

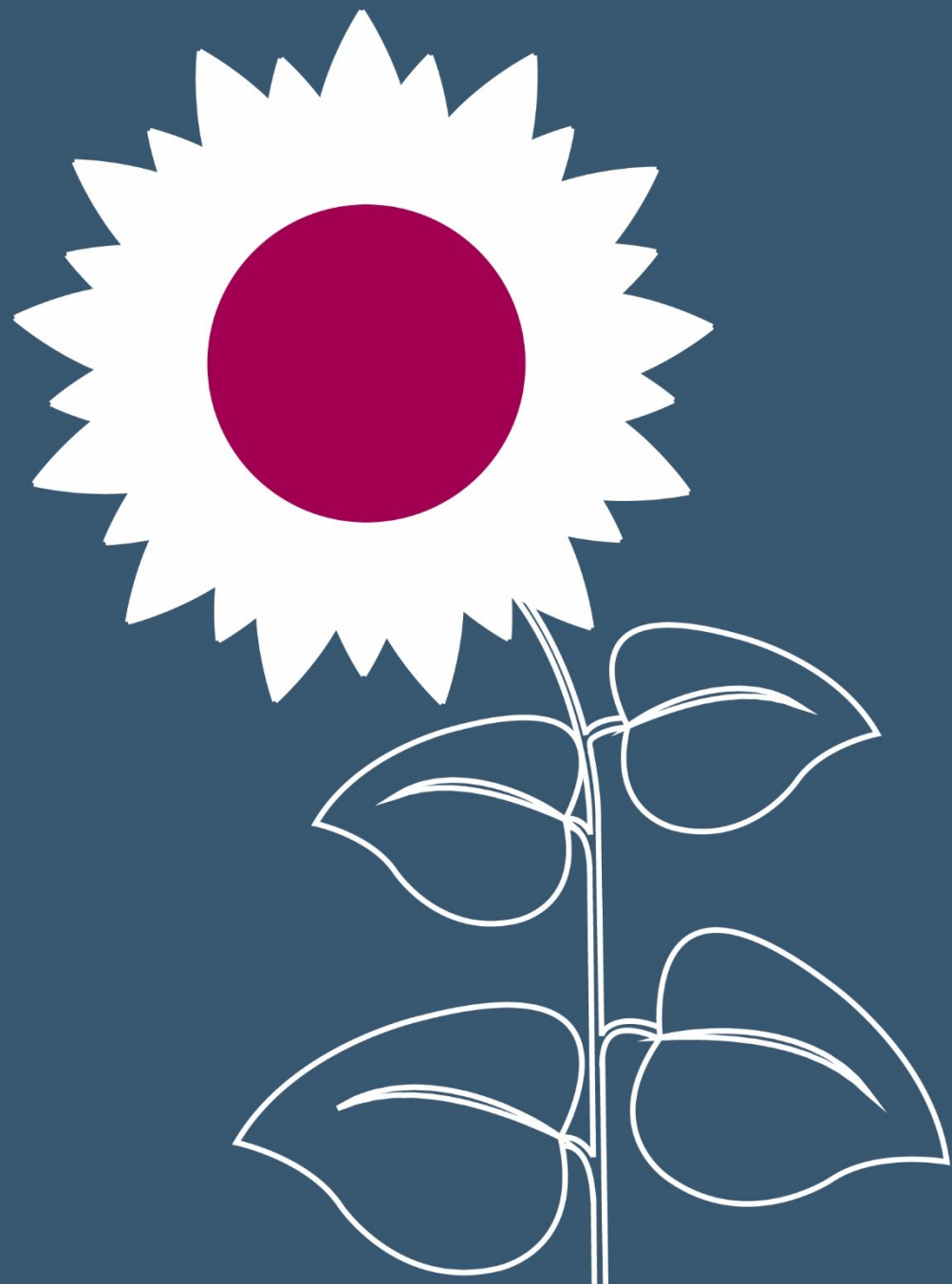


City of
Stoke-on-Trent

Fostering Services – Pocket Money and Short Term Savings Policy

Tri x 5_1_25 September 2022

Review September 2023



1 Introduction and Principles

- 1.1 Pocket money can be a contentious issue for foster carers and looked after children alike. Often there are different views about how much should be given and how it should be spent or saved. However, the principle and practice of providing children and young people with a small amount of pocket money, on a weekly or monthly basis, provides them with the opportunity to learn to handle money responsibly and appreciate its value.
- 1.2 This guidance aims to bring clarity to the issue of pocket money for Stoke on Trent foster carers as provided for in the fostering maintenance allowance.

2 Pocket Money and Fostering Allowances

- 2.1 When a child or young person is placed with a foster carer, the fostering service will pay a fortnightly maintenance allowance to contribute towards the costs involved with looking after the child on behalf of the local authority. Full guidance on how the fostering service expects foster carers to spend the maintenance allowance can be found in the annual fostering finance circular.
- 2.2 A portion of the fostering allowance should be set aside as pocket money for the child/young person. Guidance on how much should be given is provided below. However, amounts shown should be seen as a minimum, recognising that some foster carers may wish to give more pocket money to the children in their household.
- 2.3 Unless otherwise agreed with the social workers, children and young people should not be expected to use their pocket money to purchase items for their self-care needs such as deodorant, toothpaste or sanitary towels. Nor should they be expected to cover the costs incurred in actions/activities like personal telephone calls, haircuts or transport. The only circumstances in which this may be acceptable are for young people whose care plan includes the need to develop skills needed for independent living. In such cases, with the prior explicit agreement of the child's social worker, foster carers may choose to hand over more of the fostering allowances to the young person, in order to help them learn to budget for pre-determined items or expenses.
- 2.4 For example, a teenage girl wishes to purchase her own toiletries, beauty products and mobile phone credit. After discussion and agreement with the young person's social worker and foster carer, the placement plan will be updated to reflect that an additional, specified amount will be given to the young person for the purpose of covering these costs. A record should be kept by the foster carer and signed for by the young person upon receipt of these allowances. This can be recorded in the daily logs.
- 2.5 It is accepted that there may be other occasions where it may be sensible and agreeable for pocket money to be managed or used in ways other than those described in this policy. Therefore, exemptions from the policy may be awarded, but would first have to have the explicit permission of a fostering manager and the child's social worker. This would need to be clearly documented, including the purpose of and timescale for the exemption.

3 Savings and Pocket Money

- 3.1 A common complaint of young people leaving care today is that they do not have very much by way of savings to help them in the transition to independent living. As such, the Local Authority, via [The Share Foundation](#), will set up a Junior ISA (Independent Savings Account) for all children once they have been looked after for at least 12 months. Regular deposits can then be made to gradually build up savings up until their 18th birthday when the funds will be accessible to them alone. Foster carers can pay into these savings and should speak to their supervising social worker to obtain account details.
- 3.2 In respect of pocket money, it is acknowledged that children and young people will not always have the need to spend any or all their pocket money each week. Children and young people may also wish to save their pocket towards the cost of a more expensive item, such a new toy, game or (for predominantly older children) an item of clothing/footwear¹ that would not usually be covered by the maintenance allowance.
- 3.3 In such cases, foster carers are advised to open a bank account in the name of the child or young person to deposit pocket money as short term savings. This is particularly important for teenagers who will need to develop an understanding of how a debit account operates as a life skill, and have access to their own bank account should they wish to seek employment post 16 years old. Alternatively, for children, a very short term savings that would not benefit from interest payments that would occur in a bank account, foster carers could purchase a lockable money box to safely store within the placement address.
- 3.4 Whether saving in a money box or bank account, a clear record of money paid in and out must be kept and signed for, using the template form provided
- 3.5 At any time, generally as part of supervision, foster carers may be asked to show records of pocket monies paid or saved for the child/young person in their care. Though this may seem onerous or bureaucratic, the requirement to record and evidence how pocket money is being stewarded is part of being accountable as a foster carer and reduces the risk of complaint/allegation against you, however positive your relationship is with your fostered child.
- 3.6 Foster Carers are not expected to provide pocket money for children under the age of 2 years old. Instead, the equivalent amounts should be paid into a savings account for them, such as their Junior ISA.

¹ Where Foster Carers are considering a fostered child/young person funding the costs of a purchasing their own personal item, discussion must occur with the Supervising Social Worker, particularly around clothing.

4 Rates² of Pocket money

- 4.1 The following are minimum amounts of pocket money expected to be paid from the Fostering Allowances, though we understand that some foster carers may wish to pay more pocket money for their children and young people

Age (years) Amount (per week)

2 - 4	£2.00
5 – 10	£3.00
11 – 15	£4.50
16+	10.00

5 Pocket Money and Sanctions

(See current Behavioural Management Policy for more information)

- 5.1 In certain circumstances, for example, where a young person is misusing pocket money by making unsuitable purchases or in circumstances where it might be appropriate for any reasonable parent to stop a child's pocket money as a sanction for unwanted behaviour, it is permissible to hold back some or all pocket money for a reasonable period of time. This should be no longer than a fortnight.
- 5.2 Any decision to hold back pocket money should be clearly documented in the daily logs, and the money still set aside for the child to receive, or gradually receive, back following the end of the period it is withheld for. The supervising social worker should be notified and the decision should be clearly recorded in the next supervision document.
- 5.3 Any decision to withhold pocket money for more than 2 weeks, with less than a 4 week break between, should be discussed and agreed with the child's social worker. Advice and guidance should also be sought from the supervising social worker.

² Set via consideration of the Halifax Pocket Money Survey and pocket money rates paid to children placed in Stoke-o-Trent, Small Group Homes