



Customer Factsheet

Calculating a Personal Budget

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 factsheet helps to understand the way in which Cumbria County Council will arrange and calculate a personal budget to meet people's needs for social care support – it is aimed at all people, relatives and other stakeholders involved when planning for support. Unless otherwise stated it applies equally to adults with care and support needs and carers with support needs.

What is a Personal Budget?

A personal budget is an allocation of funding provided by Cumbria County Council to meet assessed eligible care and support needs. The personal budget will always be an amount sufficient to meet the person's care and support needs, and will 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 budget will be broken down into the amount the person must pay towards meeting their care and support needs, following a 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 these things 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.

The Council will initially set an indicative budget that helps us determine how much we may need to spend based on the person's assessed needs. 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 a person's individual circumstances to agree a final personal budget.

We will explain that the budget 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.

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 will be given to local market conditions to ensure that the personal budget is based on local market rates 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. Where care at home is being considered we will also apply local contracted 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. 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. A request for needs to be met via a direct payment does not mean that there is no limit on the personal budget amount. There may be cases where the Council may decide 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.

There may also be occasions where a person chooses a provider via a direct payment costing more than what the local authority would pay 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 based on what the local authority could arrange the care and support for 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 the Council's 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 allocated practitioner will work with the person, their carer and independent advocate (if there is one) to agree on how best to meet the person's 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.

The care and support plan will be signed off when the person, any third party and Cumbria County Council have all agreed on the plan and the personal budget amount.