

Report to the Cabinet

Meeting to be held on Thursday, 8 September 2022

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

Part I

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Delivering better services;
Caring for the vulnerable;

Consultation Regarding the Future of Individual Service Funds in Lancashire
(Appendices 'A' to 'C' refer)

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Brief Summary

In March 2020, Cabinet resolved that approval be given to consultation taking place on the draft Individual Service Fund to inform the final Individual Service Fund policy and procedures, which would be brought back to Cabinet for a final decision in due course.

The consultation was not progressed within intended timescales as the Coronavirus pandemic necessitated other more urgent priorities.

A six-week public consultation on the proposed Individual Service Fund policy has taken place which sought views from members of the public and care and support providers who will manage the Individual Service Fund agreements.

As a result of the consultation, several changes have been made to the policy, which is now presented to Cabinet for approval.

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.



Recommendation

Cabinet is asked to:

- (i) Note the consultation findings, as set out at Appendix 'A' and Appendix 'B'; and
- (ii) Approve the revised policy and procedures governing Individual Service Funds, as set out at Appendix 'C'.

Detail

On 12 March 2020, Cabinet approved a public consultation of a draft Individual Service Fund Policy. Details of the report can be found at the following link:

[Decision - Consultation regarding the Future of Individual Service Funds in Lancashire](#)

What are Individual Service Funds?

A personal budget is an agreed amount of money allocated by the county council to an individual to be used to meet their eligible care needs as outlined under the Care Act 2014. Once an individual personal budget has been calculated, a service user, as part of the support planning process, can choose in what form it can be taken. An Individual Service Fund is one way someone can choose to receive their personal budget, whereby 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 person's support plan, and they can either provide care and support from their organisation, or contract and arrange services and care from other organisations.

The Individual Service Fund service provider will arrange and manage care and support, in partnership with the service user, in order to meet their eligible care needs as outlined in their 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 the person and/or their representative with regular statements on how the personal budget has been spent and setting out planning for their ongoing care.

An Individual Service Fund is considered most appropriate for people who have fluctuating care needs. It is an alternative for those 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 in Lancashire

Although in existence in Lancashire since 2009, it is accepted that the vast majority of Individual Service Fund agreements are not being managed in the appropriate



way, and are used as a payment mechanism, rather than a way of offering people more flexibility in how their care and support is delivered. The county council is currently identifying and updating those cases that are not operating as "true" Individual Service Funds.

To provide some context, the Individual Service Fund spend, as stated in the March 2020 Cabinet report, was £55m per annum for over 1,100 people who were receiving services under an Individual Service Fund agreement. As of July 2022, the annual spend has reduced to £28m and 550 people currently receive services under such an agreement. This is because current Individual Service Fund agreements are being changed to accurately reflect how they are commissioned, i.e. not as Individual Service Funds. This is a system change and does not affect how people are receiving their care and support. It is intended that the county council's revised policy will represent a new offer of Individual Service Funds to residents and will represent a definite shift from how they have been offered in the past.

The consultation was not progressed within intended timescales as the Coronavirus pandemic necessitated other more urgent priorities within adult social care.

The revised plan was set out as follows in three phases:

Phase 1 (January 2022 to March 2022) - pre-consultation awareness/refresher sessions were held on what Individual Service Funds were, how they should be used and an overview of the proposed policy. The sessions were delivered to a variety of stakeholders, including 89 people from 53 care and support providers, Lancashire County Council social work staff and Lancashire forums such as the Learning Disability Partnership Board, Autism Partnership Board and 'Confirm and Challenge'. The sessions were co-presented with the assistance of '*Self Directed Futures*' – an organisation with specialist knowledge on Individual Service Funds and experience of assisting other local authorities with their implementation.

Phase 2 (April 2022 to May 2022) - formal consultation was undertaken on the draft Individual Service Fund policy, incorporating a survey, managed by the county council's Business Information Team and other stakeholder engagement. The findings of the consultation are presented as Appendices 'A' and 'B'.

Phase 3 – Implementation of the Individual Service Fund policy, which is likely to be the most challenging phase.

Predicted Outcome

The Care Act 2014 states that it is good practice for local authorities to offer Individual Service Funds. It is predicted that, as a result of this revised offer, a much smaller number of providers will be accredited to hold Individual Service Funds, and the potential for savings will be created through providers not using the full Individual Service Fund allocation (similar to direct payment clawback). In addition, the policy revision offers better outcomes for people from providers who embrace the principles of how Individual Service Funds should work.



Summary of Consultation Report and Revised Policy

Despite being widely promoted, the county council received 19 responses in total to the consultation, comprising of eight responses to the Provider questionnaire and 11 responses to the User questionnaire. The low response rate may be due at least in part to the awareness sessions and engagement undertaken in Phase 1 prior to the consultation.

Points of note raised from the Provider questionnaire were:

- 76% agreed the policy is clear and easy to understand;
- 76% agreed Individual Service Funds will offer choice for people in their care and support – no-one disagreed with this statement;
- 76% agreed that the policy gives clear rules on how a provider should manage an Individual Service Fund on behalf of the person;
- 58% agreed that the Individual Service Fund policy states clear benefits for providers – 14% disagreed;
- 50% agreed that costs involved in managing an Individual Service Fund will be a potential barrier to their organisation offering them.

Points of note raised from the User questionnaire were:

- 55% agreed that the policy is clear and easy to understand – 9% disagreed;
- 64% agreed that this policy will mean that Individual Service Funds will offer people choice in their care and support – 9% disagreed;
- 27% agreed that the policy is clear on how an Individual Service Fund will work – 18% disagreed;
- 60% said it was likely they would take up this offer if it was made available to them – 40% said they would not.

Despite the low response rate, there were many comments made, most of which were positive and in support of the revised policy. However, there was also some useful constructive criticism which will be addressed in the Implementation Plan:

- The benefits to the person receiving care and support are clear but this will result in increased administration costs for providers.
- The policy is clear but the detail of how it is going to work in practice is missing.
- Clarity is needed on what kind of support can and cannot be arranged with an Individual Service Fund.
- There is a general lack of providers who can support people with Autism.
- Concerns around providers being able to meet and deliver on people's expectations around flexibility of care and support, particularly when there are currently staff shortages.
- Inflationary uplifts to Individual Service Fund agreements need to be addressed.

Following the consultation and analysis of suggested changes, the policy has been amended and the final version is set out at Appendix 'C'.



Conclusion

Lancashire County Council is committed to a new offer for Individual Service Funds, which is in line with good practice recommendations within the Care Act 2014 and the county council's ethos of offering people choice and control over their care and support and maximising independence. There are strong links to the new 'Living Better Lives in Lancashire' practice led transformation of adult social care.

The next steps are to finalise an Implementation Plan to ensure Individual Service Funds offer people genuine choice and control over the care and support they receive and to develop the required new processes and procedures.

These steps will require assistance from various county council services including Finance, Legal, Procurement, Contract Management, and others.

Implications:

This item has the following implications, as indicated:

Risk Management

The risks of not implementing this policy are that the county council is not following good practice guidance within the Care Act (2014) to offer Individual Service Funds as a way of people having choice and control over the support they receive.

Workforce

Support for Lancashire residents is guided by the county council's adult social care policies, procedures, and guidance. The accuracy and relevance of these documents is essential to support practice and the delivery of high-quality services. These documents have been reviewed and cleared by the county council's legal team before being presented to Cabinet following a period of public consultation.

Equality and Cohesion

At this stage, it is anticipated that the introduction of an Individual Service Fund Policy should make a positive contribution towards meeting the county council's responsibilities under the Equality Act 2010 and the general aims of the Public Sector Equality Duty. Individual Service Funds are most likely to be used by people who are within the definition of the disability protected characteristic and are also included within other protected characteristics groups – e.g., sex/gender, ethnicity, age (younger or older people), etc.

The choice, control, and flexibility potentially available through Individual Service Funds should contribute positively to the Public Sector Equality Duty's general aim of advancing equality of opportunity for people with protected characteristics and its sub-aim of increasing participation in public life. As Individual Service Funds could also be used to access wider facilities, they may also contribute to another Public Sector Equality Duty general aim of fostering good relations between those who share a protected characteristic and those who do not share it – i.e. those who use Individual Service Funds and other members of the community.



Financial

Self Directed Futures is a social enterprise organisation commissioned by many councils across the country which is regarded as expert in Individual Service Funds and how to offer them in the correct way, to maximise choice and control for people who choose to use them.

The Implementation Plan for offering Individual Service Funds includes continuing with the assistance from *Self Directed Futures*, in a training and consultative capacity for a two-year period at a total cost of £63,600, including training for social work staff and for care and support providers.

List of Background Papers

Paper	Date	Contact/Tel
None		
Reason for inclusion in Part II, if appropriate		
N/A		

