

Family Services

Document control	
Document title	Barnet Fostering Loft Conversion and Extension Policy
Document description	This document defines the policy for the provision of a 50% grant and 50% interest-free loan to fostering households, who wish to extend or convert their homes in order to offer a wider range or number of placements to LBB children in care. The target audience for this document is LBB Family Services and foster carers wishing to apply for the Loft Conversion/Extension funding and loan.
Document author	Claire Harkin

Version control	
Document production date	Date the document is complete and ready for approval (Month, Year)
Document currency	When does the document require reviewing and/ or updating (frequency e.g. Annually, Quarterly etc.)?

Clearance process	
Quality approver	Date
Jo Pymont	31/07/2015
Paulette Thompson-Omenka	31/07/2015
Lindsey Hyde	31/07/2015
Release approver	Date
Jo Pymont	31/07/2015

Contents

1. Introduction.....	3
1.1. Background	3
2. Policy	4
2.1. Framework	4
2.2. Process overview	4
2.3. Procedure.....	6
2.3.1 Proposal	6
2.3.2 Criteria	6
2.3.3 Priority	6
2.3.4 Information required in support of proposal.....	7
2.3.5 Approval process	8
2.3.6 Governance	8
2.3.7 Contracts	8
2.3.8 Repayments	9
3. APPENDIX	10
<u>Appendix 1: Loft Conversion and Extension Funding Report.....</u>	<u>10</u>
<u>Appendix 2: Loft Conversion and Extension Funding Application Form.....</u>	<u>12</u>

1. Introduction

1.1. Background

As part of the Children's Service Transformation at the London Borough of Barnet (LBB) the Looked After Children (LAC) Project has a number of objectives. Among these are the following:

- Increase the number of LBB foster households
- Increase LBB's ability to place looked after children and young people with LBB fostering households which are in borough. This approach is based on the LBB family environment in borough principles rather than looked after children and young people going to Independent Foster Agency (IFA) households and Independent Residential Care Homes, unless the individual's needs indicate otherwise.

One way to achieve the project objectives stated above is to expand the accommodation to the homes of qualifying foster households thus increasing the number of placements that are offered by any one fostering household.

In December 2014 the Policies and Resources Committee approved the release of £100,000 from the Capital Programme annually for the next 5 years (to begin in 2015/16), and that these funds would be used to construct a number of extensions and loft conversions. It has been agreed by the Director of Family Services that this money will be provided as split funding; 50% grant, 50% interest-free loan based on a local options appraisal.

Qualifying households will sign up to a legally binding arrangement whereby LBB will provide a 50% grant and 50% interest-free loan to a maximum amount, for the construction of an extension or loft conversion, providing one or more bedrooms and associated living space.

It is important that a coherent programme of delivery underpinned by a clear and consistently applied policy is developed. This document will define the policy for the provision of a 50% grant and 50% interest-free loan to fostering households, who wish to extend or convert their homes in order to offer wider placements to LBB children in care.

2. Policy

2.1. Framework

To promote and support enduring solutions for children in care, LBB are able to provide a split funding option of a 50% grant and a 50% interest-free loan to support the costs of loft conversions/ extensions to foster carer’s homes. This service will apply where the work will enable the child(ren) to have a foster placement which meets the requirements of their care plan.

2.2. Process overview

Where a fostering household applies for a loft conversion or extension that will help them to continue to care for, or offer increased/wider placements for LBB children, an initial scoping exercise will be undertaken by the Supervising Social Worker to ensure that they meet the eligibility criteria then a proposal will need to be submitted by the fostering household to the Fostering Support Team (FST) Manager. The FST Manager will review the proposal and write a short report and then submit to the Head of Placements. The Head of Placements will need to establish if the fostering household meets the criteria set out in paragraph 2.3.2 and agree the funding amount that will be offered ensuring that it does not exceed the following costs:

Type of Accommodation Change	Estimated cost
1 bed extension	£30,000
2 bed extension	£40,000
1 bed loft/garage conversion	£25,000
2 bed loft/garage conversion	£30,000

In exceptional circumstances these amounts may be increased as some quotes may be more expensive than the prices listed above, especially if there is extensive work that needs to be carried out on the property e.g. if there is insufficient insulation, old or damaged brickwork/wooden beams. The Head of Placements will make the final decision after ensuring consultation with a technical expert on whether to provide additional funding in such circumstances.

The proposal for loft conversion/extensions funding is to include the following:

- An application pack from the fostering household and a short report from the FST Manager (*report and application pack templates can be found in the Appendix section of this document*). The report should provide an overview of the reasons for the application, how the applicant meets the criteria and plans for the proposed work to be carried out

- The fostering household will need to provide three work estimates from experienced builders (at this stage the plans can be drawn up by a builder as a guide as to what is possible)
- The plans containing the proposed work will need to include all major items of work to be carried out. The plan will be used to estimate the appropriate budget allocation for the loft conversion/extension.

If the Head of Placements approves the loft conversion/extension proposal and has agreed the funding amount to be given, the fostering household will be notified and can commission the builder for the extension/conversion. Please note that the funding will not be released until the contract has been signed and returned by the fostering household to LBB. Once the contract is signed and returned, the Accounts Payable team will be responsible for ensuring that the funding amount is transferred in full to the fostering households vendor account within 30 days of the building work commencing. Depending on the work required the funding may be released in staged payments.

The funding amount will depend on the work being proposed as stated in the cheapest work estimate that ensures value for money and has a proven track record. The fostering household will be required to make monthly repayments, via a pre-arranged direct debit, for the loan element of the funding over an agreed period of time to be stated in the contract to be no longer than 10 years (*see paragraph 2.3.8 for more information*). Repayments and timescales will be agreed in advance of loan payment, all of which will be clearly detailed within the loft conversion/extension contract that will be drawn up between the fostering household and LBB.

The fostering households will be expected to begin building works at the earliest opportunity. If after 90 days no building work or planning has begun, or no plans have been made for building works to start, then the fostering household will be required to provide an explanation for any delay and assurance that work will start within a period to be agreed with the Council. No funding will be released until the commencement of building work.

If the works are abandoned by the builders then the fostering household will be given 90 days to source an alternative builder. The fostering household will need to go through the process again of collecting three quotes and informing the FST Manager before a final decision is made on a builder.

Fostering households that apply for and are granted funding for building works will be expected to provide their services as a LBB fostering household for a period of no less than 5 years.

If a fostering household is de-registered during this time, full re-payment of any outstanding capital (to include both the grant and interest-free loan) will be required within 12 months of de-registration.

A charging order will be placed upon the foster carer's property. If the foster carer moves house LBB can recover the amount from the sale of the property.

Contracts will be drawn up by legal services to include repaying the grant and loan in the event of de-registration or moving house.

If the fostering household is successful in their application for funding it will be their responsibility to ensure the following:

- Awareness of any known planning issues
- Awareness of any restrictive covenants in the deeds to the property
- The contracting of an experienced builder and architect services surveyor. The builder and architect must be a member of their recognized trade/professional body.
- Seeking building control approval

2.3. Procedure

2.3.1 Proposal

The proposal from the applicant and FST Manager will need to demonstrate that the placement falls within one of the priority groups as defined in paragraph 2.3.3 or that the placement is a long term placement.

2.3.2 Criteria

The loft conversion/extension funding only applies to home owners. In order for the fostering household to be eligible for the funding they must meet the following criteria:

- The fostering household must have provided at least 12 months of foster care for LBB's children and young people and had a positive annual review
 - There have been no standard of care issues within the last 12 months
 - The fostering household is willing to take "hard to place" children (e.g. teenagers, sibling groups, those with challenging behaviours, or complex disability needs)
- or
- The works will enable a child to have a long term/permanent placement with that family which could not otherwise be possible.
 - The grant loan is not available for those not meeting the criteria set out above

2.3.3 Priority

In order to prioritise funding the following priority tiers apply:

- **Tier 1** – Fostering households who can offer placements to:

- ❖ Sibling groups
- ❖ Children aged 12 years old and above
- ❖ Permanent placements
- **Tier 2** – Fostering households who can offer placements to:
 - ❖ 5- 9 year olds
- **Tier 3** – Fostering households who can offer placements to:
 - ❖ Under 5 years olds

Please note that if there have been no applications for funding in Tier 1 for the first two quarters of the year then funding will be offered to those in tier 2, then tier 3. Tier 1 remains the priority.

2.3.4 Information required in support of proposal

The proposal must include the following information:

- Is the foster household the legal home owner(s)? If yes, then this statement will need to be evidenced by the household obtaining an OC1 form from the Land Registry, which details who the legal owner is (cost £6).
- An outline of works to be conducted is required. This needs to cover all known major items as it will be used for setting the budget. A copy of the plans that have been drawn up by a builder will also need to be included.
- Confirmation that once the conversion/extension is complete, the property will conform to the standards set out in the Fostering Procedures Accommodation Policy.
- Estimate of costs – three estimates from approved builders is required.
- Evidence that consultation with building control has taken place
- Financial evidence that the fostering household is able to make repayments from an additional source in the event that they do not have a fostering placement for some time (*see paragraphs 2.3.8.1 and 2.3.8.2 for more information*). This evidence will need to include:
 - Last 3 bank statements
 - List of incomings and outgoings
 - Proof of household income i.e. payslips
 - Recent credit check (Credit checks can be conducted online free of charge, recommended site <https://www.noddle.co.uk/>)

2.3.5 Approval process

The Head of Placements will review the proposal and where necessary consult with the finance, legal and building control to form a decision as to appropriateness of the proposal. The Head of Placements will advise the fostering household of the outcome in writing within 14 days and inform them:

1. Whether the proposal is agreed or not
2. If agreed, the budget for the funding
3. If applicable, reasons for agreeing a lower level of funding
4. If not agreed, reasons for refusal of the funding
5. If agreed, when the budget will be available

To ensure consistency of decision making and funding fostering households should submit all requests for loft conversions/extensions through the FST Manager using the 'Loft Conversion/Extension Application' template. The FST Team Manager will then submit to the Head of Placements for review.

2.3.6 Governance

The governance process for ensuring that the funding is being utilised will be as follows:

- Within the first 90 days:
 - Provision of receipts/invoices from the architect
 - Provision of receipts/invoices from the builders
- The total funding that has been used for the loft conversion/extension:
 - Provision of final receipt from the architect and builders
 - Provision of photographic evidence of the works that have taken place

2.3.7 Contracts

Legal Services will draw up a contract between LBB and the fostering household in order to regulate the funding arrangement, stipulating what the funding is being provided for, the level of funding and the repayment arrangements for the 50% interest-free loan to be facilitated by the Accounts Receivable team.

Fostering households that apply for and are granted funding for building works will be expected to provide their services as a LBB fostering household for a period of no less than 5 years. If a fostering household chooses to resign or is de-registered during the 5 year period, then a full repayment of outstanding capital (to include both the grant and interest-free loan) will be required within 12 months of the contract being signed.

If a fostering household refuses 3 consecutive placements without an acceptable explanation as to why, then a full re-payment of outstanding capital (to include both the grant and interest-free loan) will be required within 12 months of the contract being signed.

2.3.8 Repayments

Repayments will be calculated in relation to the loan amount and the agreed repayment term. Please see below an example of sliding scale repayments:

50% loan amount	£25,000 (maximum amount)	£20,000	£15,000	£12,000
Repayment per month	£208	£238	£250	£333
Repayment per year	£2,500	£2,857	£3,000	£4,000
Repayment term in years	10	7	5	3

2.3.8.1 How will repayments be made

Repayments must be made by a prearranged direct debit that will be set up and managed by the Accounts Receivable team. If the foster carer is without a fostering placement, which could be for a number of weeks or months, they must ensure that they have sufficient income available to meet the monthly repayments of the interest-free loan in these circumstances.

In addition, they will be advised to consider taking out either short-term or long-term income protection in the event that they are unable to make repayments due to an accident, sickness or unemployment. Taking out such protection may be helpful for someone who wants to cover their monthly income so they do not fall behind with monthly outgoings should they be unable to work. They will be advised to seek independent advice if they are unsure.

2.3.8.2 What happens they cannot afford to make any repayments?

If a fostering household has missed a maximum of 2 repayments and they are unable to make repayments from another financial source, then the Accounts Receivable Team will take the appropriate action to reclaim the outstanding balance of the interest-free loan in full. This may include the commencement of legal proceedings in the County Court, which will incur further costs and interest, which will be payable by you. Please see attached with this document the New Income Direct Debit Mandate. If in the event that there is no other possible means to repay the outstanding debt, then LBB may seek to recover the amount from the charge on the property in order to reclaim that money.

3. APPENDIX

Appendix 1: Loft Conversion and Extension Funding Report

(To be completed by the Fostering Support Team Manager. Once complete to be submitted to the Head of Placements for final decision)

This report provides an overview of the reasons for the funding application, how the applicant(s) meets the criteria and plans for the proposed work to be carried out. The proposal is to demonstrate if the placement falls within one of the priority groups as defined in paragraph 2.3.3 of the Loft Conversion and Extensions Policy, or that the placement is a long term placement.

Personal details of the fostering household applying for funding:	
First name(s):	
Surname(s):	
Address:	
Supervising Social Worker	

1. Reason for funding request: <i>(state whether the funding is for a loft conversion or extension or other)</i>

2. State if the applicant(s) meet the relevant criteria:		
Criteria	Yes/No	Any additional information that may support the application
Has the fostering household provided at least 12 months of foster care within LBB and had a positive annual review?		
Has there have been any standard of care issues within the last 18 months?		
Is the fostering household willing to take "difficult to place" children? (e.g. teenagers, sibling groups, those with challenging		

behaviours)		
Or		
Will the works enable a child to have a long term/permanent placement with that family which could not otherwise be possible?		

3. Which priority tiers do the applicant(s) sit within? (please state which tier applies)		
Tier	Priority information	Yes/No
1	Fostering households who can offer placements to: <ul style="list-style-type: none"> ❖ Sibling groups ❖ Children over the age of 11 ❖ Permanent placements 	
2	Fostering households who can offer placements to: <ul style="list-style-type: none"> ❖ 5- 9 year olds 	
3	Fostering households who can offer placements to: <ul style="list-style-type: none"> ❖ Under 5 years olds 	

4. Has the following information been included in the applicant(s) application?	
Information	Yes/No
OC1 Form from the Land Registry	
An outline of works to be conducted (<i>this needs to cover all known major items</i>)	
A copy of the plans that have been drawn up by a builder (<i>at this stage the plans can be drawn up by a builder as a guide as to what is possible</i>)	
a) Estimate of costs – three estimates from approved builders	
b) Evidence from Building Control	
Date the initial SSW visit took place to confirm the eligibility criteria	(date)
Confirmation that once the conversion/extension is complete, the property will conform to the standards set out in the Fostering Procedures Accommodation Policy	
<ul style="list-style-type: none"> • Last 3 bank statements • List of incomings and outgoings • Proof of household income i.e. payslips 	

• Recent credit check	
-----------------------	--

5. Recommendation		
Do you recommend that the applicant(s) is/are suitable candidates to receive funding?	Yes/No. <i>(If 'No' please state why)...</i>	
What is the recommended funding budget?	50% Grant: £	50% Loan: £

Appendix 2: Loft Conversion and Extension Funding Application Form

(To be completed by the fostering household applying for funding. Once complete to be submitted to the Fostering Support Team Manager)

Personal details of the fostering household applying for funding:	
First name(s):	
Surname(s):	
Address:	
Supervising Social Worker	

Criteria questions:	
1. What building works are you requesting funding for? <i>(Loft conversion, extension or other. If other please specify)</i>	
2. What is your reason for requesting funding? <i>(e.g. additional space for hard to place children (provide details if possible), to enable a child to have a long term/permanent placement which could not otherwise be possible)</i>	
3. How long have you been a foster carer with the London Borough of Barnet?	Years/months:
4. What placements are you able to/will be able to offer to LBB children? <i>(e.g. siblings, children aged 12 years and over, 5-9 year olds, permanent placements, children under the age of 5)</i>	

Please ensure that you enclose all of the following information as part of your application for funding:

- ❖ OC1 Form from the Land Registry (*this form can be downloaded at <https://www.gov.uk/government/collections/land-registry-forms> and will cost £6*)
- ❖ An outline of the works to be conducted
- ❖ A copy of the plans that have been drawn up by a builder (*at this stage the plans can be drawn up by a builder as a guide as to what is possible*)
- ❖ Three estimates of cost from approved builders
- ❖ Last 3 bank statements
- ❖ Proof of household income i.e. payslips
- ❖ List of incomings and outgoings*
- ❖ Recent credit check

* A more detailed form / checklist will be drafted to gather further details such as mortgage lender, address and account.