

Tips from the frontline

A guide to using personal budgets

About

Our practice forums and events bring together frontline Housing First teams from across the country to share learning and best practice around a range of issues, and help service development. The discussions inform this series of practical briefings, which outline common experiences and recommended approaches.

This briefing explores the background of a personalisation approach and the use of personal budgets in the context of multiple disadvantage. Information is provided on the different ways personal budgets can be used to enhance fidelity in Housing First; increasing the opportunities for flexible support and maximising the choice and control individuals have over their support and recovery.

An introduction to personalisation

Personalisation originates at least in part from social work values. Its application to adult social care was announced in [Putting People First: a Shared Vision and Commitment to the Transformation of Adult Social Care \(2007\)](#) – a ground-breaking concordat between central government, local government and the social care sector. This officially introduced the idea of a personalised adult social care system, where people would have maximum choice and control over the services they receive.¹ Developments included individuals having the opportunity to decide how available funding was used to meet their needs.

In 2009, the Department for Communities and Local Government (now MHCLG) provided funding to pilot personalisation approaches to tackle homelessness. A review of these services in 2013 showed that taking a personalised approach was very effective in supporting people sleeping rough to engage with services, putting people at the centre of their support.² It enabled trusting relationships to be built and more effective joint working with other services.

As part of this approach, some services offered a small flexible fund, usually referred to as a **personal budget** to enhance the support offered to rough sleepers. The budget could be used for small engagement gestures like purchasing hot drinks and food, supporting the cost of travel to appointments and providing people with a fund to purchase furniture and other goods for their accommodation.

The use of personal budgets was further adopted by the Big Lottery-funded Fulfilling Lives programme that began in 2014. This programme involves 12 partnership areas, which aim to improve service delivery for people experiencing multiple disadvantage. At an operational level, the service 'navigators' work with small numbers of

¹ <https://www.communitycare.co.uk/2008/10/29/personalisation-the-history-and-the-basics/>

² <https://www.homeless.org.uk/sites/default/files/site-attachments/Personally%20speaking%20Dec%202013.pdf>

people in a personalised way and have also used personal budgets. One partnership described these funds as enhancing a person's choice and preferences by asking people 'what would make your life better and happier now, at this point in time' and offering the personal budget to put that in place.³

Personal budgets and Housing First

What are they used for?

Housing First is underpinned by a personalisation approach as this is key to services being able to operate in line with the core Principles.⁴ Access to personal budgets is often seen as a critical part of the model, having four distinct purposes:

- An engagement tool
- An emergency fund to meet crisis needs
- Tenancy set-up
- A way to support activities, interests and goals

Some of this funding may be pooled centrally (e.g. for engaging clients and responding to some crises) whereas some funds may be divided and allocated for each individual to use.

An engagement tool

This would typically be a small budget readily available to Housing First staff to access on a day-to-day basis. The budget would support the purchase of items such as:

- Teas and coffees when meeting people in the community
- Food such as breakfast or lunch, possibly timed around different appointments to encourage attendance
- Travel expenses for clients to move around the area for different appointments
- Mobile phones for clients to enhance contact and communication

Meeting crisis needs

This may be a more substantial budget to support residents at times when they do not have sufficient funds to meet their basic needs. This may be as a result of their welfare benefits being stopped or sanctioned or where there is a transition to welfare benefits resulting in income gaps. There may be occasions when someone has struggled to manage their finances or an issue has arisen with their property, and this funding would enable them to sustain their tenancy. Basic needs items could include:

- A weekly food shop
- Topping up gas and electric
- Essential clothing items
- TV top-up when in hospital
- Replacing lost keys
- Repairing damage to the property

Tenancy set-up

The first Principle of Housing First is that people have a right to a home, and a home must be considered as more than just the building. Properties offered to people are very often empty, and some may even lack carpets and curtains so it is important to consider what is needed to support someone to transform their accommodation into a home. Services should make use of funds and furnishing schemes available locally, including speaking with housing providers about what they may be able to offer. Personal budgets can be a useful means of purchasing items such as:

³ <http://www.fulfillinglives-ng.org.uk/blog/money-a-person-centred-approach/>

⁴ <https://hfe.homeless.org.uk/sites/default/files/attachments/The%20Principles%20for%20Housing%20First.pdf>

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- Furniture and white goods
- Flooring and window coverings
- Bedding
- Cooking equipment
- Television and radio
- Cleaning equipment e.g. hoover
- Soft furnishings and other accessories

The End Furniture Poverty campaign has identified a number of essential items required at the start of a tenancy and good practice examples from some social landlords: <https://www.endfurniturepoverty.org/>.

A way to support activities, interests and goals

These items are more likely to be one-off purchases and linked to the person's strengths-based goals. Housing First services should support individuals to determine their interests and how the budget might be used to support them around these. Options will be limited by the budget but examples of how this might be used are:

- Arts and crafts supplies
- Exercise classes
- Access to counselling or other therapeutic support
- A day trip, going to the theatre or to watch football
- A tablet or laptop
- Funds to support a family reconnection
- Smart clothes for an interview or voluntary role
- Equipment for a new/existing pet

Setting up and managing personal budgets

Planning ahead

When developing or extending a Housing First service, thought must be given to the availability of personal budgets for those being supported. The fund available, and how it is allocated for different purposes, should be determined based on what other resources are available locally or within the context of the Housing First service (e.g. the amount per resident would be very different if your social landlord partner was offering a basic furniture/goods package or not).

Although it may be considered a luxury, having a budget to personalise a home and explore and pursue interests is essential to supporting the transition away from homelessness and to enable community integration. Funding for these items should be built into the budget of the service.

The amount of funding available for personal budgets in existing Housing First services vary considerably, from small amounts of £50 used in an adhoc way to large funds divided between residents. Housing First workers suggest that around **£2,000 per resident** is the ideal figure.

The amount of funding available and the decision of how to allocate the funding varies across services. One Housing First service for young people allocates £4,000 per resident to maximise the choice and control of each person in the service. Another has divided funds into separate budgets for engagement, addressing crises and setting up tenancies. This ensures there is no conflict in decision making about meeting different needs.

Decision-Making

To ensure personal budgets are used to enhance personalised support, the amount required by each person may vary depending on their unique needs and interests. Some services allocate a set budget per resident and others have a more flexible approach with a centralised pot allocated on a needs-led basis. The process for

determining how the funding is used or allocated needs to be clear to make sure that there is consensus within the team and a fair process to decision-making.

There can be difficult decisions to make in regards to the use of personal budgets in some circumstances. For example, how many times would you replace mobile phones regularly lost or sold by one individual? Should you buy certain goods for someone who is an active drug user and who may sell them on? There are often no right or wrong decisions, which is why a co-production approach to using personal budgets is important; involving the individual, the team and other relevant stakeholders in the decision making around these dilemmas as necessary. Decisions about the use of funding for people's interests and hobbies can be difficult to make especially where the item requested is expensive. One way of managing this is for individuals to each have an allocated amount or for these decisions to be made by a panel of people.

Decision makers should take an asset-based approach, allowing the resident to take the lead whilst being conscious of other support needs and risks to safety. For example, a resident who is currently using substances heavily but not engaged with treatment services may be at greater risk of overdose if they are bought an expensive item which could be sold on. In such circumstances a collaborative and open conversation should happen with them to involve them in the decision making or explain why a certain decision has been made.

Essentially however, personal budgets should be about positive risk taking and providing an individual with the opportunity to learn from the choices and decisions they make. In the example above it may therefore be appropriate that a cheaper item is purchased initially to see how the person gets on. This can be difficult for some service providers and staff who are used to working in a very risk averse way.

In one service a personal budget was used to purchase a football team season ticket for a man who had been street homeless for well over 10 years and alcohol dependent. Although there were some potential risks, the decision was made by listening carefully to what the individual wanted and trusting their judgement. This led to a fantastic outcome; he went to watch the football every week with a friend and continued to maintain his accommodation after 2 years.

It is important that staff are supported to reflect on, and manage their feelings and actions, around the power and responsibility they have when managing these funds. Every effort should be made to create a shared culture and understanding that the funding:

- essentially belongs to the residents rather than the service
- should not be used to bribe/barter e.g. used in a 'carrot and stick' approach; this funding is not about rewarding or punishing people for their behaviours
- can be used to enhance co-production so that decision-making is collaborative and does not negatively impact relationships between team members or with residents.

Staff access to funds

Access to these funds by staff is important to consider but often underestimated. Staff must be able to access the cash quickly and easily as often it may be difficult to anticipate in advance when or what funding may be needed for. Procedures should be put in place to make this as easy as possible. This will require a level of trust in staff's judgement and clear guidelines about when and how funding can be used.

Depending on how the funding is allocated, it might be beneficial for support workers to have pre-paid credit cards to enable them to purchase goods and where it would not be appropriate to carry cash. Being responsible for a personal budget can be an unexpected pressure for frontline workers, so clear policies, procedures and training should be in place to alleviate any anxiety. Where staff do not have pre-paid credit cards, it is important that there are well managed petty cash facilities to ensure staff are reimbursed for any expenses they incur as part of the work.

One of the early adopters of personal budgets for people experiencing multiple and complex disadvantage allocated a budget of up to £3,000 per individual. Individuals were not told how much was available but were supported to develop a plan of what they needed to leave the street and to explore other interests they had. Approximate costs were allocated to that plan (e.g. £750 for furniture, £50 for TV, £150 clothes) which was signed off by management within 1-2 days. Each worker had a pre-paid credit card and was responsible for managing expenditure in line with each individual's plan. Each individual's plan could be reviewed and amended if their needs or wishes changed. Funds for engagement activities (tea, coffee, lunch) and staff travel came from a separate fund.

Sourcing other funding and resources

Personal budgets will not, and cannot, meet all of the needs of an individual supported through Housing First. It is therefore essential that Housing First teams identify other grants and resources available in their area such as:

- **Through partnerships:** working with other services is essential in Housing First and it maybe that additional funding is available within the partnership. This could be statutory funding, such as through adult social care, or through probation services and other resettlement funds.
- **Local and national grants:** local and national charitable funders should be sought including to meet specific needs; e.g. the St. Martins in the Field Vicar's Relief Funds or the Greggs Foundation.
- **Furniture packages:** some councils and landlords offer furniture packages to vulnerable people, which can be used to purchase white goods, and essential furniture. It is likely that the furniture packages will be limited or supplemented and it may be useful to work with local second-hand furniture suppliers and public donations/offers.
- **Reduced asset-stripping:** it is common practice for Local Authorities and Housing Associations to remove everything from the property at the end of a tenancy. Replacing essentials such as floor and window coverings can be costly and time consuming, and new tenants offered a bare property may struggle to consider how they can make it their home. However, some landlords may be willing to leave these essentials in place, or provide them for new tenants.



What we do

Homeless Link is the national membership charity for frontline homelessness services. We work to improve services through research, guidance and learning, and campaign for policy change that will ensure everyone has a place to call home and the support they need to keep it.

Let's end homelessness together

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