

Pocket Money, Savings and Gifts Guidance for commissioned providers

Purpose

This guidance is designed to assist commissioned providers of children's placements in implementing standards to ensure consistency for Hampshire children across different placement types.

The aim is to ensure that all children in Hampshire's care receive pocket money and have the means to save, including having a Child Looked After (CLA) ISA and a bank account. This policy ensures that pocket money is distributed in a consistent, fair, and transparent manner, and supports children in developing the financial management skills they will need in adulthood. Saving for the future and promoting financial education for children in care are integral to this guidance.

Principles

HCC is dedicated to enabling children in care:

- Develop the financial management skills necessary for adulthood.
- Leave care with their own savings.
- Supporting providers in managing behaviour through incentivisation using the pocket money and savings policy.

To achieve this:

- Pocket money amounts are age-linked, with older children receiving more. This helps them increase their financial management skills as they approach adulthood.
- Providers should help children in their care to develop these skills, and a key part of this is to support and encourage them to save a percentage of their pocket money. This should be at least 20% of their weekly pocket money but could be more. They should be encouraged to save some of this in their long-term savings where possible. Note, this isn't something that can be enforced.
- We differentiate short term and long-term savings. Long term savings are not immediately accessible until the child turns 18 and short-term savings covers all other savings including cash held within their placement.
- All children who are eligible (in care over 12 months), must have a CLA government ISA opened by their social worker. This will then enable the child/placement to pay in additional long-term savings if they wish to.
- Payments to children must be recorded, this supports children to manage their money and provides a clear audit trail of how they have spent and saved their money.



- We require that Placement Providers log the payments made to children and whether this was
 - Put into long-term savings
 - Put into short term savings
 - Spent
- Full tracking of spending and balances is not required. A template tracking sheet can be provided, or Placements can use their own. - [Hampshire Children in Care – Placement Pocket Money & Savings Tracker](#)
- Behaviour management policies within placements must not result in long-term withholding of pocket money. If pocket money is reserved due to incentivisation as part of behaviour management, it must be deposited into the child’s long-term savings instead of directly to the child.

Pocket Money

Pocket Money should be paid in accordance with the table below.

Age (in years)	Pocket Money (£)	Of which Savings 20%	Weekly /monthly
0-2	0	0	Weekly
3-4	£3	£0.60	Weekly
5-10	£5	£1	Weekly
11-13	£10	£2	Weekly
14-15	£15	£3	Weekly
16 & 17	£15 OR Personal allowance (in agreement with CSW with expected spend clear)	£6.80 - £8.60	Weekly (can be paid monthly if agreed)

To further support the development of financial management skills, when a child turns 16 with agreement with the child’s social worker a personal allowance rate can be paid. Please check with the Childs Social Worker for current personal allowance rates. This is to be paid monthly and will result in the provider not paying for certain agreed items such as toiletries. As such this will not be an additional cost but rather a redistribution of funding for the child’s personal care items.



Savings

Some key points on why it's important to teach children in care to manage money and save:

1. **Financial Independence:** Equips children with the skills needed to manage their finances independently as adults.
2. **Future Planning:** Encourages saving for future needs and goals, fostering a habit of planning ahead.
3. **Decision-Making Skills:** Helps children learn to make informed financial decisions, weighing needs versus wants.
4. **Confidence Building:** Boosts confidence by giving children control over their own money and financial choices.
5. **Avoiding Debt:** Educates children on the importance of living within their means, reducing the risk of future debt.
6. **Understanding Value:** Teaches the value of money and the effort required to earn it, promoting responsible spending.
7. **Emergency Preparedness:** Instills the importance of having savings for unexpected expenses or emergencies.
8. **Long-Term Benefits:** Lays the foundation for a stable financial future, contributing to overall well-being and security.

These skills are crucial for helping children in care transition smoothly into adulthood and achieve financial stability. Which is why we have embedded the savings requirement from pocket money and differentiated between long term and short-term savings.

It is key that providers work with the child's social worker to meet these aims and utilise both types of savings. This will involve:

- Support to set up bank account
- Sharing ISA account information
- Keeping a clear audit trail for this money using a tracker such as [Hampshire Children in Care – Placement Pocket Money & Savings Tracker](#)

Birthdays and Christmas/festivities Money

For children in care Christmas/other religious festivals such as Eid and birthdays hold special significance for several reasons, and it's crucial for social care and providers to meet these needs:

Importance of Christmas and Birthdays

1. **Sense of Belonging:** Celebrating these occasions helps children feel included and part of a family or community, which is vital for their emotional well-being.
2. **Normalcy:** These celebrations provide a sense of normalcy and stability, which can be particularly comforting for children who have experienced upheaval.
3. **Positive Memories:** Creating happy memories during these times can have a lasting positive impact on a child's mental health and self-esteem.



4. **Recognition and Value:** Celebrating their special days shows children that they are valued and recognised, boosting their self-worth.
5. **Joy and Excitement:** These occasions bring joy and excitement, which are essential for a child's overall happiness and development.

Meeting these needs is essential for the overall well-being and development of children in care, helping them to grow into well-adjusted and confident adults.

Therefore, the below sets out the payments for these occasions:

- Birthdays - £50 for gifts to be purchased
- Birthdays – on their 18th birthday this is to be £100
- Christmas / other festivity (only 1 per year will be paid if multiple are celebrated) £150

