

Personal budgets

What are personal budgets?

The Children and Families Act 2014 introduces “the option of personal budgets for young people and parents of children and with SEN so they can choose which services are best for their family”ⁱ

The Department for Education further defines the personal budget:

“2. Clause 48 provides parents and young people with the right to request a personal budget when they have an Education, Health and Care Plan or where the authority is in the process of preparing a plan.

3. A personal budget is defined in the clause as an amount available to secure particular provision in the plan with a view to the child’s parents or the young person being involved in securing the provision. This will include special educational, health and social care provision but regulations will make provision to exclude universal provision where this is included in the plan”ⁱⁱ

The *(0-25) Special Educational Needs Code of Practice Code of Practice* describes a personal budget as:

“An amount of money identified by the local authority to deliver all or some of the provisions set out in an EHC plan. By having a say in the way this budget is used, a parent or young person can control elements of their support. Personal budgets should reflect the holistic nature of an EHC plan, covering education, health and care services as appropriate, where additional and individual support is agreed through the planning process”ⁱⁱⁱ

Personal budgets are one element of a personalised approach to supporting children and young people with SEN or a disability. They will not operate in isolation but will rather work as part of coordinated Education, Health and Care (EHC) assessment and planning processes, with a clear focus on improving outcomes for children and young people with SEN or disabilities.

There are different types of personal budgets, these include:

A personal social care budget: This refers to the budget that will be made available if it is clear that a young person or child is assessed as needing additional and individual support at home and when out and about in the local and wider community.

A personal health budget: This refers to the budget that will be made available should a young person or child have complex, long-term and/or a life-limiting condition/s. A personal health budget may also be made available to help with equipment costs or other health

services. Children, who are supported through 'Continuing Care' funding, have had the right to request a personal health budget from April 2014, (this will become a 'right to have' in October 2014). From August 2013, the NHS has the legal power to give direct payments.

A personal SEN budget: This is a sum of money made available by a local authority because it is clear that without this additional (top-up) funding it will not be possible to meet the child's learning support needs. The school/college involved will already have funding for learning support across the school; only pupils or students with more complex learning support needs are likely to need a personal SEN budget. In some circumstances the Head teacher/principal and school or college/learning provider may choose to offer some funding towards a personal SEN budget; this will always be the decision of the head teacher.

A key approach that ensures that Parents and Carers, children and young people are actively placed at the heart of the system is person centred planning. A person centred approach to planning means that planning should start with the individual (not with services), and take account of their wishes and aspirations, and the support they need to be included and involved in their community.

Person centered planning aims to empower Parents, children and young people so that they have more control over assessment and decision making processes. It enables continual listening and learning, focusing on what is important to someone now and in the future, and acting on this in partnership with their family and their friends.

Family or person centred planning uses a number of techniques, all of which aim to reflect how the person communicates and help them to outline their needs, wishes and goals. Some of the central features of person-centred methods and approaches are:

- Focusing on the child or young person, not their needs or diagnostic label;
- Using ordinary language and images, rather than professional jargon;
- Actively highlighting a person's strengths and capacities;
- Strengthening the voice of the person, and those who know the person best to say what they have done, what they are interested in and what outcomes they are seeking in the future;
- Tailoring support and personal budgets around the person's plan.

Using these approaches, educational settings, professionals and local authorities need to ensure that parents, children and young people are genuinely involved in planning, review and decision-making processes. This should then inform commissioning decisions for both support and opportunities; deliver a responsive local offer and for those that need them

ensure that EHC plans are co-produced and reflect aspirational and achievable outcomes for the individual.

In March 2011, the Government published its consultation Green Paper on special educational needs and disability. The purpose of the Green Paper was to test a range of proposals. Grants were awarded to 31 Local Authorities in England, who formed 20 SEND pathfinders with their Primary Care Trust partners. The pathfinders were asked to:

“...design new arrangements to pilot and test how well they work in practice to better support life outcomes for children and young people; to give parents confidence by giving them more control; and to transfer power to professionals on the front line and to local communities.”^{iv}

Evidence from the Pathfinders has supported the development of personal budgets and has identified a number of emerging principles^v:

- Personal budgets should be an integral part of the EHC process in order to empower creative solutions.
- All decisions about personal budgets (including direct payments) should be made with the involvement of the family/young person.
- Personal budgets should reflect the holistic nature of an EHC, which details agreed outcomes to be achieved across education, health and care
- Personal budgets should allow families and young people to manage agreed elements of the additional and individual support they need.
- Personal budgets should be based on clear agreed outcomes.
- The process for getting a personal budget should be transparent and challengeable.
- Personal budgets should support greater family resilience.
- Families and young people should have the opportunity to manage all, some or none of their personal budget - either themselves or with third party support.
- Where Parents or Carers do not want a personal budget, other ways should be identified to offer them choice and control, so that they can exert influence on planning, review and provision effectively and within their capacity.
- Effective monitoring and audit arrangements should be established which are not onerous to families and which are not overly bureaucratic.

- Personal budgets should be underpinned by strategic commissioning principles that allow for greater choice in the market and support market development.
- Information and support should be available to support Parents or Carers/young people who are interested in taking up and managing a personal budget, including information on sources of independent advice.

What personal budgets will involve

The following information is adapted from the DfE website and the (0-25) SEN Code of Practice.

Parents or Carers and young people can request a personal budget once the authority has confirmed an EHC plan is necessary, or when the authority is undertaking a statutory review of an existing EHC plan. Local authorities must consider this request, and offer information to Parents or Carers to help them to decide whether they wish to make such a request.

The personal budget can include funding from education, health and social care sources. Local authorities and their partners must set out arrangements for the local agreement of personal budgets in their joint commissioning arrangements. Where local governance or pooling arrangements exist, funding in a personal budget can be used to commission joint provision across all three services.

Base funding, notional SEN budget and high-needs block funding enable schools and colleges to provide teaching and support arrangements for all of their pupils.

Where a pupil's individualised needs exceed the level of provision the school or college normally provides additional funds (as defined by the DfE) which:

- Can definitely come from funding provided by the LA from their high-needs block
- Can possibly come from funding managed by a school or college, if the head or principal agrees.

It is normally these additional funds, beyond the normal provision as set out in the local offer, that would be offered as part of an EHC personal budget. This definition explains where funding will and 'may' come from with the agreement of the education provider. There is no expectation that the school will release funding from its own budget, but there is the opportunity for a school to choose to do this if it is clear it is the best way to improve outcomes and the support the child or young person receives.

Funds that are delegated to schools and colleges will not normally be in scope for inclusion in a personal budget, unless the institution has previously agreed to this. Personal budgets must not be used to fund a school place.

Personal budgets do not replace schools' banded funding (which is based on the assumption that schools will have already put in place provision to address clearly identified need from within the resources available and that, despite remediation over a period of time, this has not enabled the child to make progress). The purpose of Banded Funding is to: (1) enable schools ability to obtain funding for early intervention which helps the child make progress; (2) minimise bureaucracy; and (3) encourage parental confidence in schools' ability to make provision for a child without the necessity of the formal Statutory Assessment process.

Details of personal budgets should be set out clearly within an EHC plan, including the amount of the budget and what it will be used for. Funding for special educational provision must be set at a level that will deliver the specified provision. Local authorities should include details of any proposed personal budget in the draft plan that is shared with Parents or Carers.

Parents or Carers should be given four options for the control of their budget:

1. Direct payments – where individuals receive the cash to contract, purchase and manage services themselves.
2. An organised arrangement – where the authority retains the funds and commissions the support specified in the plan (these are sometimes called notional arrangements and can also be used where contractual or funding arrangements mean that cash cannot be released as a direct payment or where economies of scale may be present).
3. Third party arrangements/nominees – where funds are paid to an individual or another organisation on behalf of the parent/young person and they manage the funds.
4. A combination of the above.

Direct payments are cash payments made directly to Parents or Carers, young people or their representatives, allowing them to arrange their own provision. Regulations governing the use of direct payments for special educational provision place a number of requirements on both local authorities and Parents or Carers before a direct payment can be agreed. These include requirements:

1. To consider the impact on other service users and value for money;
2. To seek agreement of educational establishments where a service funded by a direct payment is delivered on their premises;
3. To make arrangements to monitor and review the payment;

4. For direct payments to be paid into a separate bank account unless the payment is a one off.

The regulations also prohibit certain people from receiving cash payments (such as those subject to Drug or Alcohol rehabilitation orders).

Impartial information on how to request a personal budget and eligibility criteria must be provided as part of a local authority's local offer. Local authorities should provide information, advice and support for Parents or Carers and young people themselves in understanding what a personal budget entails and how it can be used. Information should include sources of independent advice available to families and should provide support on both the take-up and management of a personal budget (especially when this is delivered through a direct payment).

What personal budgets change or replace

If Parents or Carers, young people or their representatives take up the option of a personal budget, the personal budget replaces all current funding arrangements for additional and individual support above and beyond that which is normally available.

What schools need to do and/or be aware of

- Preparing a personal budget for children or young people with an EHC Plan (or for those they have assessed as needing a plan) if asked to do so by the parent or carer or young person, is the responsibility of the local authority.
- Personal budgets should be an integral part of the EHC Plan process in order to empower creative solutions.
- All decisions about personal budgets (including direct payments) should be made with the involvement of the family/young person.
- Personal budgets should reflect the holistic nature of an EHC Plan, which details agreed outcomes to be achieved across education, health and care.
- Local authorities must get the permission of a school or college before making any direct payments that might be used for services provided on their premises.

In terms of implications for school budgets and budgeting:

- The introduction of personal budgets and EHC plans will not cut schools general or SEN funding overall. Schools will continue to get their funds for all their pupils, including those with SEN, through their local authority's funding formula. The authority can provide more for SEN in certain circumstances.

Local authorities also provide top-up funding in respect of pupils with additional SEN support that costs more than a certain amount (£6,000 per annum in most authorities). So although schools will be getting their funds in different ways, they should not see budget reductions (school budgets will also be protected by the minimum funding guarantee. For more information see:

www.education.gov.uk/vocabularies/educationtermsandtags/6654)

- There is no 'required funding' threshold, over which a child or young person will require an EHC Plan. The legal definition of who requires a statement remains the same in the transition to EHC plans. A child will require an EHC plan if the nature of their disability or learning difficulties is such that it requires the local authority to determine the child's special educational provision through an EHC plan.

Local authorities will work with their local schools to define what additional support for all pupils with SEN is regarded as normally available in schools from their budget. In most local authorities, this is support which costs up to £6,000 per pupil per annum, and will form part of the local offer for children with SEN.

Local authorities will also work with schools on additional resources that may be needed for individual pupils with SEN, whether or not an EHC plan is needed.

ⁱ Department for Education website policy page *Increasing options and improving provision for children with special educational needs (SEN)* (Last updated 4 October 2013
<https://www.gov.uk/government/policies/increasing-options-and-improving-provision-for-children-with-special-educational-needs-sen>

ⁱⁱ Department for Education Children and Families Bill: Note from the Department for Education to the Public Bill Committee on Clause 48. March 2012
<http://media.education.gov.uk/assets/files/pdf/p/policy%20statements%20combined.pdf>

ⁱⁱⁱ Indicative Draft: The (0-25) SEN Code of Practice, 6.11 paragraph 1.
<http://media.education.gov.uk/assets/files/pdf/s/sen%20code%20of%20practice%20indicative%20draft%20of%20committee.pdf>

^{iv} See: <http://www.sendpathfinder.co.uk/>

^v See: <http://www.sendpathfinder.co.uk/>