

04. Personal budgets

Overview

- Personal budgets **set aside money for individual beneficiaries to use** to buy additional support and engage in life-enhancing activities.
- Partnerships report that budgets tend to be used for **basic living costs** such as food, clothes and transport and **crisis situations**, rather than the originally intended use.
- However, the evidence suggests personal budgets can they help to **engage** beneficiaries, support the development of **trusting relationships** and **empower** beneficiaries.
- There is some evidence that personal budgets may be associated with **greater progress in beneficiary recovery**, but further evaluation is needed.
- **Clear guidance** around the use of personal budgets should be provided to beneficiaries, mentors, staff and partner organisations to ensure **coherent understanding and use**.
- Partnerships and keyworkers should set **boundaries around personal budget use to manage beneficiary expectations** and encourage the fund to be used as intended.

What is it?

Fulfilling Lives beneficiaries are overwhelmingly drawn from impoverished communities.¹ As part of a personalised approach, partnerships may provide beneficiaries with a personal budget to empower individuals to make positive spending choices to enhance their lives. The idea is that having control over personalised expenditure can help beneficiaries to engage, improve self-esteem and encourage them to access support and services that might not otherwise be available to them.

How are Fulfilling Lives partnerships delivering this?

Many of the Fulfilling Lives partnerships use personal budgets or something similar, though they vary in their approach to the use and value of personal budgets. Funds can be ring-fenced for individuals or combined in a partnership pot for beneficiaries to apply to. Spending is assessed on a case-by-case basis, often by keyworkers. Personal budgets may be available to all beneficiaries (even if they do not all use them) or associated with a particular initiative (such as Housing First – see Chapter 6). Five partnerships have reported in detail on their use of and learning from personal budgets. The available budgets and intended use are summarised in Table 1 and give a flavour of how personal budgets vary across partnerships.

Several partnerships explore how personal budgets have been spent and most conclude that crisis items and basic living and day-to-day costs dominated. This includes emergency housing, rent, food, clothes, and travel. One reported that money was spent on ‘addressing gaps in service provision’. Such expenditure was generally not what was intended. However, ring-fencing money for life-enhancing activities can be challenging when beneficiaries often have very basic needs that need addressing.

[We wanted] people to use personal budgets to direct their support. The reality is if someone’s got no shoes and no food, you’re not going to go like ‘oh tell me how having shoes will help you?’²

Partnership worker, Fulfilling Lives Islington & Camden

¹ WY-FI Briefing on Personalisation Fund, 2017.

² Whiteford et al (2016) *Fulfilling Lives in Islington & Camden: Year 2 Rapid Evaluation*. FLIC, July 2016.

Lambeth, Southwark and Lewisham identified two phases of beneficiary spending patterns. In the initial engagement phase, funds were largely spent on clothing, travel, food, home start-up kit, and phone credit. Following initial engagement, spending was largely related to food, transport, health and well-being, and education, training and employment (including travel to these activities). This suggests that the use of personal budgets changes over the course of a beneficiary’s recovery journey, and greater use for positive activities, such as health-related activities, may emerge over time.

Partnership	Budget	Intended use
Bristol	£500 per person per year for 3 years	Accessing services, crisis situations, meaningful activities
Islington & Camden	£1,000 per person per year	Care services and interventions not readily available
Lambeth, Lewisham & Southwark	Initial budget of £12,000 per person over 8 years, though much less used in reality ³ and the approach has recently changed significantly	Not specified
Newcastle & Gateshead	£90,000 overall budget – not allocated on individual basis	Engagement, access to support, choice and control
West Yorkshire	Not specified, but payments range from £45 to £600	“To support them on a journey towards leading a more fulfilling life”

Table 1: Summary of personal budget schemes at five partnerships

³ Lambeth, Lewisham & Southwark budgeted for 8 years of personal budget whereas in reality they have been spending 12-18 months with each beneficiary so the actual spending has been much lower than initially forecasted.

What do the evaluations tell us?

As well as helping us to understand how personal budgets have been used, the evaluations published to date provide evidence of the perceived impact on beneficiaries and explore challenges in using budgets. This is based mainly on interviews with staff and/or beneficiaries. One partnership (West Yorkshire) has analysed the link between personal budgets and quantifiable outcomes.⁴ This provides a useful starting point for understanding the potential impact of personal budgets on progress towards recovery.

What is the evidence of impact?

Beneficiaries were largely positive about personal budgets.

Personal budgets are shown to:

- Help to **engage beneficiaries** with the programme
- Support the **development of trusting relationships** between beneficiaries and their keyworkers
- **Empower beneficiaries** to control their spending choices and plan better for their future needs
- Provide funds to **deal with crisis situations**, such as covering rent arrears

West Yorkshire's analysis shows that 91 per cent of beneficiaries who received personalisation funds also showed progress towards self-reliance⁵ compared to 61 per cent of those who did not receive funding. And more beneficiaries who received funding showed improvement across a range of issues compared to those did not.⁶ Different types of spending can be mapped to associated change - for example, of the nine beneficiaries who received payments for rent/deposit/arrears, eight showed improvements in managing tenancy and accommodation. This does not necessarily

⁴ As measured by the Homelessness Outcomes Star – see Glossary on page 4.

⁵ As measured by the improvements in overall Homelessness Outcomes Star score – see Glossary on page 4.

⁶ 58 per cent of the beneficiaries in receipt of funds showed improvements in seven or more Outcomes Star categories compared to just over a third 36 per cent of non-recipients.

mean that it is the personal budget that is affecting outcomes, but the patterns are interesting and worth exploring further.

Lambeth, Lewisham & Southwark: Example of personal budget use and impact

Mark, 52, came to the project with a substantial history of offending, alcohol abuse and homelessness and has difficulty controlling his emotions. A project worker meets with Mark to frequently to address his issues, particularly in reducing his alcohol intake, which improved his engagement.

“Mark has used his personal budget to buy mobile phone and credit, clothes, shoes, toiletries, and items for his flat. These purchases encouraged positive engagement and were a great boost to his self-esteem.”

In terms of outcomes, Mark takes more responsibility for rent payments and maintaining his tenancy, with improved interaction between Mark and his housing association, and no complaints of anti-social behaviour.

Improving lives, saving money: An economic and outcome evaluation report of You First, the Lambeth, Southwark & Lewisham Fulfilling Lives Partnership Programme

Key learning

Staff agreed about the benefits of a personal budget to beneficiaries, and also highlighted the challenges that it could provide. Key learning relates to managing and implementing personal budgets and overcoming these challenges:

- **Consistency of approval and approach** is essential to avoid mixed messages.
- Partnerships and keyworkers should set **boundaries around personal budget use to manage beneficiary expectations** and try to ensure that the fund is used as intended and limit reliance on the fund.
- Within these boundaries, a degree of **flexibility** is also important.

- Personal budgets should be implemented in a way that limits **the impact it might have on the keyworker-beneficiary relationship**. Some projects expressed concern that it might be interpreted as ‘buying trust’.
- Initial engagement work should be used to **understand beneficiary needs** and what they want to work towards.
- Spending should be **self-directed as far as possible** to maintain the autonomy of the beneficiary.
- Personal budgets can be **time consuming** to administer – it is important to ensure that sufficient resource is available and consider how to best manage the request and approval process.
- **Clear guidance** around the use of personal budgets should be provided, both to project staff and external partners.
- Keyworkers may need to **manage their own personal opinions** on beneficiary spending choices.

How might this contribute to systems change?

All evaluations reviewed report that personal budgets were being used for basic living costs and managing crises rather than the intended life-enhancing activities. This highlights ‘the massive gap in provision for people who have absolutely nothing’.⁷

At least one evaluation suggests that personal budgets are being used by keyworkers to ‘plug the gaps’ in services. Defaulting to using personal budgets in this way means that problems are circumvented in the immediate term, but it could also lead to a failure to begin to address systemic root causes. It is important that analysis of the use of personal budgets is used to direct attention to system failures that the Fulfilling Lives programme aims to address.

I still think personalisation is sometimes used to buy engagement and solve problems quicker rather than persevere with the system and explore other ways.

Keyworker, Fulfilling Lives Newcastle and Gateshead⁸

⁷ Whiteford et al (2016) op. cit

⁸ Broadbridge, A. (2018) *Workforce development insight report: What makes an effective multiple and complex needs worker?* Fulfilling Lives Newcastle and Gateshead.

What next?

Notwithstanding the fact that personal budgets have not necessarily been used as planned, the evaluations conducted locally so far provide encouraging evidence of the benefits. Partnerships should continue to monitor how personal budgets are used, consider what this suggests about how beneficiary basic needs are currently met (or not as the case may be) and how this might influence systems change activity.

Further understanding of how challenges implementing personal budgets might be overcome and examples of effective practice in this regard would also be useful.

The work done by West Yorkshire suggests that personal budgets may, as part of the wider Fulfilling Lives support work, be having a positive impact on beneficiaries' progress towards self-reliance. This is encouraging and extending this analysis across all programme beneficiaries will strengthen the evidence here. This is something the national evaluation team are well placed to undertake.

Further reading

Bingham–Smith, A. and Parkin, D. (2017) *Improving lives, saving money: An economic and outcome evaluation report of You First, the Lambeth, Southwark and Lewisham Fulfilling Lives Partnership Programme* You First

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Cordis Bright (2018) *Blackpool Fulfilling Lives: Year three evaluation report* Blackpool Fulfilling Lives

Crowe, M. (2017) *WY-FI Briefing on Personalisation Fund* West Yorkshire Finding Independence

Fulfilling Lives Islington and Camden (2017) *Annual Report 2017*. FLIC / SHP

Inspiring Change Manchester (no date) *Flexible Fund Review*

Isaac, B., Bolden, R., Pawson, C., Gulati, A., Gasper, R., Plumridge, A., Kimberlee, R., Tischener, I. and Stern, E. (2017) *Building connections: Golden key local evaluation phase 2 report* University of the West of England