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Cabinet Member

21 January 2021

**Name of Cabinet Member:**

Cabinet Member for Children and Young People - Councillor P Seaman

**Director Approving Submission of the report:**

Director of Children's Services

**Ward(s) affected:**

All Wards

**Title:**

The House Project

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**Is this a key decision?**

No - although the proposals affect more than two electoral wards, the impact is not expected to be significant.

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**Executive Summary:**

Coventry City Council takes its corporate parenting responsibilities very seriously and is always seeking to improve the services offered to looked after children. The House Project is a nationally recognised scheme that is evidentially proven to improve outcomes for looked after children. It does this by inviting a group of young people to get together and build close and supportive relationships whilst renovating individual properties which they will then go on to live in permanently. The young people are supported by a network of professionals, including a psychologist, which is gradually withdrawn as the young people begin to support each other. The enduring relationships they build with each other continue into adulthood. By entering into this scheme, Coventry is expanding on its already nationally recognised excellent local offer for care leavers.

This report informs the Cabinet Member of the benefits of running a local House Project for children in care and care leavers and also sets out the impact it can have on outcomes for young people.

**Recommendations:**

Cabinet Member for Children and Young People is recommended to:

1. Approve that Coventry City Council, in partnership with the National House Project delivers a local House Project for young people in care and care leavers.

2. Approve that Coventry City Council enters into a contract with The National House Project to adopt The House Project model.
3. Delegate authority to the Director of Children's Services to undertake all necessary due diligence required and to enter into the associated legal agreements to give effect to the above recommendations.

**List of Appendices included:**

**1 The House Project - Financial Analysis Report**

**Background papers:**

None.

**Other useful documents**

None.

**Has it been or will it be considered by Scrutiny?**

No.

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

Yes – The report will be presented to the Corporate Parenting Board on 28 January 2021.

**Will this report go to Council?**

No

## **1. Context (or background)**

- 1.1 Coventry City Council is always looking to better its offer to looked after children to improve their outcomes.
- 1.2 Every year young people aged between 16 and 18 in England leave local authority care. Moving to independence from 16 and living alone from 18 as a care leaver is daunting. Doing this without the support of close family and at a much earlier age than the general population does not work for many young people. Care leavers often describe the loneliness and fear they feel.
- 1.3 It was against this backdrop that the House Project framework was developed. The project takes a ground-breaking approach through its commitment to young people's ownership to enable young people leaving care to achieve successful independence. The process focuses on maximising young people's ownership of all aspects of the project, so they feel proud of what they have developed and have confidence in themselves and their futures.
- 1.4 The National House Project which is a national charity has developed the framework and provides the expertise and support to enable any group of young people and the adults working with them to apply to set up their own House Project. The National House Project provides support and guidance to local authorities through a paid membership arrangement to establish a local House Project.
- 1.5 A House Project works with approximately ten young people aged 16 and above who have successfully applied to be part of the project.
- 1.6 Links are built with local housing providers which enables the House Project to have access to properties. Links are also developed with companies and training providers engaged locally in building and associated trades. Through these connections, young people learn to project manage and participate in any works necessary to make their allocated property a home.
- 1.7 When the young people have refurbished their property, they move into their home, initially on an introductory license, with a view to them having a long-term tenancy.
- 1.8 In general, the House Project works with young people who are shortly due to leave care and empowers them to achieve successful independence. A group of young people come together and offer each other peer support. They work together to make sure that they can all maintain a successful tenancy into adulthood. By agreeing to be involved with this nationally accredited third sector initiative, Coventry will be expanding the local offer for care leavers.

## **2. Options considered and recommended proposal**

2.1 Option one would be to continue with the housing support options already in place in Coventry and not consider developing a local House Project. These services can work well and the service run by the Children's Services, in particular, has positive outcomes for young people. However, given the projected number of young people who are going to be in need of supported accommodation in the coming years an expansion of options would be beneficial, to avoid young people remaining in residential care too long, and entering adulthood unprepared for living independently. This option is not recommended.

2.2 Option two, which is the recommended option through this report, would be to develop a local House Project as detailed in the report. This would expand the range of offers available to our young people in care and care leavers, support our sufficiency of accommodation options reducing reliance on providers, and be a more cost-effective offer of care and support. This is a scheme that Coventry has been invited to participate in. There has been full consideration given as to whether this is a project which Coventry City Council wants to participate in. This is a unique scheme and there are no other providers of anything comparable.

### **3. Results of consultation undertaken**

- 3.1 There have been several opportunities for consultation regarding this project. As the project is led and driven by the young people themselves, there has been consultation with young people who are looked after. This has been undertaken by the Through Care service that works with this group of young people. Consultation has taken place through social media platforms, through established focus groups and individually with specific young people. This has also included colleagues from the National House Project who have outlined the project, how it works and outcomes for other young people who have been involved in other areas. Feedback from young people in Coventry has been overwhelmingly positive.
- 3.2 Members of Coventry City Council, including young people have attended a national conference held by the National House Project. This afforded everyone the opportunity to hear the views of other young people outside of Coventry and how the scheme had improved their outcomes and outlook on life.
- 3.3 A few local authorities have already signed up with the scheme. This includes neighbouring Warwickshire. There has been an opportunity to have discussions with staff from these authorities about how they found the project and how it had contributed to improving outcomes for their young people.

### **4. Timetable for implementing this decision**

- 4.1 It is anticipated that this scheme will begin as soon as formally endorsed by the Cabinet Member for Children and Young People. Once agreed, this scheme can continue as long as required to contribute to improved outcomes for our looked after children.

### **5. Comments from Director of Finance and Director of Law and Governance**

#### **5.1 Financial implications**

For this project to be self-funding or to create financial savings, the running costs of the project need to be lower than the placement savings.

Apart from the membership fee that decreases over the first three years, most of the running costs are fixed. However, the placement savings are more sensitive to change and depend on various factors that are explored in more detail in the attached appendix 1.

The running costs and placement savings shown in appendix 1 outline a likely scenario. This model was developed with the help of The National House Project charity who have experience of how the scheme has worked for other LAs.

Due to the length of time between establishing the project, selecting and working with a cohort of young people, and them finally moving into House Project properties, the net financial position of the project in year one is expected to be a deficit.

In subsequent years the costs avoided by a reduction in residential and fostering placements is expected to outweigh the running costs of the project, creating an overall annual saving.

**Figure a) Overall annual financial position (£)**

	Year 1	Year 2	Year 3+
<b>Costs</b>	263,170	287,297	275,797
<b>Costs avoided</b>	(110,795)	(332,386)	(332,386)
<b>Net position</b>	<b>152,374</b>	<b>(45,089)</b>	<b>(56,589)</b>

Under this model the payback period would be 2.9 years. After reaching a breakeven position after 2.9 years, the model shows an annual net saving of £56,589 for subsequent years.

Financial Risks:

The key risks to the financial viability of the project are:

- young people not moving on quickly enough after their 17<sup>th</sup> birthday;
- the placement mix from where they move not being sufficient to generate savings;
- tenancies not being as sustainable as hoped, leading to a lower success rate; and
- long term sickness of staff leading to increased running costs.

These savings are very sensitive to the risks outlined above. The table below shows the negative annual financial impact of changes to the assumptions underpinning the model. These are that:

- young people move on from expensive placements at an average age of 17years and 4 months (1 month later than modelled);
- tenancy success rate is 10% lower than the 90% used in the model; and
- that young people are moved on from only fostering placements, instead of a mix of fostering and more expensive residential placements.

**Figure b) Sensitivity analysis of key risks on annual savings (£)**

<b>Average age 1 month older when move on</b>	29,567
<b>Tenancy success rate 10% lower</b>	36,932
<b>Different placement mix (fostering only)</b>	34,019

The table above shows that small changes to the assumptions behind the model can have a large negative impact on the savings of £56,589 per annum expected from year 3 onwards.

This could lead to an increased payback period or a model that is not self-funding. However, there is also room to improve the projected savings e.g. by reducing the average age that young people move on below the 17 years and 3-month average used in the model.

To make the project financially successful it will need to be carefully planned and monitored. It is important to ensure young people enter the project as soon after their 17th birthday as possible, that the placements from which young people move on from are carefully selected and considered, and that everything is in place to maximise the success rate of the tenancies.

The current model suggests that a small saving could be achieved or for the project to at least by self-funding, whilst improving the outcome for young people.

This could also lead to longer-term financial savings for the Council; if the project is successful in improving young people's outcomes and the sustainability of their tenancies, the people will become more independent and require less future Council support.

## **5.2 Legal implications**

The Children and Social Work Act 2017 sets out a framework of corporate parenting principles that overlay the existing responsibilities of the Council towards its looked after children and those leaving care, to make clear what it means for the authority as a whole to act as a good parent.

As part of the compliance with the corporate parenting principles, each local authority is required to consult on and publish a local offer for its care leavers setting out the services which it will offer that may assist care leavers in, or in preparing for, adulthood and independent living. Such services include those relating to health and well-being; relationships; education and training; employment; accommodation and participation in society.

It is anticipated that the work with the House Project will form part of the services provided to young people to support the transition to adulthood and independence and will therefore assist the Council in meeting its corporate parenting responsibilities towards its care leavers.

There will be a contractual document put in place to establish the relationship with the National House Project and other parties to ensure the delivery of the House Project. Legal Services will work alongside other colleagues to ensure that these contractual documents are robust and legally sound.

## **6. Other implications**

None.

### **6.1 How will this contribute to the Council Plan?**

Signing up to be part of the National House Project will contribute to the Council Plan in the following ways:

- Globally connected
  - This will raise the profile of Coventry which will be involved in the leading edge of a new national initiative
  - Help our looked after young people to develop skills that they can use to obtain jobs
  - Improve the supply and quality of housing as young people renovate their allocated properties
  - Reduce the impact of poverty for looked after young people who develop skills that they can take into adulthood
- Locally committed
  - The scheme is proven to improve the health and wellbeing of the young people who participate in the scheme
  - Contributes to protecting our vulnerable looked after young people
  - Contributes to giving looked after children the best start in life
  - Prevents homelessness by assisting care leavers to maintain their tenancies into adulthood

- Delivering our priorities with fewer resources
  - This scheme is fundamentally built on empowering young people involved in the scheme and encouraging them to be part of active communities
  - It enables our looked after young people to uncover and use their own assets to achieve their ambitions
  - The scheme puts young people at its very heart
  - It facilitates young people to pool and share resources.

## **6.2 How is risk being managed?**

The primary risk for this scheme is the availability of suitable accommodation made available for young people. It requires approximately 10 properties annually for the scheme to work. There have been extensive discussions with social housing providers. There has also been significant oversight by the Strategic Housing Board. All relevant parties have signed up to the scheme to make the housing available through One Coventry approach. This potential risk is being managed through regular liaison with housing providers and any challenges will be raised at the Strategic Housing Board.

## **6.3 What is the impact on the organisation?**

The National House project will result in additional staff being employed by the city council to facilitate the scheme and work directly with the young people. This will be managed through cooperation between the relevant departments of Coventry City Council.

## **6.4 Equality Impact Assessment (EIA)**

This scheme will contribute to outcomes for looked after children. These are a vulnerable group of service users to which the City Council has corporate parenting responsibilities. The scheme will work with any young person who wishes to sign up to the scheme regardless of any needs they might have around their race, religion or belief, sex, sexual orientation or disability.

## **6.5 Implications for (or impact on) climate change and the environment**

The scheme will allow young people to renovate their own homes. All opportunities will be taken to improve their properties and make them more energy efficient. This will contribute to improving the local environment and climate change outcomes.

## **6.6 Implications for partner organisations?**

A number of partners have already agreed to be involved in this scheme in a One Coventry approach. This includes social housing providers. Partnerships will be robustly managed through the course of the scheme with relevant working groups.

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Councillor P Seaman	Cabinet Member for Children and Young People			13 January 2021

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[www.coventry.gov.uk/councilmeetings](http://www.coventry.gov.uk/councilmeetings)



## Appendix 1

### 1 The House Project - Financial Analysis Report

by Matt Arestidis January 2021

#### 1.1 Running costs

1.1.1 To run a House Project with a cohort of 10 young people, a workforce of one Project Lead and two Facilitators is required. There will also be additional costs for psychologist support, refurbishments of properties, office space, rental payments, training, overheads and membership fees payable to NHP.

1.1.2 The membership fee is £50,000 in year one, £25,000 in year two and £15,000 thereafter, recognising the additional support the Council will need from NHP when establishing the project.

**Figure 1 – Annual cost of running House Project (£)**

	Year 1	Year 2	Year 3+
Staff costs	115,627	121,025	121,025
NHP membership fee	50,000	25,000	15,000
Refurbishment costs	20,000	20,000	20,000
Rental payments	22,049	58,798	58,798
Other costs	55,493	62,474	60,974
	<b>263,170</b>	<b>287,297</b>	<b>275,797</b>

#### 1.2 Cost avoidance

1.2.1 By working together as a group and developing a support network, the young people are more likely to achieve a sustainable tenancy. In addition to this important benefit, the young people are expected to move on from residential and fostering placements earlier than they would otherwise. Therefore, the costs of some residential and fostering placements will be avoided.

**Figure 2 – Residential and fostering placements cost avoidance (£)**

	Year 1	Year 2	Year 3+
Placement savings	(110,795)	(332,386)	(332,386)

#### 1.3 Overall position

1.3.1 For this project to be self-funding or to create financial savings, the running costs of the project need to be lower than the placement savings.

1.3.2 Apart from the membership fee that decreases over the first three years, most of the running costs are fixed. However, the placement savings are more sensitive to change and depend on various factors that are explored in more detail in the next section.

- 1.3.3 The running costs and placement savings shown in figures 1 and 2 outline a likely scenario. This model was developed with the help of The National House Project charity who have experience of how the scheme has worked for other LAs.
- 1.3.4 Due to the length of time between establishing the project, selecting and working with a cohort of young people, and them finally moving into House Project properties, the net financial position of the project in year one is expected to be a deficit.
- 1.3.5 In subsequent years the costs avoided by a reduction in residential and fostering placements is expected to outweigh the running costs of the project, creating an overall annual saving.

**Figure 3 – Overall annual financial position (£)**

	Year 1	Year 2	Year 3+
<b>Costs</b>	263,170	287,297	275,797
<b>Costs avoided</b>	(110,795)	(332,386)	(332,386)
<b>Net position</b>	<b>152,374</b>	<b>(45,089)</b>	<b>(56,589)</b>

- 1.3.6 Under this model the payback period would be 2.9 years. After reaching a breakeven position after 2.9 years, the model shows an annual net saving of £56,589 for subsequent years.

#### **1.4 Key assumptions and risks**

- 1.4.1 As House Projects have been run in other LAs, the running costs of the project are well known and relatively fixed. They include £20,000 annually for refurbishment costs to enable the young people to decorate their properties.
- 1.4.2 The main risk with running costs relates to staffing costs. With a small team of three staff who are fundamental to the project, staffing issues such as long-term illness could lead to the need to provide cover at a cost.
- 1.4.3 The costs avoided through young people spending less time in residential and fostering placements is much more susceptible to change, with several key drivers.
- 1.4.4 The average age at which the young people move into House Project properties is one key variable. The aim of the project is that they will move soon after their 17<sup>th</sup> birthdays and for the model above it was assumed that the average age was 17 years and 3 months. This would mean that they move on from placements approximately 12 months earlier than they would have otherwise done.
- 1.4.5 The placement mix from which the young people move on from will also be key to the savings achieved. As an example, the savings achieved from moving 10 young people from residential homes will be far greater than those achieved from moving 10 young people from foster placements.
- 1.4.6 Other House Project schemes have worked well with a mix of people from both residential and fostering placements. For modelling purposes, a cohort of 10 young people who were deemed suitable for the scheme were considered; three from external fostering, two from internal fostering, three from external supported accommodation and two from internal residential placements. The average annual placement cost for these 10 young people was £39,422.

1.4.7 Additionally, the success rate of the tenancies will also impact the savings made. As the young people would have been selected based on suitability, will have a support network around them and will work as a group to enhance their properties, the success rate is expected to be high. This has been seen on other Housing Projects and for the model above, a success rate of 90% has been assumed.

1.4.8 To summarise, the key risks to the financial viability of the project are:

- young people not moving on quickly enough after their 17<sup>th</sup> birthday;
- the placement mix from where they move not being sufficient to generate savings;
- tenancies not being as sustainable as hoped, leading to a lower success rate; and
- long term sickness of staff leading to increased running costs.

## 1.5 Sensitivities

1.5.1 As shown in figure 3, the model anticipates the project to generate annual financial savings from year 2 onwards, with £56,589 per annum the expected saving from year 3 onwards.

1.5.2 These savings are very sensitive to the risks outlined above. The table below shows the negative annual financial impact of changes to the assumptions underpinning the model. These are that:

- young people move on from expensive placements at an average age of 17years and 4 months (1 month later than modelled);
- tenancy success rate is 10% lower than the 90% used in the model; and
- that young people are moved on from only fostering placements, instead of a mix of fostering and more expensive residential placements.

**Figure 4 – Sensitivity analysis of key risks on annual savings (£)**

<b>Average age 1 month older when move on</b>	29,567
<b>Tenancy success rate 10% lower</b>	36,932
<b>Different placement mix (fostering only)</b>	34,019

1.5.3 The table shows that small changes to the assumptions behind the model can have a large negative impact on the savings of £56,589 per annum expected from year 3 onwards.

1.5.4 This could lead to an increased payback period or a model that is not self-funding. However, there is also room to improve the projected savings e.g. by reducing the average age that young people move on below the 17 years and 3-month average used in the model.

## 1.6 Summary

1.6.1 To make the project financially successful it will need to be carefully planned and monitored. It is important to ensure young people enter the project as soon after their 17th birthday as possible, that the placements from which young people move on from are carefully selected and considered, and that everything is in place to maximise the success rate of the tenancies.

1.6.2 The current model suggests that a small saving could be achieved or for the project to at least be self-funding, whilst improving the outcome for young people.

1.6.3 This could also lead to longer-term financial savings for the Council; if the project is successful in improving young people's outcomes and the sustainability of their tenancies, the people will become more independent and require less future Council support.