



Pathways to Care Capital Funding Approval Policy

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1 Introduction

- 1.1 Pathways to Care is the name given to an amount of capital budget set aside by Coventry City Council on an annual basis to support and facilitate:
 - (a) permanence for looked after children cared for by Coventry City Council,
 - (b) increases to capacity within our existing internal fostering provision or
 - (c) the purchase of a larger vehicle where specific criteria is met.
- 1.2 The capital budget for providing this assistance is a fixed budget. Payments made by the Council are discretionary and not an entitlement.
- 1.3 Applications for this capital funding are made via the Exceptional Allowances Finance Panel which is held monthly and attended by senior managers from Children's Services along with Financial Management and supported by Legal Services.
- 1.4 Panel decisions are communicated to Cabinet Member (Children's Services) and Leadership Team within an annual report.
- 1.5 Financial awards made by the panel may result in the Council placing a legal charge on the carers' property. Carers should be made aware of this at the outset of any discussions with Council officer's and should always be advised to seek their own independent legal advice.
- 1.6 No financial assistance will be provided retrospectively and carers seeking financial assistance from the Council should not proceed before explicit, written confirmation has been provided by the Council confirming the level, form and conditions of the financial assistance.

2 Purpose

- 2.1 This document sets out Coventry City Council Children's Service's policy on applications and approvals of Pathways to Care funding.
- 2.2 This policy sets out the framework for approval of Pathways to Care funding providing detail around the circumstances and eligibility criteria for applications to be submitted to the above-mentioned panel.

3 Scope

3.1 (a) Facilitating Permanence for Looked after Children

- 3.1.1 This section of the policy applies to Coventry looked after children within;
 - Internal Foster Carers,
 - Connected Person Carers,
 - Special Guardianship carers and those applying for a Special Guardianship Order,
 - Adopters and those applying for Adoption orders.
- 3.1.2 This section excludes;
 - Independent foster carers (IFA)
 - Parents caring for their own children who remain looked after via a care order or interim care order

- Child Arrangements Orders carers.

3.2 (b) Increase to Capacity for Internal Foster Carers

- 3.2.1 This section of the policy applies to all Internal foster carers who meet the following criteria:
- Have been registered as internal foster carers for Coventry City Council for a minimum of 3 years
 - Have been assessed through foster carers annual review as capable of increasing capacity, both logistically and in terms of recognised skill level (excluding accommodation restraints).

3.3 (c) Purchase of Larger Motor Vehicle

- 3.3.1 This section of the policy applies to carers of Coventry City Council looked after children: -
- Where there are more than 3 children present in the home (including birth children) or
 - Where the needs of the children result in them not being able to be transported safely in a 5-seater car.
- 3.3.2 This section excludes: -
- Independent foster carers
 - Parents caring for their own children who remain looked after
 - Child Arrangements Orders carers.

4 Key Principles, Eligibility and Conditions of Funding

4.1 (a) Facilitating Permanence for Looked after Children

- 4.1.1 The key principle of this strand of Pathways to Care funding is to support and facilitate permanence for Coventry City Council looked after children.
- 4.1.2 This can be done via:
- House adaptations
 - Supporting the costs of moving house
 - Supporting the purchase of a property with appropriate bedroom capacity.
- 4.1.3 We will only seek to fund like for like elements and not the carers choice of betterment. All other options for securing suitable accommodation must be considered before an application is made to panel.
- 4.1.4 Subject to a carer meeting the scope defined within 3.1 of this document, then an application will be considered by panel along with the following eligibility criteria and conditions of funding.
- 4.1.5 Funding will only be considered where all of the following criteria is met:
- There is an agreed permanence plan for the looked after child, endorsed by a statutory review

- There is an up to date assessment of the looked after child’s needs and current care plan
- The carer is only able to accommodate the looked after child(ren) permanently with an increase in bedroom capacity.

4.1.6 The carer(s) must provide 3 detailed quotes from reputable companies for any works being considered along with the application for funding to panel. Coventry City Council will have the final determination as to the amount payable. The panel will only consider costs and works attributable to providing additional bedroom space. Any additional works to modify other areas of the property will be wholly paid for by the carer.

4.1.7 If an application to facilitate permanence is approved at panel under criteria (b) it will be subject to the following thresholds and criteria and a contractual agreement will be drawn between Coventry City Council and the carers before funding can be released.

- Up to £20k, Pathways to Care funding to facilitate permanence will be awarded by way of a grant with conditions
- Above £20k, Pathways to Care funding to facilitate permanence, will be awarded as a loan secured against the carer’s property by way of a legal charge which will include appreciation provisions.

4.1.8 If the carer ceases to care for the child(ren) within 6 years and has been awarded a grant with conditions, then the conditions of the grant will determine that a repayment of funds is due on a reducing balance scale of 20% per annum as demonstrated in table 3 below:

TABLE 1

Length of arrangement prior to break down	Amount of grant repayable
1 year	100%
2 years	80%
3 years	60%
4 years	40%
5 years	20%
6 years	0%

For example: if a Carer is awarded a grant for £16k and they cease to care for the child after 4 1/2 years, then they will owe 40% (16k x 40% = £6,400).

4.1.9 The repayment will be due within 6 months of the arrangement break down, on the basis that it is adequate time to have secured funds from another source or release equity from the property. If payment is not made within 6 months, then the Council may charge interest in line with the Bank of England base rate.

4.1.10 Loans awarded and secured as a legal charge plus appreciation, will be repayable at the earliest of:

- Sale of the property
- Any other disposition of the property
- 5 years after 21st birthday of the youngest child

- The looked after child ceases to live at home post 18
- Cease to care for the children before they are 18 (see 4.1.11).

4.1.11 If the carer ceases to care for the child(ren) and the carer has been awarded a Pathways to Care Loan, with legal charge & appreciation clause applied to their property, then they will be liable for a minimum fixed % of the total repayment value within 6 months, as set out in Table 2 below. On the basis that it is adequate time to have secured funds from another source or release equity from the property. If payment is not made within 6 months, then the Council may charge interest in line with the Bank of England base rate.

Table 2

% of principle amount, due within 6 months of arrangement break down	Length of arrangement prior to break down
100%	<1 year
90%	1 year
80%	2 years
70%	3 years
60%	4 years
50%	5 years
40%	6 years
30%	7 years
20%	8 years
10%	9 years
0%	10 years

4.1.12 The remainder on the legal charge will be repayable in line with criteria set out in 4.1.10 above.

4.2 (b) Increase to Capacity for Internal Foster Carers

- 4.2.1 The key principle of making Pathways to Care funding available to internal foster carers is to increase the number of internal foster care placements available within a home by providing additional bedroom space.
- 4.2.2 It is recognised that this approach supports the existing transformation placement strategy as well as providing opportunities to enable sibling groups to be placed together where they may otherwise have been separated.
- 4.2.3 Subject to the internal foster carer meeting the scope defined within 3.2 of this document, then an application will be considered by panel along with the following eligibility criteria and conditions of funding.
- 4.2.4 It is expected that a foster carer will provide at least a 50% contribution to the works required to increase the bedroom capacity. This is in recognition that not only are we increasing capacity for the placement of Coventry City Council looked after children, but also increasing the foster carer's fixed assets and level of earnings potential.

- 4.2.5 The foster carer(s) must provide 3 detailed quotes from reputable companies along with the application for funding. Coventry City Council will have the final determination as to the amount payable. The panel will only consider works attributable to providing additional bedroom space. Any additional works to modify other areas of the property will be wholly paid for by the foster carer.
- 4.2.6 If an application for capacity building is approved at panel under criteria (a) it will be subject to the following thresholds and criteria and a contractual agreement will be drawn between Coventry City Council and the Carers before funding can be released.
- iii. Up to £20k, Pathways to Care funding to increase capacity will be awarded by way of a Grant with conditions.
 - iv. Above £20k, Pathways to Care funding to increase capacity, will be awarded as a loan secured against the carer's property by way of a legal charge which will include appreciation provisions.
- 4.2.7 If the foster carer(s) is awarded Pathways to care funds as a grant with conditions, the carer(s) is expected to continue to actively foster for Coventry City Council Internal Fostering Services for a minimum period of 6 years.
- 4.2.8 If a carer ceases to Foster for Coventry before the 6 years specified active service is completed, due to resignation or is deregistered on the grounds of unsuitability, then conditions of the grant will determine that a repayment of funds is due on a reducing balance scale of 20% per annum as demonstrated in table 3 below:

TABLE 3

Length of Active service for Coventry Internal Fostering Service	Amount of grant repayable
1 year	100%
2 years	80%
3 years	60%
4 years	40%
5 years	20%
6 years	0%

For example: if a Carer is awarded a grant for £16k and they cease to foster after 4 1/2 years, then they will owe 40% (16k x 40% = £6,400).

- 4.2.9 The repayment will be due within 6 months of the resignation or deregistration, on the basis that it is adequate time to have secured funds from another source or release equity from the property. If payment is not made within 6 months, then the Council may charge interest in line with the Bank of England base rate.
- 4.2.10 Under the following extenuating circumstances, the Council has discretion to remove the active service conditions which determine a repayment of the grant:
- Serious ill health of a carer which means they CAN no longer foster
 - Death of a carer
 - If a foster carer ceases to actively foster due to Staying Put arrangements of a Coventry City Council looked after child, in these circumstances and for the purposes of this policy only, this will be acknowledged as 'active' service

- If a foster carer takes legal permanence for children in their care via adoption, special guardianship or child arrangements order.
- 4.2.11 Loans awarded and secured as a legal charge plus appreciation, will be repayable at the earliest of
- Sale of the property
 - Any other disposition of the property
 - 5 years after they cease to foster for Coventry Council Internal Fostering Service
 - Cease to foster for Coventry City Council Internal Fostering Service (see section 4.2.12 below).
- 4.2.12 If the carer ceases to foster for Coventry City Council internal fostering service before the minimum specified active service of 10 years, due to resignation or is deregistered on the grounds of unsuitability, and has been awarded a Pathways to Care Loan, with legal charge & appreciation clause applied to their property, then they will be liable for a minimum fixed % of the total repayment value within 6 months, as set out in Table 4 below. On the basis that it is adequate time to have secured funds from another source or release equity from the property. If payment is not made within 6 months, then the Council may charge interest in line with the Bank of England base rate.

Table 4

% of principle amount, due within 6 months of resignation or deregistration	Length of active service (from first additional placement date)
100%	<1 year
90%	1 year
80%	2 years
70%	3 years
60%	4 years
50%	5 years
40%	6 years
30%	7 years
20%	8 years
10%	9 years
0%	10 years

- 4.2.13 The remainder of the legal charge will be repayable in line with criteria set out in 4.2.11 above.

4.3 (c) Purchase of Larger Motor Vehicle

- 4.3.1 The key principle of this strand of Pathways to Care funding is to support the cost of increasing the size of the family vehicle, to provide safe transport for all children present within the home, where the placement of a Coventry looked after child affects this.
- 4.3.2 Subject to the carer meeting the scope defined within 3.3 of this document, then an application will be considered by panel along with the following eligibility criteria and conditions of funding.

- 4.3.3 The carer(s) must provide 3 detailed quotes from reputable companies along with the application for funding. Coventry City Council will have the final determination as to the amount payable. The panel will only consider costs attributable to increasing the size of the vehicle and will not seek to support betterment or reliability. Any additional costs related to upgrading the vehicle will be paid for by the carer.
- 4.3.4 If an application for motor vehicles is approved at panel under this criteria (c) it will be awarded as a grant with conditions. A contractual agreement will be drawn between Coventry City Council and the carers before funding can be released.
- 4.3.5 This grant is capped at £5,000 per household.
- 4.3.6 A report from the supervising or adoption social worker is required to explain the circumstance surrounding the application.
- 4.3.7 Carers are expected to contribute towards the costs of changing vehicles with the grant being used to pay the difference between a normal family vehicle and the larger (people carrier type) needed to transport the children safely.
- 4.3.8 Funds will be released upon receipt of evidence that the car has been purchased or intended purchase of vehicle.
- 4.3.9 Carers will be required to give signed agreement prior to release of the funds confirming that if the placement breaks down or they cease to foster within 3 years of the grant being made, then the department has discretion to clawback a proportion of the grant.

5 Procedures for application and approval of Pathways to Care Funding

- 5.1 The application will be supported by the Operational Lead for Looked after Children and Permanence or the Operational Lead for Fostering in principle before progressing to exceptional allowances panel. The Operational Leads must be satisfied the care plan for the children is feasible and proposed works are in line with the policy.
- 5.2 The supervising or adoption social worker must have held an initial discussion with the carer and collated relevant information to accompany the application. (Discussion to include alternative options for finance, the need for legal contracts and charges, including claw back arrangements and the ability of the carers to contribute financially towards some of the costs).
- 5.3 To avoid unrealistic expectations, it is essential that supervising or adoption social workers do not make any commitment to carers that funding will be forthcoming. The annual budget is limited and awards are discretionary and not an entitlement.
- 5.4 Before submitting applications to panel, the supervising social worker will ensure:
- Application meets the scope and eligibility criteria as set out in sections 3 and 4 of this policy
 - There are no outstanding issues such as allegations or complaints against the carer
 - Carer has obtained and provided three formal written quotes

- An understanding of the carer's ability to financially contribute to any works is detailed in the application
 - In applications relating to the adaption of property, the social worker must establish that the carer is the legal owner of the property before applications can proceed.
- 5.5 If various options are provided for consideration, the least expensive scheme will be assessed in the first instance, unless a case can be provided to show this would have a detrimental effect to both carer and child.
- 5.6 Panel will require details of whether other options for raising finance have been considered and followed [e.g. bank loan or extending mortgage] and whether other grants have been considered and rejected, supplying any documentation relevant to the application.
- 5.7 Where the Panel agree an application for funding, details of the approval will be clearly set out in the record of the meeting and will be fed back in writing to the carer by the Panel Chair.
- 5.8 Where the Panel is unable to approve funding, reasons will be clearly set out in the record of the meeting and will be fed back in writing to the carer by the Panel Chair.
- 5.9 All applications for funding require approval of the Director of Children's Services or a nominee, having already been considered and recommended by the Exceptional Allowances Finance Panel.
- 5.10 Quarterly briefing of Panel decisions should be presented by the Panel Chair to Children's Services Leadership Team and Children Services Cabinet Member Briefing.
- 5.11 For Panel to approve a Pathways to Care grant or loan the quorum members shall be present: Panel Chair (Children's Services Strategic Lead or relevant Children's Services Operational Lead), Financial Management Business Partner and Legal Services representative.
- 5.12 Panel reserves the right to defer consideration of application, as is reasonably required to gather and review appropriate information.
- 5.13 NOTE: No financial assistance will be provided retrospectively.**
- 5.14 NOTE: Carers should always take independent legal advice as Coventry City Council legal officers cannot provide advice.**

6 Legal Charges and Appreciation Clause

- 6.1 Financial contributions for property extensions/alterations or purchases, may result in the Council placing a legal charge¹ on a carer's property and the supervising and adoption social worker must ensure that all carers are made aware of this condition at the outset of any discussions.

¹ Security over an asset which gives the lender the right to have the particular asset and its proceeds of sale appropriated to the discharge of the debt in question. A charge does not transfer ownership; it is an encumbrance on the asset.

- 6.2 For awards over £20,000 carers are required to enter a legal charge with the Council. The Council will make an application to the land registry for the charge to be registered against the carer's property. This is like a mortgage in favour of the Council and is intended to protect the Council's investment should there be a need for the funding that has been awarded to be repaid under the terms of the agreement. The charge will rank behind any existing mortgage or charge registered against the property.
- 6.3 In the event that the carers have existing mortgage(s) secured against the property then it may be required that those mortgagee(s) prior consent is sought to the creation of Coventry City Councils charge. Any consent required will need to be secured ahead of the Coventry City Council Charge being put in place.
- 6.4 The carers must provide panel with evidence of the house they are purchasing for the legal documentation to be drawn up and the appreciation ratio to be calculated.
- 6.5 The appreciation ratio will be equal to the principle sum over the purchase price of the property:
 e.g. Loan of £40k
 Purchase price of £200k
 Coventry City Council ratio of 20% (£40k divided by £200k) (The Ratio)
 Carer ratio of 80%
- 6.6 Upon the Property being sold at market value the proceeds of sale shall be divided on a pro rata basis in accordance with The Ratio.
- 6.7 A representative from the Council's Legal Services department will:
- Update the title and equity position as necessary
 - Prepare and complete the Legal Charge documentation
 - Obtain written authority from the carer for direct payment to the builder or solicitor
 - Advise Panel of any existing mortgages and charges secured against the property which may have a bearing on the Panel's consideration of the application
 - Send a copy of the completed document to:
 - the carer
 - Supervising Social Worker
 - Operational Lead for Fostering or Adoption as appropriate
 - Corporate Capital Finance Team
 - and attend to any necessary Land Registry registrations thereby protecting the Council's security.
- 6.8 It will be the carer's responsibility to ensure that insurance cover is sufficiently increased to cover the building as extended/altered, and that such cover is maintained, according to the covenant in the Legal Charge. The Council has the power to insure on default and debit the carer accordingly.
- 6.9 The carers' supervising social worker and/or Team Manager will monitor the cost and progress of all adaptation/extension activity reporting to Exceptional Allowances Finance Panel should activity of costs deviate from the original agreement.
- 6.10 Carers are advised to seek independent legal advice regarding the legal charge and appreciation clause as Coventry City Council officers cannot provide this.

7 Legal Framework

7.1 The policy has been drafted with consideration of the following principal legislative framework:

- Children Act 1989
- Adoption and Children Act 2002
- Children and Families Act 2014
- Care Planning, Planning and Case Review (England) Regulations 2010, SI 2010 No.959
- The Children (Private Arrangements for Fostering) Regulations 2005, SI 2005 No. 1533
- The Special Guardianship Regulations 2005, SI 2005 No. 1109
- The Special Guardianship (Amendment) Regulations 2016, SI 2016 No. 111
- The Adoption Support Agencies (England) and Adoption Agencies (Miscellaneous Amendments) Regulations 2005, SI 2005 No. 2720c

8 Definitions

Looked after children: children who are looked after by virtue of the Children Act 1989 including those children subject to an order of the court or accommodated under s20.

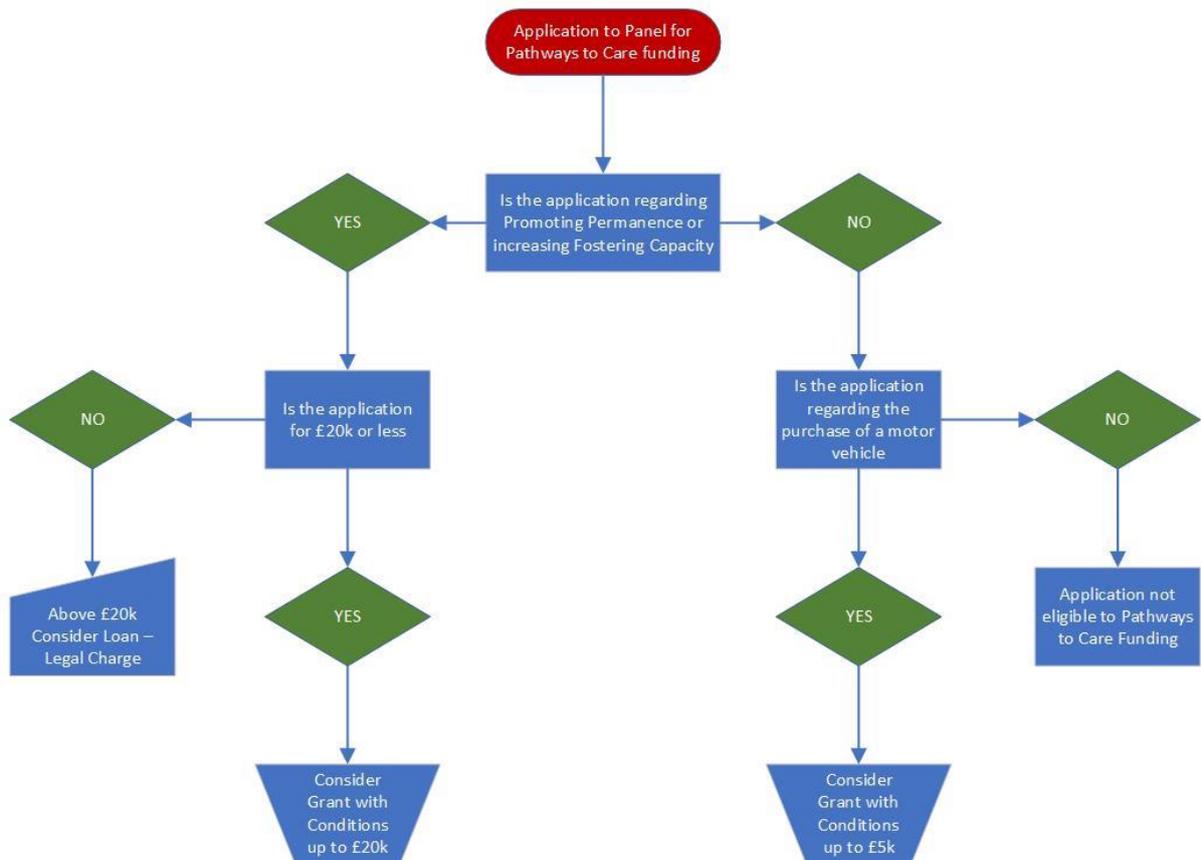
Internal foster carer: foster carers recruited, assessed and supervised by Coventry City Council as a local authority fostering service within the meaning of section 43(3)(b) of the Care Standards Act 2000.

Connected persons carer: a 'relative, friend or other person connected with the child' as defined by s24 of the Care Planning, Placements and Case Review (England) Regulations 2010.

Independent Fostering Agency (IFA): as defined under section 4(4)(a) of the Care Standards Act 2000.

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Appendix 1: Flowchart for applications for pathways To care capital funding



N.B. Eligibility criteria, conditions of grant and loan repayment terms are detailed within the body of the Pathways to Care Capital Funding Approval Policy, under sections 3 and 4.