



**Baroness Delyth Morgan**

Parliamentary Under Secretary of State for Children, Young People and Families

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12<sup>th</sup> November 2009

Dear Director of Children's Services,

### **RESEARCH REPORT ON ADOPTION COSTS**

I am writing to you to draw your attention to a report on adoption and the inter-agency fee we published recently as part of the *Adoption Research Initiative*. This report, by Bristol and Loughborough Universities, looks at the costs in adoption, drawing cost comparisons between local authorities and third sector adoption agencies in providing adoptive placements for looked after children; and the costs of a child remaining in care. It provides some very clear evidence that effective use of third sector adoption agencies had a positive impact on finding suitable and timely placements at a lower cost for local authorities.

The report concludes that some local authorities are deterred from using adoptive families approved by the third sector as they see third sector adoption agencies as too expensive. The study finds that in fact there is little difference between the total costs of a typical local authority and a typical third sector adoption agency.

Moreover, the report says the cost for a local authority of buying a third sector adoptive placement for a child is very similar to the cost of the child remaining in foster care for 18 months. Where adoption is the right option for a child, a timely adoptive placement could save approximately £25,000 for each subsequent year, after the first, that the child is not in care.

The report also found significant variations in the performance of the local authorities which took part in the research. In that group of eight local authorities, two were three times more effective at placing children for adoption and four times less costly than one of the other authorities in the study. The two best performing authorities had stable, enthusiastic and experienced adoption teams, motivated by good leaders, with internally agreed targets and a 'can do' culture. They also tended to make more use of third sector adoption agencies.



department for  
**children, schools and families**

I believe that this report raises some challenging but helpful questions about the way some local authorities structure their budgets for children in care and commission adoptive placements. It will be presented, by Julie Selwyn (one of the report's authors), in a workshop at the National Commissioning Support Programme Conference, in London, on 18 November 2009. Your nominated Commissioning Champions will already have received an invitation to this event. I would ask you please to encourage them to attend. To find out more about the conference please see: <http://www.commissioningsupport.org.uk>.

More information on the *Adoption Research Initiative* can be found on <http://www.dass.stir.ac.uk/adoption-research/>, along with a link to the report.

A handwritten signature in black ink, appearing to read 'Delyth Morgan'. The signature is fluid and cursive, with a large initial 'D' and a long, sweeping tail.

**DELYTH MORGAN**  
**BARONESS MORGAN OF DREFELIN**