

## Appendix 5 - Personal Budget Financial Process

Anyone that requests a Personal Budget will receive a statement of costs of the provision that will be provided to meet the needs identified in the EHC Plan. A Personal Budget statement will indicate which elements of the Personal Budget could be 'cashable'.

A Personal Budget is public money and should be used appropriately for the purpose it is intended, therefore there will be a requirement by recipients to provide a regular expenditure returns so that it can be audited.

If the child's parent/carer or the young person is financially managing the Personal Budget, they will need to have use of a separate bank account. They can open a new bank account or use an account they already have, but the money must be kept separate from all other personal or family finances.

Despite everybody's best intentions things can sometimes go wrong when employing carers or personal assistants. If the child's parent/carer or the young person is to be the employer, it is very important that they are insured against liability for any accidents that the individual may suffer or cause to other people whilst in their employment. This is called Employers and Public Liability insurance cover and can be arranged at a relatively low cost with little difficulty.

They will only require this insurance if they employing a carer or personal assistant as an employee. They will not need this insurance if they are classed as self-employed.

Central Bedfordshire Council will pay for their first annual insurance payment. Thereafter, annual payments will need to be paid to cover the policy renewal. This cost will be factored into the child's/young person's Personal Budget. If they wish to take out more expensive cover, the difference is to be covered by the child's parent/carer or the young person.

The child's parent/carer or the young person should confirm their decision and agreement of the budget. Where appropriate, this **must** include their agreement, in writing, of the conditions for receipt of the payment. Each of the organisations that are responsible for the funding of the above must ensure that a written agreement is in place when offering a Personal Budget. This is a contract between the recipient of Personal Budget and Central Bedfordshire Council and Bedfordshire CCG outlining the terms and conditions of the Personal Budget Scheme and what money they can expect to receive.

This agreement will be sent to the parents'/child or young person and must be signed and returned.

Under the Personal Budgets Scheme the recipient of the money becomes responsible for managing the monies they received. This means the Personal Budget must cover all the costs associated with the support and provision that has been agreed.

Planning finances is an essential part of successfully managing a child's support package through Personal Budgets. How much they will be involved in the audit depends on how they choose to take their budget.

If they choose to manage their budget they will have to keep invoices and receipts for everything they spend out of their Personal Budget. Therefore it is essential that monthly returns are provided for quarterly auditing.

If they spend less than the amount of money assigned, they may be asked to return unspent monies. If, however, they spend more on provision that is outside of that agreed in their EHC Plan and by professionals, they will have to pay the difference.