

Costs and uses of Individual Budgets

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Introduction

The introduction of individual budgets (IB) reinforces the political agenda to promote independence among people with social care needs. The basic premise of an individual budget is that people are allocated a transparent sum of money derived from a number of different funding streams that can be used to negotiate and purchase support in a way that best meets their own desired outcomes. IB holders have the choice as to the deployment options they prefer (for example, control through a direct payment, the local authority, an independent agency or a combination of options) and whether they purchase conventional or innovative services to meet their needs. An evaluation of the implementation of individual budgets in 13 local authorities was funded by the Department of Health, using a mixed methods approach to explore the impact of individual budgets both in terms of service user experiences and the implications for the local authority social services.

This paper describes the level of IBs and the degree to which individuals are taking advantage of the flexibility to spend their budget in innovative ways.

Method

The information about the level, sources and use of IBs was drawn from the support plan records that pilot local authorities were asked to complete. The information requested included:

- the total level of funding in terms of social service expenditure, recurrent annual, one off payments and contributions from different funding streams, funding for support planning and support brokerage and the proportion of the budget the individual was expected to contribute if this was included;
- the formal organisation of the budget in terms of deployment option;
- the budget per year and the activities included in the support plan.

Size of IBs¹

Among 285 support plan records that pilot local authorities supplied², the average gross cost of an IB was about £11,450 (median £6,610; standard deviation £15,810; minimum =£72; maximum £165,000)³. On average approximately £11,760 was for annual recurrent funding (n=278; median £6,580; standard deviation £16,860) and £1,260 for one off payments (n=46; median £680; standard deviation £1,500). The average gross value of IBs for people with learning disabilities was significantly higher (mean £18,610, p001) compared with younger physically disabled people (mean £11,150), people with mental health problems (mean £5,530) and older people (mean £7,860). Not surprisingly, recurrent funding for people with learning disabilities were also significantly higher (mean £18,470; p0.01) compared with the other three user groups.

Patterns of expenditure

Fifty-nine per cent (169) of people for whom we had the information used their budgets to purchase mainstream services⁴ (mean expenditure was £4,970, 44 per cent of the total average budget of £11,450). In line with the size of the overall budget, expenditure on mainstream services was significantly higher for people with a learning disability (£7,500; p.01) compared with other groups. People with mental health problems received a lower budget for mainstream services (£1,470).

While most people made use of mainstream services and/or PAs, now quite mainstream among DP users, there was evidence from support plans and reports during the six-month interviews to suggest that people are moving towards innovative ways to meet their needs. While it was difficult at times to classify and thus quantify purchases/services that covered more novel ways of using IBs, a number of other uses of recurrent funding were grouped under six broad domains: accommodation, managing support, transport, personal needs, employment and occupation, and health. For each domain, Table 1 provides some examples of the activities involved. One interesting area is that at the time of the pilot, health expenditure was explicitly excluded from IBs. Certainly funding from the health service was not used, but there was some debate about whether IB holders could use their budgets to purchase health services. When asked to categorise expenditure in the support plan, only five people were identified as using their IBs for health-related services, with expenditure ranging from £280 in the year to £1,510. Analysis of the content of the plans (summarised in Table 1) identified the use of private health care and alternative therapy in recurrent expenditure. Of course, much of the assistive technology equipment that people purchased reported in Table 2 could also be classified as health-related expenditure.

1 In presenting values we have rounded to the nearest £10.

2 Over a third (38 per cent) of the support plan records were missing or unavailable for people who had accepted the offer of an IB.

3 Seven IBs contained only one off payments. If we exclude the budgets containing only one off payments, the average annual value of individual budgets is £11,600 (median £6,800).

4 Mainstream services included funding for employing a home care, meal services, equipment and adaptations, accommodation, planned short breaks and transport.

Table 1 Additional services/expenditure identified in the support plan records and during the six-month interview

<p>Accommodation (N=24)</p> <ul style="list-style-type: none"> Cleaning service Decorating service Gardening service <p>Employment and occupation (N=16)</p> <ul style="list-style-type: none"> Going out: meals/the pub/day trips/cinema etc. Classes/arts and crafts Gym membership/swimming Computer maintenance/internet access/games Admission fees for service user and PA <p>Personal needs (N=4)</p> <ul style="list-style-type: none"> Laundry needs Hairdresser 	<p>Managing support (N=49)</p> <ul style="list-style-type: none"> Holiday and sickness cover Insurance/PA insurance Contingency payments Telephone costs <p>Transport (N=4)</p> <ul style="list-style-type: none"> Taxi service Petrol costs/car cleaning <p>Health-related (N=3)</p> <ul style="list-style-type: none"> Alternative therapy Private health care Massage for carer
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Table 2 One-off payments reported in the support plan records

<p>Kitchen equipment (N=24)</p> <ul style="list-style-type: none"> Cookers, microwaves, fridge freezers Washing machine/dishwasher <p>Bedroom/bathroom equipment (N=14)</p> <ul style="list-style-type: none"> Beds/levers/sheets Shower stool/toilet seats Spa bath/bath lift <p>Safety (N=4)</p> <ul style="list-style-type: none"> Fall detector/lifeline alarms/car harness <p>Ramps and grab rails/mobility aids (N=22)</p> <ul style="list-style-type: none"> Ramps/rails/stair lift Mobility scooter/electric wheelchairs and accessories Chair raiser Adapted shoes 	<p>Courses and computer equipment (N=9)</p> <ul style="list-style-type: none"> Photography course Computer/laptop IT course Hygiene training Driving lessons <p>Other 'one-off' payments (N=39)</p> <ul style="list-style-type: none"> House related e.g. curtains/blinds, carpet cleaner Garden related e.g. landscaping, decking, shed Hobby related e.g. art materials, music keyboard, bikes, camera, football tickets, snooker cue Holiday related e.g. caravan, holiday for carer
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Discussion

There were clear differences between user groups in terms of the size of the IB and patterns of expenditure. To some extent this will reflect the policies of the pilot authorities rather than the characteristics of the user groups themselves. Budgets for people with learning disabilities were highest and appeared to provide most scope for a wide range of uses, although this group still spent most on mainstream services.

While clearly there were innovative ways of using budgets that were highly valued by those individuals, it seemed that these were relatively rarely reported in our sample. Most people made use of mainstream services and/or PAs, now quite mainstream among DP users. We might expect, as confidence and experience grow, both among individuals themselves and those supporting them in planning, that more innovative approaches to care and support will increasingly be used.

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