

Adult Social Care Policies and Procedures

INDIVIDUAL SERVICE FUNDS

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POLICY VERSION CONTROL

POLICY NAME	Individual Service Funds		
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1. POLICY STATEMENT

Lancashire County Council is committed to offering people access to a variety of methods of managing their personal budget to meet their statutory eligible social care needs, whether they be personal care or other activities or daily living tasks.

Individual Service Funds (ISFs) are one such method, along with Direct Payments or care arranged and managed by the county council (known as 'care managed'). ISFs can be an alternative for people who do not want to take on the responsibility for, or are not able to manage, a direct payment but want the increased flexibility, choice, and control of choosing who, how and when their individual care is delivered.

Advocacy

Care and support should always be centred on the person. Under the Care Act (2014), the county council must arrange for an independent advocate to facilitate the involvement of the person with care and support needs in their assessment, care and support plan and any reviews of their care plan, as well as in safeguarding enquiries and Safeguarding Adult Reviews, if two conditions are met:

- The person has **substantial difficulty** in being involved in these processes
- There is not an **appropriate individual** willing to support them

Further information is available in the [Care Act Advocacy PPG](#). Please be aware that further duties to arrange an advocate also apply under the Mental Health Act and Mental Capacity Act.

Complaints

The county council will follow the Care Act and other relevant legislation, policies, and guidance to ensure our practice is of high quality and legally compliant. Where our customers or those we come into contact with wish to challenge or raise concerns about our decisions regarding eligibility [the county council's complaints procedures will be made available](#).

Safeguarding

The county council will follow its obligation under the Care Act to [safeguard adults with care and support needs](#) (whether or not the council is meeting any of those needs) and ensure that its obligations are carried out in partnership with all agencies and organisations who may come into contact with those people.

General Principles

The Care Act allows the county council to consider our financial resources and how we spend public funds to meet people's needs.

The county council wants staff to apply their professional judgment and will support them to do so.

As a professional you should determine the most appropriate intervention for the person's needs and desired outcomes. Staff should always consider what would help the person to gain, retain or regain their independence.

2. KEY DEFINITIONS AND PRINCIPLES

An ISF is defined as an arrangement whereby a care provider both receives and manages the funds. The provider can provide care and support from their own organisation and/or purchase support on an individual's behalf from another organisation. The ISF provider will work with the individual or their representative to agree how they want their care and support needs to be met and how the budget is spent and will contribute to the support planning process.

Someone can choose to receive all or some of their personal budget as an ISF for individual planned care and support. An ISF cannot be used for 'shared costs' often referred to as 'background support' as this necessitates all people 'buying into' and sharing these costs which is not planned care. It would not be cost effective and also be impractical to have different providers delivering shared costs.

Local Context: Our vision and principles

In Lancashire we see ISFs as a provider service that works in partnership with people to give choice and control over how they meet their eligible care needs.

Principle 1 – the person can use their money flexibly, has choices about what they are supported with, can do this in a more creative way and is able to plan for occasions when support might be needed.

Principle 2 – the person has the choice of where and when they are supported.

Principle 3 – the person has the choice of who they receive their support from whether that be the organisation as a whole or the individual that actually delivers the care.

Principle 4 – co-production. The person is involved in planning their care and support with the care provider and the council. All three parties sign an 'Individual Service Fund Agreement'.

The ISF can only be spent on meeting the eligible social care needs of the person as detailed in the agreed support plan and will only be spent on services or items that are proportionate to that need and are safe and legal.

ISFs can be useful for people who:

- Have care needs that fluctuate from day to day or week to week

- Require a frequent care management type oversight on their daily care needs e.g., those with complex care needs
- Need the flexibility of a direct payment but cannot manage it themselves and have no representative to do it for them
- Have some shared costs but still want to use an ISF for their direct support
- Wish to carry forward surplus funding from one month to the next to meet future needs
- Wish to access a wider range of care and support options than can be commissioned by the council.
- Wish to choose their own care and support provider

ISFs can also benefit providers:

- ISF care providers can commission from another provider(s) for services they cannot offer – which expands their portfolio of services
- ISF providers can offer a more tailored person-centred service to people, which may increase satisfaction and retention

ISFs also provide benefits to the county council:

- Enables providers to work directly and flexibly with people, and make changes to care and support arrangements without approval from the county council which can give people greater choice and control over the care and support services they receive
- Supports a 'trusted assessor' relationship with the providers

A person can choose to use all their personal budget that is dedicated for their individual support as an ISF or use it in conjunction with a Direct Payment or a care managed arrangement.

Mental Capacity and ISFs

A person not having mental capacity over their support needs is not a barrier to having an ISF:

- If the person does not have the mental capacity to make a decision about how their care needs are met and it is considered that an ISF may be an option for them, then a 'best interest decision' under the Mental Capacity Act 2005 will need to be made by a representative and the county council
- If no representative can be identified, then the delivery plan will be agreed by the county council and the ISF provider, who will both sign the 'Individual Service Fund Agreement'.
- If the person does not have the mental capacity to make a decision about how their care needs are met and no representative can be identified, the ISF provider will make sure that all decisions and plans they make comply with the Mental Capacity Act 2005 and the Act's Code of Practice

Individual Service Fund Key Principles

- The ISF is paid to an approved ISF provider
- The ISF is only to be used to meet the eligible care needs of the person and as agreed in the support/care plan
- The ISF cannot be used to meet shared costs e.g.. background support
- The ISF should not be spent on any management or business costs that the ISF provider might incur, these costs are intended to be included in the hourly rate
- The ISF provider co-produces the person's support plan and how that is to be delivered and costed with the person or their representative
- The ISF provider and the person agree the parameters of their service such as how the budget and support hours might be accrued and what support hours and budget cannot be accrued.
- The ISF provider will keep detailed records to make sure that the money is only spent on the individual and will make these available to both the person and the county council upon request.
- The county council agrees the delivery plan with the ISF provider and the person or their representative
- The ISF provider keeps detailed records of expenditure and the current balance
- The ISF provider provides those records to the person and the county council on request
- Every four weeks (or calendar monthly as agreed) the person or their representative receives a statement of expenditure and income of the ISF. This will detail any funds kept aside to contingencies or planned periods of extra need
- The funds that the ISF provider receives can be spent on services that the ISF delivers or can be used to buy services or items from other organisations. The ISF provider must ensure that the organisation can meet the person's needs safely and legally.
- The ISF provider will manage any contingency needs from within the funds and manage any surplus as detailed in the agreed support plan

- The ISF provider must inform the council if there is an excess of more than four weeks in the balance of the ISF that they have received which may need to be returned to the county council
- An ISF agreement can be ended at any time by the person and they can choose to have their care and support commissioned in a different way e.g. care managed or direct payment

3. PROCEDURES

Procedures are yet to be developed and will be included prior to the implementation of ISFs.

4. RELATED DOCUMENTS

POLICY, PROCEDURE AND GUIDANCE DOCUMENTS (PPG)	Policy, Procedures and Guidance intranet site Housing with Care and Support Strategy
LEGISLATION, REGULATIONS & GUIDANCE	Care Act 2014 Care Act Support Guidance Mental Capacity Act 2005

5. EQUALITY IMPACT ASSESSMENT

The Equality Act 2010 requires the county council to have "due regard" to the needs of groups with protected characteristics when carrying out all its functions, as a service provider and an employer. The protected characteristics are: age, disability, gender identity/gender reassignment, gender, race/ethnicity/nationality, religion or belief, pregnancy or maternity, sexual orientation and marriage or civil partnership status. Where services are provided by contractors or partners it is also expected that they will assist in meeting our Equality Act 2010 and PSED responsibilities.

The main aims of the Public Sector Equality Duty are:

- To eliminate discrimination, harassment, or victimisation of a person because of protected characteristics;
- To advance equality of opportunity between groups who share protected characteristics and those who do not share them. This includes encouraging participation in public life of those with protected characteristics and taking steps to ensure that disabled people in particular can participate in activities/processes;

- Fostering good relations between groups who share protected characteristics and those who do not share them/community cohesion.

It is anticipated that the proposed guidance on **Individual Service Funds** in this document will support the county council in meeting the above aims when applied in a person-centred, objective, and fair way which includes, where appropriate, ensuring that relevant factors relating to a person's protected characteristics are included as part of the process.

[More information can be found on the Equality and Cohesion website](#)

APPENDIX 1 – GLOSSARY

Definition	Meaning
Adult with capacity	In the context of this policy, an adult who has the mental capacity to make decisions about Individual Service Funds.
Adult without capacity	People are always assumed to have capacity until it is established otherwise. In the context of this policy, where there is any doubt about an adult's capacity to make decisions about Individual Service Funds, mental capacity will be assessed in accordance with the county council's Mental Capacity Act policy. An adult will only be deemed to be without capacity when it has been established through assessment that this is the case.
Direct payments	Payment of the county council's contribution towards a personal budget, so that the person or someone authorised to act on their behalf can arrange support services instead of having them arranged by the county council.
Personal budget	The amount of money allocated to fund the care and support required. The personal budget is means tested and therefore the adult may be required to make a financial contribution towards the total amount of the personal budget.
Shared Costs	Often referred to as background support this is when people have a 'share' of staff care and support which is not planned. e.g. a 12 apartment setting with people from the care and support provider employed to be on site 24 hours per day to provide a responsive service and staff presence in the building.
Support plan	A plan which summarises how a person's needs will be met, and which includes the details of needs to be met from direct payments. This may be a care plan in the case of a child, a support plan for an adult in need of care, or a support plan in the case of a carer.