



Junior Individual Savings Accounts (Junior ISAs) for Looked After Children in Wales

**Statutory guidance on local authority
responsibilities towards looked after
children**

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Audience Directors of Social Services;
Heads of Children’s Social Services;
Lead Members of local authorities in Wales;
Service Managers with particular responsibilities in relation to looked after children and care leavers;
Social workers in ‘looked after children’ teams, personal advisors, and Independent Reviewing Officers;
Commissioners of services for care leavers and looked after children.

Relevant partner agencies and providers of services to looked after children, including agencies in the private, voluntary and public sectors.

Overview This guidance is issued under section 7 of the Local Authority Social Services Act 1970 and section 60 of the Government of Wales Act 2006. Local authorities are therefore required to act in accordance with this guidance unless circumstances indicate exceptional reasons which justify a variation.

As part of their broader corporate parenting responsibilities, this guidance sets out the requirements on local authorities in Wales to enable the Junior Individual Savings Accounts (Junior ISAs) for eligible looked after children to effectively operate in Wales.

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1. SUMMARY

- 1.1. The Programme for Government sets out clear actions that the Welsh Government is taking to support people by providing high quality, integrated, sustainable, safe and effective people-centred services that build on people's strengths and promote their well-being. This includes the delivery of the transformational vision set out in Sustainable Social Services for Wales: A Framework for Action, and our plans to improve the lives of looked after children in Wales.
- 1.2. The Welsh Government sees Local Authority involvement/ participation in the Junior ISAs scheme as a key part of their corporate parenting responsibilities. The scheme provides a means by which local authorities can provide and encourage financial savings that can be invested for the future and which will provide, over time, a financial asset that can provide a stepping stone to independent living when the young person reaches adulthood.
- 1.3. This guidance is issued as statutory guidance under Section 7 of the Local Authority Social Services Act 1970 and section 60 of the Government of Wales Act 2006. Local authorities are therefore required to act in accordance with this guidance unless circumstances indicate exceptional reasons which justify a variation. It relates to the local authority's performance of its duties under section 22(3)(a) (duty to safeguard and promote the welfare of the child).
- 1.4. The guidance sets out details of arrangements for the implementation of the Junior Individual Savings Accounts (Junior ISAs) scheme for looked after children which will be administered by a third party provider [The Share Foundation] appointed by the UK Government Department for Education (DfE). To support this, and as part of their broader corporate parenting responsibilities, this guidance sets out the requirements on local authorities in Wales to enable the Junior Individual Savings Accounts (Junior ISAs) for eligible looked after children to effectively operate in Wales. This includes:
 - Providing a named contact within each local authority who will be responsible for the provision of prescribed data from local authorities to the appointed third party provide [The Share Foundation] periodically;
 - Responding to requests for information from the 'Share Foundation', to enable the payment of the Junior ISAs to be made;
 - Ensuring effective and proportionate security arrangements safeguarding the integrity and confidentiality of the data, to be sent to and received from the 'Share Foundation,(including parental consent, where appropriate) are in place for sharing of information;
 - Ensuring where appropriate that the carer, parent and child are made aware of the account at the appropriate time (usually as

an integral part of the care planning review), once the child stops being looked after, notify the Share Foundation and provide the necessary information to the person with parental responsibility for the child (or the child themselves if 16 or 17 years old) so that they may take over management of the account;

In addition:

- Ensuring that Independent Reviewing Officers ensure local authorities carry out their duty as good corporate parents so that eligible children benefit from the scheme and where appropriate that parents and carers receive suitable advice;
- Consider making additional financial contributions to any such accounts for Looked after Children within their jurisdiction and to encourage other interested parties (families/friends) to do likewise.

2. BACKGROUND

What is the Junior ISA Scheme for looked after children?

2.1. In October 2010, the Chancellor of the Exchequer announced the creation of a new tax-free children's savings account to be known as the Junior Individual Savings Accounts (Junior ISA's). He subsequently announced that accounts would be available specifically for eligible looked after children, recognising the role of the State as the corporate parent of looked after children and that the Scheme would be UK wide. The Department for Education will manage the Scheme and it will be administered by the third party provider 'The Share Foundation'.

2.2. The first accounts will be opened on behalf of looked after children in 2012 and will offer a long term tax efficient savings account which will mature and be accessible on the account holder's 18th birthday. In summary, the scheme includes:

- Setting up a Junior ISA account for all children in the UK who are 'looked after' for 12 continuous months or more who do not have a Child Trust Fund (see below for further information on eligibility);
- Making a **one off** payment of £200 into that account;
- A third party provider ['The Share Foundation'] will administer the Scheme and will seek to raise additional philanthropic contributions for the benefit of the Scheme; and
- Ensuring looked after children make best use of the funds they have received by providing financial education.

2.3. Anyone can pay money into the accounts, including receiving additional contributions from local authorities who have corporate parenting responsibilities as well as family/ friends of the looked after child/young person. Funds, however, cannot then be accessed by the account holder until their 18th birthday. At this age, the account will mature into a standard (adult) ISA.

2.4. It is intended that the scheme will benefit these eligible young people by providing a financial asset, which can be used to take up life opportunities, as the recipient reaches adulthood such as helping with setting up home, transport or furthering their education. It will also support these children who may never have had a bank account or the opportunity to save before to learn about saving, budgeting and managing money. Both 'The Share Foundation', who have responsibility to administer the scheme and the local authorities, who have corporate parent responsibilities have obligations to provide financial education support to those for whom ISAs are opened.

Who is eligible for the Junior ISA Scheme for looked after children?

2.5. A Junior ISA will be opened for:

- children (up to the age of 18 and resident in the UK) who have been 'looked after' continuously for a period of 12 months or more, excluding those with a Child Trust Fund (i.e. those born before 1 September 2002 and on or after 3 January 2011);
- this includes children who are subject to a care order and those who are voluntarily accommodated, whether in residential care, with a foster carer or at home.

3. ROLE OF THE THIRD PARTY PROVIDER

What is the role of the third party provider?

3.1. 'The Share Foundation' is a registered UK Charity appointed to administer the Junior ISA Scheme until the end of March 2015. They will select, open and manage the Junior ISA accounts for eligible children.

3.2. 'The Share Foundation' will ***make the first data request in Autumn 2012.*** The information requested by 'The Share Foundation' will include information such as the name, gender, date of birth and date they first became looked after (see below for more details). Once initial returns have been made, further returns would be required at a frequency to be agreed between 'The Share Foundation' and the local authority. Local Authorities have a duty in relation to the corporate parenting responsibilities to provide this data so that children for whom they are or

have been acting as corporate parents, can receive the payments to which they are entitled.

- 3.3. 'The Share Foundation, through pfeg, the Personal Finance Education Group, will provide local authorities with an information pack on the scheme, including a set of standard letters which the local authority can use with carers, parents and children as they deem appropriate [see paragraph 4.6 for further information].
- 3.4. 'The Share Foundation' will also seek to raise additional funding from charitable sources for distribution to the accounts (in addition to the initial £200 payment) to provide additional support for looked after children, managing this fund and distributing it. They will also support the financial education of looked after children at appropriate times so that they can understand how best to use the financial asset of their account.

4. KEY ACTIONS TO BE TAKEN BY LOCAL AUTHORITIES

What do local authorities have to put in place immediately?

- 4.1 The local authority must provide 'The Share Foundation' with a named contact for dealing with all aspects of the Junior ISA scheme and prepare for the forthcoming data requests from 'The Share Foundation'.

What information will need to be submitted to the Share Foundation and how often?

- 4.2 The local authority must respond to requests for information from 'The Share Foundation', to enable the Junior ISA accounts to be set up and payments made into them, including providing information on all eligible looked after children within their area, including:
- name;
 - gender;
 - date of birth;
 - date they first became looked after for those children looked after for 12 months or more;
 - if appropriate, date ceased to be looked after.
- 4.3 Initial returns will be requested from local authorities **from Autumn 2012** (subject to change), and once these have been submitted, further returns would be expected to an agreed schedule, i.e. monthly, though this may be less frequently in smaller local authorities.
- 4.4 In processing the above, the local authority must ensure that there are effective security arrangements safeguarding the integrity and security of the data to be sent to and received from 'The Share Foundation', in full

compliance with the Data Protection Act 1998. Local authorities may also wish to seek the views of the child and his or her parents and ensure there is parental consent if appropriate. Consent may be obtained from parents at a review of the child's case at which parents are invited to attend.

What other actions does the local authority have to take?

- 4.5 Once 'The Share Foundation' has notified the local authority that an account has been opened, the local authority should ensure that, as an integral part of the care planning review (and the review of that plan) the carer, parent and child are aware of the account (where appropriate).
- 4.6 In addition to this guidance, 'The Share Foundation' will, through pfeg, the Personal Finance Education Group, also provide local authorities with an information pack on the scheme, including the set of standard letters to provide information on the scheme to carers, parents and children as they deem appropriate.

These letters will include information on:

- Enabling the carer or child to pay additional funds into accounts to use them to build long-term savings;
 - to request the account is changed to meet specific criteria, such as a Sharia-compliant account;
 - to enable any 16 (and 17) year old young people, and care leavers, to assume investment control of their account, meaning they can make investment decisions for themselves (though they still can not access funds until their 18th birthday);
 - supporting looked after children in learning about finances to help them make the most of their account and the financial asset they will be able to access at the age of 18; and,
 - to ensure the young person may access their matured accounts when they stop being looked after because they have reached the age of 18.
- 4.7 When a child stops being looked after, the local authority should notify 'The Share Foundation' and provide the necessary information to the person with parental responsibility for the child (and the child if 16 or 17 years old) so that they may take over the management of the account. If the child leaves care aged 16 or 17, either they or their parent or carer could assume control of the account, if the child has not already done so.
- 4.8 Independent Reviewing Officers should ensure local authorities carry out their duty as good corporate parents so that children who are eligible for a Junior ISA, receive funding and where appropriate, they and their carers and parents, receive suitable advice about their accounts, both while they are looked after and when they cease to be looked after.

Estimated number of eligible of looked after children

4.9 Based on the existing population of looked after children in Wales, the following number of eligible children are estimated:

- 2,495 children may be eligible for the Junior ISA in 2012 - 13
- 679 children may be eligible in 2013 -14
- 696 children may be eligible in 2014 -15

What resources are being provided to local authorities to support the implementation of the scheme?

4.10. The administrative burden on local authorities is minimal. Having been estimated to be under £600 per annum per authority it was agreed that there would be no financial reimbursement to individual authorities as attempting to administer such a small payments would itself present an additional burden. Participation in the Junior ISA scheme is regarded as a core function of a local authority's corporate parenting responsibilities and as such they are expected to comply with the necessary requirements to invest for looked after children within their care and maximise the opportunities and choices that result from the scheme to ensure that eligible young people are ready to take advantage of their financial asset on transition into adulthood.

Data Protection

4.11 Local authorities should comply with the requirements of the Data Protection Act 1998.

4.12 The contract to administer the scheme is between the Department for Education (DfE) and The Share Foundation. The DfE have undertaken a 'privacy impact assessment' to ensure that data protection issues, that local authorities elsewhere in the UK may have, in providing personal data on behalf of the looked after children to the third party provider, have been addressed.

4.13 The impact assessment is available at the following link:
<http://www.education.gov.uk/childrenandyoungpeople/families/childrenincare/a00213096/jisa-for-looked-after-children>.

5 FUTURE ARRANGEMENTS

5.1 The Welsh Government will review the Scheme periodically in light of the demands on local authorities. The Guidance will be reviewed by May 2015.

6 FURTHER SOURCES OF INFORMATION

6.1 Welsh Government Circulars

<http://wales.gov.uk/topics/planning/policy/circulars/welshgovcirculares/?lang=en>

6.2 The Share Foundation:

<http://www.sharefound.org/>

6.3 Department for Education web site.

<http://www.education.gov.uk/inthenews/inthenews/a00199823/savings-accounts-for-all-children-in-long-term-care>

6.4 Personal Finance Education Group

www.pfeg.org.