Children's Services

Guidance for Pocket Money and Savings of Children in Foster Care

'It's good to get in the habit of saving for things you need when you're older - like bills and brown letters. [1]

1. Purpose

The purpose of this guidance is to set out the responsibilities of Dorset Council and foster carers with respect to the pocket money, savings, and additional allowances of the young people in their care.

2. Context

Outline guidance on pocket money and other allowances is given in our [Money Matters and Insurance]() guidance. This additional guidance sets out how foster carers and Dorset Council officers may meet these outline requirements.

3. Scope

3.1 The Placement Plan for each child that is fostered sets out the level of delegated authority, including for financial matters, that the foster carer holds for that child. Whilst the delegated authority may vary from one child to another in accordance with their Placement Plan, Dorset Council sets recommended amounts for both the pocket money and savings of children in foster care, according to their age range; full details of these amounts are on the Fostering Together site.

3.2 The guidance applies to all foster carers, including those at Level 5.

4. Pocket money

4.1 Whilst caring for a Child in Care each foster carer receives an 'All-Inclusive Allowance' (AIA) to cover the cost of care. The allowance is paid fortnightly into the foster carer's bank account by Dorset Council. From the AIA, and as agreed by the Child Social Worker (CSW) and Fostering Social Worker (FSW) at the placement planning meeting, foster carers will transfer pocket money into the child's current account electronically. In the case of a child 0 -5 years old and too young to require pocket money, the agreed monies will be transferred electronically into the child's saving account by the foster carer. All pocket money will be monitored and reviewed regularly, by the CSW, QARO, and FSW, at the appropriate time, for example the Child in Care review. If any discrepancies are found at any time the relevant social worker will address

[1] From a young person in the care of Dorset Children's Services, October 2022

this immediately if the discrepancy is minor or escalate this to the FSW's Team Manager.

4.2 Foster carers should arrange the weekly electronic transfer of the recommended amount of pocket money into the child's current account as agreed at the placement planning meeting. The agreed amount of pocket money must be reviewed at each Child in Care review by the CSW, FSW and QARO in the best interests of the child. This amount should be recorded in the weekly diary logs by the foster carer, and will be discussed at the foster carer's review, and at other times, such as during the foster carer's 4 – 6 weekly supervision visits.

4.4 Dorset Council would not usually expect pocket money to be given to children under five; instead, their treats, hobbies and interests should be funded directly by the carer from their AIA, and any monies left over from the recommended weekly spend should be added to their personal savings account.

4.5 There may be circumstances where the foster carer believes it would be inappropriate to give weekly pocket money; this could be where the carer has evidenced concerns that pocket money may put the child at increased risk of significant harm. Such circumstances should immediately be discussed with the child's and the Fostering social workers, with the respective team manager and with the QARO, and an action plan agreed. This action plan should be recorded in the Child in Care Review, the child's care plan, and in any other relevant records (for example, MACE meeting action plan).

5. Bank current accounts

5.1 All looked after children/young people aged 5 or above should have a bank current account; it is the responsibility of the child's Social Worker to ensure that this is in place; foster carers will support the child to manage the account in a way that is appropriate to the child's age and capability.

5.2 To open a bank account for a child in foster care, the child's Social Worker should submit a request to the Service Manager, Treasury, and Investments. It is best practice to open a bank account for the child as soon after they come into foster care as possible.

5.3 Where a child is in care under S20, their Social Worker must gain the consent of their parent(s) to the opening of a bank current account. It is likely that the parent(s) will need to sign the forms to open the account.

6. Personal savings accounts

6.1 All children and young people within foster care should have a personal savings account. This should be arranged by the child's Social Worker in the same way as a bank current account; the Social Worker should arrange it with the Service Manager, Treasury, and Investments, ensuring that parental consent is obtained where the child is in care under S20.

6.2 The recommended amounts for foster carers to pay out of the child's AIA into their personal savings account are given on the Fostering Together site. Payments should be made by electronic transfer and will be recorded on the child's weekly diaries by the foster carer, discussed in the carer's supervision, and reviewed at the Child in Care reviews to ensure accounts are managed appropriately for a child.

6.3 Where a foster carer believes that such payments are not in the best interests of the child or young person, they should discuss this with the child's Social Worker and their Fostering Social Worker and agree an alternative plan for savings.

6.4 Foster carers will support the child to manage their personal savings account to the degree appropriate for their age and capability. They will be assisted in this by the Child's Social Worker and the Fostering Social worker, who are jointly responsible for ensuring that best practice is followed. In this way, financial life skills are developed with the child in care, and good outcomes achieved.

6.5 All money accrued in the child's saving accounts will be monitored and reviewed regularly, by the CSW, QARO, and FSW, at the appropriate time such as the Child in Care review. Additionally, if any discrepancies are noted the social worker will address or escalate this immediately.

7. Junior ISAs and Child Trust Funds

7.1 All children who are in Dorset Council foster care should have a Junior ISA once they have been in care for 12 months or more (unless they have a Child Trust Fund).[2] When a Junior ISA is opened for a child in care, the Government will contribute £200 to it.

7.2 Junior ISAs for children in care are managed by the Share Foundation. Oversight of Junior ISAs for children in the care of Dorset Council is held by the Service Manager, Corporate Parent and Care Leavers.

7.3 If any Dorset Council officer believes a child in care has previously missed out on a Junior ISA, please contact the Service Manager, Corporate Parenting and Care Leavers.

7.4 When Junior ISA holders reach the age of 16, they may take control of the account. This means they can make investment decisions for themselves, though they still cannot access funds until their 18th birthday. However, foster

[2] For the relevant Government guidance, see [Junior individual saving accounts for looked after children - GOV.UK (www.gov.uk)]

carers should continue to review savings regularly with young people in their care, to help them develop the skills to manage these safely and effectively. Foster carers can also transfer savings money into the junior ISA from the AIA, if this is agreed at the placement planning meeting by CSW and FSW.

7.5 The Share Foundation also provides the Stepladder programme to help local authorities support children in care to learn about finances and so help them make the most of their account and the financial asset they will be able to access at the age of 18. The programme includes literacy, numeracy, financial education, and a statement of intention for their future. It is available for all Children in care from the age of 15, and care leavers up to the age of 25.[3]

7.6 When a child is no longer being looked after because they have reached the age of 18, their Social Worker and/or Pathway Adviser should use the materials provided by The Share Foundation and work with the Service Manager, Corporate Parent and Care Leavers to ensure they can access their matured accounts.

7.7 Young people who came into care before 2012 may have a Child Trust Fund (CTF) rather than a Junior ISA; CTFs are managed in a similar way, by the Share Foundation. Oversight of CTFs is provided by the Service Manager, Corporate Parent and Care Leavers; they will check to ensure that the existence of a CTF for a child in care is known to a person in a position of parental responsibility who acts as registered contact, and known to the young person in care, if aged 16 or over.

8. Legacies and large gifts

8.1 Special procedures will be implemented where a child in care inherits a legacy or is made the beneficiary of investments by a third party. In either of these situations, the Corporate Director, Care and Protection must be advised immediately.

9. Planning for Sustainable Interdependence

9.1 All children or young people regardless of age will be encouraged to develop the skills and networks of community support that are enjoyed by most of their peers. It is our responsibility to help children and young people to prepare for this sustainable interdependence, and this will form part of their Placement Plan and/or Pathway Plan. Progress in the development of these skills will be tracked via foster carers' supervision, child in care reviews and at the foster carer annual review.

9.2 In determining the degree of choice and control a young people should have in managing their finances, foster carers and those supporting them should

[3] Stepladder of Achievement — The Share Foundation

follow the principles of Gillick Competence. NSPCC provides useful guidance on this.[4]

9.3 For those aged 16 and above, money can be paid directly by Dorset Council to them via electronic transfer where this is agreed as part of their Pathway Plan.

9.4 Any money allocated directly to the young person will be in line with current allowances and this will be to cover the cost of food, clothing, travel, mobile phone, activities, and other personal costs.

9.5 The amount of savings held by a young person when they leave care can affect the amount of benefit they are entitled to. Therefore, when a young person turns 17 years old, their Social Worker, foster carer(s) and Fostering Social Worker should help them to plan their finances, informing them of the best options for preserving both their savings and their future entitlement to benefit. This planning will need to be addressed at the Child in Care review nearest to the child's/young person's 17th birthday and a financial plan created considering their plans for education and housing requirements.

10. Other allowances

10.1 Dorset Council makes additional payments to foster carers in respect of:

- Birthdays
- Christmas
- Holidays
- Initial clothing
- School uniform (only where the child has changed school/carers)

The amount available each year may be found in the guidance for fostering fees and allowances on the Fostering Together site.

10.2 The cost of school trips will usually be met by the foster carers from the child's All-Inclusive Allowance. Where these costs are exceptionally high, the foster carer should approach either the child's or their Fostering Social Worker for assistance. In some instances, larger costs may be met on a shared basis by the childcare team, the Fostering Service, and the Virtual School.

11. Role of the QARO

The child or young person's Quality Assurance Reviewing Officer (QARO) has an important role to play in ensuring that the requirements of this procedure are being followed, that the young person's money is being managed appropriately as to give them the best prospects as they leave care, and that

[4] Gillick competence and Fraser guidelines | NSPCC Learning

they are being helped to develop life skills and confidence in managing their finances.

Appendix 1

Rates for 2023 – 24

1. **Pocket Money and Savings for Children in Care**

Pocket Money: Below is what Dorset Council would expect Foster Carers to give as pocket money each week for the Children in their care:

Age (years)	Savings per week
0 – 5	£5
6 – 10	£7
11 – 15	£12
16 – 17	£15

Savings: Below is what Dorset Council would expect Foster Carers to save week for the Children in their care:

Age (years)	Savings per week
0 – 5	£5
6 – 10	£6
11 – 15	£8
16 – 17	£10

2. **Birthday and Religious Festival or Christmas payments** – paid for each child in care (one payment for their birthday and one for a religious festival) and is a contribution towards gifts for the child in care, a party or event, clothes etc:
   - **£85** for children aged 0 to 4 years
   - **£96** for children aged 5 to 10 years
   - **£110** for children aged 11 to 15 years
   - **£141** for children aged 16+ years

3. **Holiday payment** - reflects a contribution towards a family holiday or can be used for day activities in the summer. It is expected Carers will save towards family holidays to ensure children in care are included where appropriate:
   - **£168** for children aged 0 to 4 years

- **£186** for children aged 5 to 10 years
- **£213** for children aged 11 to 15 years
- **£274** for children aged 16+ years