



Coventry City Council

Savings Policy for Looked after Children

May 2019

1 Introduction

1.1 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'. A summary and links to these DfE policies can be found in Appendix 1, as well as the responsibilities of Coventry City Council within these policies.

1.2 In addition to these two policies, Local Authorities have the jurisdiction to provide additional savings for Looked after Children (LAC). Saving for the future of LAC 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 Purpose

2.1 This document sets out Coventry City Council Children and Young People's Services policy on savings for LAC, as well as identifying our responsibilities regarding the two DfE policies referenced above.

2.2 This policy seeks to provide consistent opportunities regarding savings arrangements for all looked after children within the care of Coventry City Council.

2.3 This policy should be read alongside the Savings Procedures for Looked after Children.

3 Scope

3.1 This policy applies to all Looked after Children and young people who are in the care of Coventry City Council on or after 1st May 2019 and are not listed within the exclusions below:

3.2 This policy does **not** apply to Looked after children who are: -

- **Placed with their parent(s)** on the basis that:
 - Parents do not receive allowances from the Local Authority to fund weekly contributions.
 - Parents may already have savings arrangements in place for their child(ren).
 - Child(ren) subject to these arrangements are likely to return to their parent(s) full time care, without a care order, in the short to medium term.
- **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 child(ren). Placed within
- Receiving **short term breaks under Section 20**, on the basis that:
 - The nature of the short-term placements means they will never be looked continuously for 1 year or more.
- Placed in **supported accommodation under the current contractual arrangements**.
 - The contracts for Supported Accommodation at the time of writing are being retendered and the new contracts will include deductions for savings in line with all other LAC placements. Upon implementation of these new contracts, under 18

LAC placed within Supported Accommodation will be brought into the scope of this policy and will accrue savings (current estimate is December 2019)

4 Key Principles

- 4.1 Once a looked after child has been within the care of Coventry City Council continuously for at least 1 year, Coventry City Council will contribute to savings for that child of £5 per week until the earliest of:
- [a] the child leaving the care of Coventry City Council,
 - [b] the child no longer meeting the criteria set out within the scope of this policy or
 - [c] the child turning 18.
- 4.2 At the point that the looked after child meets this savings criteria, an opening balance equal to 12 months savings (£5 x 52 weeks = £260) will be deposited into their savings investment account.
- 4.3 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 Coventry City 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.
- 4.4 Coventry City Council will calculate these savings on behalf of the looked after child and deposit them into their savings investment account as listed above, on a quarterly basis.
- 4.5 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. The mechanism for collection of these funds is discussed further in Savings Procedures for Looked after Children.

5 Transitional arrangements

- 5.1 This policy will be implemented on 1st May 2019. At the point of implementation, all looked after children currently placed within the care of Coventry City 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 1st May 2019.
- 5.2 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 May 2019 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.

- 5.3 Any new contracts and specifications commissioned from 1st May 2019 for the care of Coventry's looked after children, should be agreed in line with this policy.

5.4 Existing placement providers will be asked to transfer any existing savings held for our looked after children to Coventry City Council for it to be paid into the child's investment account as set out in section 4.3 above.

6 Responsibilities

6.1 Director of Children's Services / Strategic Lead for Looked after Children maintains oversight of: -

- Maintenance of accurate LAC Junior ISA and CTF lists for looked after children
- 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 looked after children and young people's LAC Junior ISA and CTF accounts reflect this policy and are timely and accurate
- Children's Social Work staff, carers and placement providers have appropriate guidance and information on: -
 - The local authority's savings policy for looked after children and young people.
 - Arrangements for long term savings for looked after 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.

6.2 Social Worker / Personal Advisor for the Looked after child or young person 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.

6.3 Other Children's Services Staff are expected to: -

- Understand the savings policy and procedures regarding looked after children and be aware of any links relevant to their role.

6.4 Placements Team and Children's Commissioning Team are expected to ensure that:

- All external placements providers are given a copy of Coventry City Council's Savings Policy for looked after children 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 looked after children and young people and care leavers, if unable to resolve the matter.
- External placement providers receive regular reminders of the policy.

6.5 Independent Reviewing Officer (IRO) for child or young person is expected to ensure as part of the LAC 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.

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

- Provide monthly data reports for Financial Management and Lead Administration identifying:
 - Newly looked after children and young people, plus data required to establish CTF eligibility risk (date of birth & nationality/immigration status),
 - Children and young people who have ceased to be looked after by the Local Authority.
 - Children and young people who have been looked after 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 looked after 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

6.7 Lead Administrator

- 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
 - 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 Looked after Children is made aware of any irregularities or concerns.

6.8 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 looked after children 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 looked after children and young people with a savings balance held within accounts defined in section 4.3

7 Financial Education and Management for looked after children and young people

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 All young people open to the Coventry's Through Care service 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 which is set out in Money Matters care Leavers policy : www.coventry.gov.uk/careleavermoneymatters

7.4 We recognise that our Financial Support package is current focused on young people preparing to leave care and there is a need for this to be a lot broader. Over the next 12 months Children's Services will seek to review our financial education package including considering whether we can implement the [Stepladder Plus Programme](#), and how this would be funded.

Policy Author(s) Name and Job Title:		
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Department for Education: Child Trust Funds and LAC Junior ISA Accounts

Junior ISAs and Child Trust Funds are long term tax-advantaged savings accounts, which cannot be accessed until the child's 18th Birthday and into to which anyone can make a payment. At age 18 it is possible to transfer the funds into a Standard Adult Account.

1. 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**.

Unaccompanied children and young people were excluded from these regulations unless they had been granted refugee status with indefinite leave to remain.

Background

A Child Trust Fund (CTF) is a long-term savings and investment account for children and young people. 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. 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.

Management of CTF Accounts

In October 2017 responsibility for managing CTFs was transferred from The official Solicitor for England and Wales to [The Share Foundation](#), whereby the Department for Education appointed them to act as the registered contact for Child Trust Fund accounts set up for Children looked after by local authorities.

The Share Foundation manages the CTF account for the child and will:

- write to the child when they take control of the account
- change the type of CTF account and provider if necessary and write to the child to explain why the change was made
- send account statements to the child

They'll manage the account until:

- the child turns 18
- the child turns 16 and decides to manage the account themselves
- someone takes parental responsibility for the child, for example through adoption

More information can be found on the website:

<https://www.gov.uk/child-trust-funds/accounts-for-looked-after-children>

Local Authority Responsibilities:

- On request from The Share Foundation: -

- Provide The Share Foundation with a named contact for dealing with all aspects of CTFs of looked after children.
- Respond to requests for information from The Share Foundation, to enable them to identify and manage the relevant CTFs.
- Ensure that there are effective and proportionate security arrangements safeguarding the integrity and confidentiality of the data to be sent to and received from The Share Foundation, in full compliance with the Data Protection Act 1998.
- Once a CTF has come under the management of the Share Foundation ensure that, as an integral part of the care planning review and where it is appropriate to do so, the carer, parent and child are made aware of the account and that it is being managed by the Share Foundation.
- Once a child stops being looked after, notify The Share Foundation and provide the necessary information to the person with parental responsibility for the child (and the child if 16 or 17 years old) so that they can take over the management of the CTF.

2. Junior ISAs for Looked after Children (Junior ISA)

Background

Junior ISAs for Looked after Children were introduced by the Government in 2012. Department of Education issued statutory guidance for Local Authorities under Section 7 of Local Authority Social Services Act 1970. Local Authorities are expected to comply with this guidance. Paragraph 17, 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 was next due to be reviewed in January 2019.

The Department for Education has issued statutory guidance for local authorities. The following parties must be aware of this guidance:

- children's services social workers
- personal advisers
- frontline managers who have responsibilities relating to care leavers and looked-after children
- lead members
- directors of children's services
- managers of services for care leavers and looked-after children
- commissioners of services for care leavers and looked-after children
- independent reviewing officers

<https://www.gov.uk/government/publications/junior-individual-saving-accounts-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, will open and manage Junior ISA accounts using independent selection advice while children remain looked after.

Junior ISA Management

The Government will provide an initial £200 payment to open the accounts and has contracted the SHARE Foundation to administer this scheme until end of March 2019. 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.

Local Authority Responsibilities

Unless there are exceptional reasons the Local Authority must: -

- Provide The Share Foundation with a named contact for dealing with all aspects of the Junior ISA scheme.
- Respond to requests for information from The Share Foundation, to enable them to open the Junior ISAs and draw down the £200 payments.
- Ensure that there are effective and proportionate security arrangements safeguarding the integrity and confidentiality of the data to be sent to and received from The Share Foundation, in full compliance with the Data Protection Act 1998
- Once an account has been opened, ensure that, as an integral part of the care planning review and where it is appropriate to do so, the carer, parent and child are made aware of the account.
- Once a child stops being looked after, notify The Share Foundation and provide the necessary information to the person with parental responsibility for the child (and the child if 16 or 17 years old) so that they may take over the management of the account