Secondary Legislation Scrutiny Committee

Corrected oral evidence: Adoption Register – Nadhim Zahawi MP

Tuesday 14 May 2019
2.05 pm

Watch the meeting

Members present: Lord Trefgarne (The Chairman); Lord Chartres; Lord Cunningham of Felling; Lord Goddard of Stockport; Baroness Finn; Lord Haskel; Lord Kirkwood of Kirkhope; Baroness O’Loan; Lord Sherbourne of Didsbury. Lord Russell of Liverpool attended the Committee.

Heard in Public Questions 1 - 14

Witnesses

I: Nadhim Zahawi MP, Parliamentary Under-Secretary of State for Children and Families, Department for Education; Katy Willison, Director of Children’s Social Care, Department for Education; Sheila Shuttlewood, Team Leader, Regional Adoption Agencies.

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Examination of witnesses

Nadhim Zahawi, Katy Willison and Sheila Shuttlewood.

Q1

The Chairman: Good afternoon. Thank you very much indeed for agreeing to come at rather short notice. Minister, perhaps you would start by introducing your two colleagues.

Nadhim Zahawi: Good afternoon. I am the Minister for children and families. I will let Katy and Sheila introduce themselves.

Katy Willison: I am director of children’s social care at the Department for Education.

Sheila Shuttlewood: I am team leader for regional adoption agencies.

The Chairman: Thank you all very much. I am now required to read out a notice in case there is any member of the public attending. In the case of fire, there will be a voice-activated alarm. Any bells are Division bells. Should there be an incident, please follow the instructions of the clerk, Christine, on my left.

This is a formal evidence-taking session on the record being webcast live in audio only. A verbatim note is being taken, which will be put on the public record in printed form and on the parliamentary website. We shall of course send a copy of the transcript to you for amendments of any errors that it may include. Unless any Committee member wants to declare an interest of any kind, we will go straight into the questions.

Q2

Lord Cunningham of Felling: Minister, we have all been a bit puzzled about why the Secretary of State stopped operating and maintaining the adoption register without deciding what, if anything, would take its place. I assume no search has been made for another provider to date; it is not mentioned in the paper. No public consultation appears to have taken place either. Was it just a shot in the dark or an ideological decision? Why did it happen that way?

Nadhim Zahawi: Let me try to take you through my thinking, which I hope will explain our reasons to the Committee. It is certainly not simply to end a service for the most vulnerable children in our society; it is to look at how we can do much better, and hopefully I will go through that with you today.

The register came to an end at the end of March, and both the Education Select Committee and the work that Martin Narey and Mark Owers did for me in reviewing foster care in England suggested that the work we do for the most vulnerable children in our care is far too siloed; fostering sits in one place and adoption somewhere else. We need to bring together our thinking, and that is what the future will look like, but that is not your question.

Your question was about the statutory adoption register. What I discovered very quickly in this job was that, although the statutory adoption register was freely available to stakeholders—local authorities—to use, they were
using a commercial alternative that was much more user-friendly, with much better-quality technology, than the one we were providing. Even when the statutory register was running, about 93% of local authorities were using the commercial alternative. That led me as Minister to ask why they were using the commercial alternative.

Through the work we have done, it turns out that the commercial alternative is more user-friendly, but there is also a need for something else. That is the next iteration we have been working on, which is to bring together the silos, and to bring through the voice of the child. The statutory register did not deliver on the child’s needs and preferences and all the things that would, hopefully, make it a much better experience for a prospective adopter and the child. As there were commercial alternatives already fulfilling that role, I took the decision that simply to re-procure would be to continue to embed silo thinking in government, and it would be much better to focus our efforts on the digital discovery of what we are going to do next in the area.

Lord Cunningham of Felling: You must have known about the deadline.

Nadhim Zahawi: Absolutely.

Lord Cunningham of Felling: Why wait until the deadline comes and goes before doing anything?

Nadhim Zahawi: Because the stakeholders were already using an alternative. Even today only three local authorities are not, two of which are on the way to using the commercial alternative and one of which is inadequate, and we are taking action on that one. I was satisfied that the support and provision for those children was in place even if we ended the register.

Lord Cunningham of Felling: I understand that, but you must, I assume, have had evidence for some time that local authorities, among others, were not using the Government’s register but private enterprise alternatives.

Nadhim Zahawi: Correct.

Lord Cunningham of Felling: Why wait until the register expired before deciding what you would do next?

Nadhim Zahawi: It was a close call whether we re-procured or not. You are absolutely right to say that that puzzles you, but ultimately I thought the right thing to do was to focus our resource and energy on the next iteration of what we think we should be doing rather than re-procure and embed more siloed thinking, with the message going out from the centre that that is our modus operandi.

Lord Cunningham of Felling: At least I agree with you about siloed thinking.

Katy Willison: I think it reflects the development of government thinking over that period. The reports on fostering by Martin Narey and Mark Owers,
and by the Select Committee, were very influential in our thinking, and those only happened last year, relatively late in the stage after the decision to go out to procure.

**Lord Cunningham of Felling:** Last year, you knew that and you still had not made the decision.

**Katy Willison:** What we have been doing since then is digital discovery, talking to our stakeholders about the right products that we should develop in this space.

**The Chairman:** Thank you for that. It is very interesting. That covers the first two questions we had in mind.

**Q3**

**Lord Haskel:** Naturally, we are very concerned about the timetable. We have been told that promising options have been identified. You have just told us of the work you have been doing, but you cannot offer any timetable for the current review. When do you expect to be able to make a decision on the replacement for the adoption register?

**Nadhim Zahawi:** Let me try to unpack that question. I would not have taken the decision if I was not satisfied that there is provision in place from commercial providers that can deliver better than the statutory register. It is not as if there is a gap, and children are going with nothing, but you are quite right to push us on what we are doing next, and Katy has alluded to that. We have had two digital discovery phases, and I met the team yesterday. I want a system, but without trying to reinvent the wheel.

I do not know how much you know about my background. I came from a technology background. I was a founder of YouGov, the research business. A lot of data is already available within stakeholders, whether at local government or voluntary adoption agency level or with fostering agencies. All that data is available. I want a system that can bring it all together and present it to users in a way that is in one place and is user-friendly, not the siloed thinking that Lord Cunningham and I both agree is the wrong thing to do. I want to bring fostering and adoption into one place.

I meet children, foster parents and adopters all the time. The bits that are completely missing from the statutory adoption register that we did not re-procure, which is the current provision, are the preferences of the child and the voice of the child—what is that child’s experience and history?—so that you deliver a successful foster placement or adoption as quickly as possible. That is what we are working on at the moment. I cannot give you a date when that product will be launched, but we are working as quickly as we can to get to a place where we are happy that we are doing that, without it becoming a giant technology project that never ever happens in government.

**Lord Haskel:** To the outside observer, the fact that there is a commercial register would lead people to believe that they should not bother with the official register because the Government are just happy to leave it to the commercial register, so there is no pressure on the timetable.
Nadhim Zahawi: No, not at all. The timetable will be set by the spending review as well, but we are conflating two things. First, what is the current provision? I am satisfied that the current provision is being delivered by the commercial providers. Secondly, can we do much better? Can we move away from siloed thinking and deliver a better technology product that brings fostering, adoption and the voice of the child into one place? That is what we are working on at the moment.

It is absolutely not a laissez-faire attitude, as in letting the market decide. I hope that at one stage I will be able to come before you, or meet you individually, to demonstrate to you the seriousness with which we take this and what I am trying to do, which, hopefully, will be the best offering in the world.

Lord Haskel: I applaud the fact that you are trying to do better and hear the voice of the child, but can you give us any idea of a timetable? Is it months, weeks, years?

Nadhim Zahawi: Some of it will be determined by the spending review.
In my view, we are in a good place. I want a system that sucks in all the datasets that are already available, brings them all together and presents them in a user-friendly way, and then brings in the voice of the child, which I have already spoken about, but there are limitations in how I can get that done, given the spending review.

Katy Willison: It could require investment, so until we have clarity about the department’s position in the spending review and the timing of that, it is quite difficult to set a timetable, but I think the Minister would be happy to write after the SR and give you an indication of the timing, if that would be helpful.

Q4 The Chairman: Thank you. I gather that the order has been before our colleagues on the Joint Committee that looks into the statutory basis of these matters. I think they have already considered this order. It is really a matter for them rather than us, but we were surprised that the order came forward under the negative and not the affirmative procedure, given its importance. What persuaded you to do that?

Nadhim Zahawi: Why did we end up with the negative procedure?

Katy Willison: The advice we were given on our parliamentary processes was that the negative procedure was right for this one.

Lord Kirkwood of Kirkhope: This is obviously JCSI territory, as explained by the Chairman. From our point of view, negative procedures are used for routine uprating of fees, for example; it is absolutely the way to do things. Two-thirds of this order are about those issues and other parts of your departmental responsibility, and then suddenly there is quite an abrupt handbrake turn in policy terms, with abolishing the register embedded in a negative instrument. From a parliamentary point of view, as legislators, it is harder for people in either House to establish what is actually going on. I am not saying you are doing it deliberately, but it is hidden to a certain extent.
I am also concerned about the relationship with Scotland, Wales and Northern Ireland, because it is a UK register that is being abolished. What is happening in other parts of the territory, in the devolved jurisdictions? How much consultation has there been? It is part and parcel of the process of not thinking clearly about the laying of the order before both Houses. That was one of the other major concerns of the Committee.

Nadhim Zahawi: All I can do is reassure the Committee that there was no intent to try to bury or hide it at all. We rely on our parliamentary advisers in the department, but I will feed that back.

Sheila Shuttlewood: To pick up the specific point about the devolved Administrations, this is the adoption register for England and it primarily has details of children from England; there is a very small number from Scotland and Wales. Separate registers continue to cover Scotland and Wales, and there is a non-statutory register operating in Northern Ireland. We have spoken to officials there; they have expressed no concerns and raised no issues. They are aware of what is happening, and we continue dialogue as we move forward in our future work.

Q5 Baroness O’Loan: Do children appear simultaneously on both registers?
Sheila Shuttlewood: The devolved ones?
Baroness O’Loan: No, on both the commercial and statutory one.
Katy Willison: Yes.
Baroness O’Loan: In respect of which register are the statistics we have received about the number of children adopted? I ask because, if I may explain, it appears to me from the figures you have given us that 25% of adoptions came from the adoption register. Do the 970 or so that are done commercially include the 25% from the adoption register?
Katy Willison: No. Children can be held on both registers, but the figures for adoptions represent the matching service that supported the adoption. The 900 we refer to come from the commercial provider, and roughly 250 adoptions come from the statutory register.
Baroness O’Loan: That is more or less what I was trying to say.
Katy Willison: I am sorry. I misunderstood.
Baroness O’Loan: There is a problem with the adoption of children. A lot of children who are not adopted move through the system, and their lives become more and more complex. If you abolish the statutory register, how are you going to ensure that there is no corresponding drop in the adoptions that come from that register?
Sheila Shuttlewood: The numbers are of matches, not adoptions, and not all those matches end up as adoptions, so a lower percentage is being matched through the register and then go on.
Baroness O’Loan: But how are you going to replicate those?
**Katy Willison:** Because most of those children are on both registers, and because local authorities have made it clear to us that they will continue to use commercial services, we expect the commercial services to pick up the relatively small proportion that were previously carried out by the statutory register.

**Baroness O’Loan:** I do not think 25% is a relatively small proportion.

**Katy Willison:** It is not 25% of all adoptions; it is a relatively low number of the total.

**Baroness O’Loan:** But the number of matches is about 25%.

**Katy Willison:** Of matches that are carried out in adoptions that are non-local.

**Nadhim Zahawi:** Let me try to help you. Almost 70% of adoption matches are not made through the matching systems; they are made locally, with the adoption register making up only 7.4%, not 25%, of the matches in 2017-18.

**Baroness O’Loan:** The information I have is that we asked the DfE for the number of registrations and the number of matches that had resulted. We have the number of approved adopters and children for adoption on the adoption register, the number of matches resulting from the adoption register and the commercial system matches for 2018-19. The figures there are 257 and 967.

**Katy Willison:** Of the adoptions that were facilitated by some form of matching service, you are right that it is around 25%.

**Q6 Baroness O’Loan:** My sole concern is that we do not lose the opportunity of adoption for children.

Coming to my second question, you keep talking about the spending review and saying that you are unable to give us a date, but the other thing I have noticed is that you do not know how much any commercial operation, or any new system, might cost. How are you going to get from not knowing anything to a date?

**Nadhim Zahawi:** You ask two questions. Let me unpack them. The current commercial system costs about £10,000.\(^1\) Since the end of March, when the statutory adoption register ceased to exist, three local authorities remained that were not on the commercial system. Two are on their way and one is inadequate, and we are taking action on the inadequate one. Essentially, we are in a safe place today, because another commercial system is about to launch, vis-à-vis where we were before the adoption register ceased to exist.

**Baroness O’Loan:** Can you tell me what the £10,000 is for?

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\(^1\) This was later corrected to say “£10,000 or less”.
**Nadhim Zahawi:** That is the current commercial register subscription model for local authorities.

**Baroness O’Loan:** Is that £10,000 per child, or £10,000 a year?

**Nadhim Zahawi:** No; that is around what it charges local authorities.

**Baroness O’Loan:** Each local authority.

**Nadhim Zahawi:** Each local authority. Coming to the second part of your question, the future is about us bringing together adoption and fostering, and pulling the data into one place so that we can then present it to users on a smartphone, iPad or whatever, enriched with what have been the child’s experiences and their likes and dislikes, so that when they arrive in a home the family is in a much better place because they will know so much more. The information will be so much richer than what is available today.

**Baroness O’Loan:** I want to understand this fully. You are going to take the databases of the existing commercial registers.

**Nadhim Zahawi:** No. There are databases sitting in local government and in voluntary adoption agencies; there is the regional infrastructure for adoption, and there are fostering agencies. I want all that data to be brought into a single pipeline and presented so that everybody is looking at the same data, whether in fostering or adoption. Ultimately, the child should be at the heart of everything we do, whether you are going in for fostering or adoption. That was the recommendation from both the Education Select Committee and the independent report by Martin Narey and Mark Owers.

**Baroness O’Loan:** That was my understanding of what you were saying, which is why I did not understand why a fourth commercial operation coming into effect would solve your problems immediately.

**Nadhim Zahawi:** That is just for the current perceived gap that clearly worries this Committee: have we exited a space and left children behind? Presumably, that is what I am hearing from you. We have not. There is already a commercial provider, and a second provider is coming into the market.

**Lord Goddard of Stockport:** I am trying to understand the overarching policy. One of the things that concerns me is the removal of the adoption register. How does that fit into the overarching policy of the objective of facilitating adoption? It seems to me that, rather than clearing it, it is making the water even muddier.

**Nadhim Zahawi:** Because the adoption register was not being used as much as the commercial competitor—let us call it that—I took the decision, as we were moving to a new world of bringing all this together with a much better offering, why continue it?

**Lord Goddard of Stockport:** The objective is to facilitate adoption.
Nadhim Zahawi: Correct.

Lord Goddard of Stockport: It seems to me that this is now being moved into facilitating adoption and fostering, whereas the overarching thing at the start was adoption. Is it now changing from adoption to adoption and something else?

Nadhim Zahawi: The recommendation of the Education Select Committee, plus the independent report by Martin Narey and Mark Owers, suggested that the silo mentality that we have had until now, seeing adoption as just adoption and fostering as just fostering, is the wrong place for us to be. Their challenge to us was, “What are you going to do about it?” With the digital discovery, of which we have done two phases, and the work we do with children and foster parents and adopter parents, we want to do something more ambitious and much better for those kids. That is what we are working on at the moment.

At the same time, since the statutory adoption register was not doing what it was supposed to be doing because people preferred the commercial option, I took the decision that we did not need to continue it and we could cease that operation while focusing our efforts and resources on what I think will be a much better place for us to be in the future.

Lord Goddard of Stockport: Was it clear thinking to abandon one process before you got the second process in place?

Nadhim Zahawi: Your point would be absolutely correct if a vacuum was left behind. If I was abandoning a register knowing that there was no alternative, you would be absolutely right to challenge me and say, “You made a mistake here, Minister”. The evidence suggested otherwise. The commercial alternative was being used. I sat with stakeholders who said that they used that instead. I asked why and they said, “It is much better, slicker and easier for us to use”. Therefore, I took the decision: why waste my time trying to keep something going that is simply not fit for purpose?

Katy Willison: And which requires social workers to put two sets of details on two separate registers. They were required to put it on the statutory register and they chose to use commercial services, even though they had to pay for them, which told us a lot about the value local authorities placed on the two different offers that were made to them.

Baroness O’Loan: I have read that they were required to register with the adoption register. Why were all the children registered on the adoption register and some registered on the commercial registers?

Katy Willison: In reality, as we understand it, some local authorities did not comply. Often, despite it being a statutory requirement, they were not taking it up. Again, that told us something about the value they were placing on it.

Baroness Finn: I will turn the question on its head. We have heard a lot about the fact that the commercial systems are working better, that they brought things together, the information is better, and it is, presumably,
more real time.

I spoke in the census debate yesterday; we were very keen to stop the census in 2021, and certainly to remove the next one, on the grounds that the data should be more up to date and efficient. We were persuaded, probably correctly, that even though the census was looking a bit old-fashioned and outdated it was important to keep the statutory basis of asking questions and running a parallel, alternative administrative side.

Given that that is not happening with the adoption register, and there is a concern that you are throwing out some of the good with the bad, what formal evaluation has the department made of the success of the adoption register, rather than just saying, “Oh, the other things are more popular”? The adoption register must have served some decent purpose. Has evaluation been made of that?

**Nadhim Zahawi:** Your question is valid, although I would say that the comparison is not. To go back to the numbers, only 7% of matches are made on a register, compared with 69% made locally. Secondly, all the evidence I was shown is that, although there is a statutory adoption register, users are voting with their feet and using the commercial option, for which there is 93% usage. My view was that, if the product was not fit for purpose, why re-procure it when I can build a product that will be fit for purpose, and there is no gap in between?

**Baroness Finn:** What I am trying to say is that, for those who used the adoption register, was an evaluation made for why they were using it?

**Nadhim Zahawi:** I have not had a single local authority say to me, “How dare you stop this thing? It was our favourite platform and tool to use”. That has not happened.

**Katy Willison:** We carried out some evaluation of it, in reconsidering. We spoke to social workers and adopters, and they uniformly told us that they preferred the other processes.

**Baroness Finn:** There was a formal process.

**Katy Willison:** There was, yes. They found it clunky and difficult to use, and the adopters all told us that they preferred the depth of information about the children on the commercial products rather than the statutory one.

It is probably worth saying that a feature of the contract with the statutory register was something called exchange and activity days. Indeed, around 50% of the matches that came through the statutory process came through those exchange and activity days, which is when you give prospective adopters a chance to meet children. That part of the work will carry on. The institution we contracted to provide the statutory register will carry on that part of the work. Around 50% of the matches that came through before were achieved through those activities, and those activities will not stop. That was something that was considered valuable and useful, and it will not end.
Baroness O’Loan: How can they continue to provide that part of the service if they are not collecting the data on children and adopters in the first instance?

Katy Willison: Because the company we contracted with is a voluntary adoption agency and has data on its own books about children and prospective adopters. It will be able to use that. As a voluntary adoption agency, it will have its own data; people will come to it to adopt, and local authorities can still contract with it if they wish, for the activity and exchange days.

Baroness O’Loan: I am sorry, Lord Chairman, but can I ask one more short question? It is such an important issue. How many commercial operators and adoption agencies are there now? Is that what we are talking about—adoption agencies?

Katy Willison: Every local authority, effectively, is an adoption agency, or has the function of an adoption agency. In addition, there are voluntary adoption agencies that are often charities. I am afraid that I do not have the number of those.

Baroness O’Loan: But you said that local authorities were paying £10,000 to commercial operators.

Katy Willison: They are, yes.

Baroness O’Loan: How many commercial operators are they paying £10,000 to?

Katy Willison: There is one dominant commercial operator, which is called Link Maker.

Nadhim Zahawi: And Coram is launching a service.

Q9

Lord Chartres: No local authority that I know of is intentionally spendthrift, so if local authorities are paying £10,000 for the commercial product, it must be clear why it is superior. As you go forward to plan something more comprehensive, which brings the data together, what are the lessons to be learned from the superiority of the commercial offering to the official register? Words like “clunky” and “slicker” have been used, but I have not grasped precisely why the commercial offering is so superior. Perhaps that is my naivety. I am particularly interested in your emphasis, which seems very important, on amplifying the voice of the child. How precisely can you do that without putting all sorts of information of a very questionable kind into the public realm?

Nadhim Zahawi: There are lots of questions there. One of the lessons is the first one I referred to, which is that the child rather than the process should be at the heart of this. It is not about adoption, or fostering, as a process; the child should be at the heart of the future product. Within that, how can we create a system that can pull in all those datasets and is flexible enough to give the preferences of the child? The child may support Arsenal football club, or may like a particular way of having their meal, whatever
it happens to be. That needs to be in a place that can be accessed as easily and in as user-friendly a way as possible—“user-friendly” may be a better term than “slick” or “clunky”—for the prospective parents, whether fostering or adopting. That is the direction we are heading in and where we are trying to get to. Currently, the system of the commercial providers is richer in content.

**Lord Chartres:** They are already doing it.

**Nadhim Zahawi:** They are already doing some of that stuff, but only in adoption. Our innovation is to bring the whole thing together.

**Katy Willison:** The appropriate data protection rules will be in place, so there will be protections to ensure that information about children is shared only in a way that is completely compliant with data protection, as is the case for existing providers.

**Lord Chartres:** The kind of preferences you mentioned will of course rapidly go out date, so it will be quite an effort to keep it up to date.

**Q10 Lord Sherbourne of Didsbury:** Minister, earlier you emphasised the point that people find the commercial providers more user-friendly, and that is one of the big advantages. Are you satisfied that all the providers that will be providing now that the statutory agency is no longer functioning will have as robust safeguards in place and will operate under effective governance? Given that there are so many local authorities, how do you actually monitor it all?

**Nadhim Zahawi:** Because we are dealing with some of the most sensitive issues and vulnerable children, local government—at that end of the information stream—takes governance and data protection incredibly seriously; any data breach would be very serious and high profile. The contracting commercial provider will get the business only if it can ensure that level of privacy.

**Lord Sherbourne of Didsbury:** Who do they have to satisfy that they are doing that?

**Nadhim Zahawi:** The local authority, which ultimately we hold accountable. There are 152 directors of children’s services in England, and children’s social care is a statutory requirement of local government to deliver, and the safeguarding of the child is at the heart of that. This is not just another commercial project for local government on the non-statutory side of the fence nature of what it delivers. It is not like the refuse collection that it provides for us.

**Katy Willison:** Of course, it is also regulated by Ofsted in a regular inspection regime, so if there were a data breach, Ofsted would pick it up and respond to it very quickly indeed.

**Lord Sherbourne of Didsbury:** You are satisfied that the safeguards and governance provisions that operated with the statutory register are no less robust for the commercial provider. Can you give that assurance to the
Committee?

**Katy Willison:** They are governed effectively by the same data protection and the same legislation.

**Lord Sherbourne of Didsbury:** You can give us assurance that you are satisfied that they have robust safeguards and governance in place.

**Nadhim Zahawi:** Yes, absolutely. They would not exist and be so dominant in the marketplace as to render our statutory register less useful and less used if they were not good at what they were doing.

Q11 **Lord Haskel:** I would like to understand the costs and charges a little better. You have told us that local authorities pay £10,000 to a commercial register to become a sort of member. Do they try to recover those costs from people who want to be adopters? Do you have any idea what the charges will be if there is a government register? Will there be similar charges, and, again, will you try to recover the costs?

**Nadhim Zahawi:** On costs recovery, it is a no.

**Lord Haskel:** There is no payment.

**Katy Willison:** To become an adopter, there is no payment. Effectively, part of the money that government gives local government through raising taxes and from its general resources pays for recruiting adopters.

**Nadhim Zahawi:** To give you a bit more clarity on the numbers, the statutory register was a free service to adoption agencies and local authorities. Our contract to operate the service cost the department £645,000 in 2017-18. As I explained in answer to an earlier question, the commercial alternative, depending on the size of the local authority, and the size of the looked-after children population in that local authority, is typically around £10,000 or less per local authority. The costs of subscription will continue to fall to adoption agencies, as they did while the statutory register was in operation. The department does not provide funding to commercial matching systems. We do not do that.

**Katy Willison:** We have not yet made decisions about whether we would operate charges for a new service. Our starting position, certainly with the statutory register, was that there was no charge for that.

**Lord Haskel:** There will be no charge to be a sort of member.

**Katy Willison:** For the statutory register, there was no charge. We have not yet made decisions about the future.

**Nadhim Zahawi:** For the new service that we will be launching.

**Baroness O’Loan:** Can I clarify something? It cost £645,000 in 2017-18 to run the statutory register, with £10,000 being paid by a local authority to a commercial provider. I am not clear how many commercial providers there are.
**Nadhim Zahawi:** There is one dominant one.

**Baroness O'Loan:** But there are others. How many local authorities do we have?

**Katy Willison:** There are 152.

**Baroness O'Loan:** If you have 152 buying in at £10,000 a time, is that not rather more money being spent, or am I not good at sums?

**Nadhim Zahawi:** Yes, but a commercial provider, which came into the market with no assistance from us, has overtaken the statutory register in terms of usage.

**Baroness O'Loan:** Is it your intention that your new service will overtake the commercial agencies?

**Nadhim Zahawi:** I think we need to bring together adoption and fostering. I am not doing this to save money or because I want people to make a commercial profit. I want to do what is right for the child, so I have tried to take the best decision, which I think is the right decision, to focus my team’s effort on building what I think is the future of how we deliver the best outcomes for the most vulnerable children in our society. That is what I want to do.

We are before you in an uncomfortable place, because we are in an interim phase. If I was sitting here when I had launched my new service, we would not even be having this discussion. I hope you would be commending us for doing the right thing by taking on board the recommendations of the Education Committee and the independent report.

**Q12 Lord Cunningham of Felling:** So that I have it clear in my mind, the register was established on a statutory basis in 2014 and has not been looked at until now, and it is lapsing. I understood you to say, in response to questions from Lord Sherbourne, that even though the statutory register is lapsing there will be no diminution in legal responsibility for the private sector as a consequence. Is that correct?

**Katy Willison:** I think we said that the safeguards around sharing data and around the governance do not change as a result of it.

**Lord Cunningham of Felling:** What about the regulations on adoption and associated matters? How do they impact?

**Katy Willison:** The only change we are making is in the regulations before you. We are abolishing the duty on local authorities to refer to the statutory register, because it will not exist.

**Lord Cunningham of Felling:** Yes, but my question was not about that.

**Nadhim Zahawi:** No other regulations are changing.

**Lord Cunningham of Felling:** The statutory requirements or provisions will continue to apply.
Nadhim Zahawi: Correct.

Lord Cunningham of Felling: Without exception.

Nadhim Zahawi: Without exception.

Lord Cunningham of Felling: Thank you. There has been no public consultation or public statement about most of this. None of the papers comes to us, of course, and I do not flatter myself by pretending that the general public read about the deliberations of this Committee, however important they may be, and they are sometimes very important indeed. As Lord Chartres said, you have used words such as “clunky” and “user-friendly”. Was it a deliberate policy decision to allow the statutory requirement to lapse?

Nadhim Zahawi: Let me understand your question. Are you asking whether it was a deliberate decision to allow—

Lord Cunningham of Felling: Well, there was a deliberate decision; you did not renew it.

Nadhim Zahawi: It was a deliberate decision to end our contract for that provision, in the knowledge that local authorities were using the commercial alternative. I was certainly satisfied that the decision we made was made under careful consideration of its implications, which I think is what you are getting at. That was only because we felt confident that children and adopters would not be adversely impacted.

Lord Cunningham of Felling: Was that based on empirical evidence?

Nadhim Zahawi: Correct.

Lord Cunningham of Felling: That is not empirical evidence.

Nadhim Zahawi: We looked at the usage and how it was working. You can even look at evidence today, beyond the end of March. As I explained to the Committee, only three local authorities were not on the commercial register, two of which are already in the process of going on. One has been judged inadequate, and we are taking further action on that. Hand on heart, I can say to you that I would not have made this decision if I felt that it would in some way harm or jeopardise the future of any child. I take this responsibility very seriously. The baton of parenting is in my hand for these children. My mantra to the whole team is, “What would you do if that was your child?” This was not done for financial reasons; it was done because it is the right thing to do.

The Chairman: Who operates these commercial agencies?

Nadhim Zahawi: The one I mentioned to you, Link Maker, is the dominant player. Coram, a charity that I am sure is very well known to you, is looking to come into the market. These are people with a track record and experience, not someone who started up yesterday to fill a gap because they saw an opportunity because the Government were vacating the space, if that is what you are worried about.
The Chairman: We are just asking.

Nadhim Zahawi: You have every right to ask. There have been far too many high-profile cases in other parts of government where people have made decisions that have gone horribly wrong.

The Chairman: I see Lord Russell sitting at the back. He is not a member of our Committee, but if he has anything he wants to ask, I am sure we would like him to do so. Would you like to come and sit at the front, Lord Russell, so that we can hear you?

Q14 Lord Russell of Liverpool: Thank you very much. I declare an interest, in the sense that I am a governor, which is like a non-executive director, of Coram.

As I understand it, the way the national adoption register was being used primarily was to deal predominantly with the children that the commercial adoption agencies found almost impossible to place. It was focused on a sub-group of children being put up for adoption who were the most difficult to find matches for, particularly at local level. The primary purpose that it achieved was to take that sub-group of particularly challenging potential adoptees and, by providing the extraordinarily successful matching events, enable children and potential adopting parents to be introduced in a way that completely removed the normal boundaries between local areas. That enabled matches to take place that otherwise probably would not have done. That, as I understand it, was the greatest achievement of the national adoption register.

If what I have said is correct, and I think it is, what is happening to the children who are the hardest to adopt? I do not think that commercial agencies will find it easy to take on that task.

Nadhim Zahawi: You are right to ask about the children who are the hardest to adopt. The voluntary adoption agencies and the voluntary sector play a significant role in that area, and I am encouraging them more and more to work with the regional adoption agency infrastructure we have put together. Most matches for difficult-to-place children need much greater expertise, effort and capacity building, and that is delivered by the voluntary sector and the voluntary adoption agencies, which I meet regularly. The element of the work that is about those events is carrying on.

Lord Russell of Liverpool: That is fine, but you have drawn the distinction between the voluntary adoption agencies, as you call them, and the commercial ones. The law of the market immutably means, precisely for the reasons you have just described: how challenging it is to find a match for hard-to-place children, and that commercial agencies will not touch them with a bargepole. Essentially, you will be relying on the voluntary agencies and/or, when it appears, your new all-singing, all-dancing register, to take up the slack and do the best that is possible for those children, because I do not think that commercial agencies will find it commercially viable or sensible to do.
Katy Willison: I have certainly heard Coram talk to me about its expertise in hard-to-place children. We know that hard-to-place children tend to fall more into sibling groups, children with disabilities and children from different ethnic backgrounds. We sought to compare data from Coram with some of the data from the commercial provider, and we did not see a very significant difference as regards the groups of children who were harder to place. Those are not easy comparisons to make, because the data is not always there and is not always perfect, but we tried to examine it, to see whether the very niche, hard-to-place role was borne out in the data. There was not a very strong case around that, but that was one of the tests we put it through.

The Chairman: Minister, thank you so much for coming before us. We are most grateful. A detailed record has been kept and will be shown to you for any comments you want to make, and it will be published in due course.