

SAVINGS POLICY FOR LOOKED AFTER CHILDREN AND YOUNG PEOPLE

1. Introduction

- 1 The purpose of this policy is to ensure all looked after children in the care of Solihull MBC, who are not living with their parents, have savings made available to them when they leave care to support their transition into adulthood and have developed financial capability skills.
- 1.1 This policy should be read alongside savings procedures that provide the relevant information for all key staff and carers to ensure the policy is implemented appropriately and consistently for all looked after children. This new savings policy came into place on 1st October 2013. The transition period has now been completed and the policy and procedures updated (December 2015) to reflect this.
- 1.2 This policy sets out the context and overarching principles to savings for looked after children in Solihull.
- 1.3 This policy applies to all looked after children and young people who are in the care of Solihull MBC whether placed with Solihull MBC or independent foster carer, or in residential provision under contractual arrangements on or after 1st October 2013.
- 1.4 This policy does **not** apply to looked after children who are: -
 - 1.4.1 Subject to a **Care Order and placed at home with their parent(s)** on basis that:-
 - Solihull MBC would not want to undermine the parents in how they choose to / not to save for their child who is living with them.
 - Parents do not receive allowance from the local authority to fund weekly contributions for short or long term savings and may already have savings arrangements in place for their child(ren).
 - Children subject to these arrangements are likely to return to their parent(s) full time care without a Care Order in short to medium term.
 - 1.4.2 Receiving **short term breaks under section 17** on the basis that the child will not have been looked after for 12 months consecutively and parents retain parental responsibility for their child's needs.
 - 1.4.3 In **residential school provision** who return home to live with parents / family at weekends / during vacation periods on the basis that the child will not have been looked after for 12 consecutive months and parents retain parental responsibility for their child's needs.
- 1.5 The Head of Children in Care Services will be the named person responsible for ensuring:-
 - Maintenance of accurate LAC Junior ISA and CTF lists for looked after children.
 - Robust, accurate and timely reporting processes to HMRC and SHARE Foundation and children are in place.
 - Procedures reflect arrangements to support this policy, maintain information and regular reporting.
 - Payments to looked after children and young people's LAC Junior ISA and CTF accounts reflect this policy and are timely and accurate.

2. Key Principles

- 2.1 The **key principles** underpinning this policy are:-
 - 2.1.1 A looked after child's short and long term savings needs may be met by their family or the local authority depending on the individual circumstances and the length of time they have been looked after for. Where a child subject to a Care Order is living with parents it is expected that their parents will be planning for their child's short and long term savings needs. Solihull MBC would not want to direct parents in how they do this in relation to savings.
 - 2.1.2 All children living away from their parents whilst they are looked after will:-
 - Experience a consistent approach to their savings whilst they are looked after.
 - Have a short term savings account set up in their name.
 - Have regular savings put into their short term savings account.

- Have their short term savings put in long term savings account, or spent on them, if they leave care before their 18th birthday.
- After 12 consecutive months of being looked after will have long term savings made by Solihull MBC that reflect their total looked after period. This will include regular savings made monthly and a lump sum payable when the child / young person has been in care for 12 months continuously.
- Will have their LAC Junior ISA account or CTF utilised as their long term savings account.
- Will not be able to access their long term savings until they are 18 years of age.
- Be encouraged and supported to :-
 - Understand importance of savings
 - Make regular contributions to their savings from their pocket money / allowance.
 - To develop age appropriate financial capability skills to support their transition to adulthood.
- Receive information about their long term savings annually.

3. Legal Context

3.1 The legal context for LAC Junior ISA's and Child Trust Funds is detailed in Appendix 1.

4. How Solihull MBC will meet its obligations under policy

4.1 In order to meet statutory responsibilities regarding this policy Solihull MBC will:-

- Utilise the child's CTF or LAC Junior ISA as the child's long term savings account whilst they are looked after on basis that:-
 - Systems can be established for Solihull MBC to make regular savings contributions into CTF and LAC Junior ISA accounts.
 - Accounts cannot be accessed by the child until they are 18 years of age.
 - Additional contributions to CTF or LAC Junior ISA accounts can be made by the child, carers, parents or family members.
 - Accounts cannot be accessed by anyone but the child after their 18th birthday.
- Ensure arrangements are in place to set up / access a CTF or LAC Junior ISA for children who have been looked after consecutively for 12 months or more. This includes arrangements to set up a LAC Junior ISA where parents of a child eligible for a CTF have not set one up.
- Retain responsibility for ensuring long term savings are made for all children who have been looked after for 12, or more, consecutive months (from 1st October 2013). This includes using the long term savings element of the child's allowance previously paid to carers / providers to accrue long term savings for all looked after children from that date.
- Not make long term savings contributions into CTF/ LAC Junior ISA where children are in care for less than 12 months.
- Will take all necessary steps to recover monies saved, or that should have been saved, on behalf of individual children, in line with this savings policy.
- Ensure savings procedures detail the arrangements for specific circumstances regarding looked after children including:-
 - Ceases to be looked after.
 - Is made subject to an Adoption Order, Special Guardianship Order or Child Arrangement Order.
 - Is terminally ill.
 - Dies whilst being looked after.
- Ensure advice, guidance and materials are accessible for carers and placement providers on i) choosing and setting up an appropriate short term savings account and ii) developing the child's money management skills.
- Have an escalation process in place for children where policy has not been adhered to.

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**. Solihull MBC 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. <http://www.legislation.gov.uk/ukpga/2004/6/section/16>
- Child Trust Fund Regulations 2004 (SI 1450 as amended) <http://www.legislation.gov.uk/uksi/2004/1450/contents/made>
- 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. <http://www.legislation.gov.uk/uksi/2004/1450/contents/made>
- The Child Trust Fund (Amendment No 2) Regulations (SI 3382 21 December 2004 sets out remit of Official Solicitor. <http://www.legislation.gov.uk/uksi/2013/1744/made>

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**. Solihull MBC 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.