

# EHC PERSONAL BUDGETS GUIDE

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Giving  
**disabled children**  
a brighter future

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# What is an EHC personal budget?

An EHC personal budget is an amount of money per year that may be allocated to your family from your Local Authority to cover the cost of making a special educational provision specified in the EHC plan (Education Health and Care Plan).

A personal budget gives you and your child more flexibility, choice and control over the support you use and enables you to make your own decisions as a family about what works best for you.

# How to get an EHC personal budget?

Your local authority is obliged to consider identifying a personal budget for educational provisions only if you request it when they issue a draft EHC plan following an EHC needs assessment or when they are reviewing an EHC plan.

The Local Authority can refuse to identify a personal budget under these circumstances:

- The educational provision is being provided as part of a larger budget (for example, a contract with the NHS to provide all speech and language therapy or occupational therapy).

# How much money will I get?

The amount of money allocated to a personal budget depends on the needs of the child or young person and will be set out in the EHC plan (Education Health and Care Plan). The personal budget amount is based on all of the support needed for one year and will be reviewed annually.

If the Local Authority has agreed to make a Direct Payment it must be enough to pay for the service or services specified in the EHC plan.

# What **can** a personal budget be spent on?

Personal budgets give a child's parents or a young person the opportunity to spend the money in a flexible way that meets the agreed outcomes and learning objectives set out in the Education Health and Care Plan (EHC plan).

A personal budget can be spent on support and services to meet the outcomes identified in your support plan.

# What **can't** a personal budget be spent on?

A personal budget may not be used to pay for anything that does not meet the identified outcomes for the child/young person in their EHC plan. This includes:

- Payment for a place at a school or college
- Bills such as rent or mortgage
- Purchase household items
- Food or shopping
- An activity or service for someone else
- Anything illegal or adult activities such as alcohol and gambling

It sounds obvious, but you can't spend money from a personal budget on anything that would put your child at risk of harm or that doesn't benefit the child or young person it is meant for.

You must always discuss a change in your/your child's support needs with your designated support officer before making any decisions to reallocate your funds.

# Managing your EHC personal budget

## Choosing how to receive your EHC personal budget

There are four ways in which an EHC personal budget can be provided:

- **Direct payments** – individuals receive the cash to contract, purchase and manage services themselves
- **An arrangement** – whereby the Local Authority, school or college holds the funds and commissions the support specified in the plan (these are sometimes called notional budgets)
- **Third party arrangements** – where funds (direct payments) are paid to and managed by an individual or organisation on behalf of the child's parent or the young person.
- **A combination of the above**

Each Local Authority will have their own system for supporting service users who do not wish to manage their own budgets. Speak to your local SENDIASS to find out what support is available in your area.



# What is a direct payment?

If you are eligible for an EHC personal budget and have requested one from the Local Authority you can get your payment provided as a direct payment.

Direct payments are cash payments made directly to the parent, the young person or their representative, allowing them to arrange the provision in the EHC plan themselves. Direct payments give you more flexibility over how your care and support is arranged and provided, as long as you're spending your personal budget on things that meet your agreed care plan. Most councils will ask for evidence of how you've spent your money every 3 months.

If you choose to receive your personal budget through direct payments it can only be used to pay for the specific provision within the EHC plan. For example if the it states an hour of hydrotherapy per week and a direct payment is given to pay for this, you can't do a two hour session every fortnight or an hour and half swimming instead (without changing the EHC, which would need proof as to why this would benefit the child more).

The local authority can refuse to make direct payments if:

- They do not believe the person receiving the payments would be capable of managing the money
- They do not believe it would be used in an appropriate way
- It would negatively impact other services provided by the local authority
- It would not be an efficient use of resources

If the Local Authority refuses to identify a personal budget or make a direct payment, you cannot appeal against that decision but you can ask them to review it.

# Will my personal budget affect my benefits?

A personal budget does **not** affect the benefits you receive and is not considered an income.

# Do I have to keep records?

Yes. If you receive any form of cash payment you are expected to keep records to account for the money that has been spent and to show spending is in accordance with assessed needs. Your care coordinator will discuss further with you how this works.

# What if I spend my Personal Budget on something it was not meant for?

You may have to pay the money back and the council might refuse to give you a personal budget in the future. We may ask the police to investigate anything if we think it could be fraud. To avoid these situations the Local Authority will ask you to keep a record of your spending.

If you are struggling to manage your personal budget, contact your local SENDIASS.



# Disadvantages of an EHC personal budget and direct payments

You may decide that an EHC personal budget is not helpful if your personal budget won't stretch the cost of the provision (such as a 1:1 swimming session) and the child/young person might already be receiving a better outcome (such as a group swimming session).

You may decide that direct payments are not helpful if:

- You're worried about managing money – you need to keep a record of how you spend the money
- You spend a lot of time in hospital
- You would rather the local authority arranged your care

Contact your local SENDIASS to get more information on EHC personal budgets and direct payments.

Click on the link to watch our video on Personal Budgets:  
[www.youtube.com/watch?v=Tt01JnNjWwY](http://www.youtube.com/watch?v=Tt01JnNjWwY)

Click on the link to watch our video on Personal Budgets with **Makaton**:  
[www.youtube.com/watch?v=nJlRNBmmRbE](http://www.youtube.com/watch?v=nJlRNBmmRbE)

Click on the link to watch our video on Personal Budgets with **Subtitles**:  
[www.youtube.com/watch?v=nMUrcK8p0ml&t=9s](http://www.youtube.com/watch?v=nMUrcK8p0ml&t=9s)