



# Introducing Individual Service Funds

in an Adult Residential Care setting

Evaluation report- July 2022

# Executive Summary

At Affinity Trust, our mission is to enable people with learning disabilities to pursue active and fulfilling lives, gain increased independence and achieve equal rights as citizens. For the past three years, we have been working towards greater choice and control for the people we support through offering self directed support options as part of the fulfilment of our mission.

As an organisation we have invested in this by employing a dedicated ISF Implementation Manager who has been working alongside our development and operational teams to pilot and embed the Individual Service Fund model as an approach which can be offered to the people we support.

We are pleased to have had the opportunity to work alongside City of Wolverhampton Council to test and implement the foundations of an approach which offers greater choice and control to the people we support in one of our residential care services. Our intention is to gather and share our learning; building it into future pilots to improve the approach so that we can see more people with learning disabilities taking a lead in choosing how they are supported and strengthening their involvement and contribution in community life through the use of Individual Service Funds.

We hope that in sharing our learning we can inspire more organisations to take up the approach and create greater opportunities for people with learning disabilities in the UK.

**Leo Sowerby**

**Chief Executive, Affinity Trust**



Self Direction can be a reality for anyone eligible for Health and Social Care support - even (and especially) those with the most complex support needs



This report follows the process of developing ISFs within a residential care setting where the people supported have profound and multiple learning disabilities. The underpinning principle of the ISF approach is to keep the person 'in the driving seat' of their care & support arrangements, drawing on the support and involvement of those people who are important in their lives to assist with exploring opportunities and making decisions. As a support provider organisation, Affinity Trust is committed to upholding these principles in our mission of enabling the people we support to live good lives.

# What are Individual Service Funds (ISFs)?

An ISF is an internal system of accounting within a service provider that makes the personal budget transparent to the individual or family. This helps provide flexible support by making the organisation accountable to the person.

**Dr Simon Duffy-  
TLAP, Individual Service Funds and  
contracting for flexible support**



# The underpinning values of ISFs

Individual Service Funds (ISFs) are not a new idea. In fact, the first ISFs were piloted in the early 1990's in Scotland by Dr Simon Duffy in his work with Inclusion Glasgow, but they were not referred to as ISFs at that time.

In 2014, the introduction of the Care Act brought the concept of 'Personal Budgets' into legislation as a statutory right for people accessing social care for the first time. The 'Putting People First' concordat (2010) had done a lot to help Local Authorities understand how to implement Personal Budgets, and to strengthen the approach of Self Directed Support but up until the introduction of the Care Act, Personal Budgets were only recommended as best practice in terms of Self Directed Support, and people did not have a right to ask for them.

It has taken several years since the introduction of the Care Act for Individual Service Funds to emerge as a recognised mechanism for people to Self Direct their own support. Progress has been slow - mainly because ISFs are listed within the statutory guidance as a form of personal budget, but there is not currently a statutory requirement for Local Authorities to provide them. Due to this, the development of Individual Service Funds across the UK has been sporadic, but we are beginning to see some momentum with Local Authorities and Providers sharing best practice; and coming together to develop an understanding of how this can be progressed.

Individual Service Funds sit very well as a mechanism for people to Self Direct their support, where the option of taking a Direct Payment and employing their own staff would be difficult. The ISF arrangement effectively provides an option for people to hand the budget management and brokering element of the arrangement to a Provider organisation of their choice. They can then work in partnership with the person and their family to Self Direct the support which is purchased and provided using the ISF budget; with the person and their family remaining firmly 'in the driving seat' of the process.

**This should now mean that Self Direction can be a reality for anyone eligible for Health and Social Care support- even (and especially) those with the most complex support needs.**

Individual Service Funds provide an opportunity to develop good support around the person using Person Centred Planning and Support Brokerage approaches to design support which is completely bespoke and tailored to the person, based on 'what makes sense'. However, it presents a significant challenge and culture shift for Local Authorities and Provider organisations in doing things differently.

The Individual Service Fund model aligns with the social model of disability - recognising that people are disabled by society and that by making changes, reasonable adjustments and by implementing good support in the right places, disabled people are able to participate and contribute to society as active citizens.

This also aligns with the values of inclusion:

- Everyone is born 'in'
- All means all
- Everyone needs to be 'in'
- Everyone needs to be 'with'
- Everyone is ready
- Everyone needs support
- Everyone can learn
- Everyone can contribute
- Everyone can communicate
- Together we are better

At Affinity Trust, we are committed to testing the ISF model in a range of different contexts to be able to demonstrate how the people we support are living good lives and participating in their communities as active citizens.



# Setting the scene



## The Residential Care setting

Affinity Trust is a charity, providing support to over 900 people with learning disabilities across England and Scotland. Our predominant model of support is Supported Living and Community Opportunities, but we still have a number of Residential Care homes in different areas.

The Residential Care setting which is the focus of this pilot evaluation is a service for adults with Profound and Multiple Learning Disabilities, with complex care and support needs.

The setting was developed as a bespoke provision, and consists of three bungalows on one site along with a further single storey building which is used for activities and day opportunities.

The whole site was built to be wheelchair accessible including the gardens and outdoor spaces. Affinity Trust took on the contract to manage and deliver the service around ten years ago after successfully tendering for the contract. The staff team at the time moved across to Affinity Trust under TUPE arrangements, and most have remained. The team are committed and the service has a CQC rating of 'good' across all areas.

The setting provides accommodation and support to 13 adults, with a further adult visiting during the week for day time opportunities and support.

At the time this project commenced, the existing contractual arrangement for the Residential Care setting was an overarching service agreement for the full service.

The contract between Affinity Trust and Wolverhampton City Council was due to expire at the end of February 2022, and so it was necessary to discuss the options for next steps.

# Exploring the options: could ISFs work here?

Representatives of Wolverhampton Council's Adult Social Care Commissioning, Procurement, Contracts, Social Work and Direct Payment Teams invited colleagues from Affinity Trust to meet for an initial discussion about the pending expiration of the existing contractual arrangement, and raising the question of the potential to move to an ISF funding model.

The local learning disability social work team and the commissioning team were happy with the quality of the support people were receiving from Affinity Trust and felt that a change of support provider could be disruptive for them.

If the service level agreement were to continue, there would be a requirement to put it out to tender on the open market, which would involve a costly procurement process and no guarantee that Affinity Trust could remain as the support provider. There was also the principle of 'choice and control' under Care Act 2014 legislation to consider. Did the people being supported want Affinity Trust to continue as their provider? Would they be happy with a change of provider resulting from a tendering process?

A Personal Budget allocation for each person supported, via an Individual Service Fund arrangement would allow a transition to a Self Directed Support arrangement, where each person (and their family representatives) would have more control over decision making about their future accommodation and support arrangements. It would also allow them to remain with their current arrangements in place if that was their preference.

It was clear that some engagement work with the people supported and their families was necessary, and there were some key elements to consider. Affinity Trust adopted a Project Management approach and developed a GANTT chart with the proposed milestones to consider for the process. Regular project team meetings were diarised with key colleagues from the Council to check on progress and address any issues.



**Consideration of  
Mental Capacity**



**Engagement with  
relatives would  
be a key factor**



**ISF arrangements would  
likely need to be  
implemented under a  
Best Interest process**



**ISFs would require a  
change of approach for  
Affinity Trust and  
additional training for  
the staff team**





# Exploring the options: could ISFs work here?

The prospect of breaking up the service contract and funding into individual service agreements and ISF budgets raised the further question of whether the residential service could be de-registered and delivered under a 'Supported Living' registration with the Care Quality Commission - providing a separation between the accommodation and the provision of support.

Some further exploration into this by the Local Authority and Affinity Trust revealed that the property was owned by and leased from NHS Estates.

Enquiries were made into the length of time left on the current lease and the potential for the rental costs to be covered under shared tenancy and housing benefit payment arrangements.

The property was purpose-built for the people supported there. Moving away from the property into smaller or individual properties would have proved difficult and expensive to arrange, and did not make sense based on the fact that the people supported had been living together as a community for many years.

Furthermore, the Mental Capacity Act and Best Interest process for changing the accommodation and registration arrangements to Supported Living would require a much longer lead-in time to implement, and the deadline for the expiration of the current service contract was looming.

The decision was made collectively to proceed with the ISF arrangement without making any changes to the current registration status; but with a clear commitment to keep this under review in the future, and the option to progress this once ISF arrangements were in place.



**The question of de-registration and Supported Living**



**Who owns the property?**



**Mental Capacity and Best Interest considerations for Supported Living**



**What can we achieve within the timescales?**



# Exploring the options: could ISFs work here?

One of the key questions behind this pilot project was: can we legally and contractually operate a residential care service under an Individual Service Fund model? The answer is: Yes.

There are a number of historic examples of where this has been tested in other Local Authority areas. One such example can be found in the **Groundswell Report: Choice and Control for all (The role of Individual Service Funds in delivering personalised care and support)** where a Provider organisation and Local Authority worked together to disaggregate (break up) a residential care block contract arrangement into Individual Service Funds for each of the people supported within the service.

The project team recognised that a similar approach could be used in this pilot.

The legal considerations around the arrangement were relating to the contractual elements. Who was responsible for the arrangement under the new ISF model? Would it be allowable in a residential care context?

Early on in the project meetings, City of Wolverhampton commissioning team had identified that they would use their established Direct Payments mechanism for administering the Individual Service Fund budgets, but there was a concern because Direct Payments cannot be used to pay for residential care placements. Further exploration clarified that Individual Service Funds are different because there is not a Direct Payment agreement in place with an ISF. Instead, there is a two-way or three-way agreement signed by the Local Authority, The Provider and the Person.

Individual Service Funds are essentially still a commissioned form of Personal Budget allocation, but there is a flexible contracting agreement in place with the Local Authority, allowing the Provider to use the funds more flexibly to meet the person's support requirements. It also allows the person to exercise full choice and control by choosing their ISF Provider organisation.



**The legal position for ISFs in a residential care setting**



**How is the arrangement commissioned?**



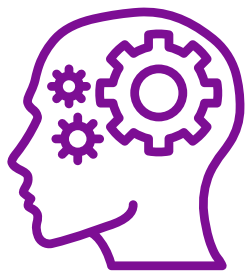
**Who signs the agreements?**



**Consideration of the different legal frameworks**



# The practical elements



Check legal position

Create wording for three-way agreement

Mental Capacity Assessments

Best Interest meetings

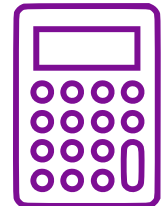
Individual fee breakdowns

Set up ISF payment mechanism

Update Local Authority Support Plans

Signing of new ISF agreements

Ongoing review & troubleshooting





# Consideration of Mental Capacity



The starting point with an ISF arrangement is the question of consent to move to a different way of paying and managing the person's budget. The learning disability service manager at Wolverhampton Council confirmed that initial Mental Capacity Assessments needed to take place for each person supported in the Residential Care setting to determine whether they could understand and consent to an Individual Service Fund (ISF) arrangement. Although there was an assumption that none of the people supported would be able to engage in a discussion about a change in how their support was arranged and paid for; it was still necessary to follow the Mental Capacity Act code of practice and document the process formally.

The most logical way to do this was to allocate a dedicated social worker who could spend time at the service and carry out the assessments for each of the people supported. Parallel to the MCAs being completed, there would also need to be some engagement work and information-sharing with relatives, who would later be called upon to participate in Best Interest decisions relating to ISF arrangements.

- 12 people supported under Local Authority contract (Adult Social Care funding) and 1 self-funder (whom ISF did not apply to)
- 11 sets of relatives and 1 Court Appointed deputy to liaise with

# Engagement with relatives & representatives

At the time when discussions commenced about the expiration of the current service contract, we were still experiencing levels of restriction and guidance around infection control due to the Covid-19 pandemic in the UK.

Infection levels were still high within the local population and the people being supported within the service were physically vulnerable. There was a need to consider different ways of sharing information and engaging with relatives and representatives which would not compromise infection control and would allow families to engage in ways they felt comfortable.



Following an initial discussion with the Operational Team overseeing the service; key questions, concerns and issues were highlighted which they anticipated could be raised by family members during the engagement work.

Affinity Trust developed a Frequently Asked Questions document based on this information and prepared the document for circulation to family members and representatives of the people supported at the service.

A brief presentation was prepared explaining ISFs in simple, every day language. Due to Covid-19 measures, the decision was made to offer the presentation online rather than as an in-person event.

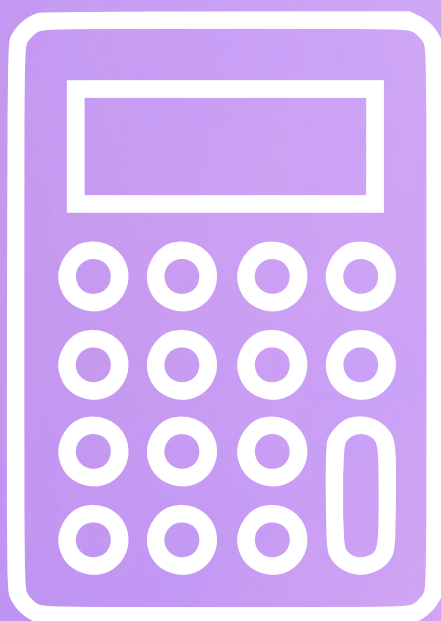
A zoom invite was sent out so that family members could join the presentation 'live' and ask questions. The presentation was also recorded so that it could be shared with people who were unable to attend the 'live' online session.

The engagement materials were shared with the project team at Wolverhampton Council for their sign-off, and the MCA assessor used this information when carrying out the Best Interest meetings with families and representatives.

This was followed by an offer to each family of a 1:1 conversation with the Registered Manager to follow-up and discuss any concerns individually.



# Individual fee breakdowns



In order to determine the Individual Service Fund budgets for each person, the Registered Manager, Operations Manager and Finance Manager from Affinity Trust applied an 'open book accounting' approach to break down the residential weekly bed fees for each of the people supported. It was necessary to be able to demonstrate the exact resource allocation for each person's support needs, so this was broken down into:

- Shared support
- Waking night (shared) support
- Direct 1:1 or 2:1 support
- 'Hotel' costs (contribution to rent, utility bills and food provided within the service to each person supported)

Once these calculations had been worked out by Affinity Trust project team, the information was shared with the Direct Payments team and the social worker responsible for developing the new individual service agreements for each person supported, to check that everyone was in agreement with the individual resource allocations. Once the budgets were agreed, the three-way agreements could be drawn up.

With the budgets staying the same during transition to the ISF funding model, it meant that there would be no change to care contributions for the people supported.

- We apportioned a contribution to hotel costs for each person supported
- We worked out allocation of support hours based on night time support, shared support and direct support needs
- The sum of these elements created an indicative Personal Budget for each person supported



# Individual service agreements & three-way ISF agreements



Individual Service Agreements were developed for each person, based on the agreed resource allocation from the fee breakdown exercise. City of Wolverhampton Council had decided to use the 'three-way agreement' approach, which is a tri-partite agreement between the Local Authority, the Provider and the Person.

A template agreement was developed and shared with the Project team to make adjustments to wording. The three-way agreement contains a section for each of the three parties, setting out what each party should expect from the arrangement, and any responsibilities they have in their part of the arrangement.

Following the MCA and Best Interests processes conducted by each person supported at the service, an agreement was drawn up for each person and signed by each of the three parties (which included the representative for each person in their Best Interest process).

The signed agreements were loaded up onto the Local Authority computer system and could also be accessed by designated managers at Affinity Trust.

- Decision made by Local Authority to use 'three-way agreement' format
- Template agreement developed and co-produced between Local Authority and Provider
- Agreements signed by each of the three parties

# The finance process



Early on in the exploration of Individual Service Funds at Affinity Trust, the ISF Implementation Manager met with the Head of Finance to develop an understanding of what was need internally from an accounting perspective, based on the systems and process currently used at Affinity Trust.

A simple flow-chart was developed, with a process for allocating a cost code to each person's ISF budget, which would provide a mechanism for reporting individually against each person's ISF budget spend, and effectively ring-fencing the funds for the exclusive use by that individual.

When the City of Wolverhampton pilot commenced, this process was revisited with the Finance Manager to ensure that they could set up an accounting mechanism which would allow Affinity Trust to provide a clear reporting function against the ISFs.

- Meeting with finance team to set out an understanding of the accounting requirements under an ISF arrangement
- Developing a system for invoicing and accounting for any support brokered using the person's ISF budget
- Developing a reporting mechanism to show how the person's budget is being spent, and how much is left

# The Local Authority: our experience of the ISF process

## **Tell us about your communication with Affinity Trust and the Project Management process**

The Project Management was led by the ISF Implementation Manager at Affinity Trust, who was clearly adept at leading on this sort of project and had a sound base knowledge. For Mark and I (new to ISFs in residential settings) we learned about applying the legislation and adapting a project to this service area.

Communication with Affinity Trust was led by Mark, who co-ordinated an initial meeting to open up dialogue around whether Affinity Trust would be willing to work with us to move to an ISF model. Throughout the whole process we had fortnightly meetings, which were collaborative engagements, instead of a Tender approach which is a process to be followed and is 'done to' organisations. Working towards the ISF model allowed the City of Wolverhampton Council and Affinity Trust to contribute to a set-up that met everyone's expectations.

## **What legal considerations or concerns did you have about implementing ISFs at the registered location?**

We were unsure whether an ISF could be used to fund people in a Residential setting. We needed consideration of the ISF Tripartite (three-way) agreement.

## **Tell us about the payment mechanism you're using for ISFs - why did you choose to do it this way?**

The City of Wolverhampton Council have a dedicated Direct Payments Team supported by contracted Suppliers; one of which is a Prepaid Card service. Prepaid cards are the method by which the City of Wolverhampton Council pay Personal Budgets. Prepaid cards are simple for the recipient or their carer to use. It doesn't require an additional bank account to be opened. Nor does it require the manual reconciliation of receipts, invoices, and timesheets. It's easy for individuals to use. From a Council perspective, we have tried to make the setting up of personal budgets as easy as possible and complete as much of the process for people as we can. It also offers a real-time, simple way of monitoring accounts and understanding what has been paid to whom, when and how much. It's transparent and ensures a clear audit trail.

## **Please can you describe the resources/capacity needed for the Mental Capacity/Best Interests and Support Planning/agreements part of the process? What would you advise other Local Authorities to plan for if they are thinking of implementing ISFs in this way?**

We had worked on a previous project where Mental Capacity Assessment & Best Interest Assessment was required. Trying to get a number of assessments co-ordinated by a variety of different Social Workers proved difficult. As such, we got agreement for a single Social Worker to be responsible for just this aspect of the project. It worked well. Therefore, with Affinity Trust we used a similar approach. A single Social Worker tasked with completing all Mental Capacity Assessment/Best Interest Assessment work within a specific timescale. I think that reducing the number of people involved and ensuring they have dedicated time to complete work will ensure the best possible success for implementation of ISFs.

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# The Local Authority: our experience of the ISF process

## **From a commissioning perspective, what was the benefit of implementing ISFs vs re-tendering the service contract?**

The registered service continued to meet the needs of residents all of whom were settled in their environment. Commissioning did not wish to re-tender this service. The recommendation of commissioning was to transfer the existing arrangement across to Individual Service Funds (ISF's) upon expiry of the contract.

The three-way ISF agreement implemented is effectively still a form of commissioned arrangement between the provider, the person supported and the Local Authority which enables the person to exercise their right to 'Choice and Control' under the Care Act 2014. The ISF is a change to the administration of a Personal Budget and the payment mechanism. There are also added responsibilities for the Provider in managing each person's ISF but, it also allows them flexibility in the use of the support that has been assessed and enables them to alter the hours that are delivered on a weekly basis as each individual's wishes or needs fluctuate. The Provider has the added responsibility of arranging payment for any other services that the person may wish to access to meet their needs, thus removing this responsibility from the Council. There is no adverse financial impact to the Council or service users.

Tender processes are resource intensive and costly exercises. This usual process may have resulted in a change to the existing care provider if unsuccessful in a tender submission. The people residing at the service are extremely settled and any change in service provider would be likely to have a negative impact.

## **Please comment on the potential to introduce a 'stage two' of the ISF arrangement at PTL in the future, and to review the position on de-registration to supported living**

Once the ISF arrangements are embedded and any initial issues resolved, the City of Wolverhampton Council will look at further assessment of Individuals and support the registered service in implementing the next stage in the use of ISF budgets and providing resources in a different way. For example, if someone has a particular interest in doing something, then the ISF provider can source an external provider and fund that service via the ISF budget that they receive for that individual.

## **Tell us what worked well and why?**

The City of Wolverhampton Council has a robust dedicated Direct Payments Team. This is the basis for the ability to develop and progress all aspects of Personal Budgets. Other local authorities may either have Direct Payments as a function within Social Work Teams, which can be resource intensive, or as a separate external service, that can be difficult to navigate and find the right support. Having the right infrastructure to commit to projects helps to ensure success.

## **Tell us about anything that didn't work so well and why?**

There was nothing that didn't work well. Scrutiny by Adult Social Care Leadership helped ensure that the new initiative had Senior Management support.

## **Do you have any recommendations or top tips for other Local Authorities exploring this approach?**

- Have a robust in-house Direct Payments Team in place
- Include someone with a Social Work background in the Direct Payments Team who can bridge between front line staff, commissioners and providers
- Have sound external support services
- Make the process as easy as possible for Social Workers

**David Drayton-Green - Direct Payments Service Manager, City of Wolverhampton Council**

**Mark Williams - Adult Social Care Commissioning Officer, City of Wolverhampton Council**

# The provider perspective

I attended 1 or 2 meetings for the ISF pilot (during the planning process). From my point of view the process was straightforward. The management accountant raises the invoices and sends them to the Operations Manager who then makes the payment. There don't seem to be any issues at all.

Katy Plummer- Finance Manager

Working in partnership with the Local Authority on this project in a collaborative and solution-focused way has paved the way for efficient project management and implementation from the start. We recognise the trust that has been placed in us by the Local Authority and we are keen to do this well.

This approach has enabled Affinity Trust to take ownership of the process and to tailor the model to our internal systems and processes, providing confidence and assurance in this new way of working for all stakeholders. We still have some way to go in fully co-producing our model with the people we support and their families, but we are very committed to ongoing listening and learning.

Sarah Holmes- ISF Implementation Manager

The process of setting up ISFs seemed to go very smoothly however this may not have been the case if we had not had support, with knowledge of the process and what needed to be achieved.

One of the main challenges was getting information to families. Despite having a range of communication methods available, not all families were as engaged in the process as I would have expected. However, our communication to them that this was nothing to worry about allayed any fears.

I would advise other provider organisations to go for it! The process is achievable with a key person in place who has knowledge of ISFs to pull this together; and the benefits and flexibility this offers the people we support is much more person-centred.

It might be useful in future to have a family member or person we support who has been through the ISF process available to speak with other people we support and families facing this decision-making process.

Jo Shaw- Registered Manager



# Next steps



- Affinity Trust will continue to meet with City of Wolverhampton Council periodically to review ISF budgets, payment mechanism, and the potential to introduce a brokerage function in the future for the people supported to spend their budgets creatively and flexibly; enabling them to purchase other supports external to Affinity Trust. The move to ISFs also opens up the possibility of future discussion around de-registration of the service and a potential move to a supported living model
- Affinity Trust is in the process of implementing a digital care recording system. Some pilot work is currently being undertaken to explore and hopefully integrate ISF planning, budget management and reporting mechanisms into this software so that one single system is being used for recording and reporting against all activity in relation to people supported by the organisation - this should make ISF management more efficient and universally accessible across the organisation as future pilot sites emerge
- Affinity Trust is preparing to introduce an electronic rostering and payroll system across the organisation. Once this is tested and embedded we will explore the possibility of linking this to the electronic care recording system to support audits and budget reporting against each person's ISF budget
- Affinity Trust is now embarking on further pilot work with other Local Authorities to build on this approach and test the full brokerage element of the approach. This will enable us to develop some clear case studies to share which will help to further demonstrate how the process can be implemented



# Conclusions

Some of the key lessons we learned from this project:

- If you are exploring ISFs, it makes sense to **map this across to other areas of innovation and development** in your organisation such as **digital solutions** and assistive technology - this prevents the project becoming stuck in a 'silo' and helps it to link across to other developing areas of practice, preventing the need to rethink the whole process again in the near future
- Assess the operational impact of implementing ISFs (both with the provider and the Local Authority) before commencing the process and **ensure the assembled project team comprises all elements required for successful implementation** (eg. Commissioning, Social work, Direct Payments/Personal Budget team, Operational Team in the provider organisation, Finance teams, Project Manager with good knowledge of ISFs)
- **Agree a commitment to a shared risk/collaborative approach** between Local Authority and the Provider organisation
- Schedule **regular check-ins** during project implementation
- Ensure a **prompt response to issues/challenges**
- Promote good engagement with all stakeholders (especially people supported and family members) and **development of clear communications relating to the project**
- Make a commitment to **gather feedback, evaluate and share learning** to support implementation of ISFs in other areas





# Acknowledgements

## City of Wolverhampton Council

Mark Williams  
David Drayton-Green  
Ben Ngundu  
Mandy Heritage  
Alisha Kainth  
Kal Patel  
Jane Andrews

Also thanks to Chris Watson (Self Directed Futures) - For helpful conversations and updates on ISF work in other areas of UK

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