



## BRIEFING DOCUMENT

# Progress and pitfalls in Individual Service Funds (ISFs) – ten tips

This document is a summary of the lessons learned to date from the West Midlands Action Learning Set (ALS) for Individual Service Funds (ISFs) sponsored by Think Local Act Personal (TLAP). It is written by Chris Howells, Fellow, Centre for Welfare Reform and sets out recommendations for promoting the uptake of Individual Service Funds.

### Who is this document for?

This briefing will be of interest to commissioners, council leaders, providers of social care, social workers and health practitioners, people working for health and social care transformation programmes and those working in support functions in health and social care such as procurement and finance.

While progress on introducing ISFs has been very encouraging, we are only part way into the journey and we should be seeing further development of ISFs in the West Midlands region. The document offers an insight into the conclusions and lessons to date; a fuller report from the Centre for Welfare Reform will be published by TLAP this year.

The ALS, started in 2015, has been facilitated by the Centre for Welfare Reform and supported by Helen Turner of Improvement and Efficiency West Midlands, on behalf of West Midlands Association of Directors of Adult Social Services (ADASS). Helen played

a major role in helping to develop the ALS and encouraged local authorities and providers to participate and contribute.

See also *Beyond Direct Payments*, a report on ISFs and micro-providers, by Simon Duffy and Angela Catley, Centre for Welfare Reform and Community Catalysts, published by TLAP in February 2018 [www.thinklocalactpersonal.org.uk/Latest/Beyond-Direct-Payments/](http://www.thinklocalactpersonal.org.uk/Latest/Beyond-Direct-Payments/) and *ISFs and Contracting for Flexible Support* by Simon Duffy [www.thinklocalactpersonal.org.uk/Latest/Individual-Service-Funds-ISFs-and-Contracting-for-Flexible-Support/](http://www.thinklocalactpersonal.org.uk/Latest/Individual-Service-Funds-ISFs-and-Contracting-for-Flexible-Support/)

## Ten tips to support the take-up of ISFs

- 1 Director level commitment
- 2 Start small and build up
- 3 Consult care providers, people who use services and communities
- 4 Address cultural and behavioural change as a priority
- 5 Work with local authority workforce/commissioners and providers together and early
- 6 Commit to consistency and continuity
- 7 Make full use of 'light touch' procurement
- 8 Don't ignore the savings
- 9 Keep it simple
- 10 Celebrate success

### 1 Director level commitment

This has proved to be the single most critical factor in the development of ISFs. In other parts of the country where good progress has been made, for example in Calderdale and Dorset, strong leadership at director level was instrumental in accelerating ISF development. This was the case not only in relation to procurement and tendering rules but also legal and financial transparency concerns. Similarly, with senior level support, Coventry has moved rapidly to implementing a pilot and is now looking at ways to scale ISFs in the City.

Director level support in Solihull and Wolverhampton saw pilot programmes develop during 2016 that are now moving towards fully operational models at scale, while in Staffordshire, following an ISF workshop supported by TLAP in late 2016, director level commitment has led to a comprehensive ISF implementation from April 2017.

In other Local Authorities in the region, although similar comprehensive ISF pilot proposals were accepted in principle there have been delays because of concerns at leadership level. These relate, though are not confined, to the potential for ISFs to reduce the numbers of Direct Payments and have led to more evidence being requested e.g. on outcome evaluation, and pilots being put on hold.

## 2 Start small and build up

Experience from other parts of the country suggests that, attractive though it might seem, converting a block contract to ISFs while generating critical mass very quickly can bring its own problems. In home care, for example, providers keeping their existing staff who continued to behave as if ISFs were still a managed service – simply mirrored what they had previously been doing.

The lesson learned in the West Midlands is that progress may be more productive by starting with smaller numbers of providers and people who are using the service, and building up steadily. Otherwise a tension can develop between the scale and flexibility of operation. It is better to spend some time at the start of the ISF journey understanding the different issues ISFs address in relation to co-production and outcomes with a smaller number of providers and people who are using the service before starting to scale.

An example from the ALS is Wolverhampton, starting with two providers and eleven citizens and growing in the light of that experience in phases to supporting 40-50 people who now use the service. This approach and pace addresses the dilemma for providers that scaling too slowly can result in delay getting to critical mass, the consequent benefits of ISFs taking longer to realise and new barriers to progress emerging.

## 3 Consult care providers, people who use services and communities

This is absolutely critical given tip 2, there being a clear need to review the resources that providers have at their disposal and their capacity to cope with the change in requirements.

Shropshire built on its core operating model which already used county-wide ‘Let’s Talk Local’ sessions to identify wider community supports and voluntary sector input at the start. Costed support is provided, for contracted home care, through an ISF only after considering these resources and putting them in place as appropriate.

The ALS shared other good examples of this consultative approach. Staffordshire involved TLAP in an ISF workshop with providers. Following this three providers were identified who provide accommodation support; a process of consultation followed with the people they support to explain ISFs and offer the opportunity to take (or not) an ISF; 170 people agreed to try ISFs as the first pilot.

#### 4 Address cultural and behavioural change as a priority

It is easy to overlook but training for front line social work staff is essential. The culture change of moving fieldwork teams from controlling to enabling is not easy and demands a lot of effort. Most, if not all, West Midlands ALS members – local authority commissioners and providers alike – identified cultural change of front line social workers and care co-ordinators as both a major obstacle at the start and an ongoing issue which requires continuous activity. In part, this change is down to thinking about commissioning for outcomes rather than services and even pioneering authorities haven't fully addressed and resolved the problem as yet.

#### 5 Work with local authority workforce/commissioners and providers together and early

An engagement strategy with local authority staff and providers is key. It can uncover current bad practice and, as one local authority found, safeguarding issues as well, besides ensuring a common understanding of ISFs.

Co-design and co-production builds trust. Feedback in the first few months of the ALS led to the learning set bringing commissioners, providers, and people who use services together, affording a neutral forum for tough conversations, which led to better understanding between them.

For example, Solihull spent a lot of effort, first with workshops early in 2016 to discuss their new model of home care, then in a series of market shaping events led by the Director of Commissioning. They signalled their intention to introduce more flexible, outcome-focused contracts for domiciliary care to include the option for ISFs. The events attracted a total of 23 providers as well as council staff from procurement, finance, quality monitoring, social care practitioners and Clinical Commissioning Group colleagues. To reinforce their intention, Solihull developed factsheets about ISFs for social care staff and for providers as part of the new commissioning prospectus. These were shared amongst ALS members.

Telford adopted a similar approach before starting ISF pilots and Coventry established an ISF Project Board comprising providers and front line staff early on in the ISF process which worked well.

## 6 Commit to consistency and continuity

ISFs are not an 'initiative' but offer the opportunity for a step-change in the process and practices of social care. Consistency and continuity of policy from the top of the organisation down is critical. Once the introduction of ISFs is accepted at senior level, experience shows that the degree of change – procurement, commissioning, delivery and evaluation of outcomes – requires dedicated work and focus on ISFs. Survey feedback from members shows that the ALS provided a framework for supporting commissioners and providers in tackling the problems and issues they faced introducing ISFs. Survey results will be covered in the forthcoming full ISF report.

The pressures on local authority social care staff are growing rapidly while staff numbers are at best static and at worst in decline as a result of cuts to local authority social care budgets. Nevertheless, if ISFs are to be a success then it's important that they are made a priority and that resourcing is maintained over time otherwise consistency and continuity of approach run the risk of being diluted.

This is not confined to front line staff however, several local authorities reported that 'churn' in senior level management can also lead to discontinuity in the approach and commitment to ISFs.

## 7 Make full use of 'light touch' procurement

Light touch European Union procurement rules have opened up the opportunity to take a different approach to procurement. The person who wishes to organise flexible support under an Individual Service Fund chooses a provider, and the kind of support they require. This calls into question whether traditional procurement processes, pre-qualifying questionnaires for example, are fit for purpose. 'Best Value' measurements as currently practiced bear little or no relation to outcomes for the individual inherent in ISF implementation.

As Shropshire discovered, even in a rural area, giving people the choice of provider and ability to switch increases the supply of providers, mostly of smaller and community based organisations. In such circumstances, it's virtually impossible for the local authority to define a specification and thus price at the outset much less apply 'big contract' processes to multiple, small scale and flexible providers.

Current thinking is to regard ISFs to all intents and purposes as a series of individual spot contracts with lots of mini competitions – in effect micro-commissioning at the level of the individual – to give people the option of switching provider and/or varying the services delivered.

Some authorities in the West Midlands such as Shropshire, Telford, Walsall, Staffordshire, as well as further afield in Calderdale and Dorset are exploiting Dynamic Purchasing Systems<sup>1</sup> and/or frameworks to simplify procurement and encourage the greater participation of smaller, community based organisations as well as existing providers.

A practical approach comprises establishing a simple, open register of ISF suppliers, where potential providers specify what they can do e.g. help to broker budgets, provide personal care, or provide ISF support. Quality assurance can be established at the point of registration which, as Calderdale found, satisfies legal requirements since there is no fixed price or guarantee of work.

## 8 Don't ignore the savings

While not the sole or even primary reason for introducing ISFs, experience in Scotland and elsewhere provides ample evidence that ISFs can save rather than cost money in the medium term. When making the business case, make use of the experience and data available through both TLAP and the Centre for Welfare Reform. It's not only wellbeing and quality of life for the individual that improves.

Some councils such as Staffordshire are looking at testing gain/share agreements as a way of incentivising providers to be creative in their work. In other words think 'outside the box' and share the savings. A good early example from Southwark can be found here [www.centreforwelfarereform.org/library/by-az/better-lives.html](http://www.centreforwelfarereform.org/library/by-az/better-lives.html)

## 9 Keep it simple

In managing ISFs for providers and people who use services, the lesson is the simpler the better and 'don't reinvent the wheel'. For example, the ALS spent some time at the beginning looking at whether contracts should be two-way or three-way, and whether payments should be gross or net. Shared learning, discussions between commissioners and providers and experience of ISFs in the ALS have led to members favouring a simple two-way agreement between the local authority and provider – Birmingham, Coventry and Wolverhampton for example – and paying two to four weeks gross in advance.

The trend is also towards allowing people to build up hours of support to be used at a later point in line with their support plan. This approach is particularly beneficial to people with fluctuating support needs and better reflects the fact that people's routines can vary from week to week. It allows for greater social inclusion and involvement in activities. Recent experience from Wolverhampton in their ISF Pilot show that this flexibility can also help with speeding up hospital discharges.

TLAP and CfWR resources illustrate models of good practice for simplifying processes and administration, for example:

[www.thinklocalactpersonal.org.uk/\\_assets/Resources/SDS/TLAPISFsContractingFINAL.pdf](http://www.thinklocalactpersonal.org.uk/_assets/Resources/SDS/TLAPISFsContractingFINAL.pdf)  
[www.thinklocalactpersonal.org.uk/Latest/Individual-Service-Funds-presentations-and-resources/](http://www.thinklocalactpersonal.org.uk/Latest/Individual-Service-Funds-presentations-and-resources/)

<sup>1</sup> [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/560265/Guidance\\_on\\_Dynamic\\_Purchasing\\_System\\_-\\_Oct\\_16.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/560265/Guidance_on_Dynamic_Purchasing_System_-_Oct_16.pdf)



## 10 Celebrate success

Finally, don't forget that continuous reinforcement with individual and personal success stories is one way to overcome the reluctance of professionals from both local authorities and providers to embrace ISFs. During the West Midlands ALS training event facilitated by John Dalrymple and Frances Brown, drawing on their experience with ISFs in Scotland, the video story in his own words by Callum, a young man talking of how ISFs had changed and improved his life for the better was the most powerful endorsement for the approach. (Details of the event and resources including Callum's story can be found on the West Midlands ADASS website: [wm-adass.org.uk/individual-service-funds-workshop-for-west-midlands-providers-and-commissioner/](http://wm-adass.org.uk/individual-service-funds-workshop-for-west-midlands-providers-and-commissioner/))

In Wolverhampton, the flexibility afforded by ISFs allowed two sheltered housing tenants to build up hours and take a weekend holiday away for their first break from the housing scheme in several years. Not surprisingly, the success has led to the tenants forming a group who now plan with their provider how to flex their ISFs to increase their social contact – going out for meals together for example.

Simple to do and easy to disseminate, success stories can help shorten the acceptance and co-production journey for professional social work staff, providers and service users alike. (And remember, You Tube is the 2nd most used search engine in the world!)

Further examples of success can be found here:  
[www.centreforwelfarereform.org/library/by-azli-would-never-have-believed.html](http://www.centreforwelfarereform.org/library/by-azli-would-never-have-believed.html)  
[www.centreforwelfarereform.org/news/research-shopact-of-isfs/00187.html](http://www.centreforwelfarereform.org/news/research-shopact-of-isfs/00187.html)  
[www.thinklocalactpersonal.org.uk/Browse/mir/about/Stories/](http://www.thinklocalactpersonal.org.uk/Browse/mir/about/Stories/)  
[www.thinklocalactpersonal.org.uk/News/Ten-Top-Tips-for-Co-production/](http://www.thinklocalactpersonal.org.uk/News/Ten-Top-Tips-for-Co-production/)

## Final thoughts

The most consistent theme running through these tips and the introduction of ISFs everywhere is the need for trust. That is trust between and within organisations – local authorities and providers – as well as with people who need personalised support and their families. ISFs will work only if the silos start to break down and the 'customer journey' is viewed as a single, seamless process from which the people who use the service can improve their lives.

The other theme to emerge from the ALS to date is the need to market the benefits of ISFs at national level more effectively, to make sure decision and policy makers are presented with the evidence to enable them to support the development of ISFs. It was felt that evidence in the form of capturing more and more accessible stories – in paper and video form – would help to address a number of the issues running through the ten tips notably commitment, continuity and culture.

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