

Personal budgets

A personal budget is money that a local authority allocates to a person who needs care and support. These needs must be assessed by the local authority to see whether the person is eligible for support. Some people with dementia may be eligible. The money can be spent in many ways to meet the person's needs. This factsheet looks at what a personal budget is, who can receive one, how a personal budget can be used, and how it is managed (including the direct payments option).

Personal budgets are used in England. In Wales and Northern Ireland there are different systems in place. However, while most of the information in this factsheet applies to England only, the information on direct payments (a means of receiving an allocation of money) is relevant not only in England, but also in Wales.

For specific information on direct payments in Wales see the wales.gov.uk website. For specific information on direct payments in Northern Ireland see Alzheimer's Society factsheet NI431, **Direct payments**.

Personalisation

Personal budgets help people to make choices about their care. They are part of a government agenda in care called 'personalisation' (in England). Personalisation aims to give individuals independence, choice and control over the support they use, putting them at the centre of their own care.

A crucial part of giving people control is providing information, advice and advocacy, so that people are able to make informed choices. This is particularly important for people with dementia, who may need additional support to make decisions.

Getting a personal budget

A personal budget is an allocation of money given by a local authority to someone who has had their care needs assessed. This assessment can come about in a number of different ways. For more information see factsheet 418, **Assessment for care and support in England**. If a person is found to have a need for social care, and they meet certain financial eligibility criteria, a personal budget is allocated to meet their needs. Not everyone will be eligible: their needs may not be great enough, or they may have too much money to qualify for local authority funding. For more information about financial eligibility, see factsheet 532, **Paying for care**.

If a person is eligible, there are a series of steps to follow in order to reach agreement on a personal budget. These are outlined below.

Step 1:

Finding out how much money the person is likely to get

The first step is to find out if the person can get money for support – and how much. The local authority looks at the person’s care needs and decides on an indicative (estimated) personal budget the person would require to meet these needs. This can then be used to inform the development of the support plan.

Step 2:

Making a care and support plan

The second step is to make a plan about how the money will be used to best support the person. Plans can be completed by the person, either on their own, with support from other people they trust and know well, or with help from a social worker or other support role

(eg a broker or professional support planner). The care and support plan should show how the person's care needs and outcomes will be met, and how the budget will be used to achieve this. A support plan should explain how the person will manage their personal budget (see 'Managing a personal budget' below). It will also look at how they will stay safe and well, and manage difficult times, eg if a care worker is sick or if needs change unexpectedly.

A good support plan will consider the whole person, including any way their care and support needs may be met. This should not just be limited to what services could be purchased, but also incorporate input from family, friends, the person's community links, and other voluntary sources of support.

Step 3: Getting the plan agreed

The third step is getting the plan approved by the local authority. Typically a social worker will check that the plan will meet the person's identified eligible needs and outcomes. A panel at the local authority may be involved at this decision-making stage.

Step 4: Organising money

Once an agreement is reached about how the person's assessed needs will be met, a final budget amount can be set. There are a number of different ways for a person to organise and manage their money (see 'Managing a personal budget' below).

The local authority must check a person's support plan at least once a year. They must check that the person is safe and well, whether their care needs have changed, and whether they are spending their personal budget appropriately so that it meets their eligible needs. A review can be requested at any time if there have been changes to the person's situation or support needs, though there may be a delay before the review can take place.

Size of a personal budget

The size of a personal budget depends on a number of factors. These include the type of care required to meet the assessed needs and the result of any financial assessment. Depending on income and savings, the person may have to make some contribution to their care costs, but any health services (such as home visits by a community nurse or occupational therapist) are still free.

If there are a number of ways to meet an assessed need, the local authority may agree to fund only the less expensive option. For example, if someone needs a walk-in shower and they request a luxury model, the local authority is likely to agree only to a payment for a cheaper model that meets the need. If the person insists that they want the expensive option, they may be able to 'top up' the payment themselves to meet the extra cost.

If the personal budget is to be paid as a direct payment (see 'Direct payments' below), any cost of getting independent advocacy or advice and support should also be included in the support plan and the personal budget allocation.

If the plan involves paid carers who need training to carry out their role (eg lifting and handling), the costs of training must also become part of the personal budget allocation.

Different rates may apply depending on whether the person buys support from a support agency or another type of service.

Managing a personal budget

A personal budget is often managed by the person with the assessed needs themselves. However, it does not always have to be managed by them. Some people may prefer or need someone else to do it for them. The important thing is that the person chooses how the budget will be managed.

There are a number of ways that a personal budget can be paid and managed, but not all options will be available everywhere. A social worker should be able to offer information about options in the local area.

A personal budget can be:

- held and managed by the local authority, who have responsibility for commissioning the care services, but the individual still chooses how their care needs are met (a managed budget)
- paid as an Individual Service Fund (ISF), where a care provider (eg a care agency) holds and manages the budget and provides the support agreed in the support plan
- paid as a direct payment to the person themselves or their representative (see 'Direct payments' below)
- managed by a combination of these methods.

Brokers

People can create their own support plan with help from families, friends or neighbours, if they wish. Social workers or care managers can also help people with support planning. Sometimes people prefer support from a broker: either someone who is provided by an organisation or someone who they pay to support them.

A support broker is someone who helps the person to think about, plan and organise support that is tailored to them. They can help with one or several areas of planning or organising support; they can help for a short time or a longer period: it all depends on what the person wants. If the person wishes, a support broker can act as their agent and hold the personal budget for them.

A support broker does not have to be a paid professional; it can be anyone who the person trusts. A support broker could be:

- a relative, friend or neighbour
- a worker from a voluntary organisation
- someone in social services, such as a social worker or care manager
- a staff member from an advice and information organisation
- an independent professional broker
- a support or care provider organisation.

If someone wants to use a professional broker, the fees usually come out of the personal budget allocation.

Direct payments

A direct payment is one way to manage a personal budget in England. Money is given directly to the person, which they use to pay for their care and support. In Wales and Northern Ireland direct payments are available, but they are not part of the personal budgets system used in England. The information in this section, about how direct payments work, is relevant to direct payments in England and Wales. In Northern Ireland they are slightly different. For more information see factsheet NI431, **Direct payments**.

Direct payments aim to give people greater flexibility and choice over how their needs are met. They can be used to buy a range of different services. For example, if someone is identified as being socially isolated they might use their direct payment to help them to meet other people at an activity of their choice.

A direct payment can only be spent as agreed in the support plan. Records of how the money has been spent need to be kept. It is possible for someone to receive a personal budget as a direct payment and have someone else to manage it for them and keep the appropriate records on their behalf.

If the person does not want to hold their direct payment themselves, it can be:

- managed for the person by a broker, an independent social worker or an advocate
- held by a carer, friend, family member, solicitor or other appropriate person (eg an attorney), as a ‘user-controlled trust’
- managed by a mix of the above.

Some people use their direct payments to employ their own care worker or personal assistant, either through personal contacts or by advertising in a newspaper. Others use them for social or leisure activities or equipment, to improve their wellbeing.

Who can receive a direct payment

Local authorities have a duty to offer direct payments to eligible people who are willing and able to manage them, either with or without assistance.

In England and Wales, a recipient of a direct payment must be at least 16 years old, and be a disabled person (this includes a person with dementia), a carer, or someone with parental responsibility for a disabled child. They must have been assessed as having eligible community care needs or eligible carer needs (see ‘Personal budgets for carers’).

Appointing a ‘suitable person’

Direct payments are available to people who lack the ability (called ‘mental capacity’) to agree to manage them. They must have a ‘suitable person’ to manage the money on their behalf. This must be someone reliable who will manage affairs in the best interests of the person, such as a close family member. The suitable person will often (though not always) be someone who has power of attorney for that person. For more information see factsheet 472, **Lasting Power**

of Attorney (England and Wales) or, in Northern Ireland, factsheet NI472, **Enduring Power of Attorney and Controllership**.

The local authority is responsible for setting up and monitoring the arrangement, and they are responsible for deciding whether someone is a suitable person. They need to find out who the person receiving the care would have wanted to take on this role, and what is in that person's best interests.

The local authority must consult:

- the person receiving care
- anyone currently engaged in caring for the person
- anyone who has been named by the person (before they lost capacity) as someone to be consulted about the suitable person or about related matters such as their personal welfare
- any written statement of wishes and preferences made by the person before they lost capacity
- an attorney (of any kind) or a deputy.

A suitable person must:

- be able to manage the payments
- not employ any spouse, civil partner or partner using the money from the direct payment (except in some specific situations)
- always act in the person's best interests, following the Mental Capacity Act.

For more information on mental capacity, see factsheet 460, **Mental Capacity Act 2005**.

How payments are made

Direct payments are usually paid into a bank account set up specifically for this purpose. The local authority will sometimes ask to look at this account so they can check that the money is being spent appropriately and meeting the assessed needs.

Prepaid cards, similar to those used for utilities (such as electricity bill payments), are used by some local authorities for the payment of personal budgets.

The local authority will tell whoever manages the payments what records must be kept and what information must be provided, such as timesheets signed by a personal assistant or receipts for services.

Anyone receiving their personal budget in the form of direct payments can choose to stop them at any time. The local authority should then arrange alternative services so that their care needs are still met.

The local authority can decide to stop direct payments if they feel that care needs are not being met, or if the person responsible for managing the payments is unable to do so. Under these circumstances, the local authority can offer another method to manage the personal budget.

What direct payments can be used for

Direct payments can be used to buy a range of things, such as:

- the services of a care agency chosen by the individual
- a personal assistant (instead of a carer arranged by the local authority)
- a visit to a community or social activity, such as going to a club, concert or sport event
- an educational activity
- an item of equipment to meet an outcome shown in the support plan

- complementary therapies, such as aromatherapy or music therapy, to improve wellbeing in line with the support plan
- transport – to visit family and friends or attend a leisure or educational activity
- support to get to a café to meet friends, or to go to a place of worship
- taking a break with a carer
- respite care for up to four weeks in any 12-month period.

This list is not exhaustive. There is a considerable range of suitable products and services, to meet the varied needs and interests of those receiving direct payments. Different local authorities' policies may vary on what a personal budget can and cannot be used for. A person can approach the local authority directly and speak with a social worker about the details of the local authority's policy.

A direct payment cannot be used:

- to pay a spouse, civil partner, live-in partner, or a close relative who lives in the same household, to care for the person, except in certain circumstances that have been agreed with the local authority
- for food
- for rent
- for any illegal or unlawful purpose
- to buy services from the local authority (this can be done with a personal budget via a managed account)
- to pay for anything that is not directly related to meeting an eligible social care need as set out in the support plan.

Under the current system, a direct payment cannot be used to pay for permanent residential care in a care home, though this may change in the future. It is, however, possible to pay for a short stay of up to four weeks within any 12-month period.

Personal assistants

A direct payment can be used to employ a personal assistant (PA). A PA provides some of the help and support that may be required, both at home and in the community.

PAs need to have a range of skills to take on this work, and can be employed to do a great variety of tasks. This could include personal care (eg help with washing and dressing), walking the dog, watering plants, reading letters or helping the person on holiday.

If the person chooses to employ a PA, the personal budget amount should include money to recruit staff and to pay insurance, wages, national insurance, holiday, and sickness, maternity and redundancy pay. The local authority should take this into account when calculating the personal budget.

If a PA or other care worker is employed, a plan must be made in the event that they are sick or on holiday. This emergency plan should be included in the support plan. The local authority has a duty of care and must be sure that care needs are being met if there is a problem.

Direct payments example

Mahendra is 60 years of age and has early-onset dementia. He lives in a village in Nottinghamshire with his wife who is his main carer. Mahendra's wife needed a break from caring and Mahendra needed some social interaction.

Before receiving a direct payment, Mahendra attended a day centre where he could play dominos or bingo for two days a week, but he didn't enjoy it and felt he was too young for traditional day care services. He contacted his social worker to ask about receiving his personal budget as a direct payment.

Through the use of a direct payment he was able to find a male PA who shared similar interests. They enjoyed talking about tennis and Mahendra's work as a telecoms engineer. A direct payment support

service was able to help them with legal issues around employment. While Mahendra spent time with his PA, Mahendra's wife had free time to relax and to visit friends.

Information and support

There are a range of information and support services available for assistance with personal budgets. However, they are not available everywhere. A social worker or other support worker will be able to offer information about local advocacy, information and advice services. If the social worker indicates that there is no local organisation to offer support, then they must offer support. It is important to ask for it.

Examples of the type of support that the social worker might suggest are:

- If someone needs help to manage their direct payments, the social worker can ask a friend or relative of the person, or someone else who has authority to act on their behalf.
- If the person wants to employ their own PA, the social worker can provide information about organisations that help to arrange employer's liability insurance, and help with recruiting a PA.
- The social worker can signpost to a broker or payroll agency, who will work out how much national insurance and tax must be paid to a PA each month. There is usually a charge for this service, but the person can pay for that using part of the direct payment.
- If someone wants to buy care from an agency, the social worker can supply a list of agencies to choose from.

Local authorities are required to support people in managing personal budgets. Although everyone must be offered the direct payment method, they must also be supported if they would prefer services arranged by the local authority.

Having made an informed choice about care and support, the person should:

- receive a regular statement showing how their personal budget has been spent, and the remaining balance
- have easy access to support services that encourage them to think about new ways to use the personal budget flexibly to get the care and support that is most suitable for their needs.

People who pay for all of their own care (self-funders)

A person may be assessed as eligible for help, but have income and/or capital assets that mean they are not eligible for state-funded care. This does not mean that they have to cope alone. Even if they are paying for part or all of their own care to meet their assessed needs, the local authority should still provide information and support, if needed, to help to access and organise the services they choose.

Personal budgets for carers

Carers have a right to an assessment of their own needs by the local authority. This is called a carer's assessment. The aim is to support the carer to continue to care for longer. This right applies even if the carer lives separately from the person. It also applies if the person they care for refuses to have their own needs assessment. Local authorities have a duty to meet carers' eligible needs following a carer's assessment. For more information see factsheet 418, **Assessment for care and support in England**.

Once a carer has been assessed, they should be told the outcome of the assessment and a support plan should be agreed. If services are needed they can have them arranged or be offered a direct payment to meet their needs in a more flexible way.

Again, the payment must be used to meet the needs defined in their support plan. The intention is that they use the direct payment in a way that helps them to sustain their role as a carer and maintains

their health and wellbeing. Direct payments to carers can pay for various types of support, including taxi fares, gym membership, driving lessons, counselling and adult learning.

The local authority has the power to charge carers for services that are provided directly by them or via a direct payment. There will be a financial assessment, but income from any work that the carer or their partner does is not taken into account in this assessment. Any replacement care (respite care) provided for the person cannot be included as part of the carer's personal budget amount. It must be paid for by the person who receives the care from their personal budget.

Frequently asked questions

What if I disagree with the amount of money in my personal budget allocation?

If you have put together a support plan and you don't agree with the amount allocated in your personal budget, speak to your social worker or care manager and ask them to explain their decision in writing. If you feel that the amount of money is not enough to achieve the outcomes identified, the local authority must show how they plan to achieve them with this amount of money. You might want to involve an advocate or support worker to help you.

If, after negotiating with the social worker and a manager, you still feel the decision is unfair, you can make a formal complaint. Contact your social worker or local authority and ask them about their complaints process.

The same process can be followed if the local authority does not agree with your support plan or what you want to spend the personal budget on.

What if I do not spend all the money allocated in my personal budget?

It is important that the money allocated is spent. If it is not used, the local authority might decide that the care needs are not as great as are indicated in the support plan. This means the care package and the money to pay for it could be reduced.

What if I want to keep an existing service?

If you already receive services (for example an agency home care worker visiting to help with personal care) that were set up before the personal budgets system was in place, you may prefer to keep this arrangement. In this case, the local authority can manage the personal budget for you. However, you should be provided with all of the information and support required to make the decision, allowing you to make a positive choice. There should always be support available to help you to manage a direct payment, if you would prefer one.

How do I ensure that I keep safe?

It is important to be aware of any potential for abuse or harm that may occur when the arrangements are made. Although the local authority must protect people who may be in vulnerable circumstances, risk is an accepted part of life. The goal should be to manage risks in ways that improve your quality of life, while offering you protection from harm if you are vulnerable. This should be achieved through regular reviews of the services being used and how the personal budget is being spent.

What will the effect on my benefits be?

Personal budgets are not a replacement of income. They are not part of taxable income and they do not affect any other benefits.

Other useful organisations

Age UK

Tavis House
1–6 Tavistock Square
London WC1H 9NA

T 0800 169 8787 (general enquiries)
0800 169 6565 (advice line)
E contact@ageuk.org.uk
W www.ageuk.org.uk

Wales – Age Cymru

T 0800 223 444 (advice line)
E enquiries@agecymru.org.uk
W www.agecymru.org.uk

Northern Ireland – Age NI

T 0808 808 7575 (advice line)
E info@ageni.org
W www.ageuk.org.uk/northern-ireland

Provides information and advice for older people in the UK.

Citizens Advice Bureau (CAB)

Various locations

W www.citizensadvice.org.uk
www.adviceguide.org.uk
(online information resource)

Your local CAB can provide information and advice in confidence or point you to further sources of support. Trained CAB advisers can offer information on benefits in a way that is easy to understand. To find your nearest CAB, look in the phone book, ask at your local library or look on the website (above). Opening times vary.

In Control

Carillon House, Chapel Lane
Wythall
West Midlands B47 6JX

T 01564 821 650

E admin@in-control.org.uk

W www.in-control.org.uk

Voluntary sector organisation that offers support and information on self-directed support and personalisation for individuals, family members and carers.

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This factsheet has also been reviewed by people affected by dementia. A list of sources is available on request.



Alzheimer's Society National Dementia Helpline

England, Wales and Northern Ireland:
0300 222 1122

9am–8pm Monday–Wednesday

9am–5pm Thursday–Friday

10am–4pm Saturday–Sunday

alzheimers.org.uk

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