

Report to the Cabinet

Meeting to be held on Thursday, 12 March 2020

Report of the Head of Service - Policy, Information and Commissioning, Live Well and Age Well

Part I

Electoral Division affected:
(All Divisions);

Consultation regarding the Future of Individual Service Funds in Lancashire (Appendix 'A' refers)

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Executive Summary

In 2009, Lancashire County Council introduced Individual Service Funds whereby someone's personal budget is managed by a service provider on behalf of the individual. The aim of an Individual Service Fund is to enable the personal budget to be used flexibly to meet someone's changing care needs in line with what is agreed in the support plan.

The current Individual Service Fund offer and the policy, guidance and supporting procedures are out of date. Therefore, there is a need to develop a new policy and procedures to replace current Individual Service Fund arrangements, where appropriate.

Through a series of engagement events with service providers and families, we have developed a draft Individual Service Fund policy. We are now in a position to take forward formal consultation to seek feedback on the policy and inform procedures going forward.

Recommendation

Cabinet is asked to agree that consultation takes place on the draft Individual Service Fund policy set out at Appendix 'A', to inform the final Individual Service Fund policy and procedures, which will be brought back to Cabinet for a final decision in due course.

Background and Advice

A personal budget is an agreed amount of money allocated by the council to an individual to be used to meet their eligible care needs as outlined in the Care Act (2014). Once an individual personal budget has been calculated, a service user, as part of the support planning process, can choose how they wish to receive their

individual personal budget. An Individual Service Fund is one way someone can choose to receive their personal budget, whereby the personal budget is managed by a service provider.

If the person chooses an Individual Service Fund, the personal budget will be passed to a service provider who will manage the service user's personal budget, on their behalf. The service provider must use the budget in line with what is agreed in the support plan and can provide care from their organisation or contract services and care from other organisations.

The Individual Service Fund service provider will arrange and manage care in partnership with the service user to meet eligible care needs as outlined in the support plan. The service provider is able to agree day to day changes and minor alterations to the care and support the person receives and should have financial management and accountability arrangements in place, including providing them with regular statements on how the personal budget has been spent and plan the ongoing care.

An Individual Service Fund is considered most appropriate for people who have fluctuating care needs. It is an alternative for people who need the flexibility and creativity that a direct payment brings, but do not have the mental capacity or skills to manage a budget themselves.

Individual Service Funds were introduced in Lancashire in 2009. At the time, the concept of Individual Service Funds was still in its infancy with little national guidance, policy or support available to councils, service users and providers about how these funds should be created, delivered or managed. As a result, there is little or vague governance, policies, processes put in place in Lancashire to manage Individual Service Funds effectively, which has led to people being unclear on what an Individual Service Fund is, and how it should be used and managed. This has led to cases where there has been a mismanagement of funds. Today, Individual Service Funds have become purely a transactional arrangement and are not operating as intended which was to provide flexible person centred care.

There are currently 1132 people with an Individual Service Fund, of which 1126 are in supported living of which 955 people have learning disabilities. The total annual spend on Individual Service Funds is £55,587,584, for which little or no evidence is provided to the council to demonstrate how this money is spent, what care is delivered or what outcomes are achieved. Many service providers, service users, families and social care teams have felt frustrated by the lack of information and clarity around Individual Service Funds in Lancashire.

We have spent over six months engaging with stakeholders to understand what the issues are, and how we can address them going forward. It was agreed by the majority of individuals and organisations who we spoke to that the current Individual Service Fund offer is not fit for purpose and not operating as an Individual Service Fund should.

As a result of the development of a new Individual Service Fund policy, consideration will also be given to reflecting the proposed changes in the new policy into the Direct

Payment policy, where appropriate, at a future date. This will specifically be in relation to the use of Direct Payments for shared costs but following consultation other issues may be considered.

Next Steps

Through discussions with stakeholders, we have developed a new Individual Service Fund policy. Our intention is to formally consult with all parties to gain feedback on the new policy and inform new procedures to support implementation. It is our intention that in the future, the new policy and procedures would replace existing arrangements, where appropriate.

Consultations

At this stage, there has been a series of engagement events and meetings with stakeholders to inform the development of a draft policy although no formal consultation has taken place yet.

Implications:

This item has the following implications, as indicated:

Equality and Cohesion

An Equality Analysis will be undertaken and updated throughout the process. The proposal will inevitably impact on people with protected characteristics – primarily disabled people but potentially other protected characteristics groups also – and has the potential to impact people with different disabilities in different ways. There is a need to complete a robust Equality Analysis/Impact Assessment should this proposal move forward which can clearly, objectively and fairly reflect the reasons for the proposal and the potential differences in impact for people with protected characteristics which may result from it to meet the requirements of the Public Sector Equality Duty.

Legal

There is no legal requirement for Local Authority's to offer Individual Service Funds to service users. However, authorities are encouraged to do so.

The Care Act (2014) sets out that if councils do not have an Individual Service Fund offer, then they should consider providing one and suggests that an Individual Service Fund can be used as a "phased introduction" to direct payment, giving the person time to adapt. The council should provide people with information and advice on how the Individual Service Fund arrangement works and any contractual requirements, how the provider(s) will manage the budget on behalf of the person, and advice on what to do if a dispute arises.

Finance

There should be no direct financial implications as a result of this consultation. In the event of a new policy for Individual Service Funds, the financial implications will be

considered. It is likely that a new policy will have an impact on the cash flow arrangements for some providers. This should have no direct impact on the care provided to individuals. Any changes to cash flow arrangements will be communicated to providers and will be implemented on a phased basis to mitigate the impacts.

The draft policy does state that Individual Service Funds cannot be used for shared costs. Shared costs are incurred where a number of service users share a 'core' service which a provider provides equally to a number service users, for example in shared accommodation for background support. This would mean that if someone chooses to take an Individual Service Fund but has shared costs, only their personal support costs would be paid as an Individual Service Fund. This will not impact the overall amount of personal budget someone receives as shared costs would be paid to the provider via the council.

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A