

Individual Service Funds – Information for ISF Providers

1. What is an ISF?

An ISF is another way in which a Service User or Carer can manage their Personal Budget, just like a Council Managed Service or a Direct Payment. In agreeing to hold an ISF for an individual, the organisation commits to helping the individual to make the best use of their Personal Budget to meet the outcomes in their support plan. The individual benefits from a more flexible service without the same level of responsibility for managing their own money.

2. Delivering Services

An ISF Provider can deliver some or all of the services required to meet the outcomes in the individual's Support Plan. Where an organisation does not deliver all the services, they can work with the individual to outsource to another organisation or support them to purchase equipment, employ Personal Assistants, or arrange other types of support.

For example, an organisation could manage an ISF for an individual where their support plan includes assistance with personal care, equipment to help with the impact of their sight impairment and support to access leisure facilities in their village to improve their health. The ISF Provider in this case could provide the home care element of the package but could work with the individual to source the equipment and set up a taxi contract to take the individual to a local walking group or exercise class.

An ISF Provider may choose not to deliver any services but to commission them all from other providers with the individual's agreement. The ISF Provider would be responsible for the quality of any service they commission by for example only contracting for home care with a CQC registered organisation or using licensed taxi companies, and for providing audit information to the Council. Where an individual wants to use a Personal Assistant with part of their ISF the ISF Provider will make the arrangements and deal with the legal and financial aspects of this, including taking on employment of the PA. Dorset County Council have established a PA Register at <http://dorset.linkmeup.org.uk/>, which can help link individuals up with Personal Assistants and has advice on employment.

Where an individual doesn't use all their support in any one week the hours can be banked and used at another time through working closely with their ISF Provider. This allows individuals with fluctuating conditions the ability to flex their support to use when they most need it.

Either party must give four weeks' notice to cancel an ISF unless there are serious safeguarding concerns for the individual or to care workers in which case the ISF can be terminated with immediate effect. Any request to cancel an ISF must be notified to the Council via the Locality Team responsible for managing that case.

3. Managing the money

The money is held by the ISF Provider on the individual's behalf. Each person's money must be easily identifiable and individually accounted for, and can only be used to provide support for that person.

The organisation is accountable to the person for how their money has been spent and must be able to evidence this to the individual and the Council upon request. The Council will as a minimum

request this information annually, but may request an update at any point throughout the year. The organisation will therefore need appropriate systems and processes to be able to manage and account for the individuals funding in a personalised way, with clear recording and an audit trail for each individual. ISF Providers will need to reconcile payments they make on the Individuals behalf with the support they have commissioned.

The value of the ISF is paid to the ISF Provider every 2 weeks in advance, via automated BACS payment. Any care charge the individual has been assessed to pay will be collected from the individual by the ISF Provider, and will be “netted off” the ISF Payment made by the Council. The Council will notify the Individual and the ISF Provider of this amount upon completion of any Financial Assessment. The ISF Provider will therefore need an arrangement in place with the individual to collect any assessed financial contribution and will need to underpin this with a mutually agreed ISF agreement. DCC have produced a template for this document to help Providers understand what this should include.

There may be situations where an Individual refuses to pay their contribution. If a Service User does not pay their assessed contribution for a period of more than 4 weeks the ISF Provider should notify the individual’s Care Manager so this can be investigated with the individual. The ISF Provider will initially be responsible for pursuing any debt related to the Service User contribution.

Repeated failure to pay assessed Contribution may result in the ISF being withdrawn and in this circumstance Dorset Council Council will assume responsibility for collecting the assessed contribution.

4. Audit

ISF Providers must keep records that easily identify the spend for each individual and send this periodically to the Individual’s allocated Case Worker to enable an audit to be carried out on the way the Personal Budget has been spent. ISF Providers will be allowed to keep up to four weeks budget in the individual’s account for a period of up to twelve weeks. Where the balance in the ISF account exceeds this, the ISF Provider must notify the individuals allocated Case Worker and either explain why an excess is required, or return the balance to the Council.

5. Marketing and Promotion

Organisations who are interested in providing ISFs in Dorset will be asked to complete a light-touch Accreditation process, and those who are successful will be added to a register of ISF Providers. This register will be made available on the MyLifeMyCare website. Each organisation will also complete a one page profile containing the following information:

- a) Contact details
- b) Information about the organisation
- c) Locality(s) of Dorset in which they will provide ISFs
- d) Information about the services they can offer
- e) Fees and Charges – to include any administration or management fees. The breakdown needs to clearly distinguish between the charge for managing the ISF and the charges for any care services offered, along with any discount offered to individuals who might choose to use the same provider for both their ISF and Care Services. You may even want to charge a flat rate for Support Planning and Service Design, which may be refunded if the individual then chooses you to deliver a certain amount of support and care.

This profile will be held on the MyLifeMyCare website and will include links to the organisations website. It is the ISF Provider’s responsibility to notify the Council of any changes to this information to ensure it is kept up to date.

If you would like to join the register of ISF providers, please contact:

Kimberley Bennett
01305 221324

ISF Providers are free to market their services directly to individuals who may be considering taking their Personal Budget as an ISF.

6. Frequently Asked Questions

Following two Provider Engagement sessions held during August 2016, this FAQ has been updated with additional questions and issues raised.

a) What is the potential volume of work?

Dorset County Council currently provides services to approximately 4,500 people across the County. Anyone who, following an assessment, has eligible social care needs and is given a Personal Budget will be able to choose an Individual Service Fund to meet the outcomes in their Support Plan. We can't predict the number of people who will want to take their budget as an ISF, but we do expect demand to increase over time.

b) Where is the work?

Individuals wanting to use an ISF can live anywhere in within the Local Authority area of Dorset (ie not including Poole and Bournemouth).

c) What do I charge to be competitive?

Dorset County Council cannot tell Providers what to charge for services delivered through an ISF as this is not a contracted service. Individuals will have to plan their support within an allocated budget and will make their own choices about how they choose to spend it. Some may be prepared to pay more to have what they see as a better service and others will be looking for good value and getting more for their money. Individuals will compare prices and consider what each ISF Provider has to offer before making a choice so it's a good idea to keep your pricing structure simple and easy to understand. If you intend to charge an administration cost for the ISF then you will also need to make sure that ISF clients can clearly understand these charges, and you might wish to consider incentives to individuals who would like you to act as both their ISF Provider and Care and Support Provider. Dorset County Council will not be increasing Personal Budget amounts to cover ISF Administration Costs, so if you intend to levy a charge you will need to consider what is attractive and competitive for the individuals you hope to support.

d) Is it worth it?

ISF's offer individuals the opportunity to be involved in the way their care and support is delivered without the responsibility that comes with a Direct Payment. An ISF is a real alternative to a Council Managed Service and although the Council cannot guarantee any work for ISF organisations it fully supports this initiative. Providers develop close working relationships with the people they support, and in most cases are in an ideal position to make continual assessments about how needs and outcomes are being met, how risks are being reduced or mitigated, and how people are developing their independence on a day to day basis. An ISF makes the most of this by making the Service User and the Provider partners in the delivery of the support plan, empowering the individual to direct their own support through their provider, and allowing the support plan to be adjusted accordingly without the need for constant Professional approval.

ISFs also give the Provider the opportunity to market their services directly to individuals, reducing the requirement on them to participate in complex and time-consuming procurement exercises. This has a proportionally greater benefit to smaller locally based providers who are able to offer very

effective services but do not have the resources or infrastructure in place to effectively compete against large national organisations, and therefore encourages a greater diversity of provider organisations in our care marketplace. The ISF Provider can choose to levy a management fee to offset the cost of managing people's budgets but the real reward comes from working with people in a different way and arranging support services that make a difference to the way people live. Developing an ISF offer will also help to future-proof your business, as Dorset County Council are looking to develop personalised services and increase the available options for the individual to become the commissioner of their own services.

e) How long does an ISF take to set up?

Once an individual has decided to take their personal budget as an ISF, they will need to choose an ISF provider and co-produce a costed support plan. The social worker will have to sense-check the proposed plan and will need to obtain funding approval once the plan has been agreed. If the plan needs to be amended this will need to be negotiated with the individual and the ISF Provider before funding approval is given. This whole process could take some time, and so it is always recommended that the process of co-producing a support plan begins as soon as possible. There are also the back-office processes that Dorset County Council have to follow in order to set up an ISF payment once approval has been given. ISF payments cannot be made retrospectively, and so the ISF can only be put in place once everything has been agreed. All parties including Dorset County Council need to understand the impact that any unnecessary delay will have. What this means for most cases is that an ISF package will need to be well planned out before it needs to commence.

f) Has any thought been given to offering a financial incentive to Providers who successfully make reductions to the required Personal Budget, such as allowing providers to keep a proportion of any reduction achieved?

We have considered this, but on balance have decided that this is not the best way to reward practice. By financially incentivising package reductions we introduce the risk that packages are reduced too quickly or unsustainably. Instead, the incentive to deliver outcomes and therefore reduce packages in a planned, sustainable and successful way is to develop a reputation and evidence base that demonstrates a provider's skill in making people more independent. Ability to successfully deliver outcomes is something that can be marketed directly to individuals, but is also attractive to Dorset County Council for Commissioned packages. For example, this evidence could be used to support a provider's application to advance to Gold Standard on the Learning Disability and Mental Health Dynamic Purchasing System.

g) Is there a conflict of interest in an ISF Provider both holding an individual's ISF and delivering aspects of the support plan? And in the ISF Provider helping to design the Support Plan that they may well be delivering?

ISFs do create potential conflicts of interest in these areas. Dorset County Council has taken the view that the benefits offered by ISFs outweigh the risk that unscrupulous providers will take advantage of the system to the detriment of the individuals they support. We want to work in partnership with providers and should begin from a position of mutual trust. The risks that conflicts of interest will arise is further mitigated by: 1) the individual or their circle of support make all decisions about how their budget will be used, 2) ISF packages will be regularly reviewed by Dorset County Council, 3) the individual and Dorset County Council can request financial audit information at any point to verify that the ISF is being used appropriately, and 4) any requested increases in the personal budget amount will still have to be approved by Dorset County Council.

h) What ongoing support will be offered to ISF Providers by Dorset County Council?

Dorset County Council intends to run regular good practice sharing sessions for ISF providers on a range of relevant topics. We also intend to facilitate a regular forum for ISF providers to meet, give feedback to commissioners and discuss good practice and issues that have arisen.

i) Do ISF Providers need to register with the Financial Conduct Authority?

This is not a stipulation of the ISF agreement because although ISF providers will have a supporting and guiding role the responsibility for decision making will remain with the individual or their circle of support. Providers may want to take their own independent advice as to whether FCA registration is necessary based on how they intend to deliver the service.

j) Do ISF Providers need to set up a separate account for each ISF they manage?

This is not a stipulation of the ISF Agreement, but ISF Providers will need to be able to separately account for each ISF they manage. Some providers may value the additional security afforded by establishing individual accounts. Dorset County Council is also exploring the potential to introduce pre-payment cards, which could be used for ISFs and would simplify the accounting arrangements that ISF Providers need to have in place.

7. Potential Challenges

Organisations interested in becoming ISF Providers will need to consider the following issues:

- a) What changes will you need to make to how you work? You need to be able to allocate money identified for a specific ISF to that individual's account. You will also need to become much more involved in Support Planning with the Individual.
- b) How much individuals might want to be involved in recruiting staff? You may need to change the way you recruit staff to give the individual greater control over who supports them.
- c) Are you used to working with individuals to develop support plans for meeting individual outcomes, rather than delivering the activity detailed in a plan provided by a Social Worker or Care Coordinator? Dorset County Council will be much less prescriptive about how individual outcomes should be met.
- d) How well do you know the community assets and other services in your area that could help support your ISF clients? Can you advise people of all the options available to them?
- e) If you are not already doing so, can you fundamentally change your systems in order to provide individual services? Are you likely to need support from the Council with this?
- f) Do your organisational leaders understand the implications of ISF, and the challenge they can pose to organisational arrangements? Does your business strategy account for these positive but disruptive changes.
- g) When will you be able to start offering an ISF Service to Individuals?

8. Further Reading

[Individual Service Funds and Contracting for Flexible Support – Dr Simon Duffy for Think Local, Act Personal](#)

[Choice and Control for All - Sanderson, Bennett, Stockton and Lewis](#)

[Individual Service Funds for Homecare – Tomlinson and Livesley](#)

[Using an Individual Service Fund – an example from the Centre for Welfare Reform](#)