

# Central Bedfordshire Council

Executive

5 February 2019

## Foster Carers Loan Scheme

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**Report of:** Cllr Steven Dixon, Executive Member for Families, Education and Children and Lead Member for Children's Services ([steven.dixon@centralbedfordshire.gov.uk](mailto:steven.dixon@centralbedfordshire.gov.uk))

**Responsible Director(s):** Sue Harrison, Director of Children's Services ([Sue.harrison@centralbedfordshire.gov.uk](mailto:Sue.harrison@centralbedfordshire.gov.uk))

**This report relates to a decision that is Key**

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### Purpose of this report

1. This document defines the scheme for the provision of an interest-free loan to adoptive/fostering households, who wish to extend or convert their homes in order to offer a wider range or number of placements to CBC children in care.

### RECOMMENDATIONS

The Executive is asked for:

1. **consideration and approval of the draft scheme.**

### Overview and Scrutiny Comments/Recommendations

2. The scheme was presented to Overview and Scrutiny on November 20<sup>th</sup> 2018. The Committee were asked to consider and support the approval of the draft scheme, which they endorsed.

### Background

3. The Local Authority has a duty to provide sufficient accommodation for looked after children.

4. Central Bedfordshire Council want to enable foster carers and adopters to alter or adapt their homes, or in some circumstances to obtain a larger home in order to increase their capacity to accommodate looked after children locally and in particular to provide for additional capacity to secure permanence for sibling groups.
5. It is expected that introducing a scheme on loans for carers will support the Local Authority in respect of the medium-term efficiency savings needed. This is because we still have a high volume of children placed in high cost IFA/residential placements. Some of these children may be placed due to a lack of available rooms with our in-house/Family and Friends carers.
6. The average weekly cost of an IFA placement is £778.34, and the average weekly cost of an in-house placement is £421.47. Replacing any of the external placements with an in-house provision will generate considerable savings to the local authority whilst meeting the needs of our children.
7. Carers may want to borrow small amounts of money i.e. £5k to £10k to divide a room, or larger amounts i.e. £25k/£30k to have say, a loft conversion. Initially a tranche of £100k has been proposed for this scheme. If this proves to be successful, this amount could be increased in the future. This initial amount would allow for at least 3 loft conversions or 10/20 room dividers which would obviously increase potential savings to the Local Authority regarding IFA placement costs. Repayment of the funding loan is to be made via a deduction from the foster carer fees payable by the Council to the foster carer over an agreed period of time to be stated in the contract, but to be no longer than 5 years or as an average 5 years or otherwise agreed. The deduction will be made automatically, from the foster carers fee. The actual length of the loan repayment will be based on the circumstances of the individual. For the avoidance of doubt no deductions will be made from the fostering allowance itself as that money is provided to pay for the cost of caring for the child in placement. Repayments and timescales will be agreed in advance of loan payment, all of which will be clearly detailed within the loan contract that will be drawn up between the foster carer and CBC.
8. Offering foster carers interest free loans of up to five years provides another incentive for Central Bedfordshire foster carers which they would not have if approved with an Independent Fostering Agency (IFA). Similar schemes are in operation in a number of Local Authorities.

## **Issues**

9. The Corporate Parenting Service currently do not have funding to support this scheme.

## **Reason/s for decision**

10. Not applicable

## **Reason for urgency**

11. Not applicable

## Council Priorities

- Enhancing Central Bedfordshire
- Great resident services
- Improving education and skills
- Protecting the vulnerable; improving wellbeing
- Creating stronger communities
- A more efficient and responsive Council.

## Corporate Implications

### Legal Implications

12. The Local Authority has a duty to provide sufficient accommodation for looked after children as set out in Section 22G of the Children Act 1989. It requires local authorities to take strategic action in respect of the children they look after and for whom it would be consistent with their welfare for them to be provided with accommodation within their local authority area. In these circumstances, Section 22G requires local authorities, so far as is reasonably practicable to ensure that there is sufficient accommodation for those children that meets their needs.
13. The power to provide funding for home extensions is contained in the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 ('the Order'). Article 3 of the Order states that for the purpose of improving living conditions in their area, a local housing authority may provide, directly or indirectly, assistance to any person for the purpose of enabling him to adapt or improve living accommodation (whether by alteration, conversion or enlargement, by the installation of any thing or injection of any substance or otherwise).
14. Article 4 of the Order provides that a local housing authority may not exercise the power conferred by article 3 in any case unless—
  - a) they have adopted a scheme for the provision of assistance under that article;
  - b) they have given public notice of the adoption of the scheme;
  - c) they have secured that—
    - (i) a document in which the scheme is set out in full is available for inspection, free of charge, at their principal office at all reasonable times; and
    - (ii) (ii) copies of a document containing a summary of the scheme may be obtained by post (on payment, where a reasonable charge is made, of the amount of the charge); and
  - d) the power is exercised in that case in accordance with that scheme.

15. Article 5 of the Order contains miscellaneous protective provisions governing the arrangement.

## **Financial and Risk Implications**

16. The Corporate Parenting Service does not currently have funding to support this scheme; it is proposed to treat these loans as a balance sheet item (creates a debtor) and to offset this with the monthly repayment. This has nil impact on the general fund so long as the debt is repaid.
17. This scheme will save Central Bedfordshire Council ongoing recurring costs as it will enable in-house foster carers to care for more children with less reliance on more expensive I.F.A.'s – see section 1.
18. There is a risk of non-payment of the loan, however we will look to mitigate the risk by ensuring that foster carers can meet the repayment even if they do not have a child currently in placement (see 2.1 of the scheme).

## **Equalities Implications**

19. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race, religion or belief; sex and sexual orientation. This proposal will help accommodate looked after children locally and in particular provide for additional capacity to secure permanence for sibling groups.

## **Conclusion and next Steps**

20. Introducing a scheme to allow carers to access loans for extensions and adaptations to their homes will support the Local Authority in meeting its efficiency requirements. It provides a further incentive for foster carers to choose to foster for Central Bedfordshire Council

## **Appendices**

Appendix A: Foster Carers Loans Scheme

Appendix A1: Foster Carer Funding for Building Works Application Form

Appendix A2: Examples of Need

## **Background Papers**

None

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