



Hampshire  
County Council

Children's Services Directorate

# Pocket Money and Savings for Children in Care Policy (External Providers)

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# Version Control

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Team	Strategic Lead	
Children in Care	Kavitha Maxy	Area Director North East

Version	Date	Changed By	Summary of Changes
1.1	September 2025	Liam Moloney	Creation of new Policy based on original Fostering Policy, for external Providers to complement the existing guidance.

External Link		



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# 1. Introduction

- 1.1 This policy outlines the framework and key principles for providing pocket money and supporting individual savings for children in care within Hampshire, in externally commissioned provider placements. It aims to ensure consistent savings arrangements and opportunities for the children under the care of Hampshire County Council Children's Services Directorate (HCC CSD).
- 1.2 There is a separate but aligned policy that covers internal fostering arrangements.
- 1.3 Children looked after by HCC CSD should all receive pocket money and be provided with the means to have personal short term savings they can access, including support in setting up a bank account. A framework for the payment of pocket money, related to the age and abilities of the child has been developed. There is also clear guidance about the amount that should be saved for each child in care.
- 1.4 This policy is to ensure that children within commissioned provider placements receive pocket money in a way which is consistent, fair and transparent, and that they are supported to develop the financial management skills they will need in the future to help them in adulthood. Saving for the future and supporting financial education for looked after children forms part of the discharge of duties within the following standards:
- Fostering [National Minimum Standards](#): children are prepared for, and supported into, adulthood so that they can reach their potential and achieve economic wellbeing.
  - Residential – [Regulations and Quality Standards](#), section 6.2 (VI): 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.
- 1.5 This policy does not apply to looked after children who are:
- Children receiving support with accommodation under section 17, such as short-term breaks on the basis that parents retain parental responsibility.
  - In residential school provision, who return home to live with parents / family at weekends / during vacation periods on the basis that the child will not have been looked after for 12 consecutive months and parents retain parental responsibility.
  - Who are in a supported accommodation provision, or high needs 16 accommodation may be exempt from pocket money and have Personal Allowance payments directly to them. This will be clarified in their plan by their social worker, and should detail what they are responsible for purchasing with their Personal Allowance that the placement is not.
  - For those children who, for various reasons such as disability or other vulnerabilities, lack the capacity to safely manage their money independently, may require different arrangements. This is to be clearly identified and recorded by their social worker in the child's plan.
  - Those children who are in placements with parents, i.e. mother and baby foster care settings.
  - Placed with parents, i.e. living at home on a care order, including Reg24 and kinship arrangement.



## 2. Savings

### 2.1 Principles of saving

- The aim of this policy is to ensure that children looked after by CSD, who are in commissioned provider placements, who meet the criteria and are not exempt (section 1.4), should have a short-term, and a long-term savings account open for them to use.
- This policy draws a distinction between long-term and short-term savings for looked after children, to ensure that a full range of savings opportunities are available for looked after children.
- As part of Hampshire's Policy savings are built into pocket money rates. This is to support the development of financial management skills, to involve children in building up savings and is aligned with the Hampshire Approach.
- Savings can come from a variety of places, such as:
  - Jobs
  - Pocket money
  - Gifts from family
- Savings should be consistent with the recommended amount, as a looked after child is likely to be in an less favourable position in the future in comparison to non-looked after children.
- Savings should be paid into the child's savings account monthly. (See guidance table below). The Social Worker or care providers should have permission to manage this account as the "registered contact", this is in agreement with the child's social worker and the child, if age/understanding appropriate. This arrangement should be captured on the child's plan. Where the child is under a s.20 legal authority will need to be obtained from those who have Parental Responsibility, this consent will need to be obtained and documented on the child's record.
- Savings cannot be withdrawn for the purpose of compensating care providers or family members.
- It is recommended that the child should be supported to save 20% of their pocket money into their cash, bank or ISA savings.
- It is the responsibility of the social worker to ensure all documents are provided for the opening of a bank account. It is the responsibility of the provider to support the child to open the account. For those children under s.20 the social worker must ensure consent from those with Parental Responsibility is obtained where needed.
- Providers should seek support from banks, as many have specialist teams who are best placed to support looked after children to open accounts, some banks have resources available to support this.



## 2.2 Savings from pocket money guidance table.

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 <a href="#">Personal allowance</a> (in agreement with CSW with expected spend clear)	£6.80 - £8.60	Weekly (can be paid monthly if agreed)

## 2.3 Savings Skills

Children must be supported in their placement to understand the importance of saving as part of their money management skills and be given the means of managing their money. As part of this there is an expectation that providers will support this, and Children's Social Workers and IROs will check progress against the child's plan.

## 2.4 Long term savings

This policy defines long term savings as either the DfE Junior ISA for looked after children, or the Child Trust Fund for looked after children. These are administered by Share Found.

All eligible, looked after children in Hampshire who are entitled to have these accounts should have one open and available for them to use for long term savings. Having these accounts open and available to use will aid their transition into adulthood and to ensure they are supported by developing financial management skills, leaving care with some level of long-term savings support these aims.

## 2.5 Government backed Looked after child savings schemes

- The Department for Education (DfE) has two policies relating to savings opportunities for children looked after by the Local Authority, an old scheme and a new scheme:



- **Child Trust Funds for Looked after Children** – A Child Trust Fund is a long-term tax-free savings account for children born between 1 September 2002 and 2 January 2011. For more information visit [Child Trust Fund: Overview - GOV.UK \(www.gov.uk\)](http://www.gov.uk).
  - **Junior ISAs for Looked after Children** – Children looked after for 12 months or more and not eligible for a Child Trust Fund (CTF) are entitled to a £200 payment from the government into a Junior Individual Savings Account (Junior ISA). For more information visit [Junior individual saving accounts for looked-after children - GOV.UK \(www.gov.uk\)](http://www.gov.uk).
- As of 2025, **only children aged 13 and over** may have a Child Trust Fund. These were available to children born between **2003 and 2011**, with accounts typically set up by the Government. It is the **responsibility of the child's allocated Social Worker** to confirm whether a CTF exists and to share the relevant account details with the **Foster Carer or Care Provider**.
  - Children in care who do not have a CTF are eligible for a looked after child Junior ISA. Any funds paid in by the Government to these accounts cannot be accessed until the young person reaches the age of 18. However, the registered keeper or person with Parental Responsibility can help to manage the account until the [child reaches 18](#).
  - Anyone can pay money into the Junior ISA, but the funds cannot then be accessed by the account holder until their 18th birthday. At this age, the account will mature into a standard (adult) ISA
  - If a young person has over £6,000 in personal savings at age 18, this may affect their eligibility for certain welfare benefits. It is recommended that financial advice is sought, and that young people are made aware of this.

## 2.6 Looked After Junior ISA details

The Government will contribute £200 to open a Junior ISA for each eligible looked after child throughout the United Kingdom. All children in Hampshire, who have been continuously in the care of HCC **for at least a year and who do not have a Child Trust Fund**, are eligible for a Junior ISA. [The Share Foundation](#), is a registered charity, and has been authorised by the Government to set up and manage the Junior ISAs for all looked after children via a referral from CSD.

Children who become eligible for the Junior ISA for Looked After Children should have an account created for them. This is currently administered by the CSD Data and Systems team, who submit the data to Share Found for the opening of an account.

**It is the role of the Case Holding Practitioner to check this has happened** and ensure that the child has their ShareFound account details (TSF Number) so that additional money can be saved into the account. Team Managers are sent the TSF Number, which is the reference number used when communicating with ShareFound, which social workers need to do to get the ISA account details. The TSF Number should be recorded in Mosaic under References section under Person Details, when



they are provided to HCC. This should be used as the basis for their long-term savings and should ensure that all looked after children who have been in care for over 12 months have an account that money can be saved into.

The case holder needs to use the quarterly spreadsheet provided by DAS [LA Valuation \(Share Foundation\) - Junior ISA Details.xlsm](#) to check that their child has had an ISA opened, once this is confirmed they must share the details with the child (subject to level of understanding) and provider.

It must be noted that these savings are denoted as long term because the child will not be able to access them until they are 18, which may help them fund independent living, accessing education or longer-term goals such as a car or saving for a house deposit.

## 2.7 Short Term Savings

Children must be supported to save money, and they should have a bank account as well as their ISA wherever possible to help them save for items in the short term, (i.e. before they turn 18) Having a bank account is an integral part of developing financial management skills.

It is acknowledged that there can be many complex reasons which may delay the opening of a bank account for a child. It is the role of the CSD case holding practitioner to discuss this with the child and to give them the option of saving money into their ISA if they are struggling to open a bank account. This will be assessed on a case-by-case basis, in agreement with the young person and the CSD Team Manager. Issues to consider could include but are not limited to:

- Age of the child and length of time until accessing the ISA is possible
- What they might want or need funds for
- How much money is being held in cash and what risks this might entail
- If the amount surpasses £300 then the Team Manager must be informed to enable appropriate oversight and a risk assessment around this may be considered.

## 2.8 Commissioned Providers Support

- It is vital that commissioned providers support these plans and work within these principles when supporting children in care manage their money.
- It is normal for children to have cash savings within their placement; this should be in a secure location known to staff such as a money box etc.
- As part of this it is vital that cash held within the placement is monitored and tracked, as far as possible, and the Hampshire tracking tool can be used to ensure this [Hampshire Children in Care – Placement Pocket Money & Savings Tracker](#). Or the provider can use their own equivalent tracker.
- At a minimum it is expected that a record of money given to children in placement is maintained, even if children refuse to support further tracking or monitoring of their money, however this should be part of work around money management skills and not be seen as unnecessary monitoring of them.



- A tracking tool's primary purpose is to safeguard everyone involved by keeping a clear audit trail of money.
- It also supports the safeguarding of children by identifying where there could be concerns around Child Sexual Exploitation or Child Criminal Exploitation.
- It is recommended that if the child's cash held on site exceeds £150 (or lower in line with any placement providers policies) then the placement must contact the child's social worker (CSW) to discuss a plan for how to manage this, and this should be recorded appropriately. This is particularly important where the child does not yet have a bank account. If they have an ISA but not a bank account this should be the first consideration for where the cash should go. The CSW and placement need to work together to agree and action tasks around this.
- When A child moves placement, the current provider must provide the current tracking sheet detailing the child's money to the CSD case holding practitioner. This should be recorded on the child's record, and an agreement on how this money will transfer to the new provided must be recorded. Ideally this should happen in cash to the CSD worker when a move happens, however other arrangements can be made flexibly to meet needs, but these must be recorded, with named staff who provide and receive the child's money to ensure a clear audit trail.
- Saving at source when there is no bank account is ok, until there is a bank account open, then change.

### 3. Pocket Money

#### 3.1 Principles

- Having pocket money is beneficial for children and young people as it fosters a sense of independence and helps them learn to make purchasing decisions and understand costs. It also teaches them the value of money and develops essential budgeting skills for independent living.
- Pocket money is a common practice in families and ensuring that looked after children receive it, helps normalise their experiences and reduces their sense of being different from other children.
- However, pocket money can be a contentious issue for a variety of reasons in placements. Therefore, it is important to be clear about what Hampshire looked after children can expect to receive.
- 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 (depending on maturity and ability) 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 take place from the outset of the placement and form part of any placement transition work. These should be discussed during a planning meeting which will include the child's social worker and foster carer/support worker, which should also include the parent and child if appropriate.

### 3.2 Amounts and Payment

- In most cases the pocket money payment will be included in the placement overall costs and will be for the provider to pay the child directly. Where this is not the case this must be clearly evidenced on the child's plan and placement agreement, detailing the amount to be paid and who pays.
- Pocket money should be a stated amount of money. The child should be aware of this amount and be allowed to use this in whatever way they choose, with appropriate adult support and guidance.

### 3.3 Table of Pocket money Amounts:

Age (in years)	Pocket Money (£)	Weekly /monthly
0-2	0	Weekly
3-4	£3	Weekly
5-10	£5	Weekly
11-13	£10	Weekly
14-15	£15	Weekly
16 & 17	£15 or £43 <a href="#">Personal allowance</a> (in agreement with CSW with	Weekly (can be paid monthly if agreed)

### 3.4 16+ Personal Allowance payment

- Once aged over 16 it is possible for the child/young person receive a personal allowance instead of pocket money. This would mean that there are expectations on them to fund personal items, that previously the placement provided.
- As young people gain skills and confidence with managing money, they can take more responsibility for managing their own money in a progressive and developmental way. Discussions should take place between the young



person and the foster carer/ support provider about how to manage a personal allowance in place of pocket money, and what they should be providing for themselves, this needs to be agreed by all parties.

- Funding of personal item should be agreed in Placement Planning meetings and care should be taken to ensure that the child is not being encouraged to have a lifestyle which would be unaffordable in future. Additional money could be put into savings to avoid this situation.
- In some circumstances it might be appropriate to ask a young person to contribute towards replacing a damaged property, for example if the young person breaks their own tablet/phone or something other from their own belongings that need to be replaced. This must be done in consultation with the child's social worker. No more than a total of 25% of a child's pocket money can be removed at any time.

## 4. Independent Fostering Agency (IFA) Arrangements

- 4.1 The above is also the policy for children who live in an IFA setting. Fostering allowances are paid to all foster carers and should cover the cost of caring for the child they are looking after. Within the fostering allowance there is an element for personal expenses, including for pocket money.
- 4.2 Children and young people have diverse needs, and the use of personal expenses will vary for everyone. According to the National Minimum Standards for fostering services 2011, foster carers must receive clear guidance on how fostering allowances should be utilised and what they should cover, either before or at the time of placement. Additionally, foster carers should support children and young people in developing the skills, competence, and knowledge required for adult life, including money management skills.
- 4.3 Where appropriate children should be involved in the discussion about how the personal expenses element of the fostering allowances should be managed and used.
- 4.4 Foster carers 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.
- 4.5 Foster carers should keep a written record of monies given and savings made for the young person. This should be reviewed annually in consultation with the child's social worker to consider if the amounts remain appropriate.

## 5. Bank Accounts

- 5.1 Children and young people should have a bank account, and this should be set up and managed by their social worker, carer or support workers within the first four weeks of when a child is placed. The agreement as to who will undertake this will be agreed at the initial placement meeting.
- 5.2 Setting up a bank/savings account is not always easy and different banks have a variety of regulations for this process. The social worker or foster carers/support workers will need to research this to find the most suitable account. Children must



have access to their bank accounts, but foster carers/support providers need to support them to build and retain funds so that they have money available to them when they become independent.

- 5.3 This will be in addition to not in place of the Junior ISA and children may choose to save additional money of their own to their ISA if they wish. They should be supported to do so.
- 5.4 Generally, a provider will require 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. It is a child social worker's responsibility to check with the child/ young person parents if they have an existing savings account in place already.
- 5.5 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 CLA then the staff in the local bank should be able to tell you how to contact this unit for assistance.
- 5.6 Savings for a child should never be held, long term in a foster carer's/support providers own bank or building society account, unless there is a clearly evidenced and agreed reason between the provider and CSD.

## Appendix A

[Hampshire Children in Care – Placement Pocket Money & Savings Tracker](#)

Click link for document see example below.



### Hampshire Children in Care – Placement Pocket Money & Savings Tracker

Name..... | Bank Account  | ISA  | Where is short term savings kept (e.g. money box) .....

Date	Starting Balance	Pocket Money given	Was any withheld or extra given?	Reason	Other £ received e.g. DLA or gift	Money put into savings	Short/Long term (ISA) savings		Money spent £	Items purchased	Closing Balance
21/07/24	£20	£5	£2 Extra	Money withheld from last week due to messy room given now cleaned		£7	S	L	£2	sweets	£11
<b>EXAMPLE</b>											
							S	L			
							S	L			
							S	L			
							S	L			
							S	L			



