

Long Term Savings

Policy for Long Term Savings for Children in Care

Version: 1.0

Date Issued: December 2020

Team: Corporate Parenting

Protective Marking: Internal

Contents

1. Introduction	3
2. Who does this policy apply to?	3
3. Key Principles	4
4. Transitional Arrangements.....	5
5. Responsibilities.....	6
6. Short Term Savings	8
7. Financial Education and Management for children and young people in care	9
8. Further Information	9

1. Introduction

- 1.1 This policy sets out the context and overarching principles to savings for children in care in Warwickshire. It seeks to provide consistent opportunities regarding savings arrangements for all children who are cared for by WCC.
- 1.2 The guidance is for:
- Children's Social Care Staff
 - Placement Hub Staff
 - Commissioning Staff
- 1.3 The Department for Education (DfE) has two policies relating to savings opportunities for children looked after by the Local Authority continuously for 1 year or more. These are '[Child Trust Funds for Looked after Children](#)' and '[Junior ISAs for Looked after Children](#)'.
- 1.4 In addition to these two policies, Local Authorities have the jurisdiction to provide additional savings for Children in Care. Saving for the future of CIC and supporting the financial education and planning forms part of the discharge of duties within the following standards:
- Fostering National Minimum Standard 16: children are prepared for, and supported into, adulthood so that they can reach their potential and achieve economic wellbeing.
 - Residential – Regulations and Quality Standards, section 6.2 (VI): help each child to develop resilience and skills that prepare the child to return home, to live in a new placement or to live independently as an adult.

2. Who does this policy apply to?

- 2.1 This policy applies to all children and young people who are in the care of Warwickshire County Council over the age of 5 years whether placed with internal or independent foster carer, or in residential provision under contractual arrangements on or after April 1st 2021.
- 2.2 This policy does **not** apply to children in care who are:
- Subject to a **Care Order and placed at home with their parent(s)** on basis that:-
 - Warwickshire County Council 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
- Receiving **short term breaks under section 17** on the basis that the child will not have been in care for 12 months consecutively and parents retain parental responsibility for their child's needs.
- 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 in care for 12 consecutive months and parents retain parental responsibility for their child's needs.
- 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 children.
- **Under the age of 5 years.**

3. Key Principles

- 3.1 Once a child or young person has been within the care of Warwickshire County Council continuously for at least 1 year, Warwickshire County Council will contribute to savings for that child of £5 per week until the earliest of:
- a) the child leaving the care of Warwickshire County Council
 - b) the child no longer meeting the criteria set out within the scope of this policy or
 - c) the child turning 18.
- 3.2 At the point that the child or young person in care meets these savings criteria, an opening balance equal to 12 months savings (£5 x 52 weeks = £260) will be deposited into their savings investment account.
- 3.3 This savings investment account will take the form of either:
- Child Trust Fund,
 - Junior ISA, or
 - 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 Warwickshire County 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.

- 3.4 Warwickshire County Council will calculate these savings on behalf of the child or young person in care and deposit them into their savings investment account as listed above, on a quarterly basis.
- 3.5 Resources to fund these savings will be accrued through deductions from placement costs. This will be a £5 deduction per week at the point of payment incurred from day 1 of the placement and will be agreed with providers during commissioning discussions, as part of individual placement agreements or as part of the foster carer agreement.

4. Transitional Arrangements

- 4.1 This policy will be implemented on April 1st 2021. At the point of implementation, all children and young people currently placed within the care of Warwickshire County Council, who meet the scope and criteria set out within this document, shall be transferred onto this new scheme and a savings entitlement shall be accrued for them consistently from that date.
- 4.2 External providers, where the requirement is not already in the specification and contract, 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 April 2021 the long-term saving amount will be deducted from agreed contract prices and providers will need to reflect this in their invoices. For example: if a placement cost is £825 per week and the weekly saving amount is £5 the price paid to providers will be £820 per week.
- 4.3 Any new contracts and specifications commissioned from 1st April 2021 for the care of Warwickshire's children and young people in care, should be agreed in line with this policy.
- 4.4 Existing placement providers will be asked to transfer any existing savings held for our children in care to Warwickshire County Council for it to be paid into the child's investment account as set out in section above.

5. Responsibilities

- 5.1 Assistant Director of Children's Services / Strategic Lead for Children in Care maintain oversight of:-
- Maintenance of accurate LAC Junior ISA and CTF lists for children in care.
 - Robust, accurate and timely reporting processes to HMRC and Share Foundation
 - Procedures reflect arrangements to support this policy, maintain information and regular reporting.
 - Payments to children in care and young people's LAC Junior ISA and CTF accounts reflect this policy and are timely and accurate.
- 5.2 Children's Social Work staff, carers and placement providers have appropriate guidance and information on: -
- The local authority's savings policy for children and young people in care.
 - Arrangements for long term savings for children and young people in care for 12 months or more.
 - Arrangements for the transfer of savings to give to the young person or their parent or guardian as appropriate whether they move to permanency, return home or leave care for independence.
 - How to promote age appropriate financial capability / money management skills.
- 5.3 Social Worker / Personal Advisor for the child or young person in care is expected to ensure that:
- Support child / young person to develop age appropriate financial capability skills
 - Any money held by placements for the child are transferred when there is a placement change.
 - Young people are given appropriate information at 16 and 18 years of age regarding their CTF or JISA.
 - Notify relevant person with parental responsibility when child / young person returns home of the JISA or CTF.
- 5.4 Other Children's Services Staff are expected to: -
- Understand the savings policy and procedures regarding children and young people in care and be aware of any links relevant to their role.
- 5.5 Placement Hub and Children's Commissioning Team are expected to ensure that:
- All external placements providers are given a copy of the Savings Policy for children in care before a child is placed.

- Contracts with Placement Providers clarify expectations regarding savings policy in particular the deduction of £5 per week from the placement cost.
- Issues regarding a non-compliance with policy and expectations are addressed at an early stage with the provider and escalated to the Operational Lead for Commissioning for children and young people in care and care leavers, if unable to resolve the matter.
- External placement providers receive regular reminders of the policy.

5.6 Independent Reviewing Officer (IRO) for child or young person is expected to ensure as part of the All About Me Review process that:-

- Child / young person is aware of their savings account
- Child / young person is developing appropriate financial capability skills
- Where young person has final review after their 18th birthday, IRO is to ensure the young person's social worker / Personal Adviser has supported them to access their savings account.
- The IRO Manager will include any issues relating to savings in their annual report.

5.7 Insight (Social Care) Team are expected to:-

- Provide monthly data reports for Financial Management and Lead Administration identifying:
 - Children and young people who are newly in care, plus data required to establish CTF eligibility risk (date of birth & nationality/immigration status),
 - Children and young people who have ceased to be in care by the Local Authority.
 - Children and young people who have been in care continuously for 12 months or more, to enable Financial Management to include them on the payment run for savings transfers to The Share Foundation.
 - List of suspended payments to mitigate overpayments to The Share Foundation.
 - Children and young people who have been in care continuously for 12 months or more, and will have their 18th birthday within 2 months' time. So that final calculations and closing account procedures can be triggered.
- Provide monthly data reports to The Share Foundation as defined in the DfE policies and Local Authority section of The Share Foundation website, regarding children and young people who are eligible for Junior Isas and Child Trust Funds
- Liaise with Children's Services to ensure data reporting is accurate regarding children and young people newly accommodated or leaving care

5.8 Lead Administrators are expected to: -

- Ensure administrative responsibilities as set out in the Procedures document are carried out in a timely manner including:
 - Quarterly payments to The Share Foundation
 - Forwarding closing account letters to young people or their parents/guardians as required by the Share Foundation
 - Making payments to young people or their parents/guardians where closing account balances are held by the Local Authority or Making payments to into relevant Junior ISAS and Child Trust Funds for any other contributions received towards individuals savings accounts
 - Respond to queries regarding account management
 - To liaise with The Share Foundation
 - Verify eligibility of new Childs Trust Funds regarding Nationality / Immigration Status, before the 12 month trigger.
 - Provide The Share Foundation with relevant authorisation for contact with Carers, parents and guardians.
 - Ensure the Strategic Lead for Children in Care is made aware of any irregularities or concerns.

5.9 Financial Management Lead

- Ensure financial management responsibilities as set out in the Procedures document are carried out in a timely manner including:
- Financial reconciliation processes are carried out monthly
- Prepare quarterly payments file for Lead Administrator regarding transfer of funds to The Share Foundation
- Respond to queries regarding savings balances for children in care or those who have left care.
- Ensure an accurate record of the savings for each eligible LAC are recorded and understood including the amount and where the savings are held (JISA, CTF or CCC Balance sheet).
- Provide annual statements to all current children and young people in care with a savings balance held within accounts.

6. Short Term Savings

6.1 All children and young people in care should have a short term savings account which should be set up as soon as is practical when the child / young person comes into care.

6.2 The short term account is to enable the child / young person to save for their current and future short term needs. This maybe for a particular item they want i.e. games console, contribution towards a laptop, driving lessons, or for when they experience a gap in funding i.e. getting their salary or benefits.

- 6.3 Warwickshire County Council will ensure arrangements are in place to ensure key professionals involved in the care of children and young people are aware of and meet their responsibilities in relation the procedures for savings of children and young people in care. This will include: - Foster carers/ placement providers being responsible for ensuring all children/young people placed with them have a short term savings account.

7. Financial Education and Management for children and young people in care

- 7.1 Young people are supported to plan for independence through the pathway planning process, which begins as young people approach 16. As part of this specific support is given around finances and budgeting with access offered to relevant money management courses when required.
- 7.2 We are currently in the process of developing an accredited independence training programme with the House Project and young people who are aged 14 years plus will have the opportunity to attend independence workshops as well as having tailored packages put in place to further support them to gain the skills they need to manage their money independently.
- 7.3 We have a full Financial support package for young people leaving care.

8. Further Information

- 8.1 [Child Trust Funds for Looked after Children](#)
- 8.2 [Junior ISAs for Looked after Children](#)