

# Pocket Money and Allowances

## 3.12.4 Pocket Money and Allowances

### SCOPE OF THIS CHAPTER

This procedure applies to children placed in foster families but the principles apply to the placement of all Looked After Children. Therefore, where Looked After Children are placed with relatives or friends or in placement not managed by the authority, the social worker must ensure these or other adequate procedures are applied.

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#### 1. General

Arrangements must exist in all children's homes and foster homes for the payment of pocket money and savings as well as the opportunity for young people to buy personal effects and clothing at appropriate times.

The arrangements should be set out in the Foster Care Agreement or the Placement Information Record for individual children.

In the absence of such arrangements, the following must be adhered to.

#### 2. Principles - Pocket money

The provision of pocket money is good because it helps children understand the value of money, what things cost and helps them develop budgeting skills necessary for the future.

There is an expectation that within the fostering allowance an element of this should be used for pocket money for the child or young person. It is expected that children will be aware of the amount of money they will receive and when this will be paid. We have provided suggested minimum weekly amounts for pocket money but understand that circumstances within every home are different and we would want this to be compatible with foster carers' birth children within the home.

The amount of pocket money should be agreed at the placement planning meeting with the child's social worker and your supervising social worker. Younger children should be supervised in how the money is spent but older children should be encouraged to be more independent.

If there are concerns about how the money is spent these concerns should be discussed with the child and the social worker. If there is a serious risk, the arrangements for providing money may have to be restricted or supervised spending arrangements put in place. This should always be discussed and agreed with the child's social worker.

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Deductions from pocket money may not be made for fines or sanctions, except for reparation of malicious damage or to pay fines determined by a court. If a court imposes such deductions or fines, no more than two thirds of a child's pocket money should be deducted in any week.

Recommended minimum weekly amounts for pocket money and savings:

Age	Pocket Money £ per week	Savings £ per week
0 - 2	3*	3
3 - 4	3	3
5- 10	4	4
11 - 15	5	5
16 - 18	6	6

\*We do not expect babies to be given pocket money but you may choose to use to buy treats or simply add to the savings account.

These rates apply to Parent and Child placements but not for Short Break or relief care placements.

These rates will be reviewed annually with the fostering allowances and updated information will be published in the fostering allowance booklet.

### 3. Bank or Savings Accounts

All children and young people should be encouraged to open a personal savings account so that they can save some of their pocket money and money they receive for their birthdays or Christmas. Whilst children should have access to these accounts, foster carers need to support children to build on these savings.

A bank or savings account should be set up and managed by foster carers. You will need proof of the child's identity (passport or birth certificate) and confirmation of the address. The child's social worker or your supervising social worker should be able to arrange these documents. A record of the amount saved and account details should be written up in the foster carer recording file.

You should never place a foster child's savings in your own account.

It is also expected that foster carers put aside a regular amount of savings from the allowance provided (separate from the child's savings) in the child's name. These savings need to be kept securely and the child should not have access to these until they are 18 at which time this should be discussed with the child's social worker.

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Delegated authority can be agreed with the child's social worker so that the foster carer is a trustee of the account. However, if a child moves on from the carer's household arrangements must be made for the account to be transferred with them and it is expected that these arrangements will be made within 28 days.

It is expected that the savings account will be in place by the four month review.

Also refer to section 3.14.3 Children's Trust Funds and Junior Individual Savings Accounts for looked after children.

## **4. Principles - clothing and other allowances**

As young people begin to take more responsibility, depending on their age and understanding, discussions should take place with the young person and their social worker about a personal allowance from the foster carer to allow them to purchase clothing, toiletries and other personal requisites independently.