

## Personalisation of Care Individual Service Funds Tender Proposal

To: Adults and Health Committee

Meeting Date: 17 March 2022

From: Graeme Hodgson, Commissioning Lead, Care Together

Electoral division(s): Burwell, Ely North, Ely South, Littleport, Soham North & Isleham, Soham South & Haddenham, Sutton, Wood Ditton

Key decision: Yes

Forward Plan ref: 2022/008

Outcome: Potential and predicted outcomes include:

- Greater choice and control over how a personal budget is spent with reduced administrative burden on individual, compared to Direct Payments.
- Greater efficiency in identifying duplication of spend and potential cost avoidance.
- Stimulation of community-based care micro-enterprise development as Individual Service Funds (ISFs) can be used to pay sole traders and community interest companies, part of the **Care Together** programme.

Recommendation: Adults and Health Committee are asked to;

Approve to tender the ISF Support Service through a Dynamic Purchasing System for 3+1+1 years at a maxim total value of £17.7 million.

Approve delegation of authority to award to Executive Director of People and Communities following bidding, evaluation, and moderation.

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# 1. Background

1.1 Under the Care Act (2014), a Personal Budget is produced following a Care Needs Assessment. The personal budget can be used in three ways:

a) *Commissioned Care and Support Services chosen by the Council:*

These are also known as more traditional Home Care “packages” which are purchased through existing contracts held by the Council with a range of organisations. Whilst this will ensure that the needs of individual outlined in the assessment are met and the Council will manage provider payment and associated activities on their behalf, there can be very little change in provision (number of visits, duration of visits) over the course of the 12 months or so between initial needs assessment and annual review. Homecare agencies delivering support are also experiencing high staff turnover and workforce capacity pressures which can impact on the consistency of provision offered as well as level of flexibility.

b) *A Direct Payment (DP) is where individuals choose and control how the budget is spent:*

Using their Direct Payment, people can choose to recruit and directly employ a Personal Assistant and/or access other services in the community. However, they do need to take responsibility for managing the account themselves, keeping track of any payments and tax/insurance contributions required by law, or paying for a payroll service or managed account with a Direct Payment Support Service, who can take care of bureaucratic tasks, but do not have the capacity to engage in regular care and support planning with individual clients.

c) *An Individual Service Fund (ISF) is where a third-party organisation holds the funds on behalf of the service user and agrees with them which activities, services and support they would like to access, with a high degree of flexibility over time. This option has not previously been available in Cambridgeshire but is now part of the Care Together approach to Social Care, with an estimate of 75 new ISFs per year being set-up during the period of the proposed tender, totalling 375 by 2027.*

The relevant legislation pertaining to ISFs can be found in Section 31 of The Care Act (2014), which lays out the conditions for receipt of a Direct Payment as one form of self-directed support enabling personalisation and choice. Section 36 describes alternative financial arrangements, whilst the Statutory Guidance: The Care and Support (Direct Payments) Regulations (2014, clause 11.33) states:

*“Where there are no Individual Service Fund arrangements available locally, the local authority should consider establishing this as an offer for people and reasonably consider any request from a person for an ISF arrangement with a specified provider.”*

Cambridgeshire County Council’s performance in relation to the use of Direct Payments currently represents an area for improvement. At present, the percentage of people with eligible care needs in receipt of a Direct Payment is lower than both the regional national average. Only 23% of people in Cambridgeshire have a Direct Payment, compared to an average of 26% both regionally and nationally.

The Direct Payment Board was established to improve performance within this area, and through this the Adult Social Care Commissioning Team identified an opportunity to increase

the proportion of people with eligible care needs accessing self-directed support by offering Individual Service Funds. The Centre for Welfare Reform, a subject matter specialist in this area, was subsequently invited to provide support and training to Cambridgeshire County Council staff in best practices associated with ISFs and a licence for the software for personalised care and support planning was acquired and plans were made to make ISFs available in the county.

The implementation of Individual Service Funds is considered a priority by the Joint Administration and is part of the innovative place-based programme **Care Together**, which received approval for investment of £2.9 million over 4 years from 2022-23.

## 2. Main Issues

2.1 For Individual Service Funds (ISFs) to work, referrals need to be made to organisations to enable them to hold the Personal Budget on behalf of individuals, and providers must be found to do this. The Council must identify a group of trusted providers who have fully understood the proposal and what is expected in terms of personalised care and support planning with maximum choice, flexibility, and control by the ISF holder. Such providers can be commissioned through a competitive and quality-assured process in line with procurement regulations

The intended outcome of the ISF Tender is to identify and work with trusted ISF providers who will enable the Council to offer greater personalisation, choice, control and flexibility to people with eligible care needs, whilst meeting our statutory obligations and complying with best practices in terms of safeguarding and quality of care. Personal choice is guaranteed as the ultimate decision about which provider will administer Personal Budgets lies with the service user, who will choose from a list of approved ISF providers who have capacity to offer support. Regular meetings to discuss desired outcomes also ensure that individuals are at the centre of decision-making about their care and support.

### 2.2 Contracting Options

Several procurement models or approaches were considered by Adult Social Care Commissioning in collaboration with the Procurement Team and other subject matter experts, including co-production with the very people who will benefit from ISFs. A Dynamic Purchasing System (DPS) proved to be the best option due to the following benefits:

- Flexibility to commission a variety of providers, rather than a single source;
- Capacity to bring new provider onboard during the lifetime of the arrangement, essential for broadening choice;
- Possibility of personalisation, giving service users the final choice;
- Light-touch evaluation so application process is not too onerous for providers, whilst ensuring quality. This will enable engagement from a range of small, local enterprises where possible.

A DPS is run as a completely electronic process (no paper or posting required) and

allows new suppliers to join at any time, subject to the appropriate due diligence being undertaken on the organisation (meaning that if a provider has been unsuccessful at securing a place they can always try again in the future).

## 2.4 Evaluation methodology

In addition to co-production of the initial service specifications, evaluation of bids provides a further opportunity to employ co-production techniques by inviting a panel of service users with lived experience to take part in the evaluation. This embodies best practices in terms of service-user engagement with the procurement and commissioning process.

Due to the different profiles of organisations that can become ISF Providers, specifically around whether or not they deliver personal care themselves, the DPS will consist of 2 lots and these lots will require certain minimum standards of bidding organisations (including but not limited to):

Lot 1 – Providers of Care

- CQC Rating of Good or Outstanding
- Previous experience (evidence of personalised care and support planning/delivery).
- Includes Voluntary and Community Sector organisations and smaller local companies.

Lot 2 – Brokers of Care (including but not limited to):

- Previous experience (evidence of personalised care and support planning).
- Includes Voluntary and Community Sector organisations and smaller local companies.

In addition, all bidders will be required to answer the following method statement questions, adapted from the Think Local Act Personal (TLAP) Making It Real statements (See Appendix IV):

No.	Question	Weighting
1	How will you support people to live the life they want, keeping safe and well, promoting wellbeing and independence?	15%
2	How will you share information and advice with people, so they have the information they need when they need it?	15%
3	How will you enable family and friends to be involved in ensuring individuals are active members of a community, where this is desired by and in the best interests of the individual?	10%
4	How will you enable flexible and integrated care and support planning with emphasis on personalisation, choice and control?	15%
5	How will you manage changes in activities chosen by clients but also changes in their care and support needs over time, empowering them to remain in control?	15%
6	How will you ensure all people with protected characteristics under the Equality Act (2010) - including candidates, staff, clients and other stakeholders - are treated fairly and	10%

	respectfully in all aspects of your operation, from recruitment to service delivery?	
7	<i>To be both defined and scored by panel of service-users</i>	10%
8	<i>To be both defined and scored by panel of service-users</i>	10%

Evaluation Panels will also include social work practitioners who have been involved in the ISF project, having attended 5 modules of training relating to best practices and care needs reviews that balance outcomes against budget reductions as people become more independent etc.

## 2.5 Finance

Analysis of the current split between service types in Direct Payments and the average weekly personal budgets in care and support plans for those with Direct Payments were used as a basis for calculating the total maximum allocation of funds over the 5-year lifespan of the proposed ISF DPS (3 years +1 year + 1 year).

This amount comes to a total of £17.7 million, assuming a maximum of 75 ISF holders in 2022-23, increasing in annual increments of 75 as ISFs are expanded county-wide. This budget would be transferred to an ISF budget from current Home Care and Day Care budgets. There is therefore no additional investment resulting from the adoption of an ISF approach. This approach will help meet demand for care and support which is currently unmet due to pressures on the home care market.

## 2.6 Overview of Benefits

At least 18 other Local Authorities in England have implemented ISFs in recent years and many have reported significant savings due to the following benefits:

- *Individualised support plans enable “waking nights” services to be decommissioned from some venues and in some cases*
- *Increased use of Assistive Technology*
- *Local and central overheads reduced to 15% of ISFs as various offices no longer needed*
- *Shared Lives services were established*
- *Pooling personal budgets was encouraged*
- *More personal assistants were introduced*

Such benefits are reportedly combined with multiple outcome improvements, as identified by people, families, and professionals (including quality of life, control over life, range of choice, involvement in community life, quality of support, privacy, communication, safety, independence, skills for daily living, freedom and friendships).

## 2.7 Timeline

Event	Expected Date
<i>ASC Community Board Approval</i>	02/11/2021
<i>P&amp;C JCB Approval</i>	23/11/2021
<i>Adults &amp; Health Committee Approval</i>	17/03/2022
<i>Issue ITT</i>	01/04/2022
<i>Tender Clarification Deadline</i>	30/04/2022

<i>Return of Final Tender Documents</i>	07/05/2022
<i>Evaluation of Tenders</i>	08/05/2022 – 30/05/2022
<i>Moderation meeting</i>	03/06/2022
<i>Internal review and approvals</i>	04/06/2022 – 10/06/2022
<i>Inform tenderers of outcome of evaluation process</i>	11/06/2022
<i>End of Standstill Period</i>	Midnight at end of 21/06/2022
<i>Due diligence (contracts)</i>	11/06/2022 – 21/06/2022
<i>Contracts issued and implemented</i>	22/06/2022 – 28/06/2022
<i>Start of Contract Period</i>	01/07/2022

### 3. Alignment with corporate priorities

#### 3.1 Communities at the heart of everything we do

The following bullet points set out details of implications identified by officers:

- The ISF workstream is part of the Care Together programme, which is a place-based approach to community-based care and support commissioning.
- ISFs will enable people living in rural communities typical of Cambridgeshire to access services provided by small micro-enterprises, such as sole traders, operating in their local communities, rather than necessarily rely on care packages provided by large regional and national corporation.

#### 3.2 A good quality of life for everyone

The following bullet points set out details of implications identified by officers:

- Because ISFs are personalised, flexible and conducive to greater choice and control by the service user, those with protected characteristics such as physical or learning disability, mental health needs, a rural location, will be empowered to do the things they choose to do in the place they call home.
- Individuals living in rural communities with limited employment opportunities can be paid to deliver care and support services at a higher rate than that paid by agencies, thus enabling social mobility, income generation and increased quality of life for care workers.

#### 3.3 Helping our children learn, develop and live life to the full

The following bullet point sets out details of implications identified by officers:

- In the same way that many children benefit from Direct Payments, which allow them and their families a greater degree of choice and personalisation in accessing services and activities, ISFs will offer the same flexibility, choice and control, with none of the burden of financial and administrative responsibility which is currently incurred by those who manage their own Direct Payments.

#### 3.4 Cambridgeshire: a well-connected, safe, clean, green environment

The following bullet point sets out details of implications identified by officers:

- The place-based model enabled by Individual Service Funds will lead to fewer car journeys e.g. care workers who currently live in one district commuting to deliver support in another. Instead, sole traders (care micro-enterprises) living and working in the same community will be able to walk or cycle to their clients' homes, improving air quality and reducing carbon footprint. Such sole traders can be paid by Direct Payment or Individual Service Fund.

#### 3.5 Protecting and caring for those who need us

The following bullet point sets out details of implications identified by officers:

- Just as people with learning disabilities, physical disabilities and the challenges associated with older age benefit from Direct Payments, these cohorts will also benefit from Individual Service Funds, with the added benefit of not needing to carry the

burden of financial and administrative responsibility for directly employing a personal assistant or making payments to providers. ISF providers will be responsible for ensuring cover is in place during PA holidays/sickness etc. In a DP this responsibility falls to the individual employer, but an ISF removes that burden. We encourage Personal Assistants (as well as self-employed care workers paid by DP or ISF) to form co-ops or networks, who cover for each other.

## 4. Significant Implications

### 4.1 Resource Implications

The report above sets out details of significant implications in paragraph 2.5.

### 4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The report above sets out details of significant implications in paragraphs 2.2, 2.3 and 2.4 and in Appendix 1.

### 4.3 Statutory, Legal and Risk Implications

There are no significant implications.

### 4.4 Equality and Diversity Implications

The report above sets out details of significant implications in paragraph 3.2 and a Community (Equality) Impact Assessment is in Appendix 2.

### 4.5 Engagement and Communications Implications

- As part of the Care Together programme in East Cambridgeshire, Individual Service Funds were discussed at co-design events with local residents, of which 2 were held in each of the following locations: Ely, Burwell, Littleport and Soham.
- The proposal was also taken to Healthwatch Carers Partnership Board and Physical Disability Partnership Board, meeting with a positive reception from those with lived experience and those on the edge of care who seek greater freedom of choice and control over how their eligible care needs are met.

### 4.6 Localism and Local Member Involvement

- The proposal empowers communities to do more for themselves by enabling a place-based approach to care and support provision, using care micro-enterprises.
- The proposal will harness the energy of local communities to work with the County Council by offering greater flexibility, choice and control to individuals, resulting in higher satisfaction and fewer complaints about providers commissioned to deliver home care.
- The proposal involves devolving decision-making and delivery to a more local level, that is, to the individual, prioritising provision by local community assets such as care micro-enterprises and sole traders.
- Local Members have been informed about matters affecting their divisions during the formative stages of policy development and discussion at informal meetings, as required by Part 5.3 – Member/Officer Relations of the Council's Constitution and a Member Briefing on Care Together, of which ISFs are a workstream, was produced (see Appendix 3).

### 4.7 Public Health Implications

There are no significant implications.



## 4.8 Environment and Climate Change Implications on Priority Areas

### 4.8.1 Implication 1: Energy efficient, low carbon buildings.

Positive/neutral/negative Status: Neutral

Explanation: No buildings are involved in the services to be commissioned by this tender process.

### 4.8.2 Implication 2: Low carbon transport.

Positive/neutral/negative Status: Positive

Explanation: ISFs will make it possible (and ideal) for people with eligible care needs to pay for small community-based micro-providers to support them. These sole traders will live and work in the same community as the people they serve, avoiding long distance car journeys and carbon emissions.

### 4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Positive/neutral/negative Status: Neutral

Explanation: N/A

### 4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Positive/neutral/negative Status: Neutral

Explanation: N/A

### 4.8.5 Implication 5: Water use, availability and management:

Positive/neutral/negative Status: Neutral

Explanation: N/A

### 4.8.6 Implication 6: Air Pollution.

Positive/neutral/negative Status: Positive

Explanation: ISFs will make it possible (and ideal) for people with eligible care needs to pay for small community-based micro-providers to support them. These sole traders will live and work in the same community as the people they serve, avoiding long distance car journeys and carbon emissions.

### 4.8.7 Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.

Positive/neutral/negative Status: Positive

Explanation: Introduction of ISFs help diversify the care market, reducing pressure on home care providers who are already struggling to meet demand due to staff shortages. By enabling place-based solutions and community assets, such as care micro-enterprises to be paid by an ISF provider, we will reduce the risk of care packages being handed back due to lack of capacity in traditional home care agencies.

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Rebecca Bartram

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? Yes

Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes

Name of Legal Officer: Karen White, Pathfinder Legal

Have the equality and diversity implications been cleared by your Service Contact?

Yes

Name of Officer: Jenni Bartlett

Have any engagement and communication implications been cleared by Communications?

Yes

Name of Officer: Matthew Hall

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes

Name of Officer: Will Patten

Have any Public Health implications been cleared by Public Health?

N/A

Name of Officer: Kate Parker

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes

Name of Officer: Emily Bolton

## 5. Source documents guidance

### 5.1 Source documents

Section 31 of the Care Act (2014) <https://tinyurl.com/5c468hvv>

ISFs (by Animate) <https://tinyurl.com/429k88z4>

ISFs and Contracting for Flexible Support <https://tinyurl.com/yc5ay9n9>

## 6. Appendices

### 6.1 Appendix 1 – Service Specification

### 6.2 Appendix 2 – Equality Impact Assessment

### 6.3 Appendix 3 - Member Briefing

### 6.4 Appendix 4 – Think Local, Act Personal “Making It Real” Report

Alternative formats of the appendices are available on request by contacting [graeme.hodgson@cambridgeshire.gov.uk](mailto:graeme.hodgson@cambridgeshire.gov.uk)