

CALCULATING A PERSONAL BUDGET



P37 –PROCEDURE

V1

2018-11-28

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THIS PROCEDURE APPLIES IN THE FOLLOWING DIRECTORATE(S)/ UNIT(S)

- Adult Social Care, Excluding Cumbria Care

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1. INTRODUCTION/ BACKGROUND

Our principle

We want people to remain in control of their lives, to remain independent and to have the opportunity to make their own choices about their care and support arrangements.

This document seeks to provide an overview of the procedure for calculating a personal budget to meet people's needs for social care support – it is aimed at all staff and other stakeholders involved in the support planning process. Unless otherwise stated it applies equally to adults with care and support needs and carers with support needs. It should be read in conjunction with:

- The Care Act 2014 - Part 1 Next Steps After Assessment
- Care and Support (Personal Budget: Exclusion of costs) Regulations 2014
- Care and Support (Direct Payments) Regulations 2014

- The Care and Support (Cross-border Placements and Business Failure: Temporary Duty)
- Chapters 10 and 21 of the Care and Support Statutory Guidance
- Health and Care Services internal procedures and guidance

What is a Personal Budget?

A personal budget is an allocation of funding to meet assessed eligible care and support needs. The personal budget must always be an amount sufficient to meet the person's care and support needs, and must include the cost to the local authority of meeting the person's needs which the local authority is under a duty to meet, or has exercised its power to do so. This overall cost must then be broken down into the amount the person must pay, following the financial assessment, and the remainder of the budget that the authority will pay.

When we talk to people about what they want to achieve and how to plan to achieve them we will first look at their immediate strengths, for example, what they can do for themselves and what support is available from their network i.e. family and friends and what community resources could help them, for example voluntary groups. After that, if there are still eligible outcomes that cannot be achieved in any other way we may agree to help pay for them.

We initially set a budget using our resource allocation tool that helps us to determine how much we may need to spend based on the person's assessed needs. This helps us to work with the person on their individual care and support plan.

Using this figure as a starting point, together we will write a detailed care and support plan which will determine more accurately the costs of care based on their individual circumstances. This may be more or less than the initial amount.

We will also talk with the person about their finances to work out what they should contribute towards the budget. The final combined figure is a personal budget.

We will use the following principles in setting the personal budget: transparency, timeliness and sufficiency. This will ensure that the person, their carer, and their independent advocate if they have one, is fully aware of how their budget was calculated, that they know the amount at a stage which enables them to effectively engage in care and support planning, and that they can have confidence that the amount includes all relevant costs that will be sufficient to meet their identified needs in the way set out in the plan.

We will explain that the initial indicative amount can be increased or decreased depending on the decisions made during the development of the plan, but we will base these discussions on the range of options that will meet statutory requirements in responding to assessed need and our 'reasonable offer' principle. These principles apply to both the indicative upfront budget and the final signed off personal budget that forms part of the care and support plan. This should prevent disputes from arising, but it must also be possible for the person, carer or independent advocate (on the person's behalf) to challenge the local authority on the sufficiency of the final amount.

2. PROCEDURE

How to calculate a Personal Budget

The personal budget must be an amount that is the cost to the local authority of meeting the person's care and support needs. In establishing the 'cost to the local authority', consideration should be given to local market intelligence and costs of local quality provision to ensure that the personal budget reflects local market conditions and that appropriate care that meets needs can be obtained for the amount specified in the budget .

We do not have a rigid policy as to what the maximum level of funding will be, but we operate a decision making process that considers all proposed personal budget allocations. This process considers:

- Individual's needs
- What options are available to meet those needs
- The Council's need to ensure value for money and comply with all statutory duties.

The Council will agree a '**reasonable offer**' which considers value for money and affordability of meeting a person's needs in different settings. This 'reasonable offer' will be based on ensuring that the Council is able to meet its statutory requirements in responding to assessed needs. The reasonable offer will be calculated in the following way:

- 1) Needs identified through assessment
- 2) A range of possible options will be identified and discussed with the individual
- 3) Benchmark costs for each option will be calculated using our usual price fee rates for independent residential care or for 'Shared Lives' services, for particular user groups. Where care at home is being considered we will also apply local framework rates for support at home providers to help in determining the value of the personal budget.
- 4) The reasonable offer will also take into account the potential for signposting and referral to other support that does not require personal budget spend.
- 5) The most affordable setting where we can meet the needs and keep the person safe will then be identified.
- 6) This will form the basis of the initial personal budget allocation, and 'reasonable offer'
- 7) Individuals will be given the opportunity to express a choice for a different option and increased personal budget and this will be considered at a budget holder level. The increase will be granted only where there are exceptional circumstances justifying this, taking into account the individual's particular needs.

Personal budgets and direct payments

The amount calculated as the 'reasonable offer' will also be used as a benchmark to help base the personal budget which can be taken through direct payments.

When the budget has been agreed, the person can choose to have this money as a Direct Payment. It may be appropriate to increase the personal budget to allow for additional costs incurred because support will be delivered through direct payments in some circumstances. However, a request for needs to be met via a direct payment does not mean that there is no limit on the amount attributed to the personal budget. There may be cases where it is more appropriate to meet needs via directly-provided care and support, rather than by making a direct payment. For example, where there is no local market for a particular kind of care and support that the person wishes to use the direct payment for, except for services provided by the local authority.

It may also be the case where the costs of an alternate provider arranged via a direct payment would be more than what the local authority would be able to arrange the same support, whilst achieving the same outcomes for the individual. In these circumstances to enable the person to exercise choice and control we would agree the 'reasonable offer' amount for the personal budget and the person, if they choose to, can contract with a provider of their choice and make up the difference out of their own finances. In these circumstances the additional payments made by the person would be outside of our charging process.

What happens if the proposed budget exceeds the reasonable offer?

In cases where a proposed personal budget exceeds the 'reasonable offer', the care plan should be reviewed to ensure that it is accurate and that the personal budget allocation is correct applying the principles set out in our 'reasonable offer'. The practitioner should work with the person, their carer and independent advocate (if there is one) to agree on how best to meet their care and support needs. It may be that the person can take a mixture of direct payment and local authority-arranged care and support, or we can work with the person to discuss alternate uses for the personal budget.

Agreeing the plan (including sign off/approval and monitoring arrangements)

The care and support plan should be signed off when the person, any third party and authority have agreed on:

- the factors within the plan,
- the personal budget amount and how the needs in question will be met.

The agreement should be recorded and a copy placed within the plan. Responsibility for sign-off should take place at the most appropriate level.

DOCUMENT HISTORY

RELATED DOCUMENTS	
OTHER RELATED DOCUMENTS	P37 Procedure Care and Support Planning
LEGISLATION OR OTHER STATUTORY REGULATIONS	<ul style="list-style-type: none"> • The Care Act 2014 - Part 1 Next Steps After Assessment • Care and Support (Personal Budget: Exclusion of costs) Regulations 2014 • Care and Support (Direct Payments) Regulations 2014 • The Care and Support (Cross-border Placements and Business Failure: Temporary Duty) • Chapters 10 and 21 of the Care and Support Statutory Guidance
DOCUMENTS SUPERSEDED BY THIS PROCEDURE	

APPROVAL AND REVIEW	
Original Author:	Paul Latimer
Current Author: <i>(If different to original author)</i>	
Authorising Assistant Director:	Catherine Whalley
Approved By: <i>(Insert groups/ bodies and dates)</i>	
Consultation: <i>(Insert details of who has been consulted on this procedure)</i>	Sarah-Lyn Strong Mark Humble Mark Hastings Nick Waterfield
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