

**Financial Allowances for Children Looked After and Young People Living
in Hertfordshire Children's Homes.**

PUBLICATION SCHEDULE NUMBER:	Children's Services Number: ?
PUBLICATION DATE:	29th June 2016
ISSUE NUMBER:	One
AUTHORS OF PUBLICATION:	John Short
REVIEW DATE:	29th February 2016
TARGET AUDIENCE:	Hertfordshire's Children's Services: Safeguarding and Specialist Services Teams, Education and Early Intervention Teams
PUBLISHED BY:	

AUTHORISATION			
ORGANISATION	NAME	SIGNATURE	DATE

Financial Allowances for Children Looked After and Young People Living in Hertfordshire Children's Homes.

The following guidance and financial allowances framework applies to children/young people looked after who are living in a Hertfordshire Children's Home. For children/young people who are looked after and living in one of the two Adolescent Resource Centres on a short term and planned return home basis, additional guidance applies and can be found in Appendix One. For children/young people looked after who have 'disability needs' (particularly those living at Willow House) additional guidance can be found in Appendix Two.

Key Principals:

- Children and young people should be supported to develop money management and financial capability skills and be given as much control of their finances as possible, taking account of their age, vulnerability, ability and capacity;
- Individual placement plans should set out the allowances that are to be provided, the arrangements for transferring/providing the allowance to the child/young person and any conditions attached to the provision or use of the allowance.
- All children and young people aged 16 and above should have a placement plan and pathway plan that is focussed on supporting a positive financial transition from care to supported living and independence;
- In circumstances where it can be demonstrated that an allowance is being mis-used and is increasing the risks to the child/young person, the placement plan should set out the arrangements for managing/providing the allowance in an alternative and more supervised manner.

In all situations, it is the responsibility of the child/young person's keyworker to support the management of personal finances. This will include communicating with social workers and other parties and taking responsibility for setting up any meetings regarding financial arrangements.

The provision of any allowance should be recorded on the child/young person's case file and shared with the child/young person's social worker.

Wherever possible, VAT should be reclaimed on all purchases (that are VAT rated). A VAT receipt is required for all purchases made with a purchase card. When purchasing with all other payment methods a receipt with a VAT number is required for items up to £250.00 and a full VAT receipt is required for items over £250.00.

This guidance should be read in conjunction with:

- Children Looked After Personal Finances;
- Managing and Monitoring Children Looked After Finances;
- Transfer of Savings;
- Transition to Adulthood (Leaving Care) Financial Policy Guidance;
- Capacity and Financial Arrangements;
- The Management of Disability Benefits for Children Looked After;
- Trust Panel Arrangements.

Financial Allowances – Amounts by Age, Conditionality

The following allowances are provided to children/young people living in residential children's home from the 'core' residential budget, with the exception of the savings allowance which is allocated centrally by the Brokerage Team. Keyworkers should use the guidance contained within appendix 4 and the Expenditure – Monitoring & Audit Form (appendix 5) to record the allowances provided to individual children/young people. Following authorisation the Expenditure – Monitoring & Audit Form (appendix 5) should be sent to the child/young person's social worker for inclusion on the child/young person's electronic case record.

Pocket Money

Age	Amount Per Week	Age	Amount Per Week
11	£6.30	14	£9.50
12	£7.50	15	£11.60
13	£8.50	16 - 17	£12.70

All children/young people are provided with a weekly pocket money allowance. The level of the allowance and how it is paid will depend on the age, vulnerability and ability of the child/young person.

The pocket money allowance is provided to children/young people for their general and personal needs.

Dependent upon eligibility, some children/young people aged 16 and 17 may be able to claim Employment & Support Allowance – once the E&SA is in payment, the pocket money & clothing allowance ceases.

Toiletries Allowance

Age	Amount Per Week
11 – 17	£5.00

The toiletries allowance is provided to ensure that children/young people have a supply of their own toiletries. Where the toiletries allowance is not being used to purchase such items, the child/young person's residential keyworker will use the allowance on their behalf to buy items/brands that the child/young person uses.

Mobile Phone Allowance

Age	Amount Per Week
11 – 17	£2.50

The mobile phone allowance of £2.50 per week is provided to children/young people aged 11 and older and is provided to ensure that children/young people remain in contact with the children's home, family and friends.

Initial Clothing Allowance (Needs Assessment Required)

Age	Maximum Amount	Age	Maximum Amount
11 – 15	£261.14	16 - 17	£331.44

Where a child/young person becomes looked after and is placed in a children's home, an audit should be taken of the clothing that the child/young person has and what they need (if they require any additional clothing).

The initial clothing allowance is only available at the point a child/young person first becomes looked after and where they do not have adequate clothing. The residential keyworker and/or the child/young person's social worker should assess and identify what clothing is required and the cost. This should be recorded on the Expenditure – Monitoring & Audit Form (appendix 6).

Weekly Clothing Allowance

Age	Amount Per Week	Age	Amount Per Week
11 - 15	£16.00	16 - 17	£20.84

Children/young people are provided with a weekly clothing allowance. The level of the allowance and how it is paid (weekly, monthly and/or a supported shop) will depend on the age and ability of the child/young person.

The use of the allowance will differ between individuals and should be set out in the child/young person's placement plan and be agreed by the residential keyworker and the child's/young person's social worker. The placement plan should set out how the allowance will be provided and managed and how this will change over time from items being purchased for the child to the young person choosing and purchasing their own clothing.

Residential staff should keep a record of all items purchased to demonstrate how the allowance has been used and what items of clothing the child/young person has.

School, College and Employment - Clothing Allowance (Needs Assessment Required)

On Starting or Changing Primary School	£136.28
On Starting Secondary School	£301.19
On Changing Secondary School	£252.47
Starting Work/College Allowance	£301.19

The school, college, employment clothing allowance can be accessed when a child/young person starts a new school or changes school.

In addition, the starting work/collage allowance can be used to enable a young person aged 16 or 17 to have suitable clothing for college and/or employment.

School Prom Allowance (Needs Assessment Required)

Age	One-Off
16 – 17	£100.00

The school leaver's prom allowance is provided once, to enable children/young people to take part in their school prom (generally at the end of school year 11 or 13). The school leaver's prom allowance can be used to cover the cost of attendance, clothing and photographs etc.

Personal Luggage (Needs Assessment Required)

Age	Maximum Per Year
11 – 17	£35.00

All children/young people should have at least two luggage items (suitcases/holdalls/rucksacks) for transporting their personal possessions. The £35.00 personal luggage allowance is available to ensure that the child/young person has at least two luggage items for holidays and when moving placement/home or to independence.

Birthday Allowance

Birthday Allowance – Gift/Gifts

All children/young people are entitled to a yearly birthday gift allowance of £100.00 (up to and including the 18th birthday). The child/young person's keyworker should purchase a gift/gifts to the value of £100.00. In exceptional circumstances the allowance can be provided as a gift card/voucher. How the birthday allowance will be used should be set out in the child/young person's placement plan.

Age	Amount Per Year
11 – 17	£100.00

Birthday Allowance - Celebration

In addition, all children/young people are entitled to a birthday celebration allowance which is dependent on age. The celebration allowance should be used to fund a celebration meal, party or event. Only in exceptional circumstances can the celebration allowance be used to supplement the gift allowance.

Age	Amount Per Year	Age	Amount Per Year
11 – 15	£77.00	16 – 17	£108.00

Christmas/Festival Allowance

Christmas/Festival Allowance – Gift/Gifts

All children/young people are entitled to a yearly Christmas/Festival allowance of £100.00 (applies to the Christmas/festival prior to their 18th birthday). The child/young person's keyworker should purchase a gift/gifts to the value of £100.00. In exceptional circumstances the Christmas/Festival allowance can be provided as a gift card/voucher. How the Christmas/Festival allowance will be used should be set out in the child/young person's placement plan.

Age	Amount Per Year
11 – 17	£100.00

Christmas/Festival Allowance - Celebration

In addition, all children/young people are entitled to a Christmas/festival celebration allowance which is dependent on age. The celebration allowance should be used to fund a celebration meal, party or event.

Children/young people who are non-Christians should be given a choice as to when their festival allowance is to be provided. If they do not have a preference, the allowance should be made available at Christmas to ensure that they receive their entitlement alongside their peers.

Age	Amount Per Year	Age	Amount Per Year
11 – 15	£77.00	16 – 17	£108.00

Life Chances/Hobbies/Leisure Allowance (Needs Assessment Required)

Age	Amount Per Week
11 – 17	£15.19

The life chances/hobbies/leisure allowance is provided to enable children/young people to take part in hobby, sports or leisure activities. Children/young people should be encouraged to access a wide range of subsidised activities provided in Hertfordshire by the use of the passport to leisure card provided by a number of the local district/borough council. The residential keyworker should support children/young people to obtain a passport to leisure card (where a local scheme exists) and explore what activities these will provide access to.

The allowance could be used to pay for the membership of a hobby, sporting or leisure club and/or contribute towards the cost of a social activity. Children/young people should be supported to take part in **at least one** social/leisure activity per week.

The allowance is provided on the basis of the child/young person undertaking an approved activity and/or a risk assessment having been completed on the activity.

Holidays and Outings (Needs Assessment Required)

Age	Amount Per Year	Age	Amount Per Year
11 – 15	£354.00	16 – 17	£416.00

The holiday and outings allowance is provided to enable children/young people to take part in a yearly holiday or a number of outings and activities.

Each children's home will decide with the resident group the holiday/outings/activities to be undertaken over the following year. The holiday/outings/activities should be agreed by all residents and/or will be agreed by the children's home manager/service manager where there is no consensus on the activity/activities.

Children/young people should also save pocket money for their day to day holiday/outing/activity spend. Depending on an assessment of need and the length of the holiday, a contribution to day to day holiday spend may be available.

Young people aged 18 and above are provided with £208.00 per year holiday allowance and are expected to match this amount (from wages, education allowances, benefits) in order to assist with the development of budgeting and financial capability skills.

Incentives and Rewards (Assessment of Need Required)

In order to provide a system of positive rewards, acknowledge positive achievements and to promote positive behaviour, each children's home has a system of incentives and rewards.

Examples of rewards could include: tickets for sports events, a trip to a nail care saloon, an additional mobile top-up, an outing to the cinema or venue of a child/young person's choice. Each children's home has an equitable set of incentives and allowances (based on a points system) and produces a list that sets out what is required to be achieved for a given reward.

Individual rewards and incentives will be set out in the child/young person's placement plan, which will also set out the activity/activities they are working towards.

Long Term Saving

Age	Amount Per Week	Age	Amount Per Week
0-10	£2.50	11 – 17	£5.00

All children/young people are provided with a weekly savings allowance of £2.50 per week for those aged 0 to 10 and £5.00 per week for those aged 11 to 17. The savings allowance is managed centrally by the Brokerage Support Team and is placed in a WBS account until the child/young person has been looked after for 52 weeks and thereafter into a Junior Independent Savings Account (Junior ISA) [where this is in place] until the young person reaches the age of 18, at which point it transfers to the young person.

Short Term Savings Accounts

From the age of 7 all children/young people will be supported by their residential keyworker to open a savings/bank account in their own name for short term savings. The short term savings may come from unspent pocket money, clothing, birthday and or Christmas/Festival allowances. All children/young people should have a savings account in place by their 14th birthday.

Travel

All children/young people are provided with a travel allowance/travel pass/or the provision of transport to attend school/college, visit family and friends and attend leisure activities depending on and assessment of need and risk assessment. Where journeys are of a long distance and/or require travel outside of Hertfordshire, a request for transport costs will be made to the Hertfordshire Access to Resources Panel (HARP).

Children/Young People Living in a Children's Homes who are Working - Pocket Money and Clothing Allowance - Reductions and Contributions (16 and 17 year olds)

From the end of academic school year eleven (usually July in the academic year of a young person's sixteenth birthday) until their eighteenth birthday, young people living in a children's homes who are working can retain a net income of £84.00 per week before adjustments are made to their allowances, or contributions are required. This principle and the £84.00 threshold is intended to act as an incentive for young people to be involved in education, training and/or employment activities. The aim of adjusting allowances is undertaken from the principle of assisting with the development of budgeting and money management skills, preparation for adulthood and enabling young people to becoming accustomed to making payments for rent and bills.

The £84.00 threshold is set by adding the clothing allowance (£20.84 per week), the pocket money allowance (£12.70 per week), the 16-19 year old bursary allowance (£1,200.00 per year, which equates to £40.00 per week in term time) and up to £10.46 from part time or full time employment.

Young people will continue to receive their pocket money (£12.70 per week 2016-17) and clothing allowance (£20.84 per week 2016-17), plus the 16 – 19 bursary or earnings, until a net income of £84.00 is reached. When the £84.00 threshold is reached, young people will be required to complete a Financial Assessment Form (appendix seven) with their social worker or residential keyworker.

Young people should add their net income (from the list below), minus any fares/costs related to study or work. When the total after adjustments for fares/costs is higher than £84.00, a third of the amount over £84.00 is set as the young person's reduction/contribution.

The reduction/deduction will initially come from the weekly pocket money and clothing allowances. If the reduction/contribution amount is over the pocket money and clothing allowance (£33.54), the amount over these allowance should be paid directly to the children's home budget via 'client contribution' account code 747400. Residential keyworkers should acknowledge the reduction in the pocket money and clothing allowance and any payment made to Hertfordshire by providing a "rent/payment book" as proof of the reduction/contribution.

The following payments are considered as income:

- Pocket money;
- Clothing allowance;
- 16-19 year old bursary scheme;
- Wages and salary from part time or full time employment;
- Traineeship allowance;
- Apprenticeship allowance.

Lone parents (aged 16 or 17) receiving Income Support, Child Tax Credits and Child Benefit and sick and disabled young people (aged 16 or 17) claiming Employment & Support Allowance cease to receive the pocket money, clothing and toiletries allowance when the benefit is being paid. Universal Credit is likely to replace Income Support, Child Tax Credit and ESA at some point in 2016/2017.

Young people receiving these benefits are unlikely to be working and therefore will not be making contributions but will have their pocket money, clothing and toiletries allowances reduced

To assist a young person with making a successful transition to education or employment, and managing their income, they will not be expected to have a pocket money, clothing or toiletries allowance reduction or make any contributions until they have completed six weeks of employment. A young person will need to provide proof of income in order that his/her social worker/keyworker can calculate any contributions.

If proof of income is not forthcoming, it will be assumed that earnings are exceeding £122.54 (£84.00 + £12.70 + £5.00 + £20.84) net per week and therefore the pocket money, toiletries and clothing allowance will be suspended until proof is forthcoming.

Supplementary Information

Appendix One

Adolescent Resource Centres – Short Term Placements

In situations where children/young people are placed in one of the two Adolescent Resource Centres (ARC) on a short term basis and the care plan is for a planned return home, a number of the allowances set out above will not be applied in order to avoid inequity with children/young people who may remain living within the family.

Where a child/young person is due to return to the family home and cease to be looked after within 56 days they will be eligible for:

1. Pocket Money Allowance;
2. Mobile Phone Allowance;
3. Toiletries Allowance;
4. Life Chances, Hobbies and Leisure Allowance;
5. Initial Clothing Allowance/School Clothing – following an assessment.

If, after 56 days the plan continues to focus on a return home, the above allowances will continue. If, after 56 days, or prior to the 56 days, the child/young person's plan changes to longer term care, all allowances in the policy will be initiated.

The weekly savings allowance will be allocated and set aside once a child/young person has been looked after for more than 28 days.

Appendix Two

Children/Young People with Additional Needs (Particularly Those Living at Willow House)

Where a child/young person has a disability and is living in a children's home all allowances as set out above will apply. Any additional needs, stemming from the child/young person's disability requiring funding would be agreed by Hertfordshire Access to Resources Panel (HARP) or the Resource Allocation Quality and Care (RAQC).

Disability Living Allowance and Personal Independence Payments

In situations where a child (under age) 16 is in receipt of Disability Living Allowance (DLA) (Care or Mobility) this should be paid into a WBS account, managed by the Brokerage Service in conjunction with the residential keyworker. From the age of 16 a claim for DLA should be transferred to a claim for a Personal Independence Payment (PIP). At this point the DLA/PIP should be paid directly to the child/young person if they have 'capacity'. If they lack 'capacity', the Brokerage Service and the residential keyworker should continue to manage the benefit on the child/young person's behalf. See a) Capacity and Financial Arrangements, b) Disability benefits for Children Looked After and c) Transfer of Savings Policies. The child/young person's social worker is responsible for co-ordinating the 'capacity' assessment.

Employment and Support Allowance

From the age of 16, children/young people looked after who are deemed to be 'sick or disabled' are eligible to claim Employment and Support Allowance. When the child/young person's ESA claim is in payment, the pocket money and clothing allowances cease. Where the child/young person has 'capacity' the ESA should be paid to, and managed by the child/young person. Where the child/young person lacks 'capacity', the ESA should be paid in to a WBS account, managed by the Brokerage Service in conjunction with the residential keyworker. The child/young person's social worker is responsible for co-ordinating the 'capacity' assessment.

The Use of Benefits

In principle all DLA/PIP should be used to meet any disability needs of the child/young person and all E&SA (16 & 17 year olds) should be used to meet any additional and day to day needs; once E&SA is in payment, pocket money and clothing allowances cease. How the DLA/PIP/E&SA is to be used should be set out in the child/young person's placement plan and must be agreed by the social worker with the keyworker, taking account of any 'delegated authority'.

In exceptional situations where there is an amount of unused or accrued DLA/PIP/ESA, this should be added to the child/young person's Junior ISA.

The Management of Benefits

It is important to note that where a child/young person lacks 'capacity' they should not hold a savings or bank account in their own name, which is then managed on their behalf. In these circumstances the benefits and savings should be managed via a WBS account managed by the Brokerage Service in conjunction with their residential keyworker.

Monitoring arrangements for the use of benefits and allowances should be undertaken in-line with appendix 6.

Given the additional needs of this group of children/young people it is important to refer to the following financial policies and guidance.

- 1) Management of Disability Benefits for Children Looked After Policy
- 2) Managing and Monitoring of Children Looked After Finances – Practice Note
- 3) Capacity and Financial Arrangements
- 4) Transfer of Savings
- 5) Trust Panel Arrangements

Appendix Three

Short Term Savings – Opening an Account

Residential keyworkers should support children/young people to open a savings account in the child/young person's name from the age of 7, when they will be able to open a savings account without an adult sponsor (staff cannot act as an account sponsor). It is expected that all children/young people would have an account by their 14th birthday in readiness for when they reach adulthood and move to independence.

These savings accounts can be used for the management of pocket money, clothing, toiletry and day to day spending. The arrangements for a child/young person opening and managing an account should be discussed with the child/young person's social worker and set out in the child's care and placement plan.

To open such an account, the child/young person requires a letter from their social worker on Hertfordshire County Council headed paper, stating that they are a looked after child and setting out their children's home address. The child/young person will also need a proof of identity, birth certificate/passport and will need to be accompanied to the building society to open the account. The account being in the child/young person's name means that it can transfer with them should they move placement.

For advice on which building societies (Nationwide/Halifax) provide accounts for children age 7 and above see additional savings guidance.

Appendix Four

Recording and Auditing Allowances

The children's home/residential keyworker should use the 'Expenditure - Monitoring and Audit Sheet' (Appendix Six) to demonstrate how the allowances provided for the needs of the child/young person have been used and what items have been purchased. All expenditure should be recorded (in brief) on the 'Expenditure – Monitoring and Audit Sheet' (Appendix Six) and set out whether the allowances have been provided in the form of purchased items, in the form of cash or in a different way. Information should include:

- what items of clothing have been purchased;
- how pocket money has been provided; and
- how birthday and festival allowance have been used or provided.

This is required for monitoring and audit purposes and to ensure that children/young people have received their full entitlement for each financial year, particularly where they move between placements.

The children's home/residential keyworker should retain all receipts for VAT reclaim and audit purposes.

All financial monitoring and audit recording should be placed on the child/young person's LCS case file.

Decisions regarding how the allowances are to be used and in what form they are provided should be agreed within the care planning/pathway planning process and agreed between the child/young person, the children's home/residential keyworker and the social worker and independent reviewing officer.

Appendix Six

Managing Allowances – Sanctions, Support, Supervised Shops and Methods of Payment

Residential keyworkers proactively support children/young people to manage and use their allowances in a positive manner and with an aim of developing financial capability skills.

In certain situations and where it can be evidenced that allowances are being mis-used and/or children/young people are being pressured/bullied into giving their allowances to others and/or are experiencing difficulties managing their allowances a 'financial allowances management plan/approach' should be developed and agreed. For example, in certain situations it may be appropriate to withhold pocket money for a short period, or spend the pocket money within a supervised shop with the residential keyworker; this may be the case where allowances have been used to purchase alcohol, cigarettes, illegal substances, legal highs, inappropriate items and/or inappropriate activities.

As a general rule, pocket money cannot be withheld permanently, unless children/young people are contributing to the costs of repairs or to replace items that have been deliberately damaged. Pocket money can only be withheld up to a maximum of two thirds of the weekly allowance for a period of time that is agreed within the management of allowances plan and set out in the placement plan.

Depending on an assessment of need, allowances can be provided as cash, paid into a short term savings account or be used with the residential keyworker for a supervised shop.

Appendix Seven

Children/Young People Living in a Children's Homes who are Working - Pocket Money and Clothing Allowance - Reductions and Contributions (16 and 17 year olds)

Example 1:

Pocket Money	£12.70
Clothing Allowance	£20.84
16-19 Bursary	£40.00
Earnings	£17.00
Total	£88.54

Costs associated with employment (Travel, lunch etc)	minus £9.50
	£79.54
Pocket Money/Clothing Allowance Reduction/Contribution	Nil

Example 2:

Pocket Money	£12.70
Clothing Allowance	£20.84
16-19 Bursary	£40.00
Earnings	£40.00
Total	£113.54

Costs associated with employment (Travel, lunch etc)	minus £16.84
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Total after adjustment	£96.70
Amount to be taken into account (£96.70 minus £84.00)	£12.70
Reduction/contribution amount (1/3 of £12.70)	£4.23
Pocket Money/Clothing Allowance Reduction/Contribution	£4.23

Young person retains an actual income of: £109.31

Information for Young People and Reduction/Payment Process

Young people should be issued with a Contributions Notice setting out the following:

1. The level of reduction of their allowance/s
2. The level of their contribution
3. When the reduction or contribution will commence
4. How the reduction will be made or how the contribution will be collected
5. What the young person can do if their circumstances change
6. What the young person can do if they do not agree with the assessed reduction or contribution.

Financial Assessment Form and Contributions Notice

Income:

Calculation Date:

Item	Amount (£)
Clothing Allowance	
Pocket Money	
16-19 Bursary Scheme	
Traineeship Allowance	
Apprenticeship Allowance	
Earnings (Part and Full Time)	
Other	
Total Income (Subtotal 1)	

Less fares related to work/training/study	
Total Costs (Subtotal 2)	

Deduct Subtotal 2 from Subtotal 1 to produce Subtotal 3

Surplus/Short Fall (Subtotal 3)	
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If subtotal 3 is over £84.00, one third of the surplus amount above the £84.00 figure is the young person's contribution. This will be deducted from their pocket money and clothing allowance until it exceeds this amount. When this occurs the pocket money and clothing allowance will cease, and the social worker or the residential key worker will collect the amount of contribution exceeding the pocket money and clothing allowance.

This form will need to be completed by the young person living in a children's home (16 and 17 year olds) with their residential keyworker or social worker.

Date Reduction/Contribution To Commence	
Reduction to Pocket Money and Clothing Allowance (= $\frac{1}{3}$ [sub-total 3] above £84.00)	
Contribution (where the applicable amount is above the pocket money and clothing allowance level)	
Income Retained	

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Version Two

29th June 2016