to discover this earlier. Those who are not suited to adoption are expected to self-select out the process nearer the start of the assessment, thereby reducing the amount of agency resource devoted to them.
- Under the existing system, prospective adopters who are not approved have the right to make representations to the Independent Review Mechanism (IRM). Under the new process only prospective adopters who are not approved during Stage two will have that right; those not approved during or at the end of Stage one can use existing local complaints procedures (i.e. those of the agency), but not the IRM. This should have the effect of agencies feeling more able to exclude unsuitable applicants earlier rather than feeling they need to continue towards completing the process in case it gets referred to the IRM.

26. We can, however, derive an estimate of the cost-saving to VAAs that accrues though the new fast track process for people who have adopted before and for people already approved to foster. As noted above, these people will skip stage one of the new process and will receive a tailored assessment (to take account of factors such as their previous experience of adopting or fostering and the needs of the child they have previously adopted/fostered) It is expected that their tailored assessment will typically utilise equal or less agency resource than those proceeding under the full assessment process.

27. Data from the CVVA shows that 11.03 per cent of all the adopters they approved in 2011-12 were second time adopters.²⁴ National level data from Ofsted shows that, of all agencies that returned a response, 280 foster carers were approved on a date between 1 April 2011 and 31 March 2012 to adopt the child/children they were fostering. 3,048 applications in total were approved by the responding agencies within the same time period. Given this, we estimate that at least 9.19 per cent of approved adopters have already been approved to foster (e.g. 280 / 3,048).

28. With 435 adopters approved by VAAs each year, this implies that 48 are second time adopters and at least 40 are approved foster carers. This is given by (435×0.1103) and (435×0.0919) , respectively. The cost for these applications to go through the current adoption process is estimated to be **£3,144.15** (see table 4 above). The cost of them to go through the new process is less and is given by **£89.58 + £2,231.00** (see table 3 above). This implies a total cost saving of **£72,474.18** (2010/11 prices) per annum across all these adopters. This is given by **(£150,919.33 + £125,766.11) – (£111,387.96 + £92,823.30)**. Table 6 below lays out the relevant calculations.

Table 6: Cost savings to VAAs due to the fast track process for people who have adopted before and foster carers

	number per year	cost of each adopter to go through current process	total cost of adopters to go through current process	cost of each adopter to go through new process	total cost of adopters to go through new process
second time adopters	48	£3,144.15	£150,919.33	£2,320.58	£111,387.96
approved foster carers	40	£3,144.15	£125,766.11	£2,320.58	£92,823.30
			£276,685.44		£204,211.25

Note: Cost estimates in 2010/11 prices.

A requirement for adoption agencies to agree a matching plan with approved prospective adopters

29. VAAs they will be required by legislation to agree with each approved prospective adopter a plan setting out what the approved prospective adopter will do and to what timescales to search for a child, along with

²⁴ http://www.cvaa.org.uk/news/stats12/CVAA_Sector_Performance_Report-ENGLAND2011-12.pdf

the ongoing support to be provided by the agency. Feedback from the VAA sector reveals that this requirement will require only 'minimal additional time input' for VAAs. VAAs, whose main purpose is to assess and approve families to adopt and to aid in finding a match for them, already agree informal plans with approved prospective adopters setting out the process for finding matches. This legislative change is intended to formalise the process, ensuring that best practice is followed by agencies when they engage in making these plans with prospective adopters. It is the formalisation of the process which may generate a marginal increase in preparation time to social workers. The resource implications to VAAs of this requirement are therefore not significant.

Legislative changes surrounding agency usage of the adoption register

30. This measure means that Voluntary Adoption Agencies (VAAs) are now compelled by legislation rather than statutory guidance to refer approved prospective adopters to the Register as soon as possible but no later than three months after approval unless they are actively considering a match of that prospective adopter with a child. This change, however, is not expected to change the number of adopter referrals made by VAAs to the register. It is in VAAs best interests to find a match for the adopters that they have approved as swiftly as possible and the Register is one route through which matches can be found. The Register is free of charge for VAAs to use and VAAs are compensated financially by LAs (in order to cover the costs that the VAAs incur in recruiting and assessing) when an LA uses one of their approved adoptive families.²⁵ Informal discussion with the Adoption register team confirms this prediction. They do not expect to see any variation in the number of adopter referrals from VAAs. For this reason, there are no resource implications for VAAs due to this measure; they are not expected to have to dedicate more resource in processing referrals to the adoption register team.
31. The measure is, however, expected to have resource implications for the Adoption Register team who are managed by BAAF (a civil society organisation). Informal discussion with them suggests that they expect to see an increase in **referrals** of approved adopters and children from Local Authority Adoption Agencies due to the new legislative duty to refer. For the legislative duty relating to Adoption Agencies to **update information**, the register team were unable to approximate the increase in the number of update requests that will occur due to the duty. However, they suggest it is possible that they will not see a significant increase in such requests.
32. Although quantitative prediction of the change in referrals is challenging, the register team suggest an increase in the number of children referred by LAs of between 10 and 20 per cent. We therefore use 15 per cent as our central estimate. They expect an increase of around 20 to 25 per cent of prospective adopters referred to the register from LAs. We use 22.5 per cent as our central estimate.
33. To value the cost implications to business of increased referrals, we combine unit cost estimates of the adoption register team resource with estimates of the increase in time the register will have to spend in processing these referrals. We assume that the unit cost of a register operator is £18 per hour in 2010/11 prices. This is derived from PSSRU (2011)'s estimate of the unit cost of a social work assistant and incorporates salary and salary on-costs.²⁶
34. In 2011/12, the register received 2,536 child referrals from English LA adoption teams. They report that they received 711 adopter referrals from English LA and VAA adoption teams and that 60 per cent of these were referred by LA adoption teams. This therefore equates to 427 referrals from English LA adoption teams.²⁷ This implies that the duty to refer will lead to 380 additional child referrals to the register team (e.g. 2536×0.15) and 96 additional adopter referrals (e.g. 427×0.225).
35. The process of entering a child's details into the database, completing a search, sending out the links to all the social workers involved and then seeking feedback from the child's social worker varies for each child, however the register team advise that a reasonable approximation is around 2 hours. The time taken to process a prospective adopter referral varies across adopters, however the register

²⁵ <http://www.cvaa.org.uk/authorities/fees.php>

²⁶ PSSRU (2011). Unit costs of health and social care (2011)

²⁷ <http://www.adoptionregister.org.uk/UserFiles/File/Annual%20Report%202011-12%20-%20English.pdf>

team advise that a reasonable approximation would be around 30 minutes.

36. Applying the assumptions derive above, we estimate that the legislative changes surrounding agency usage of the adoption register will have resource cost implications of £14,544 per annum to the register team (2010/11 prices). The calculations are laid out in table 7 below.

Table 7: Cost Implications to Register Team from Additional Referrals

	number of additional referrals	Hours spent processing each referral	Cost of processing all referrals
children	380	2 hours	£13,680
adopters	96	0.5 hours	£864
			£14,544

Note: cost is derived by applying a unit cost estimate of £18 per hour. Cost estimates are in 2010/11 prices.

Overall Estimate of Business Impact

37. There are two groups of civil society organisation affected by this policy measure: Voluntary Adoption Agencies (VAAs), who recruit and assess prospective adoptive parents; and the Adoption Register team who are managed by BAAF. There are 22 registered VAAs in England.²⁸ The adoption register team consist of 11 members of staff. 5 of these work part-time.²⁹

38. This policy measure is in scope of OIOO and is classed as an OUT as the direct benefits to the civil society organisations affected by the measure outweigh the direct costs to them.

39. Above, we monetised a total saving of **£72,474.18** (2010/11 prices) per annum to VAAs due to the fast track process element of the new adoption assessment process. We also monetised a cost of £14,544 per annum to the Adoption Register through the processing of more child and adopter referrals from LAs. The future stream of monetised costs and benefits to civil society organisations over a ten year period is depicted in table 8 below. Values are expressed in 2013 prices through the HMT GDP deflator series.³⁰

Table 8: Discounted Stream of Costs and Benefits to VAAs and the Register over 10 years

Appraisal year	Calendar year	Benefit to VAAs per year (2013 prices)	Discounted benefit to VAAs per year	Costs to Register per year (2013 prices)	Discounted cost to Register per year
0	June 2013 – June 2014	£77,386	£77,386	£15,530	£15,530
1	June 2014 – June 2015	£77,386	£74,769	£15,530	£15,004
2	June 2015 – June 2016	£77,386	£72,240	£15,530	£14,497
3	June 2016 – June 2017	£77,386	£69,797	£15,530	£14,007
4	June 2017 – June 2018	£77,386	£67,437	£15,530	£13,533
5	June 2018 – June 2019	£77,386	£65,157	£15,530	£13,076
6	June 2019 – June 2020	£77,386	£62,953	£15,530	£12,633
7	June 2020 – June 2021	£77,386	£60,824	£15,530	£12,206
8	June 2021 – June 2022	£77,386	£58,768	£15,530	£11,793
9	June 2022 – June 2023	£77,386	£56,780	£15,530	£11,395
			£666,112		£133,674

²⁸ http://www.cvaa.org.uk/news/stats12/CVAA_Sector_Performance_Report-ENGLAND2011-12.pdf

²⁹ <http://www.adoptionregister.org.uk/UserFiles/File/Annual%20Report%202011-12%20-%20English.pdf>

³⁰ http://www.hm-treasury.gov.uk/data_gdp_fig.htm

40. The Business Net Present Value is estimated to be **£532,438**. The net cost to business per year (EANCB on 2009 prices) is **-£0.06m**.
41. As noted above, the full two stage assessment process is also expected to allow for unsuitable adopters to be identified at an earlier point. This will also generate additional savings to VAAs as fewer resources will be dedicated to assessing those applicants who ultimately do not finish an assessment. This additional saving is not monetised. Therefore, this is a lower bound estimate of the net benefits to business.
42. In deriving estimates of the net benefits to VAAs, we have assumed that the number of assessments of prospective that they make in the future follows current levels. In reality, the number of assessments that they carry out is likely to increase. The new time-bound adoption assessment process explicitly attempts to increase the number of individuals who apply and continue through the process. It is not, however, possible to forecast the increase in the number of assessments that will be carried out due to the reform of the process.

Costs and Benefits to Local Authorities

43. The recruitment and assessment of prospective adopters is also carried out by Local Authorities (LAs). Therefore the cost savings associated with the new assessment process also applies to them. Ofsted adoption data reveals that the 147 LA adoption agencies that returned data approved a total of 2,654 applications between 1 April 2011 and 31 March 2012.³¹ Extrapolating this to gain an estimate of the total number of approvals across all LA adoption agencies, gives a figure of 2,708 application approvals by all English adoption agencies in that financial year.
44. Above, we estimated that 11.03 per cent of adopters have already adopted and at least 9.19 per cent of approved adopters have already been approved to foster. We can apply these figures to replicate table 6 above and derive a cost saving estimate to LAs due to the fast track process. These figures are laid out in table 9 below. We estimate a cost saving of **£451,316** per year (2010/11 prices) to local authorities due to the fast track process.

Table 9: Cost savings to LAs due to the fast track process for people who have adopted before and foster carers

	number per year	cost of each adopter to go through current process	total cost of adopters to go through current process	cost of each adopter to go through new process	total cost of adopters to go through new process
second time adopters	299	£3,144.15	£940,101.65	£2,320.58	£693,854.15
approved foster carers	249	£3,144.15	£782,894.02	£2,320.58	£577,825.03
			£1,722,995.67		£1,271,679.18

Note: Cost estimates in 2010/11 prices.

45. There will also be cost implications to Local authorities due to the legislative changes surrounding agency usage of the adoption register. Above, we estimated that the duty to refer will lead to 380 additional child referrals to the register team from local authorities and an additional 96 prospective adopter referrals from local authorities. There will be resource implications to authorities associated with the time it takes them to refer these prospective adopters and children.
46. Changes to the assessment and approval process intend to increase the numbers of families who go apply to adopt. Through reducing the gap between the numbers of children waiting to be matched

³¹ <http://www.ofsted.gov.uk/resources/adoption-quality-assurance-and-data-forms-2011-12-first-statistical-release>. Of the 152 local authorities (LA) in England a maximum of 150 could have responded to the 2011-12 survey. Bedford Borough and Telford & Wrekin are not included in the local authority agency data because, on the 31 March 2012, they did not have an individual local authority adoption agency, but instead were linked to the provision of another local authority.

with a family and the number of families approved to adopt them, the measure intends to reduce delay in finding a suitable match for looked after children with plans for adoption. Likewise, the legislative changes governing adoption agency usage of the register intends to ensure local authorities widen their search for families at as early a stage as possible if no suitable matches are available locally. Both measures will therefore reduce the amount of time children awaiting adoption remain in care. This is expected to lead to cost savings to local authorities as evidence shows that the cost of supporting an adoptive placement is less than the cost of maintaining a child in foster care.

Costs and Benefits to Children and Families

47. The central rationale for the policy measures are to counter the negative effects of delay on the welfare of children awaiting adoption. The vast majority of impact analyses in the area focus on childhood and early-adolescent psychosocial outcomes of adoptees.³² Research evidence shows that children need to form stable attachments to develop emotionally and intellectually. More recently, Selwyn and Wijedasa (2011) present evidence from the first six annual waves of data from the Longitudinal Study of Young People in England (LSYPE) also showing similarities in adoptee outcomes to that of the general population.³³ However, the findings from this study merit caution due to small sample sizes.

48. In addition to this, the policy measures benefit families wishing to adopt both through the more welcoming and faster time-bound approval process and also because the measures intend to increase the speed of matching, meaning these families will spend a longer amount of time with the children they adopt.

Overall Estimate of Impacts across all Affected Groups

49. Combining the monetised costs and benefits to business (see table 8) with the monetised benefits to Local Authorities (see table 9) gives a series of total costs and benefits depicted in table 10 below. The net present value over a 10 year appraisal period and at 2013 prices is estimated to be **£4,680,497**.

Table 10: Discounted Stream of Costs and Benefits over 10 years

Appraisal year	Calendar year	Benefits per year (2013 prices)	Discounted benefits per year	Costs per year (2013 prices)	Discounted costs per year
0	June 2013 – June 2014	£559,288	£559,288	£15,530	£15,530
1	June 2014 – June 2015	£559,288	£540,374	£15,530	£15,004
2	June 2015 – June 2016	£559,288	£522,101	£15,530	£14,497
3	June 2016 – June 2017	£559,288	£504,445	£15,530	£14,007
4	June 2017 – June 2018	£559,288	£487,387	£15,530	£13,533
5	June 2018 – June 2019	£559,288	£470,905	£15,530	£13,076
6	June 2019 – June 2020	£559,288	£454,981	£15,530	£12,633
7	June 2020 – June 2021	£559,288	£439,595	£15,530	£12,206
8	June 2021 – June 2022	£559,288	£424,729	£15,530	£11,793
9	June 2022 – June 2023	£559,288	£410,367	£15,530	£11,395
			£4,814,172		£133,674

³² Selwyn et al (2009) Ibid; Selwyn, J., and Wijedasa, D. (2011). Transition to Adulthood for Young People in Adoptive Care. University of Bristol

³³ The LSYPE began in 2003 with a representative sample of 15,770 young people aged 13-14 years. The data is collected annually and interviews will be carried out until the young people turn 25 years of age. Selwyn and Wijedasa also linked their dataset to the administrative records of the National Pupil Database (NPD).