

Policy for savings for Children Looked After



Cyngor Bwrdeistref Sirol
MERTHYR TUDFUL

MERTHYR TYDFIL
County Borough Council



Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

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Executive Summary

This policy sets out Merthyr Tydfil County Borough Council's (MTCBC) commitment to ensuring that every Child Looked After (CLA) has meaningful savings in place by the time they reach adulthood. Acting as a responsible corporate parent, the Local Authority aims to provide young people leaving care with a positive financial foundation at age 18, comparable to that which any parent would wish to provide for their child.

The policy introduces a consistent savings framework for all eligible CLA. Carers—both in-house and external—are required to save a minimum of £5 per week for each child. Once a child has been looked after continuously for 12 months, For children with external providers, initial savings will be accrued by MTCBC for the first 12 months and transferred once the Share Foundation account is opened; after this point the provider will pay the savings directly into the account as part of the contracted placement cost. In-house foster carers and residential provisions will continue saving from the start of placement and transfer the first 12 months' savings when the account is created.

Eligibility for a Junior ISA includes being under 18, a UK resident, and having been looked after continuously for at least one year. For those not eligible, such as some unaccompanied asylum-seeking children, alternative savings arrangements will be agreed through individual CLA reviews. Young people in supported accommodation or semi-independence may choose to opt out of savings beyond age 16.

The Share Foundation is responsible for setting up and managing all JISAs and CTFs on behalf of eligible CLA, including overseeing investments and issuing account

documentation. While carers can contribute additional funds, only those with Parental Responsibility can act as a Registered Contact, and in most cases MTCBC proposes The Share Foundation fulfils this role. Young people may assume control of their accounts from age 16, with full access granted at 18.

Clear responsibilities are outlined for social workers, personal advisors, fostering services, commissioning teams, Independent Reviewing Officers, business support, and finance leads to ensure savings are recorded, transferred, monitored, and discussed within placement planning and CLA review processes. The policy also sets out transitional arrangements for implementation from **1 April 2026**, requiring existing providers to align their contracts and practices with the new savings framework.

By standardising savings practice across all placement types, this policy aims to equip every CLA with long-term financial security, support their transition into adulthood, and reinforce MTCBC's corporate parenting responsibility to secure positive life outcomes for young people leaving care.

Aim:

To ensure that when Children Looked After (CLA) reach the age of 18 years, they have savings that enable them to have opportunities and a positive financial start in life in line with what any parent would do for their child. This policy will lay out the expectations on the Local Authority as 'good' corporate parents.

To support this, Merthyr Tydfil County Borough Council will have consistent arrangements in place to ensure that Children Looked After who are living away from their parents for over 12 months will have savings reflective of their time as a Child Looked After and, a savings policy in place.

Key Principles, Eligibility and individual processes:

The Local Authority as the Corporate Parent for the Child / Young Person should make reasonable arrangements to ensure that Carers of Children and Young People cared for by both in-house and through external providers will make regular arrangements to save weekly amounts in the Child's account at a minimum of £5 a week.

Once a child has been within the care of Merthyr Tydfil (MTCBC) continuously for 12 months, we will contribute to savings for that child of £5.00 per week until the earliest of:

- The child leaves the care of MTCBC
- The child is adopted
- The child becomes subject of a Special Guardianship Order (SGO)
- The child no longer meets the scope set out in these criteria
- The child turns 18 years old.
- The child is placed at home with parents/family members and ceases being CLA
- Children who are placed with carers on a Regulation 26 of the Social Services and Well Being Act
- The young person makes the decision to opt out Post 16 if living in supported accommodation / independence

At the point that the child meets the savings criteria and are placed with an external provider, an opening balance equal to 12 months savings (£5 x 52 weeks = £260) will be deposited into their savings investment account with the Share Foundation.

For all those placed with in house carers / residential provision, the amount of £5 would be paid at the outset and therefore they will be responsible for ensuring the balance of £260 is paid into the share foundation account at the 12-month point and will then continue to pay the £5 per week into this account. Savings amounts are included within the Children's allowance each carer receives for the child and therefore if for any reason this amount has not been saved for the child then this will be deducted from any future payments until this is in place.

Any savings collected prior to this point will also be transferred into the share foundation account and the details of this account will be provided to those caring for the child by the childcare social worker.

Resources to fund these savings with external providers will be accrued through the contract costs as this will be set initially without adding the amount of £5 per week, following a period of 12 months the contract costings will be inclusive of the £5 per week and the provider will be asked to ensure this is paid directly into the share foundation account. A new contract will be issued following the child being looked

after for 12 months to reflect the new costs. The total cost of the contract will not change, however, the way it is paid will be different to reflect the savings for the first 12 months as this will be held by the local authority and then transferred into the share foundation account. Following this 12 month point the amount will be paid directly to the provider and they will be responsible for paying this into the share foundation account. The cost of the contracts will not increase as the savings element will be inclusive of these costs, it is simply the method prior to the 12 month point and that preceding this that will change which will be reflected in the contracts.

This amount of a minimum of £5 per week may change depending on the Welsh Government minimum allowances paid. The savings policy and the arrangements for implementing this as well as a record of the savings to date will be discussed and recorded as part of the placement contract reviews for all external placements. For all in house placements this will be discussed and recorded as part of the foster carers supervision as well as the annual Foster Carer review and Child Looked After reviews.

For all current contracts with external providers, the costings and contracts will be amended to reflect the £5 savings amount from the 1st of April 2026 as detailed above. As stated this is not an increase to the contract amount, this is simply to reflect the fact that this amount will now be paid directly to the provider as opposed to being held by the local authority as was the case for the first 12 months.

For in house foster placements the amount of £5 per week is already paid and included in the weekly children's allowance to the Foster carer/s and the expectation is that they will transfer this and any savings accrued to this point to the child's account with the Share Foundation and the details of such will be provided to them by the childcare social worker. This minimum amount must be paid into the share foundation account once they have been a child looked after for 12 months and any additional savings can be paid into an alternative account that the child can access as and when they wish to support with money management skills minus the amount that was accrued within the first 12 months of them being a Child Looked After as this must be added to the account held with the Share Foundation.

For in house residential placements, they will ensure that they pay £5 per week into the child's account with the Share Foundation again once the child has been looked after for 12 months and again will transfer the amounts accrued within the initial 12 months to this account.

As detailed above all in house provisions will save £5 per from the start of the placement and once the share foundation account is generated after 12 months of being a Child Looked After the amount of £260 will be paid into this account.

The Child Looked After Review process will ensure the matter of savings is discussed as part of the review and that this is recorded to evidence this is happening along with a running total.

For young people in Supported Lodgings or placements where they receive an allowance, this includes but is not limited to When I'm Ready arrangements and supported accommodation, the monies will be deducted from the young person's allowance and transferred to the Share Foundation Account. The Young person may decide that they do not wish to continue savings and can sign a letter advising they are declining to pay more into their savings (see appendix 1). For carers providing supported lodgings for those young people aged 16+ they may also consider that they wish to continue to pay into the young person's account and whilst the young person is under the age of 18 years, they can do this.

If the young person is *eligible*, they will be able to qualify for a Junior ISA. These are long-term saving investments and, can only be accessed once the young person reaches 18 years of age. Any young people not eligible will be discussed on an individual basis and arrangements made to open an account that would function with the same purpose to ensure any savings are accessible post 18.

If a young person leaves care prior to being in care for one year, then the money will be collected by the childcare social worker and given to those now caring for the child / with parental responsibility (PR). The child's social worker will be responsible for linking with parents / those with PR regarding any savings the child has accrued to ensure they receive this money. A receipt to show this has been done will be required. They will be encouraged / supported to open a savings account for the child and to deposit this money to access once they turn 18, however, the decision will remain with them as to if they choose to action this.

If a child / young person leaves care prior to turning 18 but after a continuous period of being a child looked after for 12 months and has a Share Foundation account then the details of the account will be shared for those caring for the child so they can continue to contribute if they wish. They will also be provided with the details of how the child can access the account and any monies once they turn 18. These

responsibilities will be taken forward by the child care social worker. This can be discussed and confirmed as part of the CLA review that would take place in preparation of the child ceasing to be looked after.

For those children residing within in house provisions and who move across placements, it will be the responsibility of the child care social worker if they have not been a child looked after for 12 months or more to collect any savings from the carer and provide them to the new carer. This new carer will then take responsibility for these savings and continue to add to them until they can be paid into the share foundation account once generated after 12 months. The placement planning meetings and Child Looked After reviews that take place whenever there is a change of placement will record that the savings have been collected and given to the new carer where appropriate along with conformation of the amount. If this cannot be actioned with immediate effect, for example if a placement has not been identified and there is a temporary arrangement in place, then the monies can be held by finance during this period of time.

The role of The Share Foundation

The Share Foundation is a registered charity authorised by the Government to set up and manage all Child Trust Funds & Junior ISA's opened for all Looked After *eligible* Young People. The Share Foundation obtains independent advice from financial advisers about how and where this money should be invested. Any interest is calculated by the Share Foundation and is not a role of the Local Authority.

More information about the role of The Share Foundation is available via <https://info@sharefound.org/Is/JISA-Making-Your-money-Work-for-You>

Who is eligible for a Junior ISA?

To be eligible the Child or Young Person must be:

- Under the age of 18 years
- Be a resident UK Citizen
- Have been Looked After continuously for a period of 12 months or more. (This includes all Children who are subject to a Care Order and those who are Voluntarily Accommodated under Section 76 whether in residential care, with a Foster Carer or living at home).

Junior ISA's were introduced by the Government in 2012 and they replaced the previous government savings plan for Children Looked After (known as Child Trust Funds).

Currently, it is not possible for Children to have both Junior ISA and Child Trust Fund accounts.

More information about CTF's and Junior ISA's is available via www.gov.uk/child-trust-funds and www.gov.uk/junior-individual-savings-accounts.

Merthyr Tydfil County Borough Council's procedure and process for Junior ISA's and the creation of the Eligibility Report

Merthyr Tydfil has a duty to send data returns to The Share Foundation and this includes information in relation to:

- All existing *eligible* Looked After Children
- All newly *eligible* Looked After Children i.e. children who have reached 12th consecutive month of looked after status
- All previously Looked After Children who have left care

This information is the **Eligibility Report** and includes details of the Young Person, placement type, date of financial eligibility, and names the young person's social worker. The report is generated and is returned to The Share Foundation requesting TSF account details.

The Share Foundation will resend details adding TSF Account Reference Numbers within the Valuation Report. This is sent to MTCBC in order to link up these TSF Numbers to WCCIS Client ID's.

Anyone, including the Young Person themselves and their Carers can contribute more than the weekly contribution into the Young Person's Junior ISA via The Share Foundation Contribution Form but there is a maximum deposit limit of £4,128 per tax year. These are long term savings that can only be accessed by the Young Person once they reach 18 years of age.

Any young people who are not eligible for accounts, for example Unaccompanied Asylum Seeking Children (UASC's), will need to be discussed on an individual basis within their CLA reviews to determine the best way to manage their monies. Savings should still be obtained for these young people and arrangements for such will be determined on an individual basis.

Letters and enquiries received from The Share Foundation in relation to individualised Junior ISA accounts and Registered Contacts

Throughout the duration of the investment, The Share Foundation will send investment literature to the Young Person themselves about the progress of their account. This is to be sent c/o Merthyr Tydfil.

- **Children aged 16 and under.**

The last Children's Looked After Review before the Young Person's 16th birthday should discuss the feasibility of the Young Person assuming control of their account themselves when they reach 16 years of age. In this instance, the Looked After Young Person can ask their Carers/Local Authority to arrange for their account statements to be sent to them directly. Arrangements in this regard can be discussed in more detail within the CLA Review meetings.

<https://sharefound.org/s/getting-Access-Carers-Others.pdf>

- **Young people approaching 18**

In this instance, a letter will give explicit details as to how the Young Adult can make arrangements to assume control over their finances and take over the management of their account. These letters are sent to the Personal Advisor who will be responsible for ensuring this is shared directly with the young person.

Transitional arrangements

This policy will be implemented on the 1st of April 2026 and this policy will not be backdated. It is expected that any savings already obtained by carers for young people will be transferred into this savings account to ensure all children have a central savings point that will follow them until they reach 18. At the point of implementation, all children looked after currently placed within the care of MTCBC, who meet the scope and criteria set out within this document, shall be transferred onto this new scheme and a savings entitlement shall be accrued for them consistently from that date.

External providers, where the requirement is not already in the specification and contract, will be asked to implement this new policy. This will result in a change to the current contractual arrangements between us and our placement providers. We will negotiate this transition with our providers and under the terms of contracts through the 4C's providers are expected to abide by the Local authority savings policy. If current providers refuse to engage with this policy, they will be required to evidence that they are saving for the young people and the amounts transferred on the placement ending to MTCBC to place within the Share foundation account, if they are under 18 years of age.

Any new contracts and specifications commissioned from the date of this policy for the care of Merthyr Tydfil's Children Looked After, should be agreed in line with this policy.

From the date of this policy the savings amount will be added to the agreed contract prices and providers will need to reflect this in their invoices.

Existing external placement providers will be asked to transfer any existing savings held for our Children Looked After into the child's investment account with the Share Foundation and the details of this will be provided to them by the childcare social worker.

How and who can take over the management of the account?

The money in the CTF or Junior ISA belongs to the Young People themselves and can only be accessed by them once they reach 18 years of age. Until this time, the

account will be managed by, "a Registered Contact" known to Merthyr Tydfil and The Share Foundation.

Once a TSF Number is created on the account The Share Foundation will request details from the Local Authority in terms of who can manage the account or who is to be the Registered Contact - this is known as the Registered Contact Information.

An adult acting on behalf of the Child or Young Person must have Parental Responsibility to qualify as a Registered Contact.

In Merthyr Tydfil we are advocating for The Share Foundation to be the Registered Contact for all Children & Young People who hold ISA's or CTF's unless they are living with parents under Placement With Parent Regulations, adopted or are subject to a Special Guardianship Order.

- **Young Person's Carer(s)/ Foster or Residential Carers**
The Young Person's Carer/s can arrange to make payments into the Young Person's account, but they are unable to apply to be "the Registered Contact" unless they have Parental Responsibility, this does not apply where parents share PR with the local authority. See appendix 2
- **Adoptive Parents**
An Adoptive Parent or a Special Guardian can make payments into the account and can make arrangements to become a Registered Contact to manage their Child's account once they have formal Parental Responsibility for the Child (usually when the Adoption Order or the SGO is made) and once they have contacted the Local Authority to make arrangements to become the "Registered Contact" person on the Child's account. When this happens MTCBC will cease to be involved in planning arrangements in relation to the Child Trust Fund or Junior ISA
- **Looked After Children subject to Care Orders with shared parental responsibility**

In MTCBC in the case when Parental Responsibility is shared between The Local Authority and the parents, the contact needs to state that The Share Foundation should be noted as the Registered Contact. In the case of shared Parental

Responsibility, representatives of the Local Authority are not able to be named as Registered Contacts. When this happens, payments can still be made into the account, but The Share Foundation will hold the account on the Young Person's behalf until they reach 18 when the account can be accessed by themselves as adults.

- **Access to an account for children with a terminal illness**

Irrespective of the Child's age, a person with Parental Responsibility can request permission from The Share Foundation for immediate withdrawal of funds on the account of a terminally ill child.

From the day the Child or Young Person becomes Looked After in any setting MTCBC will add an additional £5 per week to the contracted amount paid to begin long-term savings for the Child. For Merthyr Tydfil Foster Wales Foster Carers, the money they would usually save is already added to the Child Allowance and they will have the responsibility of ensuring that this is deposited into the child's account with the Share Foundation. This will ensure that every Child will have the same minimum amount of savings being accrued for them each week.

Carers will not need to set up accounts as the monitoring of this money will be undertaken by MTCBC. However, it is recommended that carers continue to support young people to manage their monies and set up other savings or current accounts. Through providing alternative accounts and support carers will be supporting young people to manage their monies. This savings policy is to ensure that all children previously looked after are provided with the means to support themselves once they leave care.

This policy does not reduce the role of carers in supporting young people to manage their money prior to leaving care but goes some way to provide a financial stability for young people as they leave care.

The process of deduction will involve the weekly allowance being held in a holding account which will be managed and overseen by the accounting and finance manager until the Young Person has had 12 months' Local Authority continuous care.

At this point MTCBC will have been alerted via the Eligibility Report that the Child or Young Person has had a Junior ISA opened in their name.

At the point whereby the child has been in the care of the local authority for 12 months, any savings will be transferred to The Share Foundation. The local authority will continue to ensure payments are made into the account for those caring for the child for as long as they remain a Child Looked After by providing the account details to those caring for the child, this is the responsibility of the childcare social worker. The Independent Reviewing Officer will be responsible for ensuring this has happened and that savings are in place and this will be recorded within the Child Looked After review.

After a period of 12 months the Foster Carers can (if they so wish) make additional payments into The Share Foundation account via the Contributions Form. Should the Carers wish to support the Young Person in being able to access their money on a regular basis, alternative bank or building society accounts will need to be created as the Child Trust Fund / Junior ISA is a long-term savings plan which the Child / Young Person cannot access until they are 18 years of age.

It is acknowledged that carers will be supporting young people to manage their money and therefore alternative savings accounts, or current accounts will be used depending on the young person's circumstances. It is accepted that it is good practice to have an alternative account for the young person to understand financial management.

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

- The childcare social worker / personal advisor will ensure the details for the Share Foundation savings account are shared with those caring for the child / young person
- The child / young person is aware that they have savings and how they could use them.
- That the child / young person is offered opportunity to learn to manage their money.
- That upon entering Supported accommodation and if under age 18 years or placed within independent living that the young person, if they do not wish

the savings to be made for them signs a letter stating that they agree to not proceed with the savings.

Other Children's Services Staff are expected to:

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

Children's Commissioning Team are expected to ensure that:

- All external placements providers are given a copy of MTCBC's Savings Policy for Children Looked After following its implementation on the 1st of April 2026
- All contracts to be amended from the 1st of April 2026 to reflect the change in the contracted amount so this shows the £5 being paid for the child's savings as detailed above
- Contracts with Placement Providers clarify expectations regarding savings policy, in particular the £5 per week within the placement cost.
- Issues regarding a non-compliance with policy and expectations are addressed at an early stage with the provider and escalated to the Principal Manager for Fostering if unable to resolve the matter.
- External placement providers receive regular reminders of the policy.
- All contract reviews to ensure providers are working in line with the policy and that savings are in place for every child from the 1st of April 2026.

Independent Reviewing Officer (IRO) for child or young person is expected to ensure as part of the CLA Review process that:

- Where young person has a final review prior to their 18th birthday, the 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 Children Looked After and be aware of any links relevant to their role.
- If a young person returns home or is planned to leave care; that plans are in place to transfer their monies to an appropriate adult carer or, if of age, the young person.

Childcare social work teams are expected to provide information to finance and business support:

- Report new entries to care for children and young people, plus data required to establish CTF eligibility risk (date of birth & nationality/immigration status),
- Children and young people who have ceased to be looked after by the Local Authority.
- Children and young people who have been looked after continuously for 12 months or more, to enable business support to share the account details for Share Foundation account.
- List of suspended payments to mitigate overpayments to The Share Foundation Account.
- Children and young people who have been looked after continuously for 12 months or more and will have their 18th birthday within 2 months' time. So that final calculations and closing account procedures can be triggered.

Business Support Team

Ensure administrative responsibilities as set out in the Procedures document are carried out in a timely manner including:

- Forwarding closing account letters to young people or their parents/guardians as required.
- Making payments to young people or their parents/guardians where closing account balances are held by the Local Authority.
- Provide The Share Foundation with relevant authorisation for contact with Carers, parents and guardians.
- Ensure the Principal Manager for Fostering is made aware of any irregularities or concerns.

Financial Management Lead

- Respond to queries regarding savings balances for Children Looked After or those who have left care.
- Ensure an accurate record of the savings for each eligible CLA are recorded and understood including the amount and where the savings are held

Additional information

Other support is available via the Stepladder of Achievement Programme <https://sharefound.org/stepladder-of-achievement/> where Young People can gain knowledge and pass tests in financial competency to earn extra capital on their savings.

Access to materials is also available via the PFEG (The Personal Finance Education Group) <https://www.young-money.org.uk/> which seeks to help Looked After Children develop monetary knowledge and make financial decisions.

Appendix 1



Junior ISA
Contribution Form 2

Feedback Form

Name of Policy: Savings for Children Looked After

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

Version Number:	1	Status: (draft/final)	Final
Date Written:	14/01/2026	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.

Feedback Form

Name of Policy: Savings for Children Looked After

Please return your views to

If you would like this information in another language or format, please contact the Public Information Officer on ???