

From: Roger Gough, Cabinet Member for Children, Young People and Education
Matt Dunkley, Corporate Director, Children, Young People & Education

To: Corporate Parenting Panel 22nd March 2018

Subject: **Corporate Parenting Challenge Card Update – “KCC acting as a guarantor for Care Leavers”**

Classification: Unrestricted

Summary: This report provides Members with an overview of progress made on the previous challenge card presented to the panel, as to whether KCC, in its role as Corporate Parents, can act as a guarantor for our young people leaving care.

Recommendation: Members of the Corporate Parenting Panel are asked to NOTE the Challenge Card progress to date and the implications for the County Council acting as a guarantor, but to SUPPORT in principle the actions of the County Council acting as a guarantor for care leavers, with a proposal to undertake a pilot scheme to inform a wider policy change.

1. Challenge Card Issued

- 1.1 A challenge was issued by the Young Adult Council (YAC) in June 2017 – **‘if a young person over school leaving age decided to be fully independent and work full time paying their own rent, would KCC as a ‘Corporate Parent’ act as the young person’s guarantor?’** This was looked into and the response to this challenge was ‘KCC are not legally able to offer this but robust plans and procedures are in place to assist young people with accommodation through a young person’s pathway plan, transitions workshops and young person’s work books’.
- 1.2 In July, members of the VSK Participation Team, along with officers from the Care Leavers 18+ Service and the Assistant Director, Corporate Parenting attended the launch of Centrepoin’s research on care leavers and housing – [‘From care to where?’](#) The key recommendations for policy and practice that resulted from the day are summarised in this report – [Views from the frontline: what do young people need to move on from care successfully?](#)
- 1.3 One of the recommendations in the report focuses around the fact that care leavers need sufficient money to pay rent and a deposit; and that local authorities should act as guarantors (as care leavers often do not have family members who can do this). The recommendation states that a clear contract should be established which sets out the maximum guarantee they are willing to provide plus deposit terms and conditions.
- 1.4 YAC reviewed the findings of the report at their meeting on 2 November 2017 and, in light of the fact that Centrepoin has included this as a recommendation, asked Corporate Parents to review the previous response to the challenge card. Members were alerted to this in a report to Corporate Parenting Panel on 29 January 2018.

2. Challenge Card Update

- 2.1 The Assistant Director for Corporate Parenting has now reviewed the initial response to the challenge and, following the Centrepont research, further legal advice has been sought. There is no evidence of a prohibition on a Local Authority acting as a Guarantor. The Localism Act 2011, states s1 'A local authority has power to do anything that individuals may generally do'. The 18plus Care Leavers Service already has in place an offer to care leavers to provide them with a rent deposit and one month's rent in advance, so the guarantee would be against unpaid rent going forward rather than the initial set up.
- 2.2 It has been confirmed that Devon County Council are currently offering to act as a Guarantor for rental costs and deposits for their care leavers. There is a set criteria and application process, starting initially with a low risk group of care leavers as part of a pilot project.
- 2.3 Centrepont's research was presented as recommendations for both local and national government, although these recommendations are not legally binding. Legislation has not been passed requiring Local Authorities to act as a Guarantor to care leavers. Whilst KCC may wish to support care leavers in reaching planned independence, if KCC were to agree to act as a Guarantor the Council would be exposed to the following risks:
- KCC would be entering into an agreement with the Landlord and a separate contract agreement with the care leaver. KCC may wish to seek legal advice in relation to the terms and conditions of these contracts on each occasion incurring a cost. The care leaver should be encouraged to seek legal advice on the contract and, whilst they may be signposted to Shelter, Centrepont or the Citizen Advice Bureau, they may request independent legal advice from a Solicitor and seek that KCC meet their reasonable costs.
 - As Guarantor, KCC would have the financial risk that, in the event that the care leaver defaulted on their tenancy, including damages, the Landlord could seek to call in the rent deposit, lost rental income and reparations, resulting in a financial cost to the Council. A care leaver may be given notice to quit their tenancy and may seek KCC to act as Guarantor on more than one occasion.

3. Proposal and considerations for a Pilot Scheme for KCC to act as a guarantor.

- 3.1 If in principle KCC agrees to act as a Guarantor, it would be necessary to further consider the financial risk particularly in relation to the numbers of care leavers. With the implementation of the Children and Social Work Act (2017) from 1 April 2018, KCC will have to take into account whether this is extended to young people up until the age of 25 years. The likelihood is that any guarantee called in may not be recovered and, therefore, there would be budgetary implications on an ongoing annual basis. Appendix 1 details the forecast for numbers of young people entering the service between the years 2017-2021.

- 3.2 It is currently difficult to access private rented accommodation for our Care Leavers without a guarantor. They are often competing with other young people in employment who have family members that act in the guarantor role and landlords are reluctant to even consider care leavers. If KCC acted as a guarantor this would open up the private rental market to our young people, strengthening their case and giving them considerably more options of accommodation. The 18plus Accommodation Team already have links to the local housing forums, where private landlords could be approached. There would also be scope to review those young people in both supported and semi-independent accommodation, with a view to moving them into better quality independent rental properties, which could mean lower costs. Appendix 1, Table 4 details accommodation types and numbers.
- 3.3 Clear criteria would be required, including which Care Leavers can access the scheme and whether there would be a cap on the amount of the guarantee and the number of times KCC can act in this role, given that geographically rent is higher in certain areas of Kent and that some former unaccompanied asylum seeking young people have been placed outside of Kent, following the increased demand in 2015 (mainly into Medway and the London Boroughs). The pilot could test out KCC acting as a guarantor for the first 12 months of tenancy, with analysis of costs to KCC due to young people defaulting on rent payments, balanced with any savings from being able to access the private rental market for our care leavers.
- 3.4 The implications of legal costs would need to be considered, depending on whether legal advice would be required by KCC on each occasion and whether KCC would meet the costs of the care leaver seeking independent legal advice on the contract agreement.

4. Conclusion

It is recommended that it is agreed in principle that KCC could act as a Guarantor and this should be implemented in line with Devon County Council by starting with a small pilot group of low risk young people and the approval of set criteria of eligibility. This would test any financial implications with a low number of Care Leavers to inform a wider policy change following a review of learning and any identified financial risks. A more detailed plan for the pilot scheme to be returned to Corporate Parenting Panel on 1st June 2018 with timescales for completion. The pilot would then inform any request for a permanent policy change.

5. Recommendations:

Members of the Corporate Parenting Panel are asked to NOTE the Challenge Card progress to date and the implications for the County Council acting as a guarantor, but to SUPPORT in principle the actions of the County Council acting as a guarantor for care leavers, with a proposal to undertake a pilot scheme to inform a wider policy change.

6. Contact details

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7. Background documents: none

Appendix 1:

Forecast for numbers of Care Leavers within the 18plus Service and Accommodation Types

Table 1: Short Term Forecast – Citizen and UASC Care Leavers

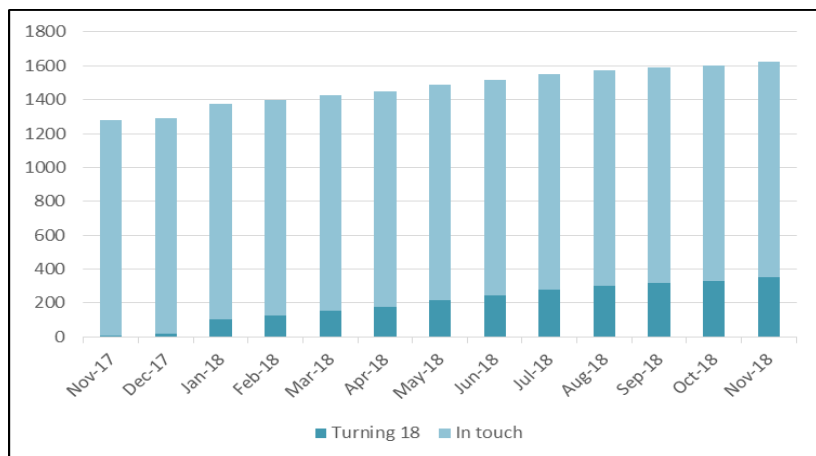


Table 2: Care Leavers Forecast – Citizen

	2017	2018	2019	2020	2021
17 and 18	224	175	169	166	163
19	192	185	175	169	166
20	188	192	185	175	169
21	16	188	192	185	175
22	8	16	188	192	185
23	5	8	16	188	192
24	0	5	8	16	188
25+		0	5	8	16
Total	633	769	938	1099	1254
In touch	0.907	0.907	0.907	0.907	0.907
Total	574	698	851	997	1137

Table 3: Care Leavers Forecast – UASC

	Nov-17	Nov-18	Nov-19	Nov-20	Nov-21
18	386	181	117	103	101
19	292	369	181	117	103
20	112	292	369	181	117
21	23	112	292	369	181
22	4	23	112	292	369
23	4	4	23	112	292
24	1	4	4	23	112
25	1	1	4	4	23
Total	823	986	1,101	1,200	1,297
In touch	0.85	0.85	0.85	0.85	0.85
Total	698	836	934	1018	1100

Table 4: Current Accommodation Types for Care Leavers

With parents or relatives/ Connected Person	197
Supported Lodgings (Not Former Foster Carer)	58
Independent Housing - KCC	497
Independent Housing - Social Housing	111
Independent Housing - Private Rental	149
University Housing	21
Semi-independent, transitional accommodation	119
Bed and Breakfast	4
Missing cohort(UASC)/refused accommodation/staying with friends	131
NHS/Community Home/Residential Care	9
Foyers	20
Emergency accommodation	4
In custody	27
Supported Lodgings (Staying Put)	73
Ordinary Lodgings without formal support	10
Total	1430