



HFMA briefing
November 2018



How it works

Personal health
budgets and integrated
personal budgets



Contents

Introduction	3
What is a personal health budget?	3
History of personal health budgets in England	4
Why do personal health budgets matter?	4
Personalised care and personal health budgets	5
Who can have a personal health budget?	6
How is a personal health budget calculated?	7
Delivery of personal health budgets	8
Personalised care and support planning	9
Financial monitoring and audit	10
Managing risk	11
Integrated personal budgets	12
Conclusion	13
Further information	14

Acknowledgements

The HFMA is grateful to all those who assisted with this briefing:

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Introduction

The role of the person in managing their own health and wellbeing is a key part of the development of integrated care systems across the NHS. For some people, this can be enabled by the use of a personal health budget within a wider personalised care approach.

This briefing takes an in-depth look at personal health budgets – what they are, why they matter and how they fit within the wider NHS. It considers how personal health budgets can be delivered and how they are monitored, taking into account the perceived risks.

This briefing looks at personal health budgets from the finance department's perspective and will be of interest to anyone involved in the development of personalised care approaches, commissioning services outside of primary and emergency care, and those charged with meeting their clinical commissioning group's (CCG's) obligations to increase personal health budget numbers.

What is a personal health budget?

A personal health budget, often referred to as a PHB, is an amount of money to support a person's identified health and wellbeing needs. It is based on a personalised care and support plan, which is planned and agreed between the person, or their representative, and the CCG. It is not new money, but a different way of spending health funding to better meet a person's needs.¹

A personal health budget can be used to pay for a broad range of goods and services that have been agreed to meet health and wellbeing outcomes through the personalised care and support planning process.

A personal health budget is not suitable for all aspects of care and support. The following services cannot be included within a personal health budget:

- Primary medical services provided by GPs

- Public health services, such as vaccination, immunisation or screening
- Urgent or emergency treatment services
- Surgical procedures
- NHS charges, such as prescription or dental charges.

A more detailed list can be found in the NHS direct payments guidance².

In addition, a personal health budget cannot be used for things it would be inappropriate for the NHS to fund, including:

- Purchase of alcohol or tobacco
- Gambling
- Repayment of a debt
- Anything illegal or unlawful.

¹ NHS England, *Finance and commissioning handbook*, June 2017

² NHS England, *Guidance on direct payments for healthcare: understanding the regulations*, June 2017

History of personal health budgets in England

Personal health budgets were first proposed in the 2008 *NHS next stage review*³ and ran as a pilot programme between 2009 and 2012 across 64 sites, with 20 evaluated in detail. Personal health budgets in the pilot programme were trialled in a number of clinical areas, including continuing healthcare, diabetes, mental health, chronic obstructive pulmonary disease (COPD), stroke and long-term neurological conditions.

However, the NHS was not creating an entirely new concept as, in 2003, it became mandatory for local authorities to offer direct payments to all people eligible for social care services, to be mainly spent on personal and domestic support, through the employment of personal assistants. This approach had been possible since 1996, but the legislation meant that numbers increased significantly.

In 2005, individual budgets added a more personalised approach to direct payments, allowing people more choice and control over how the funding supported them. People in receipt of individual budgets were offered a choice of how to receive them, be that a direct payment or a supported approach, as described later. Additional funding streams were added to the budget, enabling people to include elements such as disabled facilities grants and independent living funds, as well as social care monies.

The approach to personal health budgets in the NHS therefore built upon what had been learnt through the work in local authorities and uses many of the mechanisms developed to deliver them.

Why do personal health budgets matter?

Personal health budgets enable people to have more choice and control over the care and support that they receive. The personal health budget process allows people to have a greater input into how NHS money is spent to meet their needs, even if the process does not lead to the direct payment of a budget.

The evaluation of the personal health budget pilot in 2012 found that personal health budgets significantly improved quality of life and psychological wellbeing^{4,5} while being cost-neutral for the system overall. NHS England is continuing to evaluate the impact as the programme expands, with early findings showing an average 17% saving for those receiving NHS continuing healthcare through a personal health budget as a direct payment, rather than a standard package.⁶

Personal health budgets are therefore a key part of NHS England's aims to give people more personalised care, as outlined in the *Five year forward view*⁷ and subsequent planning documents, with personal health budgets becoming the default option for community-based continuing healthcare from April 2019. It is expected that they will receive further support in the long-term plan due to be published in autumn 2018.

Personal health budgets, and integrated personal budgets, which can include social care and/or education funding, also form part of the *Building the right support programme*⁸ for people with a learning disability and/or autism and *Special education needs and disability (SEND) code of practice: 0 to 25 years*⁹ for children with education, health and care (EHC) plans.

³ Department of Health and Social Care, *High quality care for all: NHS next stage review*, June 2008

⁴ The King's Fund, *Do personal health budgets improve quality of life for patients?*, December 2012

⁵ PSSRU, *Personal health budgets evaluation*, November 2012

⁶ NHS England, *A comprehensive model for personalised care*, July 2018

⁷ NHS England, *NHS Five Year Forward View*, October 2014

⁸ Local Government Association, *NHS England, ADASS, Building the right support*, October 2015

⁹ UK Government, *SEND code of practice: 0 to 25 years*, May 2015

Personalised care and personal health budgets

Personal health budgets are part of a much wider personalised care approach that is gaining momentum within the NHS. The fundamental premise of personalised care is that the person, or their representative, is actively involved in discussions around their care and support needs, in order to lead the life that they wish to. These discussions may link the person to community-based activities and support through mechanisms such as social prescribing and community connectors. In some cases, a personalised care and support plan will be developed with the person where it makes sense to set out their requirements and the support necessary to enable them to be met.

The personalised care and support plan process may identify that some needs can be met by existing commissioned services and that the person is happy with what they currently receive for these requirements. So it does not make sense to include these in a personal health budget as that is an additional layer of bureaucracy with no extra benefit for the person or the health and care system.

The personalised care and support plan process may also identify that existing services could meet the needs of the person if they were delivered differently, possibly in an alternative setting or at a different time. Commissioners will gain intelligence through this process being carried out with their population and may identify a sufficient level of support for an alternative provision that makes it worthwhile to change commissioning arrangements for current services. If demand for something different is low, a personal health budget for this could enable the person to receive the service in the way that suits them. They may choose to continue to buy the service from their current provider, if that provider can meet their needs, or choose to purchase from an alternative supplier.

Finally, the personalised care and support plan process may find that some health and wellbeing needs are not being met by current services. These may manifest through increased use of emergency care, non-elective admissions or a high level of GP visits, among other indicators. It is essential that the planning process allows the person to talk freely about these needs and what they would like to be different. It is in this space that a personal health budget can have the biggest impact, allowing people the freedom to spend money on the things that will help them to live their lives, rather than using NHS resources on unnecessary use of costly emergency or crisis services, due to the shortcomings of current provision for that person.

The personalised care and support planning process can enable positive change for the person without necessarily

including a payment into a personal health budget. However, where it makes sense for the person, this should be an option.

In order for a personal health budget to be offered correctly, a number of essential criteria should be met and the person (or their representative) will:

- Be central in developing their personalised care and support plan and agree who is involved
- Be able to agree the health and wellbeing outcomes* they want to achieve, in dialogue with the relevant health, education and social care professionals
- Get an upfront indication of how much money they have available for healthcare and support
- Have enough money in the budget to meet the health and wellbeing needs and outcomes* agreed in the personalised care and support plan
- Have the option to manage the money as a direct payment, a notional budget, a third-party budget or a mix of these
- Be able to use the money to meet their outcomes in ways and at times that make sense to them, as agreed in their personalised care and support plan.

* and learning outcomes for children and young people with education, health and care plans

Case study 1: Jackie¹⁰

Jackie's personal health budget pays for her assistance dog, Kingston, who helps manage her physical disabilities and emotional wellbeing. He has given her a new lease of life as well as saving the NHS money.

Jackie's canine partner (assistance dog), Kingston, knows just under 200 commands. He can put her clothes on the bed for her, open the front door, fetch her mobile phone and bring her a blanket. He can let himself out into the garden and post a letter. He can take things off the shelf at supermarkets and hand the debit card to the cashier.

Crucially, Kingston also helps to manage Jackie's physical disabilities, and has saved the NHS over 60 ambulance trips this year alone. Funded by Jackie's personal health budget for just £3,000 a year, Kingston can alert Jackie to an epileptic seizure 45 minutes before it happens, and predict her hypo and hyperglycaemic attacks. He can sound an alarm, take Jackie her hypo-kit and open the door for paramedics.

The impact that Kingston has had on Jackie's life has been transformational. She is now able to manage her health much better, she no longer requires physiotherapy, visits the GP less often and, most importantly, he has given her a purpose in life.

¹⁰ NHS England, *Personal health budgets in action*, 2018

Who can have a personal health budget?

Personal health budgets can benefit people with a range of conditions. The national expansion programme includes personal health budgets across the following areas:

- People in receipt of NHS continuing healthcare
- Children and young people receiving continuing care
- People eligible for section 117 aftercare (support after leaving hospital having been admitted under sections 3, 37, 45A, 47 or 48 of the *Mental Health Act 1983*)
- Other mental health issues, including dementia
- Learning disability, autism or both
- Personal wheelchair budgets
- Multiple long-term conditions
- End-of-life care.

However, benefit is linked to need rather than a particular condition, so a personal health budget may also be appropriate for someone who, for example, is accessing acute services frequently, illustrating that the current provision is not working effectively for them.

Since October 2014, people in receipt of NHS continuing healthcare or continuing care for children and young people,

have had the 'right to have' a personal health budget in law. During 2018, NHS England consulted on extending this legal right to have to the following groups:

- People with ongoing social care needs, who also make regular and ongoing use of relevant NHS services (as an integrated budget, discussed later)
- People eligible for section 117 aftercare services, and people of all ages with ongoing mental health needs who make regular and ongoing use of community-based NHS mental health services
- People leaving the armed forces, who are eligible for ongoing NHS services
- People with a learning disability, autism or both, who are eligible for ongoing NHS services
- People who access wheelchair services whose posture and mobility needs impact their wider health and social care needs.

The outcome of this consultation is expected to be announced with the NHS England long-term plan this autumn.

All CCGs were required to publish their 'local offer' in April

Case study 2: Janice¹¹

Janice is 43, and lives with her husband and nine-year-old daughter. She has complex physical, sensory and mental health needs. Technically her condition is known as Stickler Syndrome, but she prefers to tell people about her symptoms and how they affect her rather than be defined by a 'label'.

She says: "I don't suffer from a syndrome, I live with it".

Janice is deafblind – she has some hearing but is completely blind. She has severe osteo arthritis and has had several knee and hip operations, so her mobility is limited. However, her disability hasn't stopped her swimming at an international level for Great Britain between 1989 and 1995, including at the 1992 Paralympic Games in Barcelona.

A few years ago, life became very difficult when she was made redundant from her job. Her wellbeing quickly declined and

her mental health hit a crisis. It was so serious that she wasn't able to cope at home or care for her daughter, therefore children's social services were involved. This was the lowest point for Janice and led to her finally receiving a Section 7 Deafblind Guidance Assessment – a full, holistic assessment which looked at her physical and mental health needs and highlighted some gaps in the support she needed. A personal health budget was suggested as a way to look at what wasn't working and how her needs could be met in a way that worked for Janice and her family.

She had been a member of her local health club for some time, and it was something she was happy and able to pay for, as she still swims and uses the gym regularly. However, the club's policy meant that as a blind person she was unable to use the pool unattended and required someone to be with her.

She was able to use her budget to pay for a personal assistant to accompany her to be her "eyes and ears in the gym and pool".

Massage therapy helps her cope with the pain caused by her arthritis, so the personal health budget also pays for regular sessions.

Her personal health budget isn't large, but what makes a difference is the assessment and care planning process that has identified what Janice needs to stay well and how the limited funds can best be used to meet her health outcomes. It's also given them a chance to think as a family – to look at Janice's needs as a mother as well as someone with disabilities.

"The PHB is a breath of fresh air as it bridges the gaps to look at all your needs. Not just my needs but how this impacts on the whole family," she says.

¹¹ NHS England, *Personal health budgets in action*, 2018

2016. This set out how the organisation intended to expand the use of personal health budgets in their area, defining the groups of people who would become eligible and when. This approach recognised that CCGs could not offer personal health budgets to everybody who might benefit at the same time and needed to develop processes and capacity through a managed expansion.

Personal health budgets are available to everyone within the CCG's defined group(s) if they are eligible to receive NHS services. For those aged under 16 or without capacity, then a representative can receive a payment or manage the personal health budget on their behalf. The direct payments guidance¹² sets out the conditions under which that particular budget option can be offered to a person:

A direct payment can be made to, or in respect of, anyone who is eligible for NHS care [under the *National Health Service Act 2006*] and any other enactment relevant to a CCG or the Board. This includes aftercare services under section 117 of the *Mental*

Health Act 1983, where they are:

- A person aged 16 or over, who has the capacity to consent to receiving a direct payment and consents to receive one
- A child under 16 where they have a representative who consents to the making of a direct payment
- A person aged 16 or over who does not have the capacity to consent but has a representative who consents to the making of a direct payment.

And where:

- A direct payment is appropriate for that individual with regard to any particular condition they may have and the impact of that condition on their life
- A direct payment represents value for money and, where applicable, any additional cost is outweighed by the benefits to the individual
- The person is not subject to certain criminal justice orders for alcohol or drug misuse. However, such a person may be able to use another form of personal health budget to personalise their care.

How is a personal health budget calculated?

While a personalised care and support plan should consider the whole person, the elements of the plan that are included in a personal health budget may vary. This may be due to the identification of needs already being met through commissioned services, discussed earlier, but may also be limited by the availability of funding to offer a personal health budget.

For example, it may be more beneficial for an individual to use part of their physiotherapy funding to access local swimming sessions, but it may not be possible for the CCG to immediately release that funding from their community services' contract. NHS England expect CCGs to work towards releasing the relevant funding for their population's needs, with future payment mechanisms including a consideration of personal health budgets within them.

The different commissioning conditions mean the way in which personal health budgets are calculated is a matter for local discretion. However, three principles should be adhered to, and they are considered below:

Transparency

The person and their family are fully aware of how much their

budget is, how it has been calculated and what it includes. The budget-setting process should ensure fairness across all budget holders and be able to stand up to challenge.

Timeliness

An indicative budget is known prior to the detailed personalised care and support planning process, to enable the person to plan how their needs and outcomes can be met. The use of an indicative budget ensures that expectations are realistic and achievable outcomes are set. An indicative budget amount may be estimated through knowledge of similar cases or an understanding of the services that the person currently accesses.

The indicative budget is refined through the planning process, with a final budget amount agreed at the end. This may be higher or lower than the indicative budget used at the beginning of the process – those involved must be aware from the start that the indicative budget may not equal the final budget.

Sufficiency

Funding must be sufficient to fully meet all identified health needs within the personalised care and support plan.

¹² NHS England, *Guidance on direct payments for healthcare: understanding the regulations*, June 2017

Delivery of personal health budgets

Personal health budgets can be made available in three ways; all three options must be available to the person who can choose one, or a combination, of methods¹³. In all cases, the CCG retains responsibility for the provision of appropriate support for the individual, although delivery may be delegated.

1. Notional budget – the NHS holds the money on behalf of the individual. The person knows how much their budget is and discusses with the NHS the care and support they require to meet their needs. The NHS purchases the agreed care and support.

2. Third party budget – an organisation independent of the NHS commissioner and the person manages the budget and arranges the care and support for the person, working in partnership with the person to achieve the agreed outcomes. This organisation is often from the third sector but could also be an NHS provider, if conflicts of interest are appropriately managed. Some CCGs choose to offer third-party budgets through a framework agreement where the contract of supply is between the CCG and the third-party provider, but the person can choose which provider to use. Other CCGs do not enter into these arrangements and the

Case study 3: Community exercise programme¹⁴

Fifty people with long term neurological conditions were offered personal health budgets in Oxfordshire for community exercise programmes to improve mobility and wellbeing.

As part of the personal health budgets pilot, each person was offered a one-off budget of £400 to purchase community exercise programmes to manage and improve their health condition.

The physiotherapists first worked with each person on a support plan. This included deciding with them what form of exercise suited them most and would provide best health outcomes. Usually it was swimming and gym-based exercise at leisure centres. One person chose accessible sailing on a local reservoir, and others purchased hand cycles or power-assisted bikes for their homes, or enrolled in Pilates classes.

The physiotherapy manager had this to say about the pilot: “At first, helping people to manage the money side of personal health budgets felt alien. We weren’t used to it, and sometimes helped by the fact that people were able to use the independent brokerage services of Age UK. Brokers help people with personal health budgets to purchase

services to meet care plans, and they provide expert information, including help on managing finances. The broker was particularly useful when working with complex cases, such as a person who had been bankrupt and so had additional bureaucratic obstacles to overcome. Also, some people have severe disabilities, so opening a separate personal health budget bank account can be demanding for them.

“The broker helped in this respect. Having gone through the process, handling the money side is now clearer to us and we are more comfortable doing it, particularly in partnership with a broker who has appropriate skills and experience.

“Overall we found that people were tremendously keen to get the most for their money, and make it last as long as possible. We were also struck by the value for money of some forms of exercise – a two-year gym membership cost £400, and this included one-to-one instruction and access to all machines.

“Offering personal health budgets also required our team to develop sound knowledge about local community facilities, including gyms at leisure centres and hotels with pools which are

warmer than leisure centre pools and hence more suitable. We can pass this knowledge on to other people, and so help them make decisions.

“The process has been a learning curve. We can see how personal health budgets mean people have more choice, and how we can work in partnership to help them get good outcomes. Personal health budgets are as much about people leading us with their expertise, as us leading with ours. This is positive, although it can get some getting used to.

“On a clinical level, the exercise purchased has been beneficial. We can see that one person doing Pilates now has improved muscle power. Another who purchased a power-assisted bike can now cycle further in 10 minutes. People find such improvements motivating.

“We know that people would like more physiotherapy. The reality is the NHS is limited in the resources and physiotherapy services it can offer. Through personal health budgets I have seen how exercise programmes, as an adjunct to physiotherapy, can have a valuable role in the self-management of people’s conditions.”

¹⁴ NHS England, *Personal health budgets in action*, 2018

¹³ NHS England, *Options for managing the money*, June 2017

contract of supply is between the individual and the third-party provider. Third-party budgets are particularly helpful when a person:

- Does not want to manage a direct payment
- Does not wish to take on employer responsibilities for personal assistants
- Lacks capacity or is otherwise not in a position to manage their own budget.

3. Direct payment – the person, or their representative, has the money in a bank account or on a pre-paid card and takes responsibility for organising their own care and support. Payments to the account are usually made monthly, in advance. A CCG can delegate delivery of direct payments to another organisation, such as a local authority who has the processes already in place to carry out this task, but the CCG retains responsibility for the payments.

Personalised care and support planning

At the centre of a personal health budget is a personalised care and support plan.

The personalised care and support plan should clearly set out the health needs that the personal health budget is to address and be agreed between the NHS and the person receiving the personal health budget.

The personalised care and support plan should set out the outcomes that are intended to be achieved and how the budget will be spent to enable the person to meet these outcomes. It is important for CCGs to be flexible when agreeing budget-spend, as far as possible, to enable people to live as they would like within the context of their health condition.

A good personalised care and support planning discussion will identify a person's strengths, skills and personal circumstances, as well as their health needs. It will identify what is working and not working from their perspective, what is important to the person and what is important for their health.

When agreeing the personalised care and support plan, the CCG needs to be satisfied that:

- The person's health needs can be met through the care and support set out in the plan
- The amount of money is enough to cover the full cost of the care and support agreed to meet the person's outcomes
- The plan can be reviewed as required
- There is a sound risk management plan that has been developed with the person
- Where people lack capacity or are more vulnerable, procedures such as safeguarding and promoting liberty have been included appropriately.

The individual or their representative must also agree that:

- The person's care needs will be met by the care and support agreed in the plan
- The amount of money available is sufficient to cover the full cost of the plan
- The plan will be reviewed and their needs may be re-assessed as part of that review.

Financial monitoring and audit

At the beginning of the personal health budget process, it is important to be clear about the responsibilities of all parties involved; in particular the level of record keeping that is required and by whom. This should be set out in a personal health budget agreement or direct payment agreement.

Regular reviews should be carried out on all personal health budgets to ensure that they are meeting the budget holder's needs and achieving the outcomes anticipated. These reviews should encompass both the financial elements of the personal health budget and the personalised care and support plan.

Reviewing the personal health budget jointly with the care coordinator reduces the burden of reviews on the person and ensures that a rounded picture is obtained of how resources are being used.

For people with a direct payment, an initial three-month review, followed by annual reviews, is required as a minimum. But it is good practice to carry out reviews at this frequency for all personal health and integrated personal budget holders.

Some CCGs choose to carry out monthly reviews for the first three months to ensure that both the person and the commissioning organisation are comfortable with the plan and how it is working.

The budget holder should know in advance when a review will be carried out and what this will entail. The review timetable and process should be set out as part of the personalised care and support planning process and may also be included in the personal health budget agreement, or direct payment agreement, created when the budget was established. Financial details should not be accessed at other times unless a concern has been raised. If this leads to an additional review, then the budget holder should be informed.

Where people have tried things that may not have been as effective as intended in meeting their assessed needs and agreed outcomes, it is important that the commissioning organisation does not automatically assume that the personal health budget is not working. Care coordinators should work with people to learn and adapt and to use experience of what works and what does not to influence future decisions about the person's care, including within the personalised care and support plan. This will help to ensure that personal health budgets are being used as effectively as possible.

Case study 4: NHS Kernow CCG

NHS Kernow CCG take a risk-based approach to the financial monitoring and review of personal health budgets.

The risk-based approach begins when the person is offered a budget, with a detailed discussion with the person, or their representative, about the type and standard of records that they will be required to keep under each option. This is of particular importance when considering a direct payment as the person may need to consider payroll and employment requirements as well as the overall budget monitoring. Taking this time up front ensures that everybody is clear of the responsibility that they have in the process, making the subsequent financial monitoring much more straightforward.

NHS Kernow CCG undertakes the first review at three months, which gives the personal health budget time to bed in. The level of risk is assessed at this stage, which determines the review cycle rather than just applying a blanket 12-month approach to every budget.

The personal health budget is set at a level which includes a contingency amount. The contingency is included as part of the review to ensure that it is set at the correct level; any reclaim of 'excess' is only undertaken as part of that review process.

Working with care coordinators enables finance staff to better understand the spending patterns within a personal health budget, and the care coordinator will often be able to answer any queries without recourse to the budget holder.

Unused funding may indicate that the budget has been set too high, but it may also indicate an unexpected hospital admission, or a changed intention in the personalised care and support plan to purchase a piece of equipment or build a contingency due to fluctuating levels of need. Reassessment may be appropriate, but funds should not be reclaimed without discussion with both the care coordinator and the person.

Managing risk

The perception of risk around personal health budgets often discourages organisations from developing their offer for a wider population. Personal health budgets are public money and commissioning organisations have a responsibility to ensure that they are used to meet the health needs and the broader health and wellbeing outcomes of those who receive them. The commissioner also has a responsibility to manage the risk of fraud, of outcomes not being met and of money being used in inappropriate ways.

Much of this risk is mitigated by an effective monitoring process as described in the previous section. Regular reviews, which are initially held more frequently, ensure that everybody involved understands how the money is to be used and how spend will be monitored. These reviews also ensure that outcomes are being met so give assurance that the money is being used effectively.

When considering the review processes required, it is essential that the approach is proportionate to the value and risk of the personal health budget(s) under consideration. Those personal health budgets that are taken as direct payments are likely to be subject to a higher level of scrutiny, as the inbuilt checks in the process are less than those for a third-party or notional budget.

However, direct payments are made on a monthly basis, so the person will not be receiving a full year's budget in one lump sum and be expected to manage it appropriately. The monthly payment approach can allow the CCG to halt payments if concerns are raised but, as described above, this must be in conjunction with the care coordinator and the person to ensure that the care and support in place is not compromised.

For example, a policy that halts personal health budget payments upon admission to hospital could mean that care and support staff employed by the person are not paid, meaning that the person cannot be discharged from hospital as their carers have found alternative employment.

If it is found that people appear to have wilfully made inappropriate use of the money, a care coordinator should work with the person to understand why this has happened. Where people still need services, a decision will need to be made as to whether those requirements should be met through notional or third-party budgets rather than via a direct payment.

There may need to be further action to recoup monies, and the commissioning organisation should develop a clear process for setting out how and under what circumstances money would be reclaimed from people (linking with local counter-fraud

specialists where necessary), making sure they do not penalise those who have made a genuine mistake.

In managing these risks, it is important that people are given genuine scope for choice and control. In practice, this means that the uses of personal health budgets are not overly prescribed and that the person has appropriate flexibility about how the budgets can be spent, as set out in their personalised care and support plan. The evidence¹⁵ supports that where people have greater choice and control – including non-traditional services – their outcomes improve.

In addition to the monitoring of individual budgets, the monthly financial processes that a CCG carries out will highlight any significant issues linked to personal health budgets. This provides a level of regular financial assurance for those personal health budgets that have moved to annual reviews.

Variance analysis of the total spend on personal health budgets will highlight whether significant differences are due to a small number of budgets with large variances, or many small variances across all budgets. Where the variance is linked to a small number of budgets, the finance team should contact the care coordinator or single point of contact for the budget holders to raise a query – as discussed previously, they will often be aware of the reason for the over- or under-spend.

If they are not, then this may trigger an interim review to be carried out jointly between the finance team and the care coordinator. Both over- and under-spends should be reviewed as they can equally indicate that something is not working as expected.

If the review of transactions highlights small variances across all budgets that add up to a significant whole for the organisation, it may be prudent to review the budget-setting process to understand whether improvements to accuracy could be made.

¹⁵ PSSRU, *Personal health budgets evaluation*, November 2012

Integrated personal budgets

Many people who could benefit from a personal health budget are also users of social care services, for which they receive a personal budget. Integrated personal budgets seek to bring the health and care needs together, giving people one combined budget to meet all their requirements and removing the artificial barrier between what is a health need and what is a care need.

In practice, the budgets cannot be combined due to the differing legislation governing each element, particularly the means tested part of social care. The idea behind an integrated personal budget is that it appears as one arrangement for the person, while the work to split needs and associated spend goes on behind the scenes.

For the person, they have one care co-ordinator across their whole range of needs, one point of contact for queries and one budget amount.

The number of assessments should be reduced, and care should be more co-ordinated, with less duplication.

As discussed previously for personal health budgets, the integrated personal budget will be supported by a personalised care and support plan which covers the full range of health and care needs.

Case study 5: Dylan

Dylan is a 19-year-old from Hull who has cerebral palsy. This results in spasms and has restricted the use of his legs so that he uses a wheelchair for all of his mobility.

Dylan moved to university in September – like all students leaving home, he wanted to live as independently as possible. For Dylan this required more planning as he requires support with his day-to-day activities.

Dylan wanted to have access to a wheelchair that offered increased functionality that would maximize his independence, reducing his need for carer support. However, via traditionally commissioned wheelchair services, the wheelchair that would be offered to Dylan would meet his assessed 'clinical'

and mobility needs but not his wider social needs.

Hull CCG used the personal wheelchair budget process to re-assess Dylan. Dylan was offered a notional personal wheelchair budget, which included integrated funding streams to access a higher specification wheelchair. This fulfilled both Dylan's health and wellbeing outcomes and made financial sense to the wider system.

This new chair allowed him to make some small but significant changes that have had a profound effect on his life. It allows him to live independently and not rely on any carers.

These changes included enabling him to lower his foot-rests so that he can shower independently and recharge his

chair without help, as well being able to easily adjust his height.

By integrating health and social care around the individual and using a flexible funding process, he was able to combine his funding to better meet his mobility needs and wider health and wellbeing outcomes, as well as provide savings for the system.

Dylan's wheelchair supported him to live independently as he started his university studies.

The wheelchair was provided through the current NHS contract, with an additional social care contribution of £2,000. Dylan no longer requires a daily carer and this is anticipated to provide savings of at least £13,000 for the system over the next three years.

Conclusion

Personal health budgets are gaining momentum in the NHS and are a key part of several programmes that aim to give people more choice and control about the care that they receive.

They are part of delivering personalised care but are not the purpose of doing so. Rather, they can enable personalised approaches for some people. NHS England is keen that the number of people who could benefit is increased.

The perceived risks of offering personal health budgets can be mitigated through effective monitoring processes for both the financial and care and support aspects of the plan. Many areas are expanding their personal health budget offer and are developing processes that reduce the administration burden for finance and other staff through the sharing of resources with their local authority – which is mandated to deliver personal budgets for those in receipt of social care.

While a number of fundamental principles need to be met to ensure equity and fairness, much of the personal health budget process is left to local discretion, enabling CCGs to implement the approach in a way that suits the needs of their population.

Further information

This briefing has made extensive use of the NHS England Integrated personal commissioning and personal health budgets finance and commissioning handbook, which can be found at www.england.nhs.uk/publication/finance-and-commissioning-handbook/

Glossary

Term	Definition
Community connector	A person who links others to activities and services within their local community
Integrated personal budget	A budget to support a person's health and care needs, jointly funded by the NHS and local authority
Local area co-ordination	A similar role to community connectors but more formalised and likely to work more closely with the person
Local offer	The detail of a CCG's plan to offer personal health budgets. This is not the same as the SEND local offer set out by local authorities
Personal budget	A budget to support a person's care needs, funded entirely by the local authority
Personalised care and support plan	An agreed plan developed with the person, or their family, which covers the whole of the person's health and wellbeing needs
Personal health budget	A budget to support a person's health needs, funded entirely by the NHS
Social prescribing	A method used by GPs and other healthcare professionals to refer people to non-clinical, community based support



About the HFMA

The Healthcare Financial Management Association (HFMA) is the professional body for finance staff in healthcare. For more than 60 years, it has provided independent and objective advice to its members and the wider healthcare community. It is a charitable organisation that promotes best practice and innovation in financial management and governance across the UK health economy through its local and national networks.

The association also analyses and responds to national policy and aims to exert influence in shaping the wider healthcare agenda. It has a particular interest in promoting the highest professional standards in financial management and governance and is keen to work with other organisations to promote approaches that really are 'fit for purpose' and effective.

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HEA.FIN.067 03/17

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