

Young Person Saving Policy – a quick guide for Independent Reviewing Officers and Social Workers

1. Savings Instruments for children in the care of Islington Council

Child Trust Fund	<p>A Child Trust Fund (CTF) is a long-term tax-free savings account for young people. All young people eligible for a CTF account should now have one. If a young person is CLA they received a CTF if they were looked after by the council before 3 April 2011.</p> <p>Funds invested belong to the young person but cannot be taken out until they are 18. Up to a maximum of £3720 a year (current allowance) can be added to the account.</p> <p>CTF's set up for Islington's Children Looked After have received the applicable government voucher of £250. LBI's pledge to 'top up' the account with £100 is to be honored (not yet applied at the time of writing)</p> <p>Government has ceased to provide a voucher for CTF's for applicants born after 1 January 2011.</p>
Junior Individual Savings account	<p>The government introduced Junior ISA's in Autumn 2011 with the intention of replacing the previous CTF's. The new account would be backdated to ensure that no child born too late to get a CTF missed out on the new tax free savings programme.</p> <p>The Government has provided £200 for every eligible looked after child in the UK to enable an account to be opened.</p> <p>Accounts for Islington young people will be held in Investment JISAs.</p> <p>Funds invested belong to the young person but cannot be taken out until they are 18, although a person can take 'control of their account at 16**'. Up to a maximum of £3720 a year (current allowance) can be added to the account</p> <p>A young person can only have a CTF or a Junior ISA, they are not entitled to have one of each. It is not possible to transfer CTFs into JISAs or vice versa.</p> <p><i>**(http://www.education.gov.uk/aboutdfe/statutory/g00215131/savings-looked-after-children)</i></p>
Criminal injury Compensation Awards (CICA)	<p>Existing awards will be held in an Islington interest bearing account. All new awards w.e.f. 1 April 13 will be held by the Criminal Injuries Compensation Authority, who will hold and administer funds on behalf of the young person. (http://www.justice.gov.uk/victims-and-witnesses/cica)</p>
LBI Policy	<p>The intention is for all sums held, for a young person in the care of Islington Council, to be directed to a CTF or JISA. Islington will no longer hold funds, except in exceptional circumstances (i.e. existing CICA) for any young person.</p>

2. Young Persons Pledge

Scheme start date	1st April 2012
Description	£5 per week deposited into an individual young person's savings account.
Eligibility	All young people looked after for at <u>least six months</u> , regardless of their type of placement. If a young person meets the scheme criteria, the final lump sum allowance will be adjusted back to the 1 April 2012 or the date the young person became looked after, whichever is later.
LBI Policy	All 'savings' collected to be deposited in the young persons savings (CTF or JISA) account in two stages during the financial year.

Account Progress

Statements	<p>For a JISA – The Share Foundation (who administer the accounts on behalf of LBI) will provide a quarterly statement, held in the Business Support Unit in Children's Services, showing the current account balance and performance.</p> <p>For a CTF – does depend on which provider the account is held with, but with the majority, an annual statement would be the norm.</p>
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Additional savings

Expectations	Young people may choose to have a separate account. However they will be encouraged to save in their CTF or Junior ISA
Additional Contributions from carers	<p>If a carer is currently holding or proposes to save extra money for the young person, this can also be directed to the young persons savings instrument.</p> <p>It is Islington's expectation that the carers will seek to ensure that any additional monies held, are done so in the interests of the young person and are given the maximum opportunity to accrue over time.</p> <p>This also applies to young people who have left care and are in other permanency arrangements i.e. adoption.</p>

Additional Sums Direction	On this basis Islington will provide young persons CTF or JISA account details to the carer upon request, who will then be able to make deposits into accounts individually. For external providers Islington can act as a broker to collect sums and direct to savings instruments.
LBI Policy	<ul style="list-style-type: none"> (i) In house carers will be given the YPs Jisa/CTF account details and can made the deposits themselves. (ii) For external agencies finance can act as the broker, i.e. the agency will send a payment for savings made out to LBI we would then direct this to the YPs JISA or CTF.

Process when a young person stops being Looked After

How – For JISA	<p>When a child stops being looked after before the age of 16, the local authority should inform the Share Foundation (account broker) to ensure the person with parental responsibility for the child is aware of the account and encourage them to take the necessary steps to assume control of the account.</p> <p>If the child leaves care aged 16 or 17, either they or their parent could assume control of the account, if the child has not already done so (funds are still held in account until the young person reaches 18)</p> <p><u>Change in surname following adoption</u> - If the Share Foundation are advised of a change of surname by the local authority, they will update their records and advise the JISA provider of the change.</p> <p>If there is a change following the Share Foundation issuing a form to the new adoptive parents (which are sent on receipt of LA data confirming a child has left care), they must advise the JISA provider of the change when they submit the form to register themselves as the new responsible adult for the account and send copy documents which prove the change of name i.e. adoption certificate etc.</p>
How – For CTF	<p>It is expected that Child Trust Fund Provider will operate a similar practice for the change in account details.</p> <p>The local authority are not obliged to send regular CLA cohort reports to CTF providers but do have a responsibility to inform CTF providers of any changes to the young persons status.</p>
LBI Policy	To adhere to the arrangements above.

YP Access to funds

How	For JISA and CTF – the provider of the account will contact each YP six months before the date of their 18 th birthday with details of how to access the funds. Each YP will already have a letter on file/ICS showing their account details.
LBI Policy	LBI are unlikely to be holding any funds for a young person at the age of 18, due to the policy of diverting ‘savings’ to a dedicated financial instrument, however the authority will provide financial education and assistance as part of the progression to adulthood.

LBI role as a corporate parent

LBI will provide financial education and assistance via:

- Supporting a young person in opening a bank account of their own.
- Educating a young person in how to manage and plan their finances.
- A part of that financial assessment and the pathway plan, Islington will assess the young person’s capabilities with respect to financial planning and/or handling their finances so areas for improvement can be identified for education/instruction to enable the young person to independently manage their finances.

Source: Islington CLA Savings policy – January 2014 v2