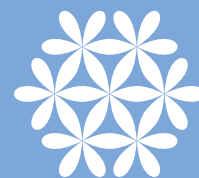


A Commissioners' Guide to Individual Service Funds

by Chris Watson





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Foreword

I developed the concept of an Individual Service Fund (ISF) in 1996 when I was setting up Inclusion Glasgow. We discovered it was a powerful tool to help people build a life of citizenship. Later, while running In Control, I proposed the use of ISFs as a way to help people manage their personal budgets without taking on all the responsibilities of direct payments, and this idea was then adopted by both the Care Act in England and the Self-Directed Support Act in Scotland (where it was called Option 2).

However this idea has been slow to catch on in practice. While writing the best practice guidance for the Care Act I discovered that very few local authorities offered people ISFs and, even if they did, they had completely misunderstood their purpose. Too often they were adding complexity instead of reducing it. This was all quite disappointing and I feared that a potentially powerful innovation had simply been abandoned.

But I was lucky enough to discover that Chris Watson, the author of this guide, had been working away in Dorset to implement ISFs with both rigour and integrity. He had managed to work with his colleagues to avoid the traps and pits into which so many others had fallen. He realised that ISFs were a gift for people and families - but also a gift for enlightened commissioners.

Working with the Centre for Welfare Reform and Citizen Network, Chris has managed to increase the uptake of ISFs across England. This guide is an introduction for commissioners which will help them create systems that will transform people's experience of health and social care. Putting people in control of their lives and helping people shape their own support is a basic human rights requirement. ISFs make this a realistic possibility for everyone.

Simon Duffy

Director of the Centre for Welfare Reform



The Basics

This guide has been written by Self Directed Futures in partnership with the Centre for Welfare Reform and the Institute of Public Care. The guide explains what Individual Service Funds are and the benefits of using them. Lessons learnt from the implementation of Individual Service Funds across the South West are reflected upon and tools for providers and commissioners to implement Individual Service Funds in their local areas are provided.

What are Individual Service Funds?

In simple terms an Individual Service Fund (ISF) is a personal budget that is held by an organisation (or micro provider) which has been nominated by or on behalf of the person and can be used to meet some or all of the outcomes that have been identified as part of a Care Act assessment as directed by the person (or their circle of support).

It's an internal system of accounting within a service provider organisation that makes the personal budget (the weekly money from a local authority for a person or carers' support) completely transparent to the individual or family. This helps provide for much more flexible support arrangements that can evolve quickly and easily over time as needs change.

An ISF is not a contract, it is an arrangement, developed by a service provider, to make itself more answerable to the person, as part of providing more flexible support to them. The approach helps with making best use of someone's available budget. Instead of being accountable only to the council, an ISF provider organisation is directly accountable to the person and their family, and this includes ensuring they regularly report back on how the available budget is being spent.

An ordinary ISF arrangement should look something like the illustration in Figure 1.

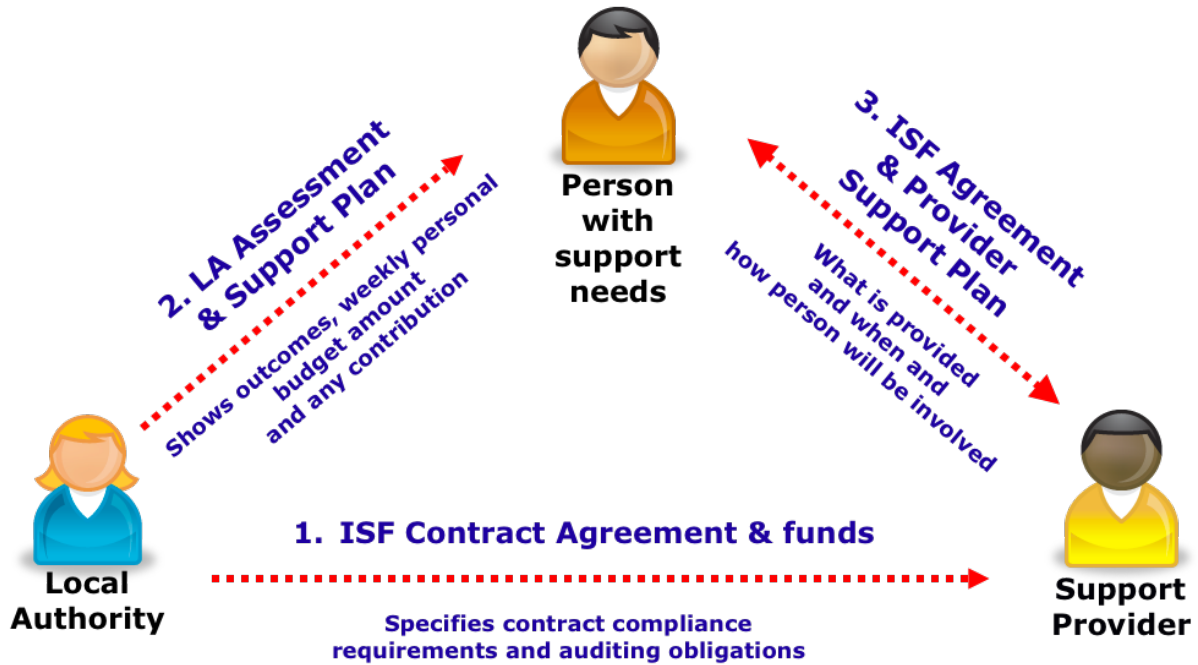
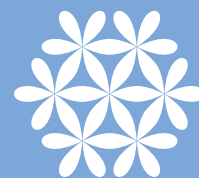


FIGURE 1. THE RELATIONSHIPS UNDERPINNING ISFS

In recent years an increasing number of people have used Direct Payments to manage their own support, while others have received council managed services, organised using contracts with private or voluntary organisations. While both options can work well, there is often a wide gulf between Direct Payments, which have high levels of choice and control (plus high levels of responsibility) and council managed services, with low levels of choice and control, and where control remains with the council.

Individual Service Funds are more of a middle option, which suit anyone who wants flexible support, but without all the responsibilities that come with managing a Direct Payment. The illustration in Figure 2 shows how much more control is offered through an ISF vs a council commissioned service.



ISFs and the degree of control

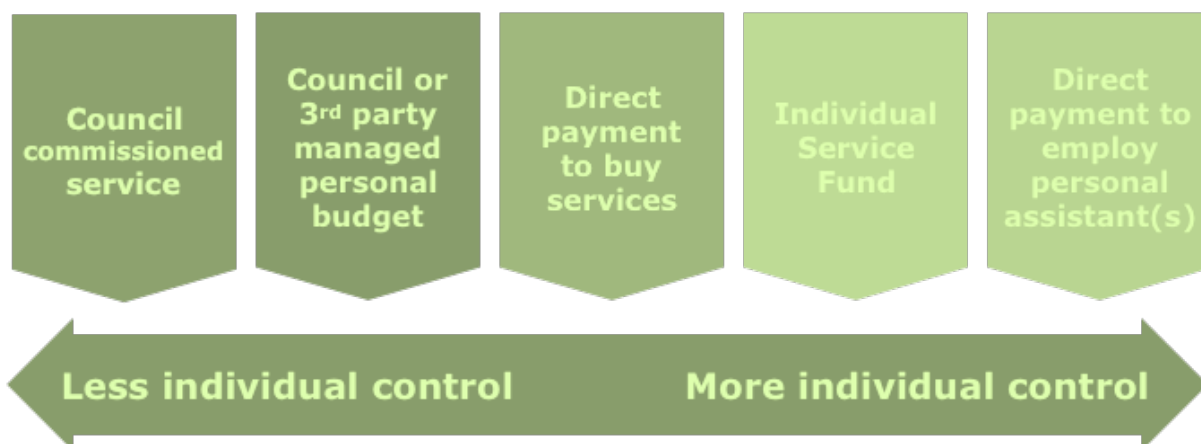


FIGURE 2. LEVELS OF CONTROL WITH DIFFERENT SUPPORT OPTIONS

What the Care Act guidance says about ISFs

The Care Act 2014 says that Local Authorities should develop a local offer around ISFs and should also consider all requests made to set up an ISF arrangement. There are a number of local authorities across England offering ISFs to their residents in varying degrees and the number is growing fairly rapidly. In particular the Care Act guidance highlights the following:

Clause 11.30 - There are 3 main ways in which a personal budget can be deployed:

1. As a managed account held by the local authority with support provided in line with the persons wishes
2. As a Direct Payment
3. As a managed account held by a third party (often called an Individual Service Fund or ISF) with support provided in line with the persons wishes



Clause 11.32 - Where ISF approaches to personal budget management are available locally, the local authority should:

- Provide people with information and advice on how the ISF arrangement works and any contractual requirements
- Explain how the provider(s) will manage the budget on behalf of the person
- Provide advice on what to do if a dispute arises
- Consideration should be given to using real local examples that illustrate how other people have benefitted from ISF arrangements

Clause 11.33 - Where there are no ISF arrangements available locally, the local authority should:

- Consider establishing this as an offer for people
- Reasonably consider any request from a person for an ISF arrangement with a specified provider

What are the benefits of using an ISF?

Providing flexible support through an ISF means working with the person to design, develop and manage the best possible support, and being able to alter that support with minimal fuss when changes are needed. Using an ISF is a way in which a service provider can work truly in partnership with the person and their family to deliver upon their needs and wishes.

The key benefits are:

1. Decision-making is located with someone who has the right information, motivation and expertise to make the best possible decisions – the people closest to the person.
2. Responsive services - decisions can be made quickly and easily, as problems and opportunities occur. There is no undue delay or contractual restrictions.
3. Resources can be used flexibly and creatively in order to build on the person's assets and community. Resources are not tied into particular kinds of service or support.



4. Clarity can be established about everyone's rights and responsibilities. There is no confusion, unnecessary dependence or undue complexity in the arrangements and the personal budget is made transparent to the individual or family.

What is the difference between Direct Payments and ISFs?

ISFs are similar to Direct Payments because:

- The personal budget is clear to the person or their representative.
- People have a high degree of flexibility in how support is defined and provided.
- Decisions can be made and changed immediately, without the permission of the council.
- Rights and responsibilities of the person are clear. [It should be noted that these rights do not extend to terminating the contract, unless the Third Parties Rights Act is used in the contract.]
- Councils must accept that the service providers will charge for their management costs for delivering ISFs.

However, ISFs are unlike Direct Payments because:

- The council is delegating service provision, auditing and management of the personal budget that meets the persons assessed needs to the ISF managing organisation.
- An ISF must be contracted for by the LA using clauses that enable the organisation to be flexible in how they meet a persons outcomes i.e. they must not specify how and when support will be delivered each day.

What should you see if an ISF is being done right?

If an ISF is genuine and is being delivered in a flexible and adaptive way that is controlled by the person and their close family, you should expect the person being supported to be able to make the statements illustrated in Figure 3.

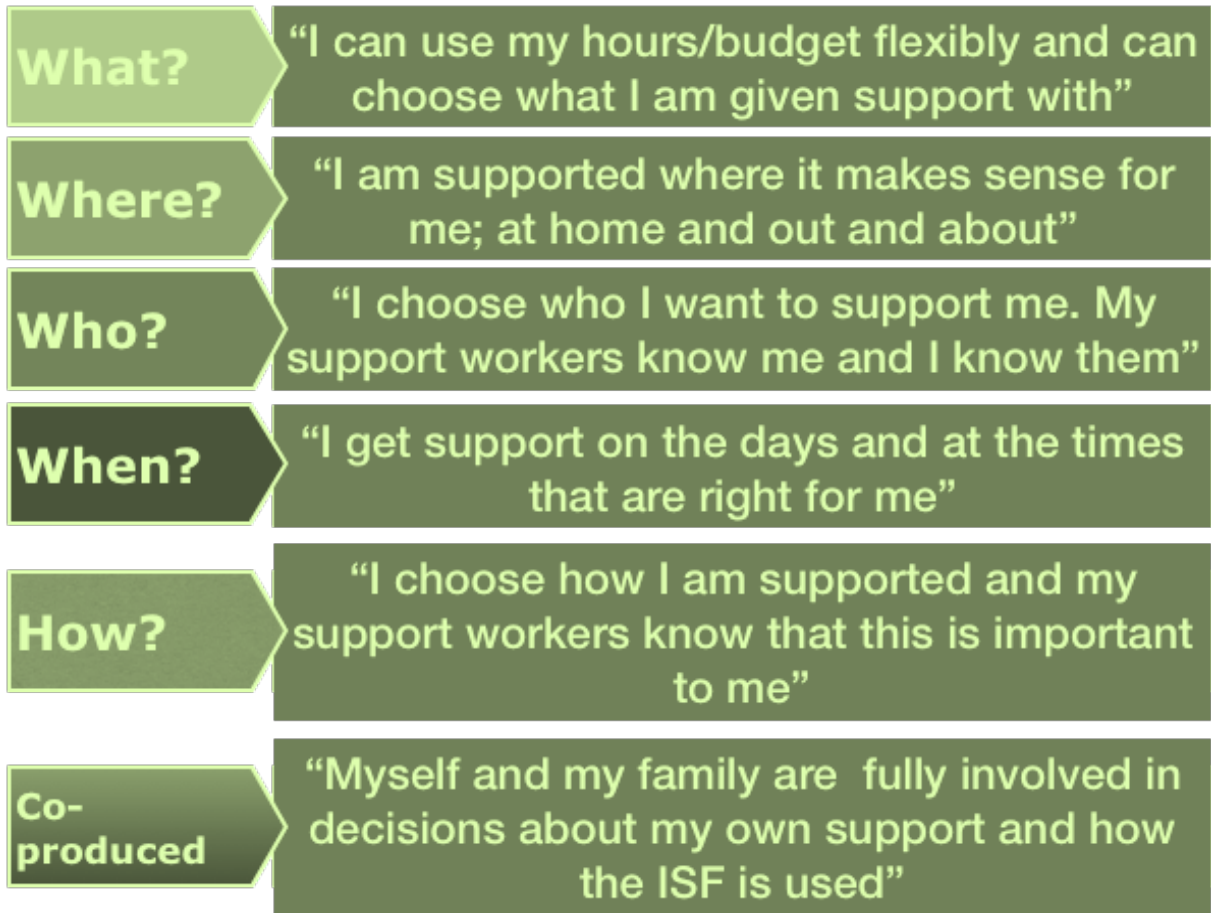
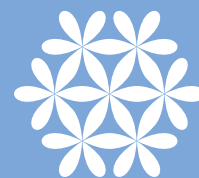


FIGURE 3. ISF STATEMENTS



South West Case Study

The South West is starting to make great strides in taking forward Individual Service Funds and is moving (as much is as possible) across different local authorities and Clinical Commissioning Groups towards the development of a simple and broadly similar offer. There are now four local authorities and a CCG that are providing personal budgets through ISFs, as either part of their local offer, or as small-scale pilots.

There is also a quarterly ISF development network that meets in Exeter which includes local authority and NHS Commissioners, support providers, people first organisations and family carers representatives from Skills for Care, Think Local Act Personal (TLAP) and the Centre for Welfare Reform. The network is open to anyone to join and acts as a focal point for practice sharing and cooperation between interested parties.

Choosing to take an ISF

An ISF agreement should not be seen as a complex or legally binding contract (as usually accompanies Direct Payments) it can therefore be presented as more of a simple yes or no decision around whether a person wants to have more choice around their daily support options - mental capacity regarding the management of an ISF is therefore far less of an issue.

As the provider organisation holds the ISF budget for the person and is responsible contractually to the local authority for how it is spent and accounted for there isn't a great deal of risk presented to an individual in choosing to have an ISF in terms of what can go wrong for them or the commissioning authority. Unlike Direct Payments should there be any issues regarding use of the ISF, the local authority is able to pursue the ISF organisation, as a business entity, via its contractual arrangement.

The ISF agreement should always be tailored to the person individually and should describe in plain English (or easy read) how the person will be supported by their



ISF organisation to make any decisions around using the budget – they should also sign this alongside their ISF provider organisation(s). As long as the ISF is being used to meet the outcomes as detailed by the local authority (however creatively) there aren't any issues.

If the person (or their deputy if there is one in place) isn't able to sign the agreement or understand the decision to take an ISF then a best interest decision can be made and the persons circle of support could be used to sign off the ISF agreement.

Working out the ISF budget

Most local authorities and NHS organisations already have their own systems for working out a personal budget for people who use Direct Payments or Personal Health Budgets (and setting personal contributions towards the cost of support).

An ISF is just another way of taking a personal budget and so fits within these existing systems without the need to necessarily create anything new. For people who already have a weekly personal budget through a commissioned service the ISF can be all or some of the existing weekly amount.

Contracting ISF holding organisations

Some of the South West authorities developing ISFs have decided to follow the two-way agreement route, that is, there is an ISF agreement between the person and their ISF holding organisation and the LA has a separate contract with the ISF holding organisation setting out the terms of the payments and auditing arrangements. It is also possible to use a three-way ISF agreement that requires all of the parties to sign up to. This is a more complicated arrangement to coordinate and involves the person needing to have a greater degree of mental capacity in order to understand what is essentially a more complex contractual agreement. Ultimately this may reduce the numbers of people willing or able to take their personal budget via an ISF.

Contractual relationships between ISF organisations and local authorities exist primarily either through an already existing support provider commissioning



framework that has been adapted slightly to allow providers to hold the persons weekly budget and use it flexibly as an ISF (based on a 'trusted provider' approach).

Or there may be a simple register of ISF organisations held and advertised by the LA separately based on a light touch accreditation process (such as an expert by experience panel) - or a mixture of the two. It is important to note that ultimately an ISF is still a commissioned service, albeit far more flexible, and the ISF holding organisation remains accountable at all times for the delivery of the persons outcomes.

ISF agreements

Good ISF agreements are tailored in a way that makes sense to the person (easy read, video, Makaton etc) and should explain how much is in their total personal budget, how much of the budget is available for flexible use (there may be restrictions on some parts of their budget if it is jointly funded for example) and any administration fees charged by the ISF holding organisation.

It should also detail what they should and should not expect from their ISF holding organisation, such as how and when they will be involved in decisions around how their budget is spent and also any responsibilities that they may have to the organisation (such as giving adequate periods of notice when making any changes). The ISF organisation and the person should both get signed copies of these agreements (and these should be reissued and re-signed off as and when changes are made).

Decision making

Supporting people to be able to make decisions around how to use their personal budget and be involved (as much or as little as they want to) in directing their support is a key feature of a good Individual Service Fund.

We are seeing the development of specific ISF based decision making agreements that set out how and when the person wants to be involved in decision around their budget (and what they are happy to delegate to their support provider) - this



is especially important if the person doesn't have a wide circle of support or day to day family involvement. These agreements are then incorporated into the wider ISF agreement setting out the rights and responsibilities of both parties around managing the personal budget.

ISF administration charges

There is a cost to ISF holding organisations in managing the person's support as detailed in their ISF agreement and administering the budget in terms of management time and auditing systems.

Most organisations therefore need to charge an ISF management fee each week to cover the additional costs of support planning and accounting for their expenditure. Some local authorities are adjusting the personal budget up front to include a fixed administration contribution to cover some or all of these costs, while others are negotiating a variable contribution depending on individual circumstances.

Auditing & prepayment cards

Most local authorities have their own systems already in place for auditing personal budgets that are provided via Direct Payments. Some have chosen to simply use existing business processes already in place for Direct Payments with the ISF holding organisation receiving the weekly budget into an internal holding account and then providing financial auditing information (and any underspends) back to the LA each quarter. In these scenarios the delivery of support plan outcomes is still managed as part of the annual assessment and review cycle by the LA social work team.

Some local authorities have decided to go down the route of issuing prepayment cards to providers through which to hold and spend as an ISF on behalf of the person. This can reduce the admin burden and costs to the ISF holding organisation as the commissioners can simply log into the account and check spend as and when they wish; but it may impact the flexibility of how funds can be used.

One local authority is also developing a list of 'trusted reviewers' which is essentially a group of 'accredited support providers' who will be allowed to carry out regular



reviews with the person, amending their support plan as required and reporting back to the person, and the local authority regularly on how the individual service fund is being used.

Advance ISF payments

Feedback from a number of support providers is that having an ISF payment from the local authority in advance (rather than arrears) can make a huge difference to their cash flow and ability to recruit, train and tailor services flexibly around the person being supported. The types of advance ISF payment on offer currently differs by local authority/CCG and ranges from as little as two weeks to as much as twelve months of budget up front.

Managing unspent ISF funds

Unused ISF funds have previously accrued with the holding organisation (or on the prepaid card). Each local authority has its own approach to managing these scenarios but the expectation is that if the money is not required then it is returned to the LA by the ISF holding organisation.

It is important for the LA to discuss reasons for the underspend and understand this prior to requesting its return (as it may have been accruing for a reason that was linked to meeting an outcome).

Support planning using ISFs

As with Direct Payments, ISFs can be used in a much more versatile way than traditionally commissioned services, of particular benefit is the ability to undertake 'costed support planning' that can be done live with the person and their circle of support. This planning can then attach a budget to the meeting of identified outcomes and this can be done by any means that work for the person (rather than traditional time and task based approaches).

Creative approaches using ISFs are starting to be used more widely for example buying personalised technology, such as iPads to help support people at home,



this has empowered individuals to take more control of their support and given the flexibility for them to decide how best to meet their identified outcomes. ISFs work really well for people who have a fluctuating need and where traditional inflexible commissioned services are unable to be tailored adequately to the needs of the person. In the scenarios the budget can be left to accrue over periods when it is not needed and can then be utilized more intensively when necessary. As with any unspent budget, if it is not required it can be returned to the commissioning organisation or, if necessary, held as contingency for future use.

Types of ISF holding organisations

Some authorities so far have restricted the offer of an ISF to people with a support provider that is already 'accredited' through their local contracting and commissioning systems and this works really well for people who are transferring from an existing council commissioned service over to an ISF.

Alongside this it is also possible to create a broader and more open ISF register that allows a range of different types of organisations to join (such as financial advocates, personal assistant organisations and support brokers). This model more closely fits the Direct Payments offer in that a person can then choose from a wide variety of different organisations to hold the ISF on their behalf (not just a 'support provider').

Flexible support contracting

Where an existing LA commissioning framework is being adapted (or created) to allow accredited providers to hold and support the use of ISFs some authorities are also building into contracts the ability to simply allow providers to flex the support hours that are delivered in agreement with the person (so long as it meets their identified outcomes).

This is a very simple yet necessary change of approach for many people where their support as commissioned may be a little too rigid at times. The following excerpt is from a local authority commissioning framework contract (currently live and available on a procurement portal) that allows providers to deliver flexible support:



“The Provider shall work with the Customer in a flexible way to meet their unmet needs and outcomes as set out in the Customers Care and Support Plan and in a way which promotes maximum choice and control for them. Services shall be provided in accordance with the provisions of this Contract, the Service Specification and the outcomes identified in the Customers Care and Support Plan/Care Plan, and all relevant legislation and regulations applicable to the provision of the Services.”

By implementing flexible support contracting alongside an ISF offer local authorities are providing their customers with maximum choice and control in meeting their outcomes in a person-centred way.

Tools to implement ISFs locally

There are a growing number of customizable tools and templates that can be used by support providers and commissioners when implementing individual service funds in their local areas.

- PATH Planning Tool**
 A great tool to help make long term plans and engage people visually in mapping their vision for their future.
- Easy Read guide to ISF reviews**
 A step by step visual guide to ISF's
- Easy read letter about ISFs (from support provider)**
 A letter template to send to people explaining more about ISF's
- Easy read Guide to ISFs**
 An easy to understand guide to ISF's
- Benefits of an ISF**
 An easy read guide to some of the great benefits of ISF's

To find out more and download these free resources visit:

<https://www.selfdirectedfutures.co.uk/free-resources>



Further reading

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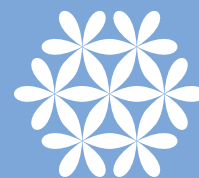
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About the author

Chris Watson



Chris has over 21 years experience of working in the public and voluntary sector in the fields of health, social care and community development with a focus on working with people with learning disabilities to achieve citizenship within their communities. Chris is a Fellow of the Centre for Welfare Reform and the RSA.

As well as working alongside people as a support worker at a grassroots level, in community based supported living projects, Chris has worked at a strategic level in a local authority and on programmes delivering national priorities around helping people move out of institutionalised living environments.

Working at the grassroots Chris realised that for people to have good lives they needed approaches to support that were designed around them as unique individuals, and that flexibility, in every area, was critical. Even in community settings, where he had previously worked, he noticed that organisations (and commissioning systems) could still create for mini-institutions with the needs of staff (fixed rotas and shifts) often dictating how a person's support was delivered. Chris realised that an asset based approach, focusing on peoples gifts, talents and contributions, working in partnership with people and their communities was something that all commissioners and providers was necessary.

It was as a result of this he decided to set up Self Directed Futures, an organisation that is based around inspiring and supporting organisations to apply the principles of self determination, citizenship and self-directed support. Chris also leads the Centre for Welfare Reform's Support Team.

Contact him by email: chris.watson@selfdirectedfutures.co.uk



Self Directed Futures

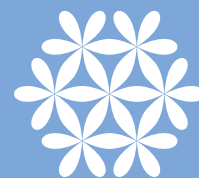
We are a group of values driven associates with over 300 collective years of experience of improving social care services. We look forward to a future where everyone is empowered to be in control over their support using direct payments, flexible support or Individual Service Funds.

We provide consultancy, advice and support to organisations at the leading edge of personalisation. In particular our associates have led on the practical implementation of Individual Service Funds within Local Authorities and support provider organisations for over five years. We have developed a range of expertise in the set up and day to day management of Individual Service Funds and in supporting commissioners and providers with phased programmes that support their delivery.

- Training for commissioners, social workers and support provider teams around ISFs and personal budgets
- Workshops and information sessions with families and personal budget holders
- Developing ISF/personal budget agreements and other outcome based supporting processes and paperwork
- Training and support with outcome evaluation, mapping and data tools
- Developing programmes and projects that deliver Individual Service Fund and whole system approaches

As members of Citizen Network we are passionate about developing self-directed support, citizenship, inclusion and diversity for all. For organisations starting out on their Individual Service Funds transformation journey we may be able to offer discounted or free introductory workshops. Please contact us for details..

To find out more go to: www.selfdirectedfutures.co.uk



Institute of Public Care

This guide has been published in association with the Institute of Public Care (IPC). Part of Oxford Brookes University, the IPC aims to drive improvement and innovation in care. It works with central and local government, health organisations, and independent and voluntary sector providers, across adults and children's services, typically in areas such as market shaping, demand management, performance management and practice delivery.:

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Centre for Welfare Reform

The Centre for Welfare Reform is an independent think tank. Its aim is to transform the current welfare state so that it supports citizenship, family and community. It works by developing and sharing social innovations and influencing government and society to achieve necessary reforms.

To find out more go to www.centreforwelfarereform.org

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Self-Directed Support Network

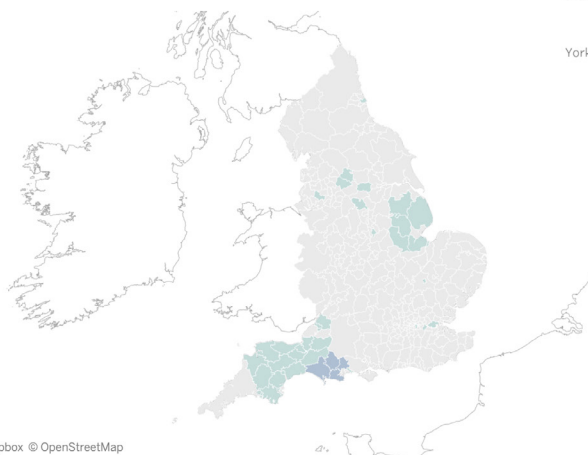
In 2017, with support from the European Union's Erasmus+ programme, we created a network for learning about self-directed support called the SKILLS project. The SKILLS project developed a range of resources to help countries develop systems of self-directed support. In 2019 we were awarded a further 3 years of funding to strengthen and extend this network and to advance self-directed support across the whole of Europe.

The project is led by KVPS and is managed in partnership with the Finnish National Agency for Education. However, although the hub is based in Europe, we welcome membership from leaders on self-directed support from around the world. Our network is made up of organisations who are leading work in their home country or region on self-directed support, particularly those working alongside people with intellectual disabilities and their families. Our goal is to work in partnership with other important European and International bodies, especially those led by disabled people, and to help ensure we can achieve citizenship for all.

To find out more go to: www.selfdirectedsupport.org

Check out the ongoing work to map the progress of Individual Service Funds in England: www.citizen-network.org/resources/map-of-isfs-in-england.html

Progress on ISFs
Available | Trialled | Not available



Click region to filter map

