Report of the Strategic Director Children's Services to the meeting of the Executive to be held on 6 June 2023

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Subject:

Savings Account Policy for Children in Care

Summary statement:

This report sets out arrangements to formalise savings accounts for children in the care of the Local Authority.

EQUALITY & DIVERSITY:

This policy will ensure that all children and young people looked after by Bradford Council have a savings account set up within the required timeframe following their entrance into care. The policy will provide a requirement for consistent standards and expectations to be in place for all eligible children in our care.

Marium Haque
Strategic Director Children's Services

Report Contact: Picklu Roychoudhury
Phone: (01274) 431867
E-mail: picklu.roychoudhury@bradford.gov.uk

Portfolio:

Children & Families

Overview & Scrutiny Area:

Children's Services

1. SUMMARY

1.1 This report sets out arrangements to formalise savings accounts for children in the care of the Local Authority.

1.2 The Local Authority's role is to ensure that this policy is in place, being reviewed and amended as required. Bradford Children and Families Trust is responsible for enacting the policy.

2. BACKGROUND

2.1 All young people placed in care placements are entitled to have a nominal amount of money put aside for them as savings during the length of their care experience. It is essential that children and young people looked after by Bradford Council have savings made available to them when they leave care and have had the opportunity to develop financial capability skills.

2.2 There is also statutory guidance underpinning savings for looked after children. Fostering National Minimum Standards 16 states: "*children are prepared for, and supported into, adulthood so that they can reach their potential and achieve economic wellbeing."*

2.3 The Childrens Homes Regulations, section 6.2 (VI) states: *"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."*

2.4 Children and young people need to be provided the opportunity to learn how to save money, have knowledge in regard to the cost of living and how to manage their finances accordingly. This learning takes place over the course of their childhood, initially through the use of pocket money and also through financial incentives for completing certain tasks (these can range from small jobs around the home through to 'employment' opportunities as they mature). However, it also includes savings to be made in a more secure account that they have access to as they prepare for independence.

2.5 To support this the Government set up Child Trust Funds (CTFs) in 2002 which were replaced with Junior ISAs in 2011.

2.6 Child Trust Funds are required to be in place for children who have been in care for an unbroken period of 12 months or more. These are managed by The Share Foundation (TSF) until they are 18 and leave care, or when they leave care below 18yrs whereby the adult with parental responsibility takes over responsibility for the account. The money in a CTF belongs to the child however neither the child nor person with parental responsibility has access to the money. A child cannot take money out until they are 18 years old.

2.7 All younger children and young people who have been in care for one year or more will have been set up with a Junior ISA by the Government with an initial payment of £200 regardless of their legal order or placement type.

Bradford's Savings Policy

2.8 Bradford is committed to ensuring that every eligible child and young person looked after receives regular monthly payments into their Junior ISA (Child's Trust Fund). All children and young people who are in the care of Bradford Council for one year or longer are eligible for savings to be made into the Junior ISA.

2.9 Under Bradford's savings scheme £20 per calendar month is saved, therefore per annum each child/young person will have £240 saved.

2.10 There are a small number of children who are in the care of Bradford Council who would not be eligible for savings to be made into the Junior ISA. These are set out in the national guidance and relate to the following groups of children and young people:

1. Children and young people placed at home with parent(s) subject to a Care Order on the basis that:

    - Parents have a right to choose how they oversee savings arrangements for their child(ren).
    - 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).
    - 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.

2. Placed for adoption with adoptive parents 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).

3. Receiving short term breaks under Section 20, 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.

4. In residential education settings, whereby they return home to their parents on a weekend/ during school holidays, 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.

2.11 The final sum of the savings will depend on the rates of return provided by:

- Individual Junior ISAs;
- The length of time a child is in care to the point when their care episode ceases;
- The amounts of voluntary donations that the scheme partners can attract;
- Any additional payments made into the Junior ISA by carers, parents or other relatives.

3. OTHER CONSIDERATIONS

3.1 For a period of time there will be some young people who have CTF's as there continue to be children and young people who are in care or entered care who are old enough to have benefitted from the CTF scheme. It will take a period of time for these to reduce so that children only fit the criteria for the Junior ISA.

3.2 Funding is already provided directly to Bradford foster carers and Bradford residential settings to put into a savings account for the young person they are caring for. This proposal will take the savings element out of that payment and be paid directly into a Junior ISA or Trust Fund.

4. FINANCIAL & RESOURCE APPRAISAL

4.1 There are no anticipated financial implications based on the current cohort of Children Looked After.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

5.1 Not applicable.

6. LEGAL APPRAISAL

6.1 The Saving Accounts policy which is the subject of this report and the associated recommendation for the executive to adopt flows from a statutory guidance, 'Junior Individual Savings Accounts for looked after children in care' dated June 2022.

6.2 The statutory guidance is issued by the Department for Education (DfE) under section 7 of the Local Authority Social Services Act 1970, which requires local authorities in exercising their social services functions to act under the general guidance of the Secretary of State. The guidance states that 'this guidance should be complied with by local authorities when exercising these functions, unless local circumstances indicate exceptional reasons that justify a variation'.

6.3 Local Authorities are expected to comply with the June 2022 guidance. To this end guidance to independent reviewing officers has been issued under section 25B(2)(b) of the Children Act 1989. This guidance relates to section 22 of the Children Act 1989 and section 3(10) of the Child Trust Funds Act 2004 ("the 2004 Act").

6.4 Child Trust Funds were launched in 2005 and made available to all children born in the UK between 1 September 2002 and 2 January 2011. They have now been replaced by Junior ISAs. A number of council reporting responsibilities are set out in the consequential regulations to the 2004 Act.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

None.

7.2 GREENHOUSE GAS EMISSIONS IMPACTS

None.

7.3 COMMUNITY SAFETY IMPLICATIONS

None.

7.4 HUMAN RIGHTS ACT

Not applicable.

7.5 TRADE UNION

Not applicable.

7.6 WARD IMPLICATIONS

None.

7.7 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

This is a statutory requirement to assist central government to meet the needs of our children and young people in our care. This policy will ensure that these children and young people are not adversely impacted by being looked after.

7.8 ISSUES ARISING FROM DATA IMPACT ASSESEMENT

The data requested and being transferred to enable the implementation of the programme protected data is transferred from the Council to the Foundation. The Council and Foundation have ensured that all required measures are in place to ensure protection to such data.

8. NOT FOR PUBLICATION DOCUMENTS

8.1 None.

9. OPTIONS

9.1 Not applicable.

10. RECOMMENDATIONS

10.1 Executive are asked to approve the Savings Accounts Policy.

11. APPENDICES

11.1 Appendix A - Savings Policy including Junior Individual Savings Accounts (JISAs) and Child Trust Funds (CTFs).

12. BACKGROUND DOCUMENTS

12.1 None.

APPENDIX A

Savings Policy including Junior Individual Savings Accounts (JISAs) and Child Trust Funds (CTFs)

RELATED DOCUMENTS

Child in Care Junior ISA
Child Trust Funds
The Share Foundation

1. Why saving for a Looked After Child is important.

1.1 All young people placed in care placements are entitled to have a nominal amount of money put aside for them as savings during the length of their care experience. It is essential that children and young people looked after by Bradford Council have savings made available to them when they leave care and have had the opportunity to develop financial capability skills.

There is also statutory guidance underpinning savings for looked after children;

Fostering National Minimum Standard 16 states: children are prepared for, and supported into, adulthood so that they can reach their potential and achieve economic wellbeing.

The Childrens Homes Regulations, section 6.2 (VI) states: 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.

Children and young people need to be provided the opportunity to learn how to save money, have knowledge in regard to the cost of living and how to manage their finances accordingly. This is learning takes place over the course of their childhood initially through the use of pocket money and also through financial incentives for completing certain tasks (these can range from small jobs around the home through to ‘employment’ opportunities as they mature).

However, it also includes savings to be made in a more secure account that they have access to as they prepare for independence.

Purpose of Child Trust Funds and Junior ISAs

Child Trust Funds and Junior ISAs support children and young people to:

- Understand money and appreciate its value;
- Learn about managing their finances;
- Encourage them to think about financial planning and how to budget;
- Enhance their financial capability skills;
- Encourage them to save;
- Provide financial assistance to them in later life.

Savings should be discussed within the child in care reviews to ensure that there is consideration to supporting children and young people to learn how to use money over their lifetime in care.

2. What is a Child Trust Fund or Junior ISA

Child Trust Fund:

2.1 Child Trust Funds (CTFs) were introduced by the government in 2002 and replaced with Junior ISAs in 2011. They are tax-free savings and investment accounts for children. All children born between 1st September 2002 and 2nd January 2011 should have a Child Trust Fund in place opened by the person with parental responsibility claiming child benefit from the child's birth.

CTF Eligibility Criteria

To be eligible for a Child Trust Fund a child must have been:

- Born between 1 September 2002 and 2 January 2011;
- Has received Child Benefit or been looked after by a Local Authority, Health or Children's Trust;
- Under 18 years of age;
- Lived in the UK during that period and not subject to immigration restrictions;

In care for an unbroken period of 12 months or more.

Child Trust Funds for children in care for an unbroken period of 12 months plus are managed by the Share Foundation (TSF) until they are 18 and leave care or when they leave care aged under 18 and the responsible adult with parental responsibility takes over responsibility for the account. The money in a CTF belongs to the child, however neither the child nor person with parental responsibility has access to the money. A child cannot take money out until they are 18 years old.

A young person aged 16 or 17 can request to manage their own account by emailing: **info@sharefound.org**. TSF can also provide annual statements.

Click here to access information leaflets.

Unaccompanied asylum seeking children (UASC) of Child Trust Fund age may be eligible for a Junior ISA rather than a Child Trust Fund.

2.2 Child Trust Fund Accounts for Young People Aged 16+ in Care Less Than 12 Months

Young people can use the Share Foundation online form to find their CTF. Please see here: **Young person's simplified CTF Search (Age 16 or over only)**. The Share Foundation email for queries is **CTF@sharefound.org**.

The National Insurance number, names and DOB are required to complete the online form. The telephone number for obtaining National Insurance numbers is 0300 200 3500.

The Share Foundation will respond to confirm which provider holds the Child Trust Fund. If further information is needed they will contact the young person by phone. email or post.

Junior ISA Eligibility Criteria

In November 2011, the Government introduced a Junior ISA scheme to support long term savings for all children who are looked after continuously for 12 months or more.

For each eligible child in care the Government pays £200 into a Junior ISA.

To be eligible, a young person must be:

- Under 18 years old;
- Continuously looked after for at least 12 months;
- Resident in the UK
- Children born between 1 September 2002 and 2 January 2011 are entitled to a Child Trust Fund. These can be converted into a Junior ISA (unless UASC);

Not in respite care.

2.3 Who Manages the Junior ISA Account?

For children up to the age of 16 years, the Share Foundation will manage and oversee the Account. Inforamtion on the account should be made available to the child/young person regularly so that they are fully aware of the savings that are being put aside on their behalf.

A young person aged 16 or 17 can request to manage their own account by emailing: **info@sharefound.org**. The Share Foundation can also provide annual statements.

When a young person, under the age of 18, is discharged from care, a discussion needs to take place with the person with parental responsibility to let them know there is an account and that they will receive information about it. This discussion must be recorded on the child's electronic file.

Further information is available on **The Share Foundation's website**

3. Who is eligible for savings to be made into their Junior ISA / Child Trust Fund?

All young children and young people who have been in care for one year will have been set up a Junior ISA by the Government with an initial payment of £200 regardless of their legal order or placement type.

Bradford is committed to ensuring that every child and young person looked after receives regular monthly payments into their ISA (Child's Trust Fund).

Under Bradford's savings scheme £20 per calendar month will be saved, therefore per annum each child/young person would have £240 saved.

All children and young people who are in the care of Bradford Council for one year and are not listed in the exclusions below are eligible for savings to be made into the Junior ISA.

1. Children and young people placed at home with parent(s) subject to a Care Order on the basis that:
   - Parents have a right to choose how they oversee savings arrangements for their child(ren)
   - 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).
   - 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.

2. 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).

3. Receiving short term breaks under Section 20, 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.

4. In residential education settings, whereby they return home to their parents on a weekend/ during school holidays, 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.

The final sum of the savings will depend on the rates of return provided by –

- Individual Junior ISAs
- How old the child is when the account is first opened (the age they are when their care episode ceases)
- The amounts of voluntary donations that the scheme partners can attract
- Any additional payments made into the Junior ISA by carers, parents or other relatives.

The Share Foundation will receive the money and will pay directly into each child/young person's account.

NOTE: To ensure this transaction can take place the Share Foundation has to be the Responsible Adult overseeing the account.

If there has never been notification that there is a Responsible Adult overseeing the account, it is automatically overseen by the Share Foundation.

Savings payments would stop at 17 and 11 months. This is due payments into the Junior ISA/CTF not being able to be made once the young person turns 18. The money would be returned.

The total sum that would be saved will not exceed any limitations set by the Government when considering savings when making claims for Universal Credit, even if an entire childhood was spent in the care system. Nor would the total amount be above the £9000[1] that can be saved within each financial year the Junior ISA exists.

3.1 What happens in the Event of a Child Death or terminal illness whilst in Care?

'Terminally ill' means the child or young person have a disease or illness that's going to get worse and are not likely to live more than 6 months. In this case, if the child has been assessed by medical experts as having less than 6 months left to live the Junior ISA account can be accessed to provide funds to improve the child's care in their last months. In such circumstances and after authorisation by Bradford, an appropriate person (who specifically?) should contact The Share Foundation to discuss the process for claiming the funds. In all cases The Share Foundation will require a copy of the medical opinion.

[Click here for advice]

For a deceased child whilst in care the money in the Junior ISA or Child Trust Fund becomes part of their estate and will become the property of whoever is entitled to that estate. This will usually be the next of kin. After

[1] Note: this figure may be reviewed annually

authorisation by the authority, the next of kin are asked to contact us to start the procedure for claiming the accounts. They will be asked to provide proof of identity and entitlement to the funds as well as a copy of the death certificate. Has legal overseen this section as there are some restrictions on benefitting from another's estate e.g. crime been committed against persons deceased and benefitting from their estate?

5. Can additional financial contributions into a Junior ISA or Child Trust Fund be made where the account is managed by the Share Foundation?

Ultimately anyone can contribute to a Child Trust Fund or Junior ISA up to the sum of £9,000[2] per tax year. A contribution form can be accessed online **here** for the accounts of young people (in care only) managed by the Share Foundation.

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2 *Note: this figure may be reviewed annually

Appendix 1

Child Trust Fund and Junior ISA Checklist for Social Workers and IROs

Has the child been in care continuously for more than 12 months?
If yes, they are eligible for a Child Trust Fund or Junior ISA managed by The Share Foundation.

Has this been reflected in the child's Care Plan and discussed at the Child in Care Review?

Do you know the details for the Child Trust Fund or Junior ISA?

For CTF or JISA account details for children in care continuously for 12 months the details are with the data analyst team).

For CTF for children in care under 12 months please see guidance.

Who is the responsible adult with parental responsibility (PR) for them who is managing the *Child Trust Fund* on their behalf?

The Share Foundation will manage the account while the child is in care until the child is either 16 and takes over responsibility for the CTF or until 18 years when it changes to an adult ISA.

Or

Contact the responsible adult with PR to confirm if they want to manage the Child Trust Fund account on behalf of the child and supply the Data Analyst Team with the name of the responsible adult with PR.

Note: TSF will manage *all JISA accounts* until a child leaves care or becomes 16 and wishes to take control of the account themselves.

Aged 16 or Over?

A young person (aged 16 or over) who has been in care continuously for 12 months or more can take control of their account by completing one of the following online forms:

Age 16 & 17:
Web: Sharefound.org
Email: CTF@sharefound.org

Turns age 18 after 1 September 2020
Web: Sharefound.org
Email: CTF@sharefound.org

A care leaver who became age 18 before 1 September 2020 (born since 3rd January 1994):
Web: Sharefound.org
Email: info@sharefound.org

Note – if the Responsible Adult for the CTF or Junior ISA is not the Share Foundation then this will mean that saving payments cannot be made by Bradford.

In care less than 12 months with a CTF?

Young people can use the Share Foundation online form to find their CTF. Please see here: **Young person's simplified CTF Search (Age 16 or over only)**. The TSF email for queries is **CTF@sharefound.org**
They need their National Insurance number, name and DOB to complete either form
Reflect the discussion and plan for this within the young person's Pathway Plan.

Making a contribution to the Child Trust Fund or Junior ISA for a child in care continuously for more than 12 months?

See Section 7 of the Child Trust Fund and Junior ISA guidance. Ensure any contributions are reflected on the child's file and carers and family members are notified of this process to encourage contributions. A **contribution form can be accessed here**.