Pocket Money and Savings

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1. Pocket money

Children and young people in our care have asked Kent County Council to have set amounts agreed for their pocket money and savings. Whether they are being looked after by a relative or friend, by in-house or independent foster carers, or living in a residential home, pocket money is often an issue that needs a resolution.

It is not expected that pocket money is paid to children under the age of five. They can have occasional treats instead of pocket money. For the over 5's the table is a guide to what is thought to be appropriate, based on 5% of the weekly maintenance payments to foster carers. Kent's maintenance allowance is already significantly higher than the recommended (Government and Fostering Network) payments.

Age	Recommended weekly maintenance element	KCC weekly maintenance element	5% of weekly maintenance
5 - 10 years	£156.00	£168.00	£8.40
11 - 15 years	£177.00	£190.61	£9.53
16 - 18 years	£208.00	£224.00	£11.20

Foster carers' maintenance payments include money for pocket money, savings and one off payments such as Birthday's. Our procedures say that pocket money should be agreed as part of the Placement Plan and should be in line with your family's usual practice. Each child should be encouraged to have a bank account set up in their name and carers should help the child to make small savings each week/month.

2. Savings

There are two types of saving schemes set up for young people who are in care until they are 18.

Both of these schemes are to help them 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.

2.1 Money that carers will save for them

It is expected that all carers (mainstream in-house foster carers, IFA foster carers, connected relatives and friends carers, or key workers in residential care settings) set aside, in a separate savings account from the child’s personal savings account (if they have one for their pocket money and any small amounts from their birth or extended family), and in the child or young person’s name, as a minimum the sum of £5 per week for each child under 11 years old and £10 per week for a child over 11 years old from their foster carers’ maintenance payments.

2.2 Consultation on a new procedure

The existing procedure with regard to pocket money and savings is too open to interpretation, and inconsistently applied across the County. KCC agree that children in care over 5 years old are entitled to regular and reasonable pocket money and savings. KCC agree that 5% of the maintenance allowance for children over 5 should be spent on pocket money and 5% on savings for every child in care. That’s a total of £16.80 a week for children aged 5 to 10, £19.06 for children aged 11 to 15, and £22.40 for young people aged 16 to 18. What isn’t given as pocket money should go into a savings account.

Savings accounts must be opened for all children and young people from the time of the second review of arrangements (the statutory review) after the date the child or young person comes into care, and the plan is for the child or young person to remain in care at least until the next review.

There can be guidance and advice about how to set up a bank account, if this is needed.

From 1st April 2016, all children who have been in care for at least 3 months and for whom the plan is to remain in care for at least 6 months, and who do not yet have a savings account, must have an account set up for them immediately.

The child’s social worker must ensure that the child or young person’s personal finances are discussed at the Placement Planning Meeting and that the carers are made aware of our expectations and procedure.

This will apply to all carers whether short term, long term or respite, unless there is a different arrangement agreed by the birth parents and/or the social worker. This exception must be clearly recorded on the child’s file and reviewed by the IRO at every statutory review.

The savings book for the child or young person must accompany the child on their move to different carers within the care system. Young people can sometimes get money from their savings account before they reach 18, but only if their social worker agrees to it or if this responsibility is delegated (this must be recorded) to their foster carer.

If and how children and young people get their pocket money must be agreed between the social workers and the foster carers or the children's home when they come into care, set out as an important part of any Placement Plan, and monitored by the IRO at every Review.

The child's social worker must record an initial financial statement for each child in care and update this information, using a 'Finances' case note on Liberi.

2.3 Money we will save for young people

In 2012, a commitment was made within the Kent Pledge to invest £100 into a savings account for Children in Care and Care Leavers (born before September 2002) for every full year they spent in care between April 2008 and March 2011. Kent County Council have opened a Kent Pledge savings account for eligible young people and deposited the money owed into their account (this amount has been backdated to each full year they spent in care post April 2008).

When these young people turn 18, their account can be closed and they are entitled to receive this money. NB: some money may have already come from KCC and be in a bank account. The information should be included in a case note on Liberi.

Some money comes from the Government. The Share Foundation operates the Junior ISA scheme for children and young people in care on behalf of the Department for Education. They are responsible for opening their accounts with an initial Government contribution of £200.

The Foundation ensures that these accounts are properly operated and invested appropriately with a range of Junior ISA providers, and are busy raising additional voluntary contributions by donation or fund-raising to build the value of the accounts. Money can be transferred by carers or local authorities to individual accounts.

Either of these existing accounts, a Kent Pledge Account or a Share Foundation Account can be used as the account referred to above as a savings account until the child's 18th birthday.

3. Additional funding available for Children in Care

3.1 Criminal Injuries Compensation Authority

The Criminal Injuries Compensation Authority (CICA) may pay compensation to the victims of crimes of violence, including children.

Compensation may be paid whether the child is in care or living with his/her family. Applications are normally made by the victim, but in the case of a child or young person, may be made on his/her behalf by their social worker.

If the payment is offered and accepted, the CICA will then normally put the money in an interest-earning deposit account in the child's name, the payment to be paid to the child (together with all interest earned) when they reach 18. The CICA may consider requests to make payment into a Child Trust Fund/Junior ISA or another type of account where the full value of the payment is protected until the child is 18 years old.

The CICA may allow advances before the young person is 18 if these are needed for the child's sole benefit, education or welfare. It is expected, however, that any request will be purposeful, supportive of the young person's aspirations and development and not simply a means of providing income support. If the CICA receive evidence that it would not be in the child's best interests to be given the payment as a lump sum at age 18, they may consider the use of an annuity or a trust at that time.

Some money may have been inherited and put in a Trust Fund for the young person

The CICA are right to ask if it is in the child's best interests to be given a large lump sum payment from any account at age 18. Young people may want to spend it all at once and regret that afterwards. Whilst it is their money, to do with as they like, it is very good practice to offer young people advice – to encourage them to seek financial advice – before their 18th birthday. This advice should start soon after their 17th birthday if not before. They themselves may opt for the use of an annuity or a trust.

Children and young people should be made aware of any money that is being saved for them. This money cannot (usually) be touched until they are 18, and when a young person approaches their 18th birthday, they or their foster carers should ask their child's social worker or a supervising social worker about getting the money out of any account opened in their name.

3.2 Birthdays and Christmas money

Amounts for birthdays and Christmas – for gifts and money as presents for children up to their 16th birthday are included in maintenance payments, but not specified.

Our Care Leavers Policy sets out a minimum expectation for birthday gifts, gift vouchers or a cash payment that should be made to Care Leavers aged 16-18.
For those young people in foster placement, (either mainstream in-house foster carers, IFA foster carers, residential care settings) where Kent is paying a maintenance fee, the expectation is that the provider pays the minimum amount to the care leaver from their maintenance fee. This can be in the form of gifts / vouchers / money, as agreed between young person, provider and KCC. For those young people aged 16+18 that are in a SLODS or semi-independent living

accommodation and receive a maintenance payment direct from KCC, then KCC will pay the relevant birthday allowance. Again in what form this will be paid will be agreed between the young person and social worker.

Birthday Allowances	
Age	**Amount**
17th birthday	£30.00
18th birthday	£60.00

4. Leaving Care

When a young person leaves care, they get all sorts of help about where and how to live more independently, whether they decide to continue their education, start some form of job training, or get a job. When they have made their plans for leaving care and know what they want to do, it is the job of their social worker or personal adviser to find out and help them understand what financial help they can get.

- *personal allowances*
- *benefits*
- *travel and housing costs while they are studying*
- *educational grants for books*
- *setting-up home grants*
- *emergency payments in times of crisis*

Young people should talk to (be encouraged to talk to) their social worker or personal adviser about getting the money that has been saved for them.

4.1 What we are likely to say to young people

If you are in full-time education or training

If you are in full-time further education (sixth form and college) or training, you may be able to get:

- living allowance (to pay for food) if you are in further education and you do not qualify for benefits
- housing payments if you do not get Housing Benefit.
- grants to support you in your education or training
- travel payments

To get these payments, you must show us you are in education and give us evidence of your learning agreement and that you are attending the course. We will regularly check your attendance.

University

If you are in full-time higher education (at university), we can only give you financial help if you are doing a two, three or four year diploma or degree course, you will be able to get:

- payments for rent for the duration of your degree
- £1000 bursary per year towards your fees. You will need to apply for a student loan to cover the rest of your course fees and your living expenses.

If you are not in full-time education or training, you can get:

- allowances to buy clothes for job interviews
- emergency payments while you are applying for benefits

Part-time education

If you would like to do a course which takes up less than 16 hours a week, we will expect you to be either in work or claiming Jobseeker's Allowance so that you can pay for the course yourself. We may give you financial support for a part-time course if you can't study full-time because of your physical or mental health.

Claiming benefits when you leave care

When you reach 18, you may have to claim benefits to pay your day-to-day living costs. The benefits you can claim will depend on your age, whether you are in full-time education, whether you are on your own or part of a couple, whether you have a disability and your immigration status.

Housing Benefit

If you are over 18 years old and you are not working or you are working but on a low income, you may be able to get Housing Benefit to help you pay your rent.

Help with paying your Council Tax

If you are a student, disabled or you are on a low income you can cut the amount of Council Tax that you have to pay or you may not have to pay any at all.

Please note:
https://www.pfeg.org/resources/details/financial-capability-and-looked-after-children-guidance-carers-and-residential takes you to a useful guide called *"Financial Capability and Looked After Children: Guidance for carers and residential care workers"* produced by the DfE and others. (Click on view resource images)