SAVINGS AND POCKET MONEY POLICY FOR INDEPENDENT FOSTERING AGENCY and RESIDENTIAL PLACEMENTS

January 2021

**Savings Policy**

The purpose of this policy is to ensure that all children in care and young people have the opportunity to develop financial capability skills learning how to manage their money, develop good saving habits and have savings available to them when they leave care.

It is important that children and young people know the value of money and are given opportunities to develop knowledge and values around saving. Carers should discuss pocket money and savings with children and young people as part of their developing independence in a way appropriate to their age and maturity.

**Introduction**

This policy seeks to provide consistent opportunities regarding savings arrangements for all care experienced children within the care of Herefordshire Council. This policy does **not** apply to looked after children who are:-

* **Placed with their parent(s)** on the basis that:
  + Parents do not receive allowances from the Local Authority to fund weekly contributions.
  + Parents may already have savings arrangements in place for their child(ren).
  + Child(ren) subject to these arrangements are likely to return to their parent(s) full time care, without a care order, in the short to medium term.
* **Placed for adoption** on the basis that:
  + Adopters do not receive automatic allowances from the Local Authority to fund weekly contributions.
  + Adopters may already have savings arrangements in place for their child(ren).

* Receiving **short term breaks under Section 20**, on the basis that:
  + The nature of the short term placements means they will never be looked continuously for 1 year or more.
* Placed in **supported accommodation,** on the basis that these young people are living independently.

Respite carers are not responsible for saving for children as this is the responsibility of the main foster carer.

Mother and baby placements – savings and accounts will be discussed and agreed at the placement planning meeting.

**Savings Accounts**

To ensure all children and young people have savings and to avoid difficulties in savings being transferred when children and young people move placements the local authority will directly deduct £10 per week from the placement fee to ensure that savings are available for care experienced young people when they reach the age of 18.

This money will be held in a corporate account for the first 12 months that a child or young person is in care and then transferred to their Share Foundation account when this is set up.

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 are government backed accounts which are opened with an initial payment from the government.

The child or young person cannot withdraw funds from these accounts until they are aged 18.

These savings are the **minimum** requirement and carers can save more or make additional deposits if they choose. Birth families should be aware of the account and encouraged to consider contributing to the savings where they can. Additional sums of money including awards from the Criminal Injuries Compensation scheme can be paid into the account. Instructions on how to make payments and more information about the Share Foundation can be found on their website - <https://www.sharefound.org/>

**Transitional Arrangements**

Where the requirement is not already in the specification and contract, providers will be asked to implement this new policy. This will result in a change to the current contractual arrangements between ourselves and our placement providers where long term savings have been included within contracts. We will negotiate this transition with our providers and cannot legally require it.

From the 1st February 2021 the long term saving amount will be deducted from agreed contract prices.

**For example: if a placement cost is £855 per week and the weekly saving amount is £10, the price paid to providers will be £845 per week.**

Any new contracts and specifications commissioned from 1st February 2021 for the care of Herefordshire looked after children, should be agreed in line with this policy.

**Managing Monitoring and Reviewing Savings**

Existing placement providers will be asked to transfer any existing savings held for our looked after children to Herefordshire Council in order for it to be paid into the child’s investment account.

In the event that for any reason there is a delay in a CTF or JISA being set up, these funds will be held on Herefordshire Council’s balance sheet until an account is set up or the funds can be appropriately transferred into the possession of the young person or their parent/guardian.

Herefordshire Council will calculate these savings on behalf of the looked after child and deposit them into their savings investment account on a quarterly basis.

**Making Withdrawals**

Money cannot be withdrawn from the Share Foundation until the young person is aged 18.

**General Expectations**

**Social Worker or Personal Advisor for the child or young person** is expected to support the child or young person to develop age appropriate financial capability skills. Young people are given appropriate information at 16 and 18 years of age regarding their CTF or JISA and the local authority will notify the relevant person with parental responsibility when child / young person returns home of the JISA or CTF.

**Independent Reviewing Officer (IRO)** for child or young person is expected to ensure as part of the Child Looked after (CLA) review process that the child or young person is aware of their savings account; the child or young person is developing appropriate financial capability skills and; after their 18th birthday final review that the social worker or personal advisor has supported them to know how to access their savings account.

**Placements Team and Children’s Commissioning Team** will ensure that all external placements providers are given a copy of Herefordshire Council’s Savings Policy and receive regular reminders of the policy.

Contracts with Placement Providers will clarify expectations regarding savings policy in particular the deduction of £10 per week from the placement cost.

Issues regarding non-compliance with the policy and expectations are addressed at an early stage with the provider and escalated to the Operational Lead for Commissioning for looked after children and young people and care leavers, if unable to resolve the matter.

**Pocket money and accessible savings account**

An accessible savings account should be set up in the child’s name. Children’s social workers may need to provide a copy of birth certificate and letter to confirm address. Please find out from your chosen bank/building society.

If a child or young person has an existing savings account, the carer must ensure this is updated with their new address and contact information.

Savings accounts must be in the name of the child or young person to ensure this remains accessible to them should they move placement. It is not acceptable for a savings account to be an account in the foster carer’s name.

Accessible savings accounts are to enable children and young people to develop good skills in managing their money and would be used to save for larger items that a child or young person wants to buy for themselves and as children get older to save for birthday and Christmas gifts for others.

It is expected that all children and young people will be provided with regular pocket money some of which they should be encouraged to save in their accessible savings account. It is advised that pocket money should be provided in the ranges in the table below.

**Guide 2020/21**

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| --- | --- |
| **Age** | **Weekly** |
| 0-4 | £6.05 - £12.10 |
| 5-10 | £6.75 - £13.30 |
| 11-15 | £9.40 - £18.80 |
| 16-17 | £11.10 – £22.20 |

It should be noted that as a guide using the example of the age range 0-4 it may be appropriate to give a 4 year old £2 and save £4.05 a week in a bank account. It would also be considered sensible that a 1 year old would not ordinarily receive pocket money and a bank account in this instance should be opened. An older young person would be expected to receive £10 per week pocket money and £10 per week into a savings account.

At the beginning of each placement a placement planning meeting should be held and consider how much pocket money should be given to each child. Pocket money and savings may be viewed by social workers and raised at children looked after review and placement plan review meetings.

Pocket money can in certain circumstances be used as a behaviour management tool (i.e. restorative work and agreements) but only 50% removed as a way of restoring any damage caused. Caution should be given to this and consultation with the child’s social worker to consider the implications of this.

It is **not** considered acceptable for children to buy their own personal care items out of pocket money and the placement weekly fee is expected to cover this.

Where young people/adults are at college and receive a bursary fund or are working and where a plan of independence is in place consideration for pocket money should be given. At reviews or with young people/adults in placement it may be appropriate with everyone’s agreement that all pocket money will be paid into a bank account.

Providers are expected to encourage young people to share in some household tasks/family responsibilities at an age and developmentally appropriate level i.e. feed the cat, on a regular basis as part of learning to take responsibility in a family home. At other times, and in agreement with social workers, carers may encourage young people with rewards to have extra money paid for undertaking certain tasks i.e. some gardening or car cleaning to help prepare for future part time work and independence skills.

It is considered that pocket money and rewards are good tools to help children and young people develop budget skills and they are to be helped to learn how to manage money from a young age.