Hull Fostering Pocket Money and Savings Guide

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Hull Fostering Pocket Money and Savings Guide

Children and young people cared for by Hull Fostering should all receive pocket money and savings. Hull Fostering have a set amount that should be saved for each child in your care, and guidance in respect of appropriate amounts of pocket money.

This guide aims to clarify expectations in respect of pocket money and savings for our children.

Every child and young person in care over the age of 5 will get pocket money, but how much depends on the child's age as well as current practice in your family.

It is not expected that children under 5 will receive pocket money as they can have occasional treats instead. Children of all ages should have money saved for them.

1. The Principles Guiding Pocket Money for Children and Young People

Having pocket money is good for children and young people. It gives them a sense of independence and develops their skills in deciding what to buy and what it costs. Receiving pocket money helps children and young people understand the value of money and can develop budgeting skills essential for independent life. Pocket money is regularly received by children in families all over the country and having pocket money increases the normalisation of looked after children and helps decrease their sense of difference from other children.

However, pocket money can be a contentious issue for foster carers, and it is consistently noted by looked after children as one of the most significant difficult issues about being looked after. More specifically, looked after children and young people complain about whether they actually receive pocket money, the amounts of pocket money they receive, and the consistency with which they receive it.

2. Expectations of Foster Carers Regarding Pocket Money

The child or young person's fostering allowance that is paid to foster carers is intended to cover the costs of looking after a child or young person. There is a 'personal expenses' element within this allowance, and this is intended to cover pocket money, savings and other personal expenses for children and young people in foster care. Foster carers are therefore reminded that looked after children and young people must receive pocket money and savings whilst they are in their care, and part of their allowance accounts for this. Pocket money should be given to children and young people for their own use and not to pay for regular entertainment, clothes, or personal toiletries, unless this has been agreed as part of the placement plan, please see examples below.

There should be flexibility about how pocket money is paid and be compatible with other children living in the home, the age and capacity of the child must be considered.

Foster carers must ensure that when providing any money to a child or young person that they record the date and the amount of money given. Foster carers must also ensure they record all money put aside as savings and that this is discussed and agreed with their fostering social worker.

Primary school aged children would be expected to be paid their pocket money weekly, preferably on a set day. Older children may prefer to receive their pocket money and any other allowances given to them for personal toiletries and entertainment, monthly and paid into their bank account. This will depend on their maturity and should be discussed with them and their social worker.

The amount of pocket money must be clarified at the start of a placement and discussed at the placement agreement meeting. The amount arrived at must be compatible with the foster carers' birth children still living in the home and other foster children. Although we have suggested the minimum amounts for each age, setting the appropriate level should be regularly reviewed with the child's social worker and the carers' supervising social worker and should be clearly laid out in the placement plan. If the child or young person is dissatisfied with the amount, he or she is allocated it should be made clear how they can raise this issue and with whom. Some examples where the amount of pocket money given will vary are as follows;

1. If a teenage girl is expected to purchase her own toiletries and beauty products, then she will need to receive more pocket money than if the foster carer purchases all toiletries and beauty products for the household as part of a weekly household shop.

2. If a young person is expected to purchase their own top up cards in order to make personal calls from a mobile phone, then they will need to receive more money than if this was provided.

3. If a young child is not expected to purchase their own sweets or comics, then they will need to receive less pocket money than if they had to purchase their own weekly treats.

The more you use the child or young person's allowance to directly cover the costs of their personal expenses (i.e., covering the costs through general household expenditure) then you will need to give the child or young person less pocket money. On the other hand, if you expect the child or young person to cover most or all of their own personal expenses, then you will need to give them more pocket money to reflect this.

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Where there are concerns that it may be risky for a child or young person to have their pocket money in their hand to spend alone, they can be accompanied by a carer to spend their pocket money. This should be agreed with the foster carers supervising social worker and the child's social worker and clearly recorded.

The rate of pocket money paid to young people should be realistic so that a smoother transition to independent living is made. A young person needs to develop budgeting skills as early as possible and the ability to live within the allowances paid to them when they become independent. This process should start in early adolescence so that false expectations of how far money will go are not built up. The rate of pocket money and other allowances paid to encourage independent living must be discussed with the young person's social worker and the foster carers' supervising social worker.

If a child or young person has to spend time in a respite care, there is an expectation that the respite carer will pay the child or young person's pocket money.

3. Pocket Money Guidelines

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. The table below is a guide to the minimum amounts each child or young person should receive. It is however guidance as discussed above. It is recommended that an increase in pocket money is linked to the child or young person's birthday to mark their increasing age. The incremental changes increase after the age of 10 to take account of the child's increasing maturity.

- 5 years-old: £2 per week
- 10 years-old: £5 per week
- 11 years old £5.50 per week
- 12 years-old: £6.00 per week
- 13 years-old: £6.50 per week
- 14 years-old: £7.00 per week
- 15 years-old: £8.00 per week
- 16 years-old: £10 per week

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4. Savings

Most families put aside a sum of money on a regular basis for their children's future. Children in the care of the local authority should also benefit from money set aside for them, to enable them to start independent living with some savings.

Savings for children and young people in care can become complex. This guide aims to set out the types of savings account available for children and young people in care and the expectation that Hull Fostering has for carers and providers in supporting children and young people to save towards their long-term future.

There are two types of savings schemes set up by the central government for children and young people who are in care until they are 18. These are the child trust fund and junior ISA schemes.

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.

If a child was born between 01/09/2002 an 03/01/2011 then they will have a Child Trust Fund.

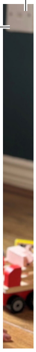
What is Junior ISA?

In November 2011, the Government announced a new scheme to support long-term savings for Looked After children. Those who did not previously benefit from a Child Trust Fund (CTF) and had been Looked After for 12 months or more, received a £200 Government payment into a Junior Individual Savings Account (Junior ISA).

Junior ISAs provide a tax-free way to save for under 18s. The money in a Junior ISA belongs to the child, but they can't take the money out until they are 18. They can then decide what they want to do with it. Because savings are locked into the account until the account holder's 18th birthday, Junior ISAs are for building long-term assets, rather than day-to-day savings.

The Share Foundation, a registered charity, has been authorised by the government to set up and manage Junior ISAs for looked after children and young people under the age of 18 who do not have a Child Trust Fund, and to manage Child Trust Funds where applicable.

Under current legislation these JISA accounts can only be opened for children in care by TSF. Foster carers and local authorities do not have the



requisite level of parental responsibility for a child in their care to open a JISA, however each account will have a unique reference number, held by the local authority, and this can be shared to allow additional contributions to a child's account as required.

The Fostering Network propose that all eligible children in care have a minimum flat rate of £5 per week set aside and saved for them, and where appropriate for the savings to be transferred to their Junior ISA (JISA) or Child Trust Fund (CTF). This is in additional to the pocket money discussed above.

Hull Fostering are therefore advising all foster carers to save £5 per week for each child in their care. This should start as the child moves into your home and should be discussed and agreed at the planning meeting.

These savings should be kept informally for the first 12 months, for example in a piggy bank or bank account and then should move on with the child if they leave you in the first 12 months, After the child has been in care for a period of 12 months they will be eligible or the Junior ISA and from this point savings should be transferred into the Junior ISA then paid in weekly / monthly. This will be regularly reviewed in your supervision and the child's IRO will have oversight of this through the CLA review process. Details of the Junior ISA can be obtained via your FSW who will contact the child's SW for the details and help you set up payment to the account.

Who can pay money into Junior ISAs?

Anybody can put money into a Junior ISA. The total limit for payments into Junior ISAs is £4,260 in each tax year. For eligible Looked After children, the Government will open the accounts, making a one-off initial payment of £200 (or pay this into existing accounts already held by Looked After children). Additional payments could then be made by carers, local authorities, or young people themselves.

Children over the age of 16 are responsible for managing their own accounts. Once their account is opened, they will be able to make decisions about how best to look after their money for themselves, though they still won't be able to access their savings until they are 18. The scheme will provide financial education to help Looked After children make the best choices about what to do with their savings.

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- **Child Trust Fund Helpline**
  0300 123 4097, Minicom (audio impaired) 0300 123 9232 website:
  www.tax.service.gov.uk/guidance/ask-HMRC-to-find-a-Child-Trust-Fund/

- **Junior ISA**
  www.gov.uk/junior-individual-savings-accounts

- **The Share Foundation**
  Tel: 01296 310400, E-mail: info@sharefound.org, www.sharefound.org

- **Hull Fostering**
  Tel: 01482 612 800, E-mail fostering@hullcc.gov.uk

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