



**Council Cabinet**  
**11 September 2019**

Report sponsor: Rachel North, Strategic  
Director Communities and Place  
Report author: Jeremy Mason, Principal  
Housing Strategy Officer

**ITEM 13**

## **Expanding Fostering Provision – Enabling Access to Suitable Properties to Facilitate Foster Care**

### **Purpose**

- 1.1 To gain the authority to run a pilot relating to the acquisition or re-allocation of additional accommodation for the specific use of foster caring families.
- 1.2 The pilot will entail either Derby Homes Ltd (DH) acquiring, or the Council, funded from the Housing Revenue Account (HRA), acquiring or re-allocating, up to 3 properties over a 2-year period. The properties will be made available for foster carers or prospective foster carers who are unable to expand or commence foster care provision due to the lack of suitable accommodation.

### **Recommendation(s)**

- 2.1 To approve the commencement of this 2-year pilot project as set out in more detail in section 4.
- 2.2 To delegate the final approval to proceed with each property to the Strategic Director of Communities and Place, the Strategic Director of Corporate Resources and the Strategic Director of People Services and CYP, in consultation with the cabinet member for Adults, Health and Housing and the cabinet member for Children and Young People.
- 2.3 To agree that any properties made available through this scheme are allocated outside of the Derby Homefinder lettings process as *Non-Shortlist Direct Offers*. (More detail in paragraph 4.8).
- 2.4 To authorise DCC Children's Services to jointly develop with Derby Homes a housing pathway for foster carers to include assessment and prioritisation criteria.

### **Reason(s)**

- 3.1 To increase the number of Council foster carers and reduce reliance on costly independent fostering agencies.

## Supporting information

### *The Case for Action*

- 4.1 This proposal relates to the Council's adherence to corporate parenting principles, particularly around enabling and facilitating children and young people to be safe and stable in their home lives.
- 4.2 Derby currently has 563 children and young people in care (27/08/2019). 68% of these are in a Foster Placement, of which
  - 104 are in a Council Foster Placement (18%)
  - 283 are in an agency fostering placement (50%)
- 4.3 Derby has a Corporate Fostering Board that is driving forward improvements in our publicity and marketing approach. Whilst this is showing signs of successful recruitment activity the fact remains that Derby is extremely short of foster carers.
- 4.4 This shortfall in provision limits placement choice and appropriate matching with foster carers that can meet the immediate and longer term needs of children separated from their birth parent or siblings. A range of approved foster carers is therefore required to reduce the negative impacts on the short and long-term outcomes for children in need of Foster Care, both as children and in later life
- 4.5 The lack of Council foster carers also has a negative impact on Council finances. Sourcing foster care through agency provision is significantly more costly than accessing Council registered provision. Typically it costs around £20,000 more per year to place a child through an agency than by a direct placement
- 4.6 Consequently, Derby's Corporate Fostering Board, approved by CLT, has set a target to establish 30 additional approved households in the current financial year.

### *Suitable Accommodation for Prospective Foster Carers*

- 4.7 The Council is regularly approached by prospective foster carers, or existing foster carers wishing to increase the number of children they care for. Frequently these applications are refused due to the lack of suitable accommodation, often due to the property being of insufficient size. This can particularly affect families that are otherwise willing and able to foster sibling groups.
- 4.8 The scheme proposed in this report will enable access to larger homes for this cohort - typically 3 bed properties but possibly 4. This will enable additional fostering placements to be made without recourse to fostering agencies.

- 4.9 Section 12.1 of the Allocations Policy allows for some properties to be held back from the Derby Homefinder lettings process to make allocations that are at the Council's discretion. This discretion is exercised to support sustainable communities and other Council initiatives. Properties made available for this project fit this criteria and should therefore be allocated outside of the Homefinder lettings process as 'Non-Shortlist Direct Offers'.

#### *The Pilot Scheme*

- 4.10 This pilot would enable Derby Homes or the Council to acquire (or re-allocate) up to 3 additional properties expressly to meet this need. Acquisition of an additional property, rather than re-allocating existing properties which are already in short supply, will avoid the 'queue-jumping' of other households in need. Council acquisition may require an increase in the capital programme.
- 4.11 The provision of a property would be securely attached to the delivery of the foster care by way of binding clauses in the tenancy or occupational licence agreement. Ownership of the properties by Derby Homes rather than the Council will help facilitate this, as Derby Homes can let the properties on assured shorthold tenancies (AST's). These give more flexibility should the foster caring stop for a protracted period, or indeed never happen once the property is signed up for.
- 4.12 For this reason, the default position will be that the required properties will be acquired by Derby Homes. However, it is possible that on occasion the Council will need to make a placement quickly and in such a circumstance it may be beneficial to be able to make a Council property available.
- 4.13 In the case of Council ownership, unlike Derby Homes ownership, the properties would be at risk of Right to Buy (RtB). Regaining possession of a rented council property in the case where the occupant did not deliver on their commitment to foster could also be problematic. Therefore, where this pilot results in the use of Council owned properties, it is to some degree a test of concept.
- 4.14 If the experience of conducting the pilot for Council properties did result in these issues, we would make the decision that no more properties would be made available through Council ownership. Rather, all properties would in future be made available through what is already the default position i.e. that of the Derby homes ownership 'route'. The outcome in the case of Council ownership would nevertheless be that an additional affordable home was provided.

#### *A Third Tenure Option*

- 4.15 We would also include the option of offering properties on a shared ownership basis. This would potentially meet the housing needs of a wider group of existing or potential foster carers as it would enable existing home owners (or those who aspire to home ownership) to participate in this initiative whilst retaining equity in their new home. In this scenario the property would be owned by the Council and held within the HRA. The security of tenure and RtB risk would be present in this tenure in the same way it applies to the rented properties in 4.12 above.

- 4.16 The Council already has a small portfolio of Shared Ownership properties and shared ownership is very much part of the government's definition of affordable housing.
- 4.17 Prior to commencement of this pilot, additional background work will be undertaken to establish the criteria for selection of tenure on a property by property basis.
- 4.18 A full review will be undertaken at the end of each individual placement and the 2 year pilot period.

### **Public/stakeholder engagement**

- 5.1 This proposal complements a number of initiatives the Council is engaged in to increase the take up of foster care placements. There is a vigorous recruitment programme in place which is co-ordinated by the recruitment team manager working with the Council's Communications Service. It makes use of advertising and articles in the local press, radio promotion, leaflets, posters, publicity events, the internet and social media. All relevant information about becoming a foster carer can be found on the Council website.
- 5.2 The Derby Homes Board will need to consider and agree to the purchase of any additional properties by Derby Homes for this purpose.

### **Other options**

- 6.1 There are no viable alternatives available to the Council to increase accommodation for prospective foster carers.

### **Financial and value for money issues**

- 7.1 It is anticipated that there is on average a £20,000 p.a. difference per case between independent foster care and direct provision by DCC foster carers. Therefore this pilot, as well as improving outcomes for looked after children, will help to support the reduction of the overall foster care bill. This will be monitored as the pilot progresses.
- 7.2 In all cases when a property is identified for acquisition which seems suitable for this scheme, a full business case will be drawn up which identifies the costs, funding arrangements and benefits

### **Legal implications**

- 8.1 Any acquisition by the Council will be subject to the Council's standard due diligence processes and will be undertaken with support from Legal Services.
- 8.2 The Children and Social Work Act 2017 sets out 7 principles for Corporate Parenting. Two of these are particularly relevant for this proposal:

- To act in the best interests, and promote the physical and mental health and well-being, of those children and young people.
- For those children and young people to be safe, and for stability in their home lives, relationships and education or work.

## Other significant implications

- 9.1 The demand for social housing across a whole gambit of priorities is outstripping supply, particularly for homes for larger families. The acquisition of a home for any project, and its projected financial costs or savings, need to be understood within a holistic context.
- 9.2 Procuring new properties for fostering placements, or diverting existing properties for this purpose, should therefore be understood in the context of other priorities that they compete with. It would therefore be prudent to keep under review and evaluate both the success of the foster placement and other acute demands for housing, such as the prevention or alleviation of homelessness, in a parallel evaluation at a later date.
- 9.3 Despite the setting up of the housing pathway described in 2.4, foster carers/prospective foster carers will continue to be able to register on Homefinder in parallel to this pathway, to ensure that it does not become an unintended barrier to social housing.
- 9.4 It should be noted that Foster Caring families that become tenants of Derby Homes on Assured Shorthold Tenancies would not be entitled to the Right to Buy. Fostering Caring families that become tenants of Council stock would be entitled to exercise Right to Buy.

**This report has been approved by the following people:**

<b>Role</b>	<b>Name</b>	<b>Date of sign-off</b>
<b>Legal</b>	Olu Idowu, Head of Legal Services	18-7-19
<b>Finance</b>	Amanda Fletcher/Alison Parkin, Heads of Finance C&P, CYP.	2-8-17
<b>Service Director(s)</b>	Greg Jennings, Director of City , Development & Growth	23-8-19
<b>Report sponsor</b>	Delegated to Greg Jennings, Director of City , Development & Growth	23-8-19
<b>Other(s)</b>	Sally Penrose, Head of Service, Fostering	5-8-19
	Ian Fullagar, Head of Strategic Housing	5-8-19
	Jayne Sowerby-Warrington, Head of Asset Management and Estates	27-7-19
	Maria Murphy, Managing Director of Derby Homes	13-6-19
	David Enticott, Finance Director and Company Secretary of Derby Homes	13-6-19

<b>Background papers:</b>	None
<b>List of appendices:</b>	None