



# Personal Budgets and Special Educational Needs & Disabilities

## Overview and Best Practice Guide

### Summary

Both this government and the previous Labour administration have pioneered a more personalised approach to public service delivery, first and foremost in the field of adult social care. As a result of the [Children and Families Act](#), this personalised approach will now be embedded in services for children and young people with Special Educational Needs and Disabilities (SEND), through the use of [Education, Health and Care Plans](#) (EHCPs) and [personal budgets](#).

The government launched an [SEND pathfinder programme](#) in September 2011, which ended in March 2014. These pilots tested the new practices laid out in the Green Paper [Support and Aspiration: A New Approach to Special Educational Needs and Disability](#). As a result of this programme, the government has elected to roll out SEND reform nationally from September 2015.

There are new **opportunities** for the voluntary sector as a result of these changes, but also big **challenges**. The roll-out of personal budgets into SEND support means that VCS organisations providing services need to adapt to a **personal budgets context**, and may need to work on **marketing their services** and adjusting their **financial systems**.

### Key definitions:

1. **Personalisation** is the general principle of person-centred support designed around user choice.
2. An **Education, Health and Care (EHC) Plan** is a document which will replace Special Needs Statements from September 2014. It applies to children and young people from birth to 25, and brings different services together to ensure comprehensive support.
3. A **personal budget** is used for social care and support needs.
4. A **personal health budget** is used for NHS healthcare and support needs.
5. A **personal education budget** is a sum of money made available by the local authority because it is clear that without this top-up funding it will not be possible to meet the child's learning support needs.
6. A **direct payment** is one way of managing these budgets, where money is transferred directly to the service user (or their parent/carer) who then purchases agreed care and support themselves.
7. A **Resource Allocation System (RAS)** is a system that is used by the local authority (or NHS) to calculate how much money a person needs in their personal budget.
8. The **local offer** is a directory of all services – specialist and general – in an area available to children and young people. Local offers are mandatory as of September 2015.
9. **Full cost recovery (FCR)** is how a provider (e.g. a charity) recovers funds to cover all overheads, and ensures that the full cost of an activity or service is covered.

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## 1. How will the new system work?

SEND reforms are being implemented as part of the [Children and Families Act](#), which received Royal Assent in March 2014. Support for children and young people with SEND will now extend from **birth to 25**, instead of being cut off at 16, as was previously the case. These reforms aim to embed [personalisation](#) into SEND provision, in the same way that it has been pioneered in **adult social care**.

The reforms introduce **Education, Health and Care Plans (EHCPs)**, which replace the current system of Statements of Special Needs. The **eligibility** for support is **not changing** – it is anticipated that any young person who currently has a statement of SEND will receive an EHCP.

The aim of the EHCP is to join up services around the child to ensure they are receiving holistic, integrated support which meets their needs and achieves agreed outcomes. There will be **no national template** for EHCPs; local authorities will be able to design them as they see fit.

Southwark Council is currently **testing** EHCPs; every parent who has been offered one (as opposed to a statement) has decided to take it up.

This is where [personal budgets](#) come in. From September 2014, where there is a child or young person with **higher levels of need** who is eligible for **top-up education** funding (sometimes called element 3), they or their family will be given an **EHCP** and will be able to request a **personal budget**. They **do not** have to have a personal budget – they can still receive support in the traditional way, where services are arranged for them by a local authority. Personal budgets are **entirely optional**.

It will take up to **three years** for all children with SEND to have an EHCP instead of a statement, and the council will put in place a system whereby children with Statements of Special Needs are **gradually transferred** onto the new EHCPs.

If, in addition to **top-up education funding**, a child or young person is eligible for support from **social care** or **NHS continuing care**, money provided for this can

be brought together under the EHCP to create one **personal, pooled budget**.

The council is currently testing its [Resource Allocation System](#) which is based on the system for adult social care personal budgets. Children/young people or their parents/carers will be asked to complete an assessment (or self-assessment) which the council then uses to calculate a sum of money – an indicative allocation for their personal budget. Those who qualify for support will be asked to put together an **EHCP**, which they can do with help from a **support planner**. This will be discussed with (and agreed with) the council.

Southwark Council intends to assign **assessment co-ordinators** to assist children/young people and their parents/carers through the assessment process and putting together a support plan. Once an EHCP has been agreed, children/young people and their parents/carers will have **three options** for how they manage their personal budget:

1. Receive the money themselves as a **direct payment** paid into a bank account, and spend it directly on support/services.
2. Ask an **independent broker** to hold and spend the money on their behalf.
3. Ask **commissioners** (the council or the NHS) to hold and spend the money.

As part of the reforms, local authorities are also obliged to publish something called a **local offer**. This is explored in more detail in the next section.

Additionally, from September 2014, local commissioners will be required to work **together** in the interests of children and young people with SEND. This is called **joint commissioning**. Local authorities and Clinical Commissioning Groups (CCGs) will be required to commission services for children with SEND **jointly**, for those both with and without EHCPs.

Personal budgets for SEND will begin to be introduced from **September 2014**, but will likely be fully implemented in Southwark from **March 2015**.

## 2. The local offer

As a result of the Children and Families Act, each council now has a duty to produce a local offer, which needs to be established by September 2014. Some local authorities have produced them already, e.g. the London boroughs of [Greenwich](#) and [Bromley](#). Both Greenwich and Bromley were part of the government's [SEND pathfinder project](#).

The local offer has to contain details of services available to all children/young people with SEND across a local area. This will include provision from **birth to 25** across education, health and social care.

The local offer will include:

- Early years and under 5s support and services
- Schools, academies and free schools
- Further education colleges and training opportunities
- Employment opportunities and helping young people prepare for adult life
- Health service information
- Social care information

It must include information on services across education, health and social care and from birth to 25, how to access **specialist support**, how decisions are made including **eligibility criteria** for accessing services where appropriate, and how to **complain** or appeal.

It is **very important** for voluntary and community sector (VCS) organisations to make sure they are **included in the local offer**, as this will be key resource for parents when they are purchasing services with personal budgets. In practice, this means registering the details of the organisation and its services with the local authority, which manages the local offer. Additionally, regulations require the inclusion of information about personal budgets in the local offer.

Southwark Council has now finished the initial design and build phase of the local offer, and are developing the content. They have provided a template for local organisations to submit information about their services. The first deadline for submission of this information is 20<sup>th</sup> August 2014, but there will be

regular opportunities (every 2 or 3 months) for organisations to submit or update their details. For a copy of this template, please contact us – [Rachel@casouthwark.org.uk](mailto:Rachel@casouthwark.org.uk)

In order to make the most of the local offer, we suggest submitting clear information that is attractive to both parents and young people. **Video clips** and **pictures** are likely to catch the eye, and the website has the facility to display these.

## 3. Key challenges for the VCS: how can you respond?

The move towards greater use of personal budgets poses a number of challenges for the VCS. Organisations need to consider how they **market their services** to young people and families who use personal budgets. There are implications for communications, for pricing, invoicing and accounting systems, long-term financial management and for staff recruitment and the way in which staff contracts are constructed.

There are opportunities around providing **third party brokerage services** to personal budget holders. However, whether or not organisations become formal brokers for personal budget, people will **ask them for information and advice**, and they should be prepared for this.

In order to secure the best outcomes for the VCS as a whole, a **partnership approach** is needed. Because organisations will be **competing** to attract the business of personal budget holders, it is important that the sector, as whole, tries to **support itself** as much as possible. Organisations should try to work in partnership with other providers, and **refer** families on to them when this is appropriate. For example, if a family is looking to procure a particular service and approach an organisation that **does not** provide that service, the organisation might make sure that it refers that family to another VCS organisation that **does** provide the service.

Organisations will also need to better understand the **costs** of the services they provide, become more efficient and **optimise** the way they use **resources**. They will need to ensure they are charging for services

in such a way that they are achieving **full cost recovery**, in order to effectively cover their overheads. They may need to **diversify** their **income streams** and look at bringing in money via other channels, or reassess what services they offer and how these can best meet the needs of the market (i.e. personal budget holders/people). This means, on the whole, that organisations may need to adopt and hone some **business skills**.

Adapting to a system whereby service users commission and pay for services themselves may mean changes to **administrative and financial systems** are required. It is likely that the system for SEND will work in much the same way as it currently does for **adult social care**. In Southwark, personal budgets in adult social care are paid **every 4 weeks in advance**. Those spending personal budgets through direct payments are asked to keep their receipts for any spending **over £5**, complete a quarterly form, and have their bank statement checked by the local authority.

EHCPs will be constructed in a very **outcomes-focused way**. Therefore it is important that VCS organisations understand how they are positioned to help individuals achieve these **outcomes**.

In Southwark, all council **contracts** for SEND support services will be extended until **September 2015** in order to avoid market destabilisation. However, after this point, there may be a reduction in **core funding** for services that, it is expected, will be purchased through personal budgets.

#### 4. Questions for the VCS to consider

In order to prepare for the rollout of personal budgets in SEND, here are some key questions that organisations should consider:

1. **What do you offer?** It is very important to be very clear what exactly your services are, what outcomes they help people achieve and the value of these services for those who use them.
2. Do the services you offer reflect the **needs of local people?** How do you **make sure of this?**

3. Do your services offer **good value for money?**
4. Do you know how to **price your services** and ensure you are **recovering all your costs?**
5. Do you know exactly **who** you need to **market** your services to?
6. Do you have appropriate and effective ways of **marketing** your services for that audience?
7. Are your **financial systems** ready for personal budgets? Do you feel your organisation is **resilient** enough to handle the shift over the longer-term away from contracts and towards personal budgets?

We offer support to organisations through the delivery of **training, workshops, and consultancy**. To explore what services we offer, please click [here](#) to visit the relevant part of our website.

You can find out more on personal budgets and their impact via resources on our website, which are available [here](#).

If you need further information on SEND and personal budgets, and advice on how we can help you, please contact **Rachel Clarkson, Policy Officer** via [Rachel@casouthwark.org.uk](mailto:Rachel@casouthwark.org.uk)