

Summary Sheet

Committee Name and Date of Committee Meeting:

Cabinet and Commissioners' Decision Making Meeting – 11 June 2018.

Report Title:

The House Project

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Mel Meggs, Acting Strategic Director of Children and Young People's Services

Report Author(s)

Sharon Sandell – Service Manager, Leaving Care

Ward(s) Affected

All

Summary

The House Project (HP) was a Department for Education (DfE) Social Care Innovation Fund Project that looked at creating a new model of supported housing for young people leaving care in Stoke-on-Trent. It was set up as a company limited by guarantee (CLG), based on a tenant-led housing co-operative model.

The project was the first of its kind for care leavers in the UK, and involved young people having a lead role in developing and running the overall project, as well as choosing and refurbishing their own tenancy, and identifying the support needed to sustain it.

The key elements of the project were the offer of suitable, safe and long-term post-care housing alongside a holistic and bespoke package of training and support that focused on increasing young people's independent living and personal skills and their participation in education, employment and training (EET).

The co-operative model aimed to increase young people's sense of community and integration, and their choice and overall agency in their transitions from care to independent adulthood. A key aim of the project was to reduce the feelings of isolation and powerlessness that many care leavers can experience after leaving care.

The House Project (HP) was based on a tenant-managed housing co-operative model, run for, and by, young people aged 16-18 who are leaving care.

The model comprised of a staff team, (including facilitators to support young people) and a range of partner agencies (including a legal team, architect and training company). The model involved the transfer of void properties from Stoke-on-Trent council to the HP on a short-term lease and peppercorn rent.

The aim was to secure 10 properties at any one time, replacing allocated properties when they revert to the council. The 10 properties were allocated to the House Project young people under HP tenancy agreements, alongside a bespoke package of support until the young person was considered ready and able to transition out of the project, at which point they and their home revert to a standard long-term council tenancy.

The project involved young people working with architects and a project management team to refurbish the properties, to engender a sense of ownership and enable them to create homes that meet their needs.

Rotherham is one of the areas that have been approached by the DfE to become part of the next phase of Innovation projects.

The project attracts £370,000 of DfE funding

Recommendations

1. That Rotherham Metropolitan Borough Council (RMBC) become part of the next phase of DfE Innovation Funded Projects to explore the feasibility of developing an alternative housing solution for Care Leavers in Rotherham.
2. That it be acknowledged that Rotherham Care Leavers will be responsible for the design, development and delivery of the project and will be supported by a range of officers from across the Council to ensure the project is delivered within the principles and practices of RMBC as well as the vision and principles of the project. (Appendix A).

List of Appendices Included

Appendix A Governing Principles and Vision of the project

Appendix B Governance Arrangements for the House Project

Background Papers

DfE Evaluation Report 'Making a House a Home – Stoke House Project March 2017

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Overview and Scrutiny Management Board – 6 June 2018

Council Approval Required

No

Exempt from the Press and Public

No

The House Project

1. Recommendations

- 1.1 That Rotherham Metropolitan Borough Council (RMBC) become part of the next phase of DfE Innovation Funded Projects to explore the feasibility of developing an alternative housing solution for Care Leavers in Rotherham.
- 1.2 That it be acknowledged that Rotherham Care Leavers will be responsible for the design, development and delivery of the project and will be supported by a range of officers from across the Council to ensure the project is delivered within the principles and practices of RMBC as well as the vision and principles of the project. (Appendix A).

2. Background

- 2.1 Stoke-on-Trent City Council received a Phase One Innovation Fund Grant from the Department of Education (DfE) to create a Cooperative for Care Leavers to manage their own accommodation. The model proposed the creation of a Board as a formal Limited Company, (which is also a Registered Charity). The project began in early 2015 and eight young people successfully moved into their homes.
- 2.2 Key to the success of the project is that it enables young people to project manage their own accommodation by actively becoming involved in the maintenance and decoration of their own property. Care Leavers in Stoke-on-Trent appointed the team to work with them and had overall charge of all decisions made.
- 2.3 The DfE is now looking for five Local Authorities to develop similar projects as part of the next wave of Innovation Projects.

Through the Innovation Fund the DfE are exploring whether the impact and methodology of the model adopted in Stoke-on-Trent can be replicated in other areas. Rotherham has been identified as one of the areas where the principles, ideas and approaches used in Stoke could be tested out.

- 2.4. The University of York has been approached to undertake an evaluation of the next phase using the same researchers from the original Stoke-on-Trent evaluation.

The DfE are also looking to develop a national body that can support more local authorities to develop this approach.

- 2.5. The aim of the project is to co-produce with care leavers an approach to finding alternative housing solutions for securing a permanent home for young people leaving care.

- 2.6. This is a 3 year project during which time up to 10 young people are expected to move into up to 10 units. It is anticipated young people will be in their accommodation between the end of year one and the middle of year 2 of the project.
- 2.7. RMBC currently offer priority status to care leavers as part of its housing allocation policy, as is the expected standard for the majority of Local Authorities in England. As such this project does not require any additionality for care leavers in the area.

3. Key Issues

- 3.1 This project is a DfE Innovation Funded project which seeks to further test the idea of the House Project and to see the possibilities of its application in other local authority areas. A number of elements will need testing as part of this project. This includes;
 - Bringing young people together to develop and manage the project. More specifically RMBC will need to consider how young people become part of the management board and how they make an application to gain accommodation via the House Project as part of the first phase of the feasibility study.
 - Working with housing colleagues to determine the most appropriate accommodation strategy for the project. This will explore the feasibility of utilising council homes in the project, whilst recognising it must not disadvantage those already on the housing register or be detrimental to the Housing Revenue Account in terms of maintaining income collection rates and asset values.
 - Developing a personalised housing plan for each young person as soon as practicable to enable the property allocation process to work effectively and ensuring waiting times for properties to become available are not too long
 - Working with young people to identify the right accommodation that meets their needs and be responsible for the accommodation.
 - Exploring what will be the best temporary tenancy/licensing arrangements and how the young people can transfer into a permanent home
 - Working together to consider the scope of decision making for young people and what elements of housing management can be handed over to young people in a way that supports RMBC to manage the expectations of young people while at the same time shows commitment to the principles and values of the project.

- Working together to determine the right mechanisms to make sure young people are ready to move in to their own tenancy – this includes the development of practical skills as well as any counselling/psychological support that might be required to help young people settle in their own homes.
- This is a pilot project testing the feasibility of the House Project as it could be developed in Rotherham. In terms of the core principles of the project – these are the goals of any Leaving Care Service supporting young people make the transition into their own accommodation. This project offers an alternative model for supporting RMBC Leaving Care Service to develop these skills and attributes in our young people.

4. Summary of options considered and recommended proposal

- 4.1. **Option One:** Do nothing. RMBC Leaving Care Service was rated outstanding by OFSTED as a result of the Single Inspection in December 2017. A significant aspect of this judgement related to how RMBC supported young people to access and maintain suitable and safe accommodation. Whilst the offer is strong and varied it can currently be expensive in some cases for some young people. The project is expected to consolidate the current outstanding accommodation offer whilst at the same time achieve some cost savings on the current accommodation offer. By choosing to not proceed with this initiative the opportunity of significant external support to develop an alternative housing solution will be missed.
- 4.2. **Option Two:** It is recommended that Rotherham Metropolitan Borough Council progress the offer and become one of the five areas taking forward an exploration of the feasibility of becoming involved in the development of a House Project.

5. Consultation

- 5.1 Significant informal consultation has occurred with Care leavers who are supportive of the Council's involvement.
- 5.2 A key part of the project requires young people to make a pitch to the House Project Board to explain why they want RMBC to become part of the House project. This took place in March 2018.
- 5.3 Further consultation with stakeholders will be conducted once the model is developed.

6. Timetable and Accountability for Implementing this Decision

- 6.1 This is a proposed three year project. A detailed project plan will be developed in consultation with the national funder.

7. Financial and Procurement Implications

- 7.1. For young people who are looked after the Council has to pay for their accommodation and care up to the age of 18. Currently a mid-support placement costs on average £83k per annum while a residential placement costs £213k per annum.
- 7.2. When the young person turns 18 it is expected that they move to their own accommodation and take responsibility for paying their own rent whether this be through housing benefit or via secured employment that enables them to be fully financially independent.
- 7.3. The project will initially work with a cohort of up to ten care leavers which is the same size as the original project in Stoke.
- 7.4. The projections for the project are based on an average of three 16-17 year old's being in the cohort of ten at any-one time. The remaining 7 would be 18+. This mix would provide stability for the project with the higher need and support requirements of the 16-17 year olds being complemented by the more stable 18+ age group.
- 7.5. These projections are based on a number of assumptions. However any changes in the assumptions will impact on the financial projections identified in the table below.
- 7.6. The project set-up period is forecast to commence in July 2018 with the first full year of the scheme to be 2019/20.
- 7.7. In relation to refurbishment costs – RMBC Housing has a budget for completing works on voided properties prior to letting if required. Negotiation and discussion will need to take place if this project can capture any monies as part of the voids process. Young people leaving care have up to £2000 to set up their own home. It is expected this would be used to support young people making their house, their home.

Projected Income and Expenditure Table A

| House Project | | | | |
|--|------------------|-----------------|------------------|------------------|
| Forecast Income and Expenditure | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| Innovation Funding | (330,000) | (40,000) | 0 | 0 |
| Income (rental payments / utilities from care leavers) | 0 | (31,243) | (31,867) | (32,505) |
| Total income (Note 1) | (330,000) | (71,243) | (31,867) | (32,505) |
| Accommodation costs (excluding repair costs, social landlord responsibility) | 8,213 | 18,258 | 18,589 | 18,930 |
| Refurbishment costs | 150,000 | 0 | 0 | 0 |
| Project Support costs (Note 2) | 170,901 | 194,455 | 197,184 | 199,966 |
| Total Expenditure | 329,114 | 212,713 | 215,773 | 218,896 |
| Council funding | | | | |
| Care placement budgets | 0 | (253,923) | (259,002) | (264,182) |
| HRA rents (10 properties at £344 per week) | 0 | 41,282 | 42,108 | 42,950 |
| | 0 | (212,641) | (216,894) | (221,232) |
| Annual (saving) / cost | (886) | (71,171) | (32,989) | (34,841) |
| Cumulative (saving) / cost | (886) | (72,057) | (105,045) | (139,886) |
| Note 1 | | | | |
| Includes Innovation Funding and income from care leavers (from the 7 x young people aged 18+) | | | | |
| The financial projections assume that the final two payments of the Innovation Funding (£130k in total) are received. Without these two payments the project would still generate a cumulative saving over the above period. | | | | |
| Note 2 | | | | |
| Includes Project management costs, therapeutic and group sessions, facilitators etc. | | | | |

7.8. The project will attract £370,000 of DfE Innovation Funds. Although each staged payment will be reliant on Rotherham CYPS achieving the previous phase there will be no clawback if it is decided at any point to withdraw from the project. This grant will be drawn down in tranches subject to satisfactory progress against delivery which will be outlined in a partnership agreement. Payment amounts and deliverables, similar to the Stoke-on-Trent model, would be as below.

Payment 1 for £150,000 (year 1, 2018/19)

Deliverable - Project lead recruited; creation of a programme plan

Payment 2 for £90,000 (year 1, 2018/19)

Deliverable - 10 young people recruited to the project, project team in place; regular attendance at the national meetings

Payment 3 for £90,000 (year 1, 2018/19)

Deliverable – Demonstrated commitment to setting up an approach in collaboration with young people to support the continuation of the values and principles of the House Project at the end of the Innovation Programme funding; regular data monitoring provided.

Payment 4 for £40,000 (year 2, 2019/20)

Deliverable - Commitment to working with young people through the support of the House Project members to participate in young people focussed hub events etc.

These payment dates are a guide depending upon individual negotiations and subject to agreement.

- 7.9. The expenditure for the first 9 months will be covered from the DfE funding. This will cover all initial set up costs, accommodation costs (based on the model adopted in Stoke-on-Trent and excluding those which are the responsibility of the social landlord, e.g. repairs) and the six month programme working with each care leaver on participation requirements and life skills. £150k of the DfE grant would be used for a refurbishment fund to enable any required building works on the 10 identified dwellings to be undertaken. This is planned to cover the period between the property being 'handed back' by the previous tenant and it being made ready for a young person to live in. This will be incurred in the first year of the project.
- 7.10 The current average cost to the Council of a 16-17 year old care leaver is £83k for supported care and £213k for an Out of Area placement.
- 7.11. The main source of income for the project each year would come from the Council's Leaving Care budget and equate to three 16-17 year old supported care places totalling £249k. The Strategic Director for Children's Services may authorise this in-year budget virement (in accordance with the Council's Financial Regulations 7.2). This will be reported as part of the financial monitoring reporting procedures. This is at a rate of £83k per care leaver per annum (plus 2% inflation each year). Income would also come in from the 18+ group in the form of rent charges and their contribution to utilities.
- 7.12. The project offers the Council a potential for cost reduction against the current Leaving Care budget. At the point of viring of the £249k budget, the project is cost neutral to the Council. If any of the three 16-17 year olds selected to join the scheme move from an out of area placement (at the higher cost of £213k per placement) there is potentially a further saving of £130k per care leaver for the Council.
- 7.13. Rent will be charged in line with council house social rents and the rental income will come back into the Housing Revenue Account. Rent will come from the residents that are 18+ either in the form of Housing Benefit or wages if they are in employment and charged at the rate of Housing benefit of £344 per month. The affordability for the young person to rent a home they are selecting will be assessed prior to the property being allocated; this will ensure they do not get into debt. Each young person will also contribute to monthly utility bills, which is the existing arrangement. This will come from the care leaver's personal allowance. The Housing Income Team and Housing Financial Inclusion Officers can provide the necessary support.

7.14. The project is expected to break even in 2018-19. In year 2 (i.e. 2019/20) onwards there would be a profit which would sustain the project in future years and work on the next cohort of children.

7.15 The Council will continue to receive the appropriate social rent for the properties based on £344 per month, per property at a total of £41,282 per year for the ten properties (inflated from 2019/20 by 2% inflation each year), i.e. there will be no additional cost to the Council arising from the project. This is shown in Table A under paragraph 7.7 above.

7.16 The Council is seeking to recruit to 2 posts initially. Costs captured above. Any additional support required by young people to move in to their accommodation will be dependent on the needs of the young people moving through and are not fully realised at this point in the project. Young people will require at least 6 months to prepare before they move in to their new homes and as such the level of support and requirements will become clearer at this point.

8. Legal Implications

8.1 The proposals contained in this report raise a number of legal issues that will need to be worked through in detail as part of the project.

8.2 Some of these areas will include the types of tenancy and licensing agreements utilised, as well as the requirements to support the young people to manage the properties.

9. Human Resources Implications

9.1 Subject to Cabinet approval, appointments will need to be made to a Project Manager and Project Officer (Participation Lead) post. This could be achieved through a secondment from inside the organisation or an external recruitment campaign.

9.2 A Project Manager Job profile has been developed and graded at a Band L. A Project Officer post has also been developed and costs projected are based on similar posts in RMBC and in those areas involved in the House Project.

9.3 The detail regarding this and any further recruitment will become clear once permission to proceed has been achieved. It is anticipated both posts will be offered on a fixed 3 year term basis in line with the duration of the contract.

10. Implications for Children and Young People and Vulnerable Adults

10.1. The Project intends to address the issues and difficulties facing young people (16-21 years) as they transition from a Regulated Placement into their own accommodation.

10.2. Early indications from the initial evaluation of 'Making a House a Home' Stoke's House Project published by DfE in March 2017 suggested that young people are settling into their new routines and homes and that participation in the project had been a valuable experience for them.

10.3. There are potential invest to save opportunities in terms of the placement decisions and costs associated with Looked After Children (LAC) placements and as young people move into adulthood.

11. Equalities and Human Rights Implications

11.1. Care Leavers are a distinct group within their peer group who face multiple adversities and challenges as a result of becoming looked after and then leaving the care of the authority.

11.2. This project seeks to redress these aspects by offering young people the opportunity to develop and manage an arrangement that supports them become active and full participants in society. It encourages equality of access and encourages opportunities to build self-esteem and belief. Young people will be the focus for the project and will lead the project with support from colleagues and partners across the borough.

11.3. Young people will be encouraged to consider equality of access to the project from within their own cohort of care leavers.

12. Implications for Partners and Other Directorates

12.1. The project requires close working with colleagues within the council from housing, finance and legal services. Strong relationships are already in place and this project will build on these relationships. Housing and finance colleagues have been heavily involved in the discussions for the project and consider it a project worthy of investigation.

12.2. There are developing relationships with external partners as a result of a focus on supporting more young people into education employment or training. Partners are keen to work with our young people and look at innovative ways to support this.

12.3. There are also existing and increasingly well established relationships with the Police, Adult Mental Health and adult social care as a result of the work routinely undertaken to support young people make safe and secure transitions as well as the management of risk. The service would utilise these relationships to develop the project and seek further support.

13. Risks and Mitigation

13.1 The projections outlined in Section 7 of the report have some element of contingency built in. However, as the payments are made on a phased basis there is no risk of any 'clawback' if RMBC decides not to progress to the next stage. Risks that may affect the financial projections are:

- Without the grant from the DfE the project would not be viable.

If the Council was to charge the appropriate social rent for the properties based on £344 per month, per property as opposed to a 'peppercorn rent' as suggested by the House Project the Council would incur additional costs of £41,282 per year reducing the potential savings achieved by the Project via reduced Out of Authority placements.

- If a young person left the project, this may in the short term affect the amount of rental income (18+). A rent arrears contingency has been identified while a new young person was ready to join the project.
- Changes to Housing Benefit rate (a 2% annual increase) is included in the projection, but any reduction to benefits would affect the long term viability on the Project.
- Any changes to the 100% Council Tax discount for Care Leavers would also affect the potential savings to be made by RMBC being achieved by reduced Out of Authority placements as a result of the Project.

13.2 A Risk Register along with an Impact Analysis is currently being developed.

14. **Accountable Officer(s)**

Mel Meggs, Acting Strategic Director of Children and Young People's Services
 Ian Walker, Head of Service – Looked After Children and Leaving Care
 Sharon Sandell – Service Manager Leaving Care

Approvals obtained on behalf of:-

| | Named Officer | Date |
|--|----------------------|-------------|
| Strategic Director of Finance & Customer Services | Michael Wildman | 21.05.2018 |
| Assistant Director of Legal Services | Neil Concannon | 21.05.2018 |
| Head of Procurement (if appropriate) | N/A | N/A |
| Assistant Director of Human Resources (if appropriate) | Amy Leech | 22.03.2018 |

This report is published on the Council's website or can be found at:-

<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=>

Guiding Principles

Young people are equal partners of a local solution to sourcing and providing safe, stable and secure homes for young people.

This is an approach allowing a gradual exit from care and supports young people to move when they have the skills and are ready to move.

Participation in the project sees young people build skills and knowledge that support their development into adulthood.

The fundamental core beliefs and aims of the project are that young people should;

Have their own home and the support of a community for as long as they need it.

Take ownership of decisions affecting their own lives, their property and the development of the business.

Gain independence and the skills to support themselves emotionally and financially through the support they need when they need it.

Take responsibility for keeping themselves safe, looking after others and the project.

Governance Arrangements for the House Project

National Board

There are two separate arrangements occurring simultaneously. The first is the development of a National House Project Organisation, the purpose of which is to seek to support individual Local Authorities set up and run their own independent and individual house projects. In effect it becomes an advisory body.

At the current time this National Board is being set up. As an interim arrangement there is a steering group which is working to determine the arrangements for the National Board to become a standalone enterprise. It is anticipated this National Organisation will become a Charitable Incorporated Company (CIC). Initial seed funding has been provided by the DfE Innovation Fund with a view that after 3 years this organisation should be self-supporting and able to access funding and grant streams as a result of its charitable status.

The steering group is currently chaired by Warwickshire as the lead House Project. Recent appointments to the National Project include a National Director and a Head of Social Care. This should now see the arrangements for the National Project pick up pace. It is understood that the newly appointed National Director for the House Project was one of the strategic leads from Stoke on Trent. This secures the knowledge and expertise from the original project into this new phase.

Until the CIC is in place it is the Steering Group that will provide the priorities to the National Director. Rotherham can be part of the Steering Group should it agree to become part of the project.

The second element is supporting up to 5 local authorities develop their own House Projects.

The 5 areas which have been approached are;

- Warwickshire
- Oxfordshire
- Doncaster
- Islington
- Rotherham (subject to approval)

The DfE Innovation Fund has also provided funding for each organisation to set up the project in their own areas. This enables each area to consider how the principles of the project could be implemented locally while taking into account local conditions. The funding is available over 3 years and allows Local Authorities the time and space to explore the feasibility of the project in their areas.

National to Local Governance Arrangements

Key to making the project a success will be projects learning together, sharing information and bringing young people together.

Current support arrangements are in the process of being developed but are expected to include:

Executive Board – made up of the strategic leads for each project from each of the 5 areas. It is anticipated that this group would meet quarterly. Chaired currently by the Lead Local Authority – Warwickshire.

Project Leads Group – this is made up of the operational leads from each of the authorities. It is anticipated this group would meet monthly.

Young Persons Steering Group – A necessary requirement given this is a project run by young people for young people. The arrangements for this are still being negotiated.

The Executive Board will feed in to the national steering group/ CiC and determine immediate priorities until the CiC is self-sustaining.

Local Governance Arrangements in Rotherham

The learning from Stoke is suggestive that RMBC will develop a young person's project board.

There would also be a project board of employees from the Council and partners who are implicated in this project to support young people in their decision making and to carry the risk.

RMBC would appoint a Project Manager to focus on the delivery of the project and support young people in their decision making.

RMBC would also appoint a Project Officer who certainly in the initial phases of the project would be the lead participation worker.

The young person's board will be the place decisions are made. The officer board is there to advise on options, debate some of the decisions and conversations with young people and empower and encourage them to make decisions.

The initial stages of the project will see that the young person's board, with the officer board, remain within the local authority.

4.1 The Governance arrangements as well as having access to colleagues who originally developed the project and who are still involved in managing the project suggests that RMBC would be able to access expertise and advice at every stage of the implementation and development from the National Board. Legal Services will be invited to participate in the project and become part of the management board supporting young people in their decision making.

This assurance from Warwickshire has been key in preliminary discussions as to how RMBC could become a part of the project and to date there is evidence of their support and engagement in the questions and issues raised by RMBC.