

| | |
|---|---|
|  | <p align="center">CHIEF OFFICER IN CONSULATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT</p> |
| <p align="center">Title</p> | <p>Financial Assistance Policy to Foster Carers and Connected Persons to support long term placements for children and young people</p> |
| <p align="center">Report of</p> | <p>Executive Director, Children and Young People</p> |
| <p align="center">Wards</p> | <p>ALL</p> |
| <p align="center">Status</p> | <p>Public</p> |
| <p align="center">Enclosures</p> | <p>Appx 1 – Updated Policy</p> |
| <p align="center">Officer Contact Details</p> | <p>Brigitte Jordaan, Director – Children’s Social Care, brigitte.jordaan@barnet.gov.uk, 020 8359 3012</p> |

Summary

In September 2015, Policy and Resources Committee agreed a policy governing grants/loans to Foster Carers to extend their properties in order to increase the number of placements for hard to place groups of children in care, particularly teenagers, sibling groups and children with complex needs. Its outcome was to improve placement options and stability for children, and to reduce their long-term care costs for the Council.

The policy was initially supported by £0.100m of capital funding per year over a five-year period, which will come to an end at the end of the 2019/20 financial year. The original policy has been reviewed to understand current needs, and whether the policy needs to continue.

It is recommended that the policy continues, but is updated to:

- Widen the offer to a wider group of Connected Carers who can offer long term placements for looked after children, including potential adopters, guardians under Special Guardianship Orders and Kinship Carers.
- Increase the capital items that the grants/loans can fund, to include purchase of cars and contributions towards new property costs, as long as there is a strong value for money case.

Decisions

- 1. That approval is given to the updated Policy for Financial Assistance by Foster Carers and other Connected Carers (appended to this report as Appendix 1).**

1. WHY THIS REPORT IS NEEDED

Impact of original policy

- 1.1 The original “Barnet Foster Carer Extension and Loft Conversion Policy” was agreed on 2nd September 2015 by Policy and Resources Committee. The purpose of the policy was to expand the number of long term placements for hard to place children and young people in the care of the London Borough of Barnet, including teenagers, sibling groups, and children with disabilities. It aimed to do this by enabling Foster Carers to extend their own properties, with money being provided on a combined grant/loan basis.
- 1.2 The policy was initially supported by a dedicated capital budget of £0.100m per year, although with budget adjustments the overall funding provided was £0.360m over 5 years. This budget is due to finish in March 2020.
- 1.3 Figure 1 shows the number of grant/loans that have been agreed by Family Services to carers as of 31st March 2019. The table includes loans made before the current policy was agreed in 2015/16.

Figure 1 – Number of grants/loans (as of 31st March 2019)

| | Number of loan/grants |
|--------------|-----------------------|
| 2012/13 | 1 |
| 2013/14 | 2 |
| 2014/15 | 1 |
| 2015/16 | 2 |
| 2016/17 | 2 |
| 2017/18 | 4 |
| 2018/19 | 1 |
| TOTAL | 13 |

1.4 Figure 2 shows the repayment status of the loans by carers as of 31st March 2019. Again, repayment from loans made before the current policy was agreed have been included as contextual information. 6 out of 13 loans have been fully repaid, with the rest currently in repayment. There have been no defaults on loans.

| | TOTAL | Repaid Loan | % REPAID |
|--------------|-----------------|----------------|--------------|
| 2012/13 | £2,000 | £2,000 | 100.0% |
| 2013/14 | £17,000 | £17,000 | 100.0% |
| 2014/15 | £5,000 | £5,000 | 100.0% |
| 2015/16 | £8,500 | £8,500 | 100.0% |
| 2016/17 | £45,000 | £14,765 | 32.8% |
| 2017/18 | £92,500 | £6,112 | 6.6% |
| 2018/19 | £8,000 | £0 | 0.0% |
| TOTAL | £137,500 | £53,377 | 38.8% |

1.5 Looking at the children and young people placed with the carers who have had a grant/loan:

- 7 placements have involved sibling groups, allowing family groups to stay together during their move into care.
- 2 placements have involved teenage Unaccompanied Asylum Seeker Children.
- 5 young people are now Care Leavers, with 1 carer continuing to provide a Staying Put arrangement for the siblings in their care, and another carer still in contact with their young person as they move into independent accommodation.

1.6 7% of children cared for and supported by this policy have needed to move to a new placement. This is lower than the rate of all children in care who have needed a new placement within a 12 month period (21.6%).

1.7 An analysis has been done to show the difference in cost between children whose carers have been supported via the original policy, and what their alternative arrangements might have been if this long term arrangement was not available [calculated using Independent Fostering Arrangement rates]. Figure 3 shows that the original policy was cost effective – the cost of children living with their carers was significantly less expensive than the alternative. It should also be noted that a number of these arrangements are still ongoing, so the lifetime savings will be a greater sum than the savings calculated to date.

Figure 3: Estimated difference between allowances paid and the theoretical equivalent care costs

| | Grant Amount | Loan Amount | Allowances Paid since placement started (since December 2014) | Equivalent IFA rate (since December 2014) | Difference between actual allowance and IFA equivalent |
|---------------------|--------------|-------------|---|---|--|
| Repaid Loan A | £0 | £7,000 | £201,210 | £416,052 | £214,842 |
| Repaid Loan B | £0 | £18,000 | £279,431 | £427,479 | £148,048 |
| Repaid Loan C | £0 | £5,000 | £116,474 | £262,821 | £146,347 |
| Repaid Loan D | £0 | £8,000 | £9,394 | £138,684 | £129,290 |
| Repaid Loan E | £0 | £2,000 | £103,668 | £194,259 | £90,591 |
| Loan in Repayment A | £15,000 | £15,000 | £143,415 | £234,693 | £91,278 |
| Loan in Repayment B | £18,500 | £18,500 | £216,184 | £365,664 | £149,480 |
| Loan in Repayment C | £26,500 | £26,500 | £175,217 | £319,956 | £144,739 |
| Loan in Repayment D | £42,500 | £57,500 | £289,778 | £685,620 | £395,842 |
| Loan in Repayment E | £0 | £5,000 | £59,203 | £137,124 | £77,921 |

Yellow Box denotes a placement which started before December 2014

1.8 The data in paragraphs 1.3-1.7 would indicate that the current financial assistance policy is working to enable stable, long term placements for hard to place children in care, providing reduced care to the council. The data also indicates that the risks relating to potential default by carers is also being managed, as there has been no defaults on loans.

Revised Policy

1.9 As the original term of the policy comes to an end in March 2020, Family Services has reviewed the current and forecasted demand for placements, to determine whether the policy needs to continue, and if it does, whether it needs to be updated to reflect needs now and in the future.

1.10 Data shows that there continues to be demand for long term placements for sibling groups, teenagers and children with disabilities. This would indicate that action to generate the supply of carers to provide long term placements is still needed.

1.11 There is a high level of competition for good quality, committed carers for children in care in London and the South East. Current carers have also indicated that potential investment in other capital items, e.g. cars, would support successful placements, and that the same support should be offered to all carers, regardless of their status. Therefore, to further ensure that there is a good supply of long term, stable, and nurturing placements, a limited widening of the policy is recommended to include:

- A wider group of Connected Carers, including those under Special Guardianship Orders, Kinship Carers and potential Adopters.
- Grants/loans for a wider range of facilitating measures, including car loans, that support successful placements.

1.12 All proposals will continue to be subject to a value for money assessment – to test the value of the arrangements – and a thorough viability assessment of the carer and the young person/people, to ensure that there is a good placement match. All grants/loans will be signed off by Director – Children’s Social Care, and Corporate Finance Service and will be agreed in accordance with the Council’s constitution.

1.13 Proposals will also continue to be covered by legal agreement, and measures to ensure

that the council can recoup loan amounts if a potential default arises (there will also be a credit check on the potential carer before any grant/loans are given). Paragraph 1.4 shows the rate of repayment for the loans/grants already provided under current arrangements.

- 1.14 The current policy had an expectation that loans would be secured against an individual's property, however in some cases this was not possibly due to the need to provide financial support within a tight timescale. The new policy contains more detailed information about security. In summary, loans and grants provided for building works and property purchases will be secured by way of legal mortgage. Vehicle purchases will not be secured against a property and in the event of default, the Council will use its current methods of enforcement, which could include obtaining a money judgment from the County Court. In order to provide a legal mortgage, the Council must comply with certain requirements which are set out in the legal implications and if there is another mortgage provider, the Council will need to check whether the property has sufficient equity and seek the consent of the first mortgage provider before the charge can be registered against the title.
- 1.15 The expectation is that the number of loans/grants given will continue to be around 2 per year [i.e. in line with current loan/grants that have been given]. However the policy gives the right for officers to agree loans repayment terms up to 10 years to ensure repayment is affordable.
- 1.16 The original capital fund of £0.100m p.a. was given on a five financial year basis. This period comes to an end in March 2020. Therefore, a further capital bid has been submitted for a further five year period to ensure that the policy can be delivered. Awards will only be made under the policy if there is a sufficient budget.

2 REASONS FOR RECOMMENDATIONS

- 2.1 Competition for good quality carers who are able and willing to provide long term placements in London and the South East remains high, particularly for hard to place groups. Revising our financial assistance policy will help to recruit and support carers for young people, and enable them to provide a stable, loving home to enable them to thrive.
- 2.2 Research shows that stable long-term placements for children and young people enables them to develop stronger relationships with their care givers, and provides a greater chance of successful transition to adulthood, compared to a series of short term placements.¹
- 2.3 The current policy has been successful in increasing the supply of placements for children and young people who are more difficult to place than others. By extending the scope of the policy, it is intended to maximise the supply for long term placements for children and young people.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

¹ Rahilly and Hendry (eds), *Promoting the Wellbeing of Children in Care*, NSPCC, 2014

- 3.1 The alternative option is to continue with the policy as it currently stands.
- 3.2 This would result in the continuation of the range of support measures have already been put in place to support Connected Carers, but not financial assistance to enable placements to take place. The current support includes direct support from social workers, training packages to help them develop, and facilitated access to services which support the young person in their placement, e.g. mental health services.
- 3.3 However, this current support does not address physical issues which can prevent Connected Carers to look after children and young people long term, such as having enough accommodation space, or being able to transport children and young people to school. Therefore, these carers would continue to be reluctant to take on bigger groups of children and young people on a long-term basis.
- 3.4 Therefore, this alternative option has been discounted.

4 POST DECISION IMPLEMENTATION

- 4.1 Following a decision on the revised policy:
- A Capital Bid will be considered in September 2019 by Capital Board for funding for the policy after March 2020
 - The relevant teams (who have been involved in reviewing the policy) will be informed that the policy is now active, and use the process chart as outlined in the policy.
 - The updated Policy will be publicised as part of our adopter and carer recruitment activity.
 - Family Services will continue to track the loans/grants issued and repayments, and
 - Family Services will conduct a review in a year to check how the policy is working.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 This policy supports the following outcomes and priorities within the Barnet 2024 Corporate Plan:

| Outcome | Priority |
|---|---|
| <p><u>People</u> Our residents live happy, healthy, independent lives with the most vulnerable protected</p> | <ul style="list-style-type: none"> • Improving services for children and young people and ensuring the needs of children are considered in everything we do • Being a good corporate parent to children in care and care leavers. |
| <p><u>Communities</u> Safe and strong communities where people get along well</p> | <ul style="list-style-type: none"> • Ensuring we are a family friendly borough • Helping children to live in safe and |

| Outcome | Priority |
|---------|--|
| | supportive families and communities <ul style="list-style-type: none"> • Providing services that encourage and build resilience |

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 In order to access the capital funding expenditure per asset will need to be above the £10,000 de minimis capitalisation levels. Any underpaid loans will need to be written off to a suitable Children Services revenue account. Table below show the budget and spend in this area since 2015/16

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|----------------------------------|---------|----------|---------|----------|---------|
| Original in year Budget | 130,000 | 240,000 | 90,000 | 180,000 | 65,000 |
| Previous year slippage | 0 | 130,000 | 110,000 | 170,000 | 175,000 |
| Addition/Deletion in year | 0 | -170,000 | 0 | -175,000 | |
| Spend/Forecast | 0 | 90,000 | 30,000 | 0 | 240,000 |
| Year End Slippage | 130,000 | 110,000 | 170,000 | 175,000 | 0 |

5.3 Social Value

5.3.1 The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

5.4 Legal and Constitutional References

5.4.1 Under the Council's Constitution, Contract Procedure Rules, the authorisation document for this decision is a Full DPR in Consultation with the Chairman on the basis that initial approval was given by the Policy and Resources Committee. The decision maker has consulted with the Theme Committee Chairman of the Children, Education and Safeguarding Committee and the Chairman of the Policy and Resources Committee given that this variation of the policy merits oversight of relevant Committee Chairmen.

5.4.2 The Council had a wide power to loan money for the purpose of improving living conditions in its area on whatever terms it sees fit. When relying on this power, the Council may take a legal mortgage on the property subject to the following conditions being met:

- a) the council has adopted a policy for the provision of assistance;
- b) the council has given public notice of the adoption of the policy;
- c) the council has secured that :-

- i. the policy is available for inspection, free of charge, at its principal office at all reasonable times; and
- ii. copies of a summary of the policy may be obtained by post (on payment of a reasonable charge).

5.4.3 The Council will therefore have to give public notice of adoption on this policy and ensure it is publicly available. This power is limited to properties within the Borough of Barnet.

5.4.4 If the Council wishes to provide a loan or grant for a property out of the Borough, it will need to consider whether it has a power to take a legal mortgage and if not, the loan or grant may need to be provided on an unsecured basis. However, in these circumstances the Council may be able to register a restriction on the title, requiring its consent prior to sale. This power would not provide an automatic power to enforce the sale in the event of default.

5.4.5 Generally the providers of mortgage contracts are regulated by the Financial Services and Markets Act 2000 and associated regulations. However, there are exemptions for local authorities in specific circumstances where the loan constitutes a “restricted public loan”. This requires that the following conditions are met:

- a) It is granted to a restricted public under a statutory provision with a general interest purpose (known as a “restricted public loan”); and
- b) It is free of interest or at lower borrowing rates, or is otherwise on more favourable terms, than those prevailing on the market;
- c) The borrower received timely information on the main features, risks and costs of the loan at the pre-contractual stage; and
- d) Any advertising of the loan is fair, clear and not misleading.

5.4.6 The policy sets out requirements for social workers to provide advance information on the features, risks and costs of the loan prior to any legal mortgage being entered into. The loans are to be offered without interest and to a restricted group of the public, therefore the above conditions are met. In addition, the Council cannot make any charges to the borrower except to recover the cost of a credit search.

5.4.7 If there is an existing charge over the property or another mortgage has been offered for purchase of a new property, the prior lender is entitled to be paid first, therefore the Council should ensure there is sufficient equity in the property to be able to recover its debt in the event of default. In addition to this, the Council will require the consent of the existing mortgage provider prior to being able to register the charge.

5.4.8 This power cannot be relied upon in relation to loans or grants for vehicle purchases. However, the Council can offer an unsecured loan or grant. A loan agreement will constitute a consumer credit agreement, however if they are offered free of interest and there are no other charges imposed, then such agreements are exempt from regulation by the FSMA and the Consumer Credit Act.

5.5 Risk Management

5.5.1 Two main risks have been identified with an extended policy

| Risk | Probability | Impact | Mitigating Actions |
|--|-------------|--------|--|
| Carers default on their loans, leading to a negative financial impact on the council's accounts | Low | Medium | <ul style="list-style-type: none"> • Credit Check before decision on financial assistance is given • Legal agreement with carer to include measures to coup monies (e.g. property charge on house) • Proactive monitoring of repayments to flag up any issues at an early stage |
| A young person's placement with a carer who has received financial assistance breaks down, leading to instability for the young person and a reduction in value for money for the council. | Low | High | <ul style="list-style-type: none"> • Extensive matching activity between the young person(s) and the carer, to ensure that the placement will provide the right environment for that young person, and the carer has the right skills • Carer Support team will continue to offer support to placements at risk of breaking down • Legal agreement will include clause requiring any loans to be repaid within 12 months of a carer electing not to have responsibility for a young person(s) |

5.6 Equalities and Diversity

5.6.1 The data on carers who have been supported through the existing policy is as follows:

Figure 4: Gender of Primary Carer

| Gender | Number of Carers (where known) |
|--------|--------------------------------|
| Female | 10 |
| Male | 1 |

Figure 5: Ethnic Background of Primary Carer

| Ethnic Background | Number of Carers (where known) |
|-------------------------|--------------------------------|
| White British | 5 |
| Black British/Caribbean | 1 |

| | |
|-----------------------|---|
| Black British/African | 2 |
| Asian British | 1 |

5.6.2 The data on children placed with carers who have been supported through the existing policy is as follows (comparisons have been made with the wider Children in Care population as a comparison).

Figure 6: Gender of Children Placed under the policy

| Gender | All children/young people placed with carers supported under the policy | All Children in Care (as of 31 st March 2019) |
|--------|---|--|
| Female | 48.1% | 39.0% |
| Male | 51.9% | 61.0% |

Figure 7: Ethnic Background of Children Placed under the policy

| Ethnic Background | All children/young people placed with carers supported under the policy | All Children in Care (as of 31 st March 2019) |
|------------------------|---|--|
| White | 57% | 41% |
| Black | 21% | 16% |
| Any Other Ethnic Group | 7% | 1% |
| Mixed | 14% | 21% |

5.6.3 Equalities Monitoring will continue to be conducted, and will be explored as part of the one year review of the policy.

5.7 Corporate Parenting

5.7.1 The revision to this policy forms part of the Barnet Placements Sufficiency and Commissioning Strategy, which ensures that there are the right placements for children and young people who are looked after by the Council. All the children and young people who will benefit from the results of the amended policy will currently be Looked After Children. The wider policy will ensure that a wider number of children and young people are able to benefit from longer term, supportive placements which support them to thrive.

5.8 Consultation and Engagement

5.8.1 Foster and Connected Carers have been involved in developing the foster carer recruitment and retention work, and feedback on carer support is carried out via the Foster Carer forum. We will continue to use the forum to review the delivery of the policy

and its impact on improving the supply of long term placement options for Children in Care.

5.9 Insight

- 5.9.1 All insight about the impact of the original policy has been presented in this paper, and was used in updating the policy to meet future needs. The review of the operation of the policy will draw on the experience of children and young people, as well as the value for money situation.

6 BACKGROUND PAPERS

- 6.1 Report on Barnet Fostering Extension and Loft Extension Policy, Policy and Resources Committee, 2nd September 2015
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8347&Ver=4>
- 6.2 Barnet Placements Sufficiency and Commissioning Strategy 2019-2023,
http://admin.barnet.gov.uk/sites/default/files/2019-05/Placement%20sufficiency%20and%20commissioning%20strategy%20v3.0%20FINAL_SMT_April%202019.pdf

Chairman: Children, Education and Safeguarding Committee
Has been consulted

Signed

Cllr David Longstaff, Via Email

Date 27/09/19

Chairman: Policy and Resources Committee
Has been consulted

Signed

Cllr Daniel Thomas, Via Email

Date 22/09/19

Chief Officer:
Decision maker having taken into account the views of the Chairman



Signed

27th September 2019

Date
