Lewisham Children's Social Care

Children Looked After Savings Policy

2021

1. Purpose of the Policy

The purpose of this policy is to provide clear guidance regarding entitlement to and management of savings for Children in Care.

This policy covers long-term savings under the Junior ISA savings programme, previously Child Trust Fund.

It is important that children and young people know the value of money and are given opportunities to develop knowledge and values around saving. The policy serves as a guide to foster carers, residential homes and our partner agencies who care for our Children in Care and sets out processes to encourage consistency in practice and in the administration of savings.

2. Principles

The Children and Social Work Act 2017 defines responsibilities placed on councils to ensure best outcomes for Children Looked After (0-18 yrs old) and Care Leavers (18 – 25 yrs old). Government Guidance (July 2016): *Keep on Caring, supporting young people from care to independence,* sets out how the state, as corporate parents supports care leavers.

Lewisham's Corporate Parenting Strategy sets out our ambitions for becoming the best Corporate Parents we can be and expects that all carers and partner agencies look after our children in care as any responsible parent would look after their own children. The Policy is in line with our Children's Social Care vision and promise to our children and young people in care.

3. Exceptions from policy:

- Children looked after under a short break arrangement/respite
- Children who have been looked after for less than 12 weeks continuously

4. Regular savings for children and young people

All children in care should have long-term savings which they can access when they are 18 years old enabling them to start independent living with some savings.

There are two types of saving schemes set up by central government for children and young people who are in care until they are 18. These are the Children Trust Fund and Junior ISA schemes (**Appendix 1- Legal Context**). Both schemes are to help children and young people with the expenses of becoming independent, such as; setting up their own home, moving to supported lodgings, or staying put and remaining with their foster carers.

All children and young people who are in care for more than 12 months will have either a Child Trust Fund account (if born between 01/09/2002 and 02/01/2011) or a Junior ISA account administered by the Share Foundation. These government backed accounts are opened with an initial payment from the government.

These accounts have a minimum amount of £200.00 paid into them from central government. These savings accounts can be paid into by the child or young person, carer, provider, Corporate Parent and family members, throughout their time in care and are not accessible by the child or young person until they reach the age of 18-years old. For those children and young people who have a child's trust fund, the share foundation will attempt to locate where and who holds that account after the request has been made by the local authority, this will usually be the child or young person's parent(s).

In cases where parent(s) cannot be located, or it is having been deemed by the local authority that there is no responsible parent who can manage the account, for example; through proceedings where a Care Order or Placement Order has been granted, then the local authority will ask the share foundation to take over the management of this account.

For those children and young people who have a Child Trust Fund and are accommodated under Section 20, then the child or young person's social worker must ensure that contact is made with the parents with information and consent obtained for payments to be made into that account.

For children who are adopted the adoptive parents should be provided with advice on how to contact the Share foundation to take over management of the Junior ISA.

5. Savings procedures

The Local Authority will begin saving **£5 per week** to meet the child's long-term needs, commencing from the **first day a child comes into care, across all age ranges to the age of 18.**

This account will be administered by the Local Authority. The arrangements for children's long-term savings account will be managed by the Local Authority and taken at source with £5 a week per child deducted. **The weekly maintenance allowance to foster carers will be reduced by £5 per week per child from the child's first day of care.** The savings can either be maintained by the Local Authority continuously whilst the child is in care in the child's Lewisham savings account or added to the Savings/Junior ISA account, after 12 months in care.

The Local Authority will ensure that any savings accrued during the first 12 months of care are then transferred to the Share Foundation to be put into the child's Junior ISA, if this is part of the agreed care plan.

Additional amounts can be paid into these accounts, by foster carers or extended family. This may also include transfers of money from the child's short-term savings account.

Share Foundation website and Share Foundation How It Works

(**Appendix 2 – Practice Guidance for 16-18 year olds still to be agreed/finalised)

6. Child Leaving Care services savings account management.

When a child leaves our care, the social care/leaving care team responsible for the child will provide the necessary information about the child's savings accounts to the person with parental responsibility for the child (or the child if 16 years old) so that they take over the management of the accounts.

When a young person remains in care until the age of 18 the young person's social worker will provide the young person with information about how they can take over the management of the short-term savings (including bank account) and long-term savings account (i.e. Child Trust Fund or Junior ISA). This will be part of the work that the young person's social worker/ young person's advisor undertakes, to develop the young person's financial capability skills.

More information and leaflets about the management of the long-term savings accounts for care leavers are available on the Share Foundation website:

7. Monitoring

It is good practice to discuss pocket money and savings in foster care home supervision meetings, the placement planning meetings and during child in care reviews.

The Share Foundation provides a quarterly statement to the Fostering Business Support service. This information will be provided by the Business Support Lead, to every Fostering Supervising Social Worker (FSSW) and shared with the child's social worker and at Children in Care reviews, every 6 months.

Independent Reviewing Officers (IROs) are encouraged to ask about pocket money savings for the child during every review. IROs will be aware of the long-term savings account for each child.

8. Young people living in other circumstances

For some young people, they may spend some time away from their placement as a result of being either in custody or in hospital due to physical or mental health needs. Where there are changes in living circumstances workers are advised to assess the impact of these changes on the young person's care status to clarify the local authority's position regarding savings.

9. Exceptions to saving in the Junior ISA and Child Trust Fund

It is recognised that for some children and young people in care whom have a life limiting disability or illness, putting savings into a long-term savings account which they cannot access till they are 18-years old may not be the most beneficial way to save for them.

In these circumstances, it is expected that their savings continue to be paid by their foster carer into the child or young person's regular individual savings account through which they can have regular access to as and when they identify a need to access. These arrangements should be agreed at the child or young person's Child in Care review.

If a child or young person has a diagnosis where they have been assessed by medical experts as having less than 6-months left to live, the Junior ISA account can be accessed to provide funds to improve the child or young person's care in their last months. In such circumstances and after authorisation by the local authority, an appropriate person should contact the Share Foundation to discuss the process for claiming the funds. In all cases The Share Foundation will require a copy of the medical opinion.

10. Procedures for a child if they die before their 18th birthday

If a child or young person dies before they reach 18-years old and they have savings within their bank account, savings account and or their Junior ISA or Child Trust Fund then the money in the Junior ISA becomes part of their estate and will become the property of whoever is entitled to that estate, this will usually be the next of kin. After authorisation by The LA, the next of kin are asked to contact us to start the procedure for claiming the accounts. They will be asked to provide proof of identity and entitlement to the funds as well as a copy of the death certificate.

11. Criminal Injuries Compensation Authority

The Criminal Injuries Compensation Authority may consider requests to make payment into a Child Trust Fund or Junior ISA or another type of account where the full value of the payment is protected until the child or young person is 18-years old. See Criminal Injuries Compensation Policy.

Appendix 1 - **Child Trust Funds and LAC Junior ISA Accounts**

Child Trust Funds (CTFs)
As CTFs ceased in January 2011, this part of the statutory guidance only relates to looked after children and young people born between **1st September 2002 and 2nd January 2011.** The Local Authority has responsibility for CTFs for looked after children currently in its care born in this period. Unaccompanied children and young people were excluded from these regulations unless they had been granted refugee status with indefinite leave to remain.

The legislative framework for Child Trust Funds (CTFs) is set out in:-

- Child Trust Funds Act 2004, Section 16.
- Child Trust Fund Regulations 2004 (SI 1450 as amended)
- Regulations 33 and 33A of Child Trust Funds as amended by Regulation 14A of Child Trust Fund (Amendment) Regulations (SI 2676 sets out the duties of Local Authorities.
- The Child Trust Fund (Amendment No 2) Regulations (SI 3382 21 December 2004 sets out remit of Official Solicitor.

A Child Trust Fund (CTF) is a long term savings and investment account for children and young people. It formed part of the government's broader programme to improve outcomes of children and its welfare agenda of encouraging savings and investment. The CTF provides all eligible children with a financial asset which can have a significant impact on their future opportunities. The opening of CTF accounts were linked to an award of Child Benefit which is not usually payable for children whilst they are looked after. In cases where eligible children became looked after, were eligible for a CTF but did not have a CTF set up, the HM Revenue and Customs opened a CTF account for them, based on information provided by local authorities. In the cases of non-looked after children whose parents did not set up a CTF on their behalf, the government opened a CTF for the child. All children and young people who are eligible for a CTF account should now have one.

The Government made further contributions to CTFs for children, who were eligible for a CTF and had their 7th birthday between **1st September 2009 and 31st July 2010.** The Local Authority will ensure that arrangements are in place to ensure all eligible children who had a 7th birthday during this period have received this additional contribution.

Junior ISAs for Looked after Children (Junior ISA)
Junior ISAs for Looked After Children were introduced by the Government in 2012. The Department of Education issued statutory guidance for Local Authorities in 2012 under Section 7 of Local Authority Social Services Act 1970. Local Authorities are expected to comply with this guidance. Paragraph 11, in guidance to Independent Reviewing Officers was issued under Section 25B (2)(b) Children Act 1989. The guidance relates to the Children Act 1989 Section 22 and will next be reviewed in September 2015.

The Guidance covers all frontline staff, carers, Lead Members, Directors of Children's Services, Independent Reviewing Officers, managers and commissioners of services for looked after children.

All children who are not eligible for a CTF are eligible for a Junior ISA. In normal circumstances these accounts are not set up automatically. It is up to the child's parents as to whether they set up a Junior ISA. Currently it is not possible for children to have both Junior ISA and CTF accounts.

In the case of looked after children, including unaccompanied young people, who have been looked after for 12 months or more, the Government will set up a LAC Junior ISA.

The government makes a £200 initial payment into the LAC Junior ISA account and has contracted the SHARE Foundation to administer this scheme until end of March 2015. This has currently been extended until 31st March 2016. The SHARE Foundation will:-

- Open and manage the accounts
- Raise additional funding from charitable sources to distribute into the accounts.
- Support the financial education of looked after children.

Unless there are exceptional reasons the Local Authority must:-

- Provide SHARE Foundation with a named contact for dealing with all Junior ISA accounts.
- Respond to requests for information from SHARE Foundation.
- Ensure data sent to SHARE Foundation is secure and safeguarded.
- Open Junior ISAs where appropriate and advise carer, parent and child of the account.
- Notify SHARE Foundation when a child ceases to be looked after.