

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

To: Corporate Parenting Panel - 1 June 2018

Subject: **Corporate Parenting Pilot Scheme: Kent County Council 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 and agreement that 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 agree the pilot scheme details 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?** It was agreed at Corporate Parenting panel on 22nd March 2018, that KCC could act in the role of guarantor for our Care Leavers and that the proposal for a pilot scheme would be progressed.
- 1.2 The Care Leavers Service will begin a 12-month pilot starting on 1st July 2018 and this will accept applications from all eligible Care Leavers to a maximum of 25 young people. Due to the potential financial risks involved in the pilot to KCC and considering the learning from Devon County Council, we are starting the pilot on a small scale, to minimise the risks. The aim will be to build the scheme in subsequent years, to be accessed by a larger cohort of young people and with a view to the learning underpinning a wider policy change in 2019.
- 1.3 Devon started their pilot scheme by only offering to be a guarantor for the lower risk young people, e.g. those at university, in employment etc. We have listened to the feedback from Members on 22nd March 2018, that they would envisage Kent's pilot scheme to be open to all Care Leavers, in order to give a more realistic test in the pilot of financial risk but equally to ensure this offer can be accessed by our most vulnerable young people, who are likely to have more restricted access to appropriate accommodation.
- 1.4 The processes to begin the pilot period have been completed, with an application form and KCC templates set up. Personal Advisors and the Care Leavers Accommodation Team, will receive training to ensure they identify appropriate young people and can support them with the application form. The agreement for KCC to act as a guarantor will

be given by the Head of Service for 18plus Care Leavers, who will have overall responsibility for the tracking and monitoring of financial implications.

2. The Offer to be a Guarantor.

- 2.1 There is no evidence of a prohibition on a Local Authority acting as a Guarantor. The Localism Act 2011 states '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 guarantor offer would be against unpaid rent for the first 6 months of their tenancy.
- 2.2 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. The likelihood is that any guarantee called in may not be recovered and, therefore, there would be budgetary implications on an ongoing annual basis. A 12-month period for a pilot would give an indication for the financial implications for future years and the option not to progress the pilot into KCC policy, should the financial risk be too high.
- 2.3 Our aim with the offer to be a guarantor, is that we can open up the private rental market to our young people, strengthening their case and giving them 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.
- 2.4 The pilot will test out:
 - Financial implications by testing the numbers of young people who default on rental payments.
 - Whether it opens up more choice of private rental accommodation, in terms of both quality and location
 - Review of young people in semi-independent accommodation, as to whether any can be moved into rental properties by using the enhanced offer of KCC acting as a guarantor.
 - Does the Guarantor offer directly impact upon better outcomes for our Care Leavers in securing long term quality housing options?

3. Conclusion

The 12-month pilot will provide enough time to test out the impact of the agreement for KCC to act as a guarantor for their Care Leavers and inform any request for a permanent policy change. There would be a mid-way review after six months (December 2018) and it is proposed that the findings be presented to Corporate Parenting Panel in January 2019.

4. Recommendations:

Members of the Corporate Parenting Panel are asked to NOTE the Challenge Card progress to date and agree the pilot scheme details to inform a wider policy change.

5. Background documents: none

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