



Department  
for Education

# **Junior Individual Saving Accounts for Looked After Children**

**Statutory guidance for Local Authorities**

# Contents

About this guidance	3
Expiry/review date	3
What legislation does this guidance relate to?	3
Who must be aware of this guidance?	3
Who is affected by this guidance?	3
What actions must the local authority take?	4
Eligibility for a Junior ISA	4
The role of The Share Foundation	5
Further sources of information	6

## About this guidance

1. This guidance is issued by the Department for Education under section 7 of the Local Authority Social Services Act 1970, which requires local authorities in exercising their social services functions to act under the general guidance of the Secretary of State. This guidance should be complied with by local authorities when exercising these functions, unless local circumstances indicate exceptional reasons that justify a variation.
2. Paragraph 11, guidance to Independent Reviewing Officers, is issued under section 25B(2)(b) of the Children Act 1989.

## Expiry/review date

3. This guidance will next be reviewed later in 2017, when responsibility for managing Child Trust Funds (CTFs) passes to The Share Foundation; and then again, at the latest, in January 2019.

## What legislation does this guidance relate to?

4. Children Act 1989 Section 22.

## Who must be aware of this guidance?

5. This guidance is for local authority:
  - children's services social workers;
  - personal advisers;
  - frontline managers who have particular responsibilities in relation to care leavers and looked after children;
  - lead members;
  - directors of children's services;
  - managers of services for care leavers and looked after children;
  - commissioners of services for care leavers and looked after children;
  - Independent Reviewing Officers.

## Who is affected by this guidance?

6. Children looked after for 12 months or more and not eligible for a CTF are entitled to a £200 payment from the Government into a Junior Individual Savings Account (Junior ISA).

7. The Department for Education has contracted The Share Foundation to administer the scheme until the end of March 2019. The Share Foundation will open and manage accounts using independent selection advice while children remain looked after. They will also seek to raise additional funding from charitable sources for distribution to the accounts, and 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.

## **What actions must the local authority take?**

8. Unless there are exceptional reasons that justify a variation, local authorities must:

- provide The Share Foundation with a named contact for dealing with all aspects of the Junior ISA scheme.
- respond to requests for information from The Share Foundation, to enable them to open the Junior ISAs and draw down the £200 payments.
- ensure that there are effective and proportionate security arrangements safeguarding the integrity and confidentiality of the data to be sent to and received from The Share Foundation, in full compliance with the Data Protection Act 1998.
- once an account has been opened ensure that, as an integral part of the care planning review and where it is appropriate to do so, the carer, parent and child are made aware of the account.
- once a child stops being looked after, 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.

9. In addition:

- 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.

## **Eligibility for a Junior ISA**

10. The Junior ISA for looked after children scheme replaces the support previously provided through CTFs. A Junior ISA will be opened for every child (if they do not already have one) who has been looked after for any continuous period of 12 months or more, starting on or after 3 January 2011 and who is not eligible for a CTF. The Government will provide an initial £200 payment to open the accounts.

11. Junior ISAs are long term tax-advantaged saving accounts launched in November 2011 for children up to the age of 18 who are not eligible for a CTF. Eligibility for CTF

accounts was discontinued in 2010 for any child born on or after 3 January 2011. Children born before 1 September 2002 were also not eligible for a CTF. Children are eligible for Junior ISA if they are under 18, resident in the UK, and not eligible for a CTF. Anyone can pay money into the accounts, but the funds cannot then be accessed by the account holder until their eighteenth birthday. At this age, the account will mature into a standard (adult) ISA.

## The role of The Share Foundation

12. The Share Foundation will contact all local authorities requesting information such as the name, gender, date of birth and date they first became looked after for 12 months or more. Local authorities must provide that data, so that children who they are, or have been, looking after can receive the payments to which they are entitled

13. The Share Foundation receives data at a frequency that has been agreed between The Share Foundation and the local authority. All contacts wishing to discuss specific information with The Share Foundation must be authorised in advance by inclusion in these returns.

14. The Share Foundation has provided local authorities with information on the scheme, including access via their [website](#), to a set of standard guidance sheets which the local authority uses with carers, parents and children as they deem appropriate. This may be so that the carer or child can pay additional funds into accounts and use them to build long-term savings. Or it may be so that they can request the account is changed to meet specific criteria, such as a Sharia- compliant account.

15. When Junior ISA holders reach the age of 16, they may take control of the account. This means they can make investment decisions for themselves, though they still cannot access funds until their eighteenth birthday. Local authorities should, as they deem appropriate, use materials provided by The Share Foundation so that 16 (and 17) year olds they are looking after, and care leavers, may assume investment control in this way.

16. The Share Foundation, through *pfeg*, The Personal Finance Education Group, will also provide materials to help local authorities support looked after children in learning about finances and so help them make the most of their account and the financial asset they will be able to access at the age of 18.

17. When a child is no longer being looked after because they have reached the age of 18, the local authority should use the materials provided by The Share Foundation to ensure they may access their matured accounts.

18. When a child is no longer being looked after before the age of 16, the local authority should use the materials provided by The Share Foundation to ensure the person with parental responsibility for the child is aware of the account and encourage

them to take the necessary steps to assume control of the account. If the child leaves care at age 16 or 17, either they or their parent or carer could assume control of the account, if the child has not already done so.

## **Further sources of information**

19. Further details of the scheme can be found at the Department's website at [website](#).
20. More information regarding The Share Foundation can be found at their [website](#).



Department  
for Education

© Crown copyright 2017

This publication (not including logos) is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

To view this licence:

visit [www.nationalarchives.gov.uk/doc/open-government-licence/version/3](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3)

email [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk)

write to Information Policy Team, The National Archives, Kew, London, TW9 4DU

About this publication:

enquiries [www.education.gov.uk/contactus](http://www.education.gov.uk/contactus)

download [www.gov.uk/government/publications](http://www.gov.uk/government/publications)

Reference: DFE-00026-2017



Follow us on Twitter:  
[@educationgovuk](https://twitter.com/educationgovuk)



Like us on Facebook:  
[facebook.com/educationgovuk](https://facebook.com/educationgovuk)