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Policy & Scrutiny Committee Community and Older People

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Introduction to Personal Budgets, current position, and direction of travel

Overview of topic

This paper provides an introduction to Personal Budgets for the COP Policy and Scrutiny Committee, in advance of scrutiny taking place at the November meeting. This follows the concerns raised following internal audit reported to the Audit Committee in September 2011.

Background information

A Personal Budget is social care funding paid to individuals who are eligible for support from ECC, and is used to commission support in line with an agreed Support Plan which meets their eligible needs.

Individuals are able to choose how their Personal Budget is managed from the following options:

- Having their Personal Budget paid directly to them as a Cash Payment
- Having their Personal Budget managed by a deputy or another person / organisation
- Having their Personal Budget managed by Essex County Council

Personal Budgets can be spent in a number of ways:

- Paying someone to provide support (i.e. a support worker or personal assistant)
- Other ways of meeting needs (attending a college or local community groups)
- A piece of equipment or other one-off purchases that meet the assessed needs
- Other solutions – Personal Budgets provide flexibility to adopt more

creative solutions that fit the individual's needs

Personal Budgets do not have an impact on benefits or other income, and this funding is tax-free.

Personal Budgets must be commissioned against an agreed Support Plan, which each individual must produce with support from ECC. This plan must show what is important to that individual, and how their Personal Budget will meet their individual needs. It must also show how any risks will be managed to ensure the service user's safety. Prior to producing a Support Plan, individuals will be given an indicative Personal Budget, which shows the likely cost of the support an individual might need, and the funding available from Essex County Council. Once a Support Plan is agreed, the Personal Budget amount will be confirmed.

Current position

The following figures provide an outline of current performance around the provision of Personal Budgets in Essex (figures up to end of August except where stated otherwise):

- 84% of individuals receiving a funded community-based service (excluding Essex Cares) are receiving this via a Personal Budget
- This equates to 11,698 individuals, more than double than at this point last year
- Of these, 2443 received their Personal Budget as a Cash Payment (around 25% of the total) at 31 July
- 13% of older people took their Personal Budget as a Cash Payment
- 46% of Working Age Adults (i.e. those with a Physical or Sensory Impairment, and those with a Learning Disability)

Longitudinal study of cash payments for Adult Social Care in Essex

In October 2008, at the time of introducing personal budgets for adult social care, Essex County Council (ECC) commissioned the Essex Coalition of Disabled People (ecdp) and OPM to conduct a three-year, longitudinal study into the system of cash payments. The study aims to:

- Capture the impact of self-managed cash payments on the lives of people who use them, including evidence of how and why impact is being achieved over time
- Assess the effectiveness of practices and processes being used by ECC and its partners to support the delivery of cash payments, including evidence of how the market is evolving to respond to the needs of individuals with a cash payment over the study period

The second round of the study reported earlier this year and presented a

balanced view of the development of Personal Budgets in Essex. The report is available [online](#) via the ECC website. It highlighted that:

- Individuals felt they were receiving more tailored, flexible services
- Providers engaged via cash payments were becoming more flexible
- Increased control for service users
- Stronger emotional wellbeing
- Stronger sense of self
- Increased opportunities for social interaction
- Improved family relationships

The report also noted areas for further development. Some individuals reported feeling stress and anxiety as a result of:

- Loss of feeling of certainty provided by managed services
- Perception of additional administration for the user
- Difficulty accessing support and advice
- Delays in receiving payments

The overall picture is one of enhanced choice and control, and the service is continuing to work to address the areas for improvement.

Future direction for Personal Budgets

Essex County Council continues to promote Personal Budgets and in particular Cash Payments (whereby individuals manage their own support rather than ECC or a third party) as the best route for maximising service user independence. AHCW has a key pledge this year of increasing the provision of Personal Budgets to individuals with Dementia by 20%, in addition to increasing the uptake of Assistive Technology by the same figure.

Personal Budgets afford a greater degree of flexibility and ultimately independence for the service user. This is to be expanded with the introduction of Payment Cards for those people choosing to manage their Personal Budget themselves (as a Cash Payment). Service users will be provided with a Visa Card which is pre-loaded with their agreed amount of funding each month, and will then be able to use the card to pay for the services they access in line with their support plan. There will also be a card available for one-off purchases, for example of equipment.

The introduction of payment cards will enable a significant reduction in bureaucracy around the provision and monitoring of cash payments. It will also improve customer experience by providing a payment card ready for use within four days of the Support Plan being validated. ECC will be able to receive real time exception management reporting on financial information. Customers will

have access to a 24 hours / 365 days a year helpline to provide support in using the card.

We have just completed the Tender process and are in the final stages of awarding the contract.