Cyngor Bwrdeistref Sirol
MERTHYR TUDFUL
MERTHYR TYDFIL
County Borough Council

Policy and Guidance on Supporting Children to Manage Their Money

Regulation 28 Part 8

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Lead Responsibility:	Author: Warren d=Davies	Implementation Date: April 2024	Review Date: April 2025
Outcome of Review:			

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Aim:

To enable residential staff to provide support and assistance to children on how to manage their money.

To give steps which are to be taken by staff to enable and support children from financial abuse.

To ensure adequate oversight and monitoring by Merthyr Tydfil County Borough Council City Council of the savings made by staff on behalf of the children in their care.

To ensure residential homes pass on all records of savings (including expenditure from savings) to Merthyr Tydfil County Borough Council City Council when the placement ends.

Part of this process should be that young Care Leavers have had the opportunity to take ownership of their finances, learn skills in financial literacy and management and have practice at developing strategies in relation to long-term savings options.

This policy is to ensure that we have a policy and procedures in place about supporting young people to manage their money and ensure the service us provided in accordance with this policy.

If the LA holds any money for any purpose that it is held in the young persons name or in an account which enables the clear demarcation of any money and is not involved in the management of the service.

This policy also supports is as so far as is practicable that persons working in the service do not as agent of the young person.

Scope:

This policy applies to all Children Looked After who are in the care of Merthyr Tydfil County Borough Council in our children's residential care.

How children are encouraged and supported to handle their own money

Pocket money should be paid for the child or young person within the home as devised appropriate for their age and understanding. Children and young people have very different needs and the way in which the personal expenses are used will be different for each young person. They should also help children and young people develop the skills, competence and knowledge necessary for adult living.

Depending on the understanding of the child or young person, they should also be involved in discussion about how the personal expenses element should be managed and used.

Residential staff have a role to educate the children and young people in their care about how to manage their money and budget, and to encourage them to save for their future.

Pocket money should be a stated amount of money and the young person should be aware of this amount and be allowed to use this in whatever way they choose, with appropriate adult support and guidance. Supervision should be given to younger children and they should be encouraged to discuss how their money is being spent and to understand basic budgeting skills and about making choices whilst experiencing money handling at a very young age. Older children should be encouraged to start taking more responsibility for budgeting, which could include buying their own mobile phone top ups, paying for personal toiletries or funding activities. Saving for a larger item or trip could become part of the child's care plan and saving could be targeted for this purpose. As the young person starts to move towards independence then they could be encouraged to be purchasing goods for this purpose too.

Discussions about pocket money should include the child's social worker.

An additional account should be set up for children/young people who wish to save/spend judiciously and are saving for a specific goal. [Holiday, personal items etc.]

How children will be supported, including opening and managing bank accounts, budgeting and making spending decisions

Children and young people should have a bank account and this should be set up and managed by staff. If a child/young person does not have a savings account, the keyworker should seek to set up an account as soon as practically possible.

Setting up a bank/savings account is not always easy and different banks have a variety of regulations for this process. The manager/social worker will need to research this to find the most suitable account for the requirements of the child/young person. Children must have access to their bank accounts but residential staff need to support young people to build and retain funds so that they have money available to them when they become independent.

Generally proof of a child's identity and a birth certificate can be obtained for this purpose. The child's social worker should be able to assist with the required documents.

The residential staff can be delegated the authority to become the "trustee" of the bank account at a placement planning meeting. This is particularly appropriate for long term placements. For shorter placements parents can be involved in the decision making. This can be included in the paperwork for "Delegated Authority."

Every bank should have a specialist unit to which "non standard" cases can be referred. If there are difficulties in opening an account for a child looked after then the staff in the local bank should be able to tell you how to contact this unit for assistance.

Savings for the child should never be in a homes/staff's own bank or building society account but in an account which enables clear demarcation of the child's money.

Every child looked after for over 12 months will now have either a Child Trust Fund (CTF) or a Junior ISA account which is government supported, into which further monies can be paid. This can be the child's only savings account or as an additional one. Although a young person can only have one trust fund or ISA other savings account are allowed.

How children are supported to understand and manage any associated risks

It is desirable that a child/young person in long term care will have both a savings account as above and an additional bank account to support independent money management.

Savings in excess of £6,000 in the young person's personal accounts may affect their ability to access benefits. Financial advice should be sought for vulnerable young people, single parents and disabled children, as they are young people who may become eligible for welfare benefits at age 16 years.

Pocket money should be paid at the rate agreed at the Placement Planning meeting and the child encouraged to have a money box or other receptacle where they can save their money safely in the short term. Any excess money or additional funds should be paid into their bank/savings account. The child or young person should be encouraged to participate in the running of this account as age/understanding appropriate. An account with a passbook and or notice period for withdrawals is most appropriate for this purpose.

Pocket money should be reviewed regularly and discussions to consider any changes should include the residential manager, child and their social worker.

Payment of pocket money can be flexibly managed to include the possibility of earning extra money for undertaking chores and as a reward or incentive, e.g. doing well at school. Any excess money or additional funds should be paid into their bank/savings account.

As young people are able to take more responsibility for managing their own money, discussions should take place between the young person and the residential staff about how much money is given to the young person and what they should be providing for themselves out of this money and agreed by all parties.

Once the child/young person receives a personal allowance, there are likely to be expectations on them to fund personal items. This would be agreed in Placement Planning meetings and care should be taken to ensure that the child is not being encouraged to enter into a lifestyle which would be unaffordable in future. Additional money could be put into savings to avoid this situation.

Savings cannot be withdrawn for the purpose of compensating the home.

How children will be supported to understand and access any financial allowances they may be entitled to

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.

How records and receipts of expenditure related to a child's savings will be dealt with when a placement ends

If a child moves to a new placement then the money should move with them to their new carers. This should be a consideration of the social worker and home manager and should be reviewed by the social worker following any placement move. Copies of the receipts of any expenditure should be provided to the child's social worker and saved onto the child's WCCIS records for future reference.

For external providers the expectations of retaining records and receipts and providing these at the end of placement will be in line with internal providers and copies provided at the end of placement.

Providing these documents in line with CLA reviews would enable a record to be maintained and allow oversight by the IRO during the child's placement.

If a child has an existing savings account, the home manager must ensure this is updated with the new address/information. The previous carer must share this information before the child/young person leaves the placement.

Where children are unable to manage their own money

Children/young people who are unable to manage their own money should have a savings/financial management plan as part of their CASP. This should be agreed within the CLA review and agreed that there are no alternatives to support the child/young person to manage their own money at that stage. This should be reviewed at every CLA review to ensure that there are no changes that would allow the young person to manage their own money.

Arrangements to ensure that staff are maintaining records and receipts of any financial transactions on their behalf

Savings accounts must reflect the name and details of the child/young person and should be transferable. [Easily able to be transferred if a child moves placement]. It is not acceptable for a savings account to be an additional account within the homes bank account.

Details regarding the child/young person's savings account (and plan) should be discussed and recorded in the child/young person's placement plan.

The home manager will monitor the management of the savings account during statutory formal CLA reviews. They will be required to view accounts and evidence of deposits made.

Account summaries, including totals will be recorded on the child's WCCIS file by the childcare social worker.

Arrangements for overseeing and monitoring savings of a child

Emergency placements- it is the home managers responsibility to ascertain if the child/young person has a savings account.

16+ This should be considered on a case by case basis and agree within their Pathway plan.

CLA reviews will monitor and oversee the savings arrangements for CLA.

Social Worker / Personal Advisor for the CLA or young person is expected to ensure that:

- They support the 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 benefit entitlements.

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.

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

Withdrawals should be discussed with child/young person’s social worker before the child/young person has access to their account.

Feedback Form

Name of Policy:

Please insert identifying details from 'Document History' from the front cover

Version Number:		Status: (draft/final)	
Date Written:		Date of Issue for consultation	

The **Policy Development Group** would value your suggestions and comments for consideration for the next **Review**. We would really like your feedback on this document and would welcome your views on what should be added, taken away, or changed. We would also like to be advised of:

- Related evidence based practice or training issues
- Any areas of practice which would benefit service user care by being added to the document, or any other aspects of practice which should be included here
- Any factual errors or inaccuracies in the document
- Other related issues which would help inform the Policy.

Please use the space below and overleaf for your comments.

It would be helpful if you could date your comments.

Please feel free to add or withhold your own identifying details as you see fit.

Please return your views to

If you would like this information in another language or format, please contact the Responsible Individual.