

**Key Decision Report of the Director of Children's Services**

<b>Officer Key Decision</b>	<b>Date: 5<sup>th</sup> July 2021</b>	<b>Ward(s):</b>
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**SUBJECT: FOSTER CARER HOUSING PROGRAMME TO INCREASE THE AVAILABILITY OF IN-HOUSE FOSTERING PLACEMENTS FOR ISLINGTON CHILDREN**

**1. Synopsis**

- 1.1 The purpose of this programme is to retain and increase in-house fostering capacity by up to 15 placements through a range of housing solutions that increase or free up household space within the homes of existing carers in order for them to foster additional children.
- 1.2 Increasing the number of in-house foster carers and the number of overall in-house placements is an important and urgent priority for the Council. The alternative to in-house placements is to "buy in" placements from the independent fostering agency (IFA) sector. But costs are significantly greater than in-house provision added to which there is an imperative to keep local children local, not place them outside the Borough. On average, each IFA placement will cost Islington **£400 per week more in direct fees than an equivalent in-house placement.** This amounts to extra costs of £20,800 per child per year.
- 1.3 To address this problem, and alongside measures to enhance recruitment of new carers, housing based solutions which deliver a significant increases in local, in-house placements can avoid moving children out of their local communities at great personal cost to them, but also reduce costs to the local authority of expensive IFA placements. Furthermore, creating more in-house provision for teenagers (by way of a combination of physical space and support/ training) could facilitate some stepping down from residential care.
- 1.4 This programme is therefore primarily aimed at creating additional space / a spare room in order to facilitate an existing foster carer to take on an additional child or keep a sibling group together. This solution can be a very cost effective and rapid way to achieve additional fostering capacity. It is also an effective means of incentivizing / rewarding outstanding carers who could do more if they had the space, and represents a tangible benefit to those carers which IFAs are unable to match.

- 1.5 The specific measures being considered as part of this programme include: extensions or other adaptations to properties to either remodel space or create additional space; garden annexes to facilitate additional bedroom and living space; facilitating moves into larger social housing; supporting carers in private rented accommodation. The programme is anticipated to run for 12 months and deliver additional fostering capacity over that period, which will be maintained for a 7 year period.
- 1.6 The total programme costs are £590,000 of which £519,000 is capital costs for a range of adaptations on a total of up to 8 properties (some Council owned, some owned by foster carers), including a mix of 2 storey extensions, loft conversions and garden annexes. The remaining £71,000 covers the programme resources to oversee and implement the scheme. The anticipated gross savings from implementing this scheme are estimated at £1.7m and net savings of £1.2m over a 7 year period.

## **2. Recommendations**

- 2.1 To approve the foster carer housing programme and budget of £590,000 in order to release net savings of up to £1.2m over a 7 year period.

## **3. Date the decision is to be taken: 5<sup>th</sup> July**

## **4. Background**

- 4.1 Nationally as well as locally there are insufficient in-house foster carers for local authorities to provide family homes for children who become looked after. The below extract from an Ofsted report clearly articulates the rationale and importance of addressing foster carer sufficiency:  
*"Local authorities have a statutory duty to ensure that there is sufficient accommodation to meet the needs of looked after children in their community. This duty is supported by statutory guidance that makes it clear that children should live in the local authority area, with access to local services and close to their friends and family, when it is safe to do so.<sup>1</sup> The guidance emphasises that 'having the right placement in the right place, at the right time', with the necessary support services such as education and health in place, is crucial in improving placement stability, which leads to better outcomes for looked after children."*
- 4.2 The shortage of in-house fostering placements within London – and particularly in Islington - is an issue which is compounded by the high cost of housing and the resulting lack of space to enable existing carers to take on additional children as well as "would be" new foster carers who enquire but fail to meet the space requirements for fostering. Lack of space is also a key factor when considering fostering older children/ teenagers and has an important bearing on placement stability.
- 4.3 The idea for this programme came about from a predecessor scheme that was developed with the Greater London Authority (GLA) housing team to use housing grant for the purposes of a dedicated housing adaptation programme for foster carers. The aim being to enable more in-house fostering placements to be made in London instead of costly IFA placements, many of which would be out of Borough. That scheme ended last year and a number of local authorities went on to develop their own versions (e.g.: Haringey Council, Southwark Council).

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<sup>1</sup> *Sufficiency: securing sufficient accommodation for looked after children* (statutory guidance), Department for Children, Schools and Families, 2010;  
[www.gov.uk/government/publications/securing-sufficient-accommodation-for-looked-after-children](http://www.gov.uk/government/publications/securing-sufficient-accommodation-for-looked-after-children).

4.4 In Islington, the preparatory work has already been undertaken for a local housing programme for foster carers and has revealed significant untapped capacity from our existing foster carer community. A survey and assessment of existing carers and their capacity to take on additional children revealed that almost 90% of carers would take on additional children if they had more space to do so. 11 carers were initially identified who had the capacity and were suitable for such a scheme. A further survey and assessments are underway to ensure all foster carers have the opportunity to register their interest in participating in the programme.

4.5 The costs and assumptions regarding timeframes have been fully assessed based on site visits with a Council surveyor, and discussions regarding legal frameworks for different scenarios have taken place. The risks and mitigations have been fully assessed and based on knowledge of other similar schemes elsewhere .

4.6

Risk Type	Description	Mitigation
Implementation	Measures to protect Council investment in privately owned property.  Measures to ensure Council own properties are adapted to desired standard and regulations	<ol style="list-style-type: none"> <li>1. Contract between carer and Council for the award of grant funding with conditions including legal charge on the property which is extinguished after 5 years and with a tapering off of repayments back to Council in the event the carer ceases to foster or continually refuses children. Within 1 year 100% of grant repaid, within 1 and 2 years 80% repaid, within 2 and 3 years 60% repaid, within 3 and 4 years 40% repaid, within 4 and 5 years 20% repaid, after 5 years nothing repaid. Depending on the adaptation and number of children placed, the investment in property is on average recovered within 3 years through reduced placement costs.</li> <li>2. Foster carer to be the contracting party with the construction contractor and will be contractually obliged to report progress, and costs and expenses etc. (the Council will provide wrap around support / advice and guidance)</li> <li>3. Usual planning and building control processes will apply</li> <li>4. Use of existing / panel contractors for building works</li> <li>5. Overseen by external Project manager but with project team including Council legal adviser and Council surveyor.</li> </ol>
Costs increasing (capital largely but some revenue)	Either due to unforeseen costs, contractor performance, or project overrun	<ol style="list-style-type: none"> <li>1. Council surveyor provided cost estimates for extension and loft conversion and a formal quote was provided for garden annex costs within identified properties.</li> <li>2. 10% contingency has been allowed for in both capital and revenue.</li> <li>3. Contracts with builders will be issued based on milestone achievement and significant % of fees paid on completion. These provisions to be replicated where the property is owner occupied, through the legal means of the grant agreement with foster carers.</li> <li>4. For non-Council properties, the contract will be between the owner and contractor but the grant agreement with Council will stipulate that costs are released against milestones and invoices and are capped at the pre-agreed contract sum.</li> </ol>
Delivery	Programme overruns due to planning, problems with foster carer, problems with property not identified on survey	<ol style="list-style-type: none"> <li>1. Some provision for overrun via contingency.</li> <li>2. Review point with social worker before contractual commitment and works commence to ensure foster carer still suitable to take on additional children.</li> <li>3. Early initiation of planning process and use of existing (neighbouring) plans where possible to accelerate the process. 6 months allowed within the project plan).</li> </ol>
Using savings to repay the	Investment in HRA	<ol style="list-style-type: none"> <li>1. Each adaptation to a HRA property will need to be considered in its merits as it will needed to be funded form the housing capital</li> </ol>

borrowing costs	properties cannot be funded from general fund savings	programme and therefore be prioritised relative to the Council's new build programme. 2. Early liaison with housing on financial implications of each potential HRA adaptation from the outset.
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- 4.7 The project will have a governance board and an operational steering group. The governance board will be the established Placements Board that oversees all direction and spend for Children Looked After which includes projects that reduce spend and improve outcomes for children such as this one. This board will be responsible for reporting to Directorate Delivery Board monthly.
- 4.8 A wider project team will be convened comprising representatives from the following teams: housing, finance, legal and a Council surveyor. This project team will ensure appropriate liaison takes place with finance and legal to draw up the necessary grant / contract arrangements, consultation with planning and development control, as well as overseeing the "build" phase. A specialist external team comprising of a programme management will oversee delivery and manage the project implementation, reporting back to the Steering group and the Governance Board.
- 4.9 For properties that are owned by the Council, the project team will liaise closely with Housing colleagues to project manage both the planning process and the delivery of the housing adaptations using contractors already appointed on the relevant Council panels.
- 4.10 The project team will be the point of contact between the contractor, the foster carer, housing and fostering teams and ensure things implementation is on track. For properties owned by foster carers, the project team will provide support and project management for the delivery of the adaptation but the Council will not be the contracting party for these adaptations. The foster carer will enter into a contract with the builder and will have a back-to-back grant agreement with the Council for the capital funds and the terms and conditions relating to the use of the funds

## 5. Implications

### 5.1 Financial implications:

One-off investment of £590k will lead to savings to the Council of £1.78m over the average 7 year time span for a young person being in foster care for all 8 properties, assuming 15 places are created / stabilised (the savings will be realised over 9 financial years to reflect the phasing of the places coming on stream). The cost is broken down as £519k of capital investment and £71k of project management costs.

The savings are based on an average difference in in house foster carer and IFA care of £400 per week. This has been scaled down to £320 per week to reflect optimism bias in the level of savings that can be achieved. The delivery of savings will need to be closely monitored through the placements board. Gross annual savings are £250k per annum once all places are on stream.

In order to meet the cost of capital investment, funding would need to be loaned to the service by the corporate centre over the 5 year period over which a legal charge is held on the properties, repaid from savings generated by this scheme. The borrowing cost to the service would be £110k per annum for 5 years based on an interest rate of 2% (representing the cost of capital to the Council). Due to the phasing of the savings the repayment of capital would begin from 22/23. This would reduce the level of net savings from £1.78m to £1.19m over 7 years (net annual savings of £130k, once all places are on stream for the 5 year loan repayment period).

There is the potential to meet some costs from the carbon-offset fund which will reduce the need to borrow to finance this scheme. This is being explored.

A budget to meet the one-off £70k project management needs to be identified, but can be repaid from future revenue savings – this can be repaid in 22/23.

If any of the investment is undertaken in HRA properties, then this will be a cost to the housing capital programme, as you cannot directly use GF savings to fund the borrowing costs.

## **5.2 Legal Implications:**

- a) The Council's legal powers to carry out the recommendations in this Report derive from and are ancillary to the Council's fostering powers and duties under the Children Act 1989 and the Fostering Services (England) Regulations 2011.
- b) The recommended decision is a Key Decision under the Council's Constitution because it is financially significant. A decision is deemed to be financially significant if it involves expenditure or the making of savings of an amount in excess of £1m for capital expenditure or £500,000 for revenue expenditure.
- c) A Key Decision of this value (net savings of £1.19m) can be made by a Corporate Director, or their duly appointed deputy/deputies.
- d) In cases where new or existing foster-carers' tenancies of Council-owned homes or Social Housing (as opposed to privately-owned homes) are involved in this Foster Carer Housing Programme, Housing legislation and the Council's own Housing policies and processes will be relevant. Programme Officers will accordingly need to consult closely with colleagues in Housing and in Legal Services.
- e) Legal Services will assist in drawing up the legal documentation to support the recommended actions.

## **5.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:**

The capital works required to extend or remodel homes will have several environmental impacts, including the use of materials, the use of energy and water during the construction period, the risk of nuisance to neighbouring properties from noise, and impacts related to contractor transport, including carbon emissions and contributing to congestion. In addition extensions into gardens may result in the loss of trees and green areas and reduce sustainable drainage. Larger homes are also likely to consume more energy unless mitigated by the installation of energy saving measures in other parts of the home during the works.

## **5.4 Resident Impact Assessment:**

5.4.1 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

5.4.2 A Resident Impact Assessment has been completed at Appendix 1.

5.4.3 An initial assessment revealed the following considerations:

- Means of communication: ensuring paper copies of the invitation to all carers to hear about the scheme were sent out to carers who do not have ready access to email or online documents; ensuring literacy was not a barrier by holding phone interviews with interested carers.

Ensuring objective means of assessing foster carer suitability which did not unwittingly disadvantage individuals with protected characteristics or indeed other groups within the community: a set of weighted assessment criteria were published and used to score carers who came forward for the scheme. The scoring was carried out by managers on the feedback of supervising social workers and on the basis of historical performance records. The scoring was then moderated by the fostering team manager to ensure a fair and equal approach to evidence was deployed.

## **6. Reasons for the decision: (summary)**

6.1 The need to increase in-house fostering capacity is urgent and this programme offers a means to do so through housing based solutions for existing foster carers. The cost benefit of implementing this programme is compelling – spending £590,000 to generate savings anticipated circa £1.7m (i.e.: net savings of circa £1.2m). Moreover, this programme will support the corporate goal of keeping local Islington children who come into care, local.

## **7. Record of the decision: (to be completed after 5 days on the website and re-sent to Democratic Services)**

7.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

### **Signed by:**



Director of Children's Services

Date 5 July 2021

### **Appendices**

- Appendix 1 Residents Impact Assessment

### **Background papers:**

- NONE

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