Self-Directed Support Network

BUILDING NEIGHBOURHOOD CARE CAPACITY

Using introductory agencies via Direct Payments and Individual Service Funds as a way of helping people connect with the support they need

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Executive Summary

Local authorities across England are operating in adult social care markets that are under sustained and growing pressure. Workforce shortages, rising costs, and fragility within traditional domiciliary care provision are making it increasingly difficult to support people to live well at home, particularly through personalised funding arrangements such as Direct Payments and Individual Service Funds (ISFs).

At the same time, there is increasing demand from people and families for neighbourhood-based, relational care. Many people want consistent support from a small number of familiar workers, rather than shift-based care delivered by large agencies. Alongside this, a growing number of care workers are choosing not to work for traditional domiciliary care providers, preferring flexible, local, and self-directed ways of working, often on a self-employed basis.

These trends present both an opportunity and a challenge for commissioners. While there is potential to grow community-based care capacity, doing so requires infrastructure for recruitment, matching, coordination, quality assurance, and financial oversight. Without that infrastructure, personalised funding arrangements can become difficult to recommend or sustain in practice, even where policy intent is strong.

This paper explores the role that **introductory agencies** can play in addressing these challenges as part of a deliberate market-shaping strategy. Introductory agencies operate as intermediaries, connecting people who draw upon Direct Payments or ISFs with self-employed care workers, while providing the systems and support needed to make these arrangements viable at scale. Used well, they can help bridge the gap between budget allocation and real-world care delivery.

Key themes explored in this paper include:

- How introductory agencies can support the **uptake and sustainability of Direct Payments and ISFs**, particularly in fragile or low-supply markets
- The importance of recognising that **care infrastructure always carries a cost**, whether held in-house, commissioned separately, or embedded within care delivery
- The need to maintain clear distinctions between **Direct Payments and ISFs**, particularly around capacity, direction, and accountability
- How neighbourhood-based and self-employed care models can be used **strategically and tactically**, including in rural, coastal, and “care desert” areas
- The role of **digital systems and third-party budget holding**, including virtual wallet models, in supporting proportionate financial oversight without constraining personalised care

The paper is intended to support commissioners, operational leads, and finance colleagues to make informed decisions about whether, when, and how introductory agency models can add value within their local care system. It does not promote a single solution, but instead sets out considerations for integrating community-based care approaches into a coherent Direct Payments and ISF strategy.

This paper has been developed with input from organisations working at the interface of personalised funding, workforce innovation, and community-based care.

The authors acknowledge the contribution of **CareMatch**, whose practical experience as an introductory agency and digital infrastructure provider has informed the analysis presented here.

1. Purpose of this paper and the problem it seeks to address

This paper has been written for local authority commissioners, service managers, and operational leads with responsibility for Direct Payments and Individual Service Funds (ISFs). It is intended for those who are actively considering how people can be better supported to find, organise, and sustain care through personalised funding arrangements, particularly in areas where traditional domiciliary care markets are under strain.

The focus of this paper is adult social care commissioned and funded by local authorities. While similar approaches may be relevant to personal health budgets or integrated funding arrangements, this paper is deliberately limited to the social care context, reflecting the distinct legal, commissioning, and workforce frameworks that apply.

The problem commissioners are seeking to address

Across many local authority areas, commissioners are facing a persistent and interconnected set of challenges:

- A shortage of domiciliary care capacity, particularly in neighbourhood-based and community-delivered provision
- High workforce turnover and limited continuity of support for people drawing on care
- Rising unit costs within traditional agency-based models
- Increasing numbers of people opting for Direct Payments or ISFs but struggling to find and retain suitable support
- Growing pressure on social work, brokerage, and commissioning teams to “make care happen” in increasingly fragile market conditions

At the same time, there is clear and consistent evidence that many people want care that is relational, consistent, and locally rooted. People value being supported by a small number of workers they know and trust, and they often prioritise continuity and flexibility over scale or brand. These preferences can be difficult to meet through large, shift-based domiciliary care services, even where those services are well managed and appropriately commissioned.

Workforce realities and self-employed care

Alongside pressures on provider markets, many areas are seeing a shift in workforce preferences. A growing number of care workers:

- Do not wish to work for traditional domiciliary care agencies
- Value flexibility, autonomy, and local working patterns
- Are willing to operate on a genuinely self-employed basis

- Prefer to provide consistent support to a small number of people

This trend presents a potential opportunity to expand local care capacity in ways that align with people's preferences. However, it also creates a challenge for local authorities. Supporting self-employed and neighbourhood-based care models requires infrastructure for recruitment, vetting, coordination, quality assurance, and payment. Whether delivered in-house or commissioned externally, that infrastructure carries real and ongoing costs.

Introductory agencies as a market-shaping response

Introductory agencies offer one way for councils to respond to these challenges without front-loading infrastructure costs or expanding internal teams. Operating as intermediaries between people who draw upon personalised funding and self-employed care workers, introductory agencies can:

- Support the growth of neighbourhood-based care capacity
- Provide practical routes from budget allocation to care delivery
- Reduce pressure on council brokerage and care management functions
- Offer a degree of structure and reassurance for commissioners

From a commissioning perspective, introductory agencies typically operate on an hourly rate that is lower than traditional domiciliary care, while embedding the costs of recruitment, coordination, and support within care delivery itself. This means infrastructure costs are carried alongside care, rather than being funded separately through council staffing or time-limited programmes.

Purpose of this paper

The purpose of this paper is to explore how introductory agency models can be used deliberately as part of a wider Direct Payments and ISF strategy.

Specifically, it aims to:

- Set out the challenges that personalised funding arrangements face in fragile care markets
- Explain how introductory agencies operate in practice
- Consider how these models can be used strategically to strengthen local care systems
- Highlight key issues around workforce, infrastructure, finance, and governance

The intention is not to promote a single provider or model, but to support informed discussion and decision-making about how community-based and neighbourhood care approaches can be integrated into local commissioning strategies.

2. How introductory agencies operate in practice

This section explains how introductory agencies typically operate in adult social care, the infrastructure they provide to support personalised care arrangements, and how this differs from both traditional domiciliary care provision and informal care-matching approaches. It also addresses common areas of commissioner concern, particularly in relation to employment status, compliance, and financial oversight.

The introductory agency model in practice

Introductory agencies operate as intermediaries between people who draw upon personalised funding, such as Direct Payments or Individual Service Funds, and care workers who are willing to offer support on a self-employed basis.

In practice, this means that introductory agencies:

- Recruit, vet, and verify self-employed care workers
- Support people to identify suitable workers based on preferences, location, availability, and compatibility
- Facilitate introductions rather than allocating staff through rotas or shift systems
- Provide ongoing coordination and problem-solving support to help care arrangements remain stable over time

Unlike domiciliary care agencies, introductory agencies do not generally employ care workers directly, nor do they manage care delivery through centralised scheduling or supervision. Instead, they provide the **infrastructure and systems** that enable people and self-employed workers to work together in a structured and lawful way.

This distinction is important. The role of the introductory agency is to support connection, coordination, and continuity, rather than to control delivery.

Digital and operational infrastructure

A defining feature of modern introductory agency models is the use of digital systems to support care arrangements at scale. These systems are designed to reduce administrative burden for individuals, families, practitioners, and local authority teams.

Typically, this infrastructure supports:

- Matching people with suitable self-employed workers
- Care planning, scheduling, and agreed outcomes
- Recording hours and activity
- Automated invoicing and reconciliation
- Visibility of care delivery and spend

From a commissioning perspective, this infrastructure is critical. Without it, personalised care arrangements often rely on informal processes, manual oversight, or disproportionate involvement from social workers and brokerage teams. Digital systems enable introductory agencies to operate consistently across larger populations, while maintaining flexibility at an individual level.

Employment status and self-employment

Questions about employment status are frequently raised when commissioners consider introductory agency models, particularly where self-employed workers are involved. Well-designed introductory agencies are structured to operate within established employment and tax frameworks, rather than outside them.

Care workers operating through an introductory agency typically do so on a genuinely self-employed basis. This means that, in practice:

- Workers choose whether to accept work
- They may work with more than one individual
- They are not required to work fixed or exclusive hours
- They retain control over how support is delivered, within agreed outcomes
- They are responsible for their own tax and National Insurance arrangements

The role of the introductory agency is limited to introduction, coordination, and system support. It does not exercise day-to-day managerial control over care delivery or impose employment-style conditions that would undermine self-employed status.

For commissioners, this distinction is important in managing risk and ensuring that responsibilities sit in the appropriate place.

Holding and managing funds through third-party arrangements

In addition to care matching and coordination, some introductory agencies are able to support the holding and management of individual budgets through third-party arrangements, where this is agreed with the local authority.

This may include:

- Dedicated accounts for individual budgets
- Clear separation between care funds and personal finances
- Automated payment of care and related services
- Real-time visibility of balances and transactions
- Clear reconciliation and audit trails

From a commissioning and finance perspective, this offers an alternative to traditional prepaid card systems or externally managed accounts. Importantly, these arrangements are designed to **enable flexibility**, rather than restrict how care is organised, and can be used either alongside care coordination or as a standalone financial function.

Compliance and assurance for commissioners

Introductory agency models can offer commissioners a structured way to support self-employed care at scale without transferring employment or financial management responsibilities to the local authority.

Assurance is typically supported through:

- Clear onboarding and verification processes for care workers
- Transparent contractual and operational arrangements
- Avoidance of exclusivity or dependency that would undermine self-employed status
- Clear financial records, reconciliation, and reporting

- Proportionate oversight mechanisms agreed with the council

This enables councils to support flexible and personalised care arrangements through Direct Payments and ISFs while retaining confidence in both employment and financial compliance.

How this differs from other approaches

For clarity, it may be helpful for commissioners to distinguish introductory agencies from other common models:

- **Domiciliary care agencies** employ staff directly and retain full responsibility for workforce management and delivery
- **Prepaid card or managed account providers** focus primarily on financial administration, with limited involvement in care sourcing or coordination
- **Introductory agencies** combine care matching, coordination, and, in some cases, optional budget management

This middle-ground position is particularly relevant in local areas where commissioners want to grow neighbourhood-based care capacity, reduce administrative burden, and support flexible use of individual budgets without expanding in-house provision.

3. Using introductory agencies as a market-shaping tool within a clear local strategy

For introductory agency models to be effective, they need to sit within a clear and intentional local authority strategy. They are most impactful when used as part of a broader approach to strengthening Direct Payments and Individual Service Funds, rather than as a reactive or last-resort option.

Local authorities that have made progress in expanding personalised funding arrangements tend to do so by recognising that policy commitment alone is not sufficient. People need practical routes from budget allocation to care delivery, and practitioners need confidence that those routes are viable in real market conditions.

Introductory agencies within a Direct Payments and ISF strategy

From a strategic perspective, introductory agencies should be understood as one of several tools that councils can use to:

- Increase confidence in Direct Payments and ISFs among practitioners and people drawing on support
- Make personalised funding viable for a wider group of people
- Reduce the “cliff edge” between agreeing a budget and finding care
- Provide credible alternatives to commissioned care where traditional markets are fragile

Where councils lack accessible and practical routes for people to find and organise care, Direct Payments and ISFs can become difficult to recommend in day-to-day practice, even where there is strong policy intent. Introductory agencies help address this gap by providing a visible and workable pathway.

Recognising and locating infrastructure costs

A central issue for commissioners is recognising that there is always a cost associated with building and maintaining care infrastructure, particularly where councils wish to support:

- Self-employed care workers
- Micro-providers and community-based services
- Neighbourhood and relational care models

Different local authorities have approached this in different ways. Some have invested in in-house teams to recruit and support micro-providers. Others have commissioned external workforce development programmes or funded brokerage and support organisations to help people organise care.

Each of these approaches carries a cost to the local authority, whether as fixed staffing costs, programme funding, or ongoing contracts.

Introductory agency models offer an alternative approach, where infrastructure costs are embedded within the hourly rate paid for care through Direct Payments or ISFs, rather than being funded separately. This shifts infrastructure investment from a fixed or upfront cost to a variable cost aligned with actual care delivery.

Agreeing fair and transparent hourly rates

Where a local authority chooses to work with an introductory agency, success depends on agreeing a clear and transparent hourly rate that:

- Remunerates self-employed care workers fairly
- Covers the costs of recruitment, coordination, and digital infrastructure
- Reflects the value of continuity, flexibility, and local delivery
- Remains below the cost of traditional domiciliary care provision

This approach avoids the need for councils to front-load infrastructure costs while still enabling the development of local care capacity. Over time, it can contribute to lower per-hour costs compared to agency-based care, alongside improved stability and outcomes for people.

Strategic entry and market influence

When used strategically, introductory agencies do not simply operate as an option of last resort. Instead, they enter a local area with a defined purpose aligned to wider commissioning objectives.

This typically involves:

- Clarity about the role introductory agencies will play within the local care system
- Alignment with Direct Payments and ISF policy and practice

- Agreement on expectations around workforce development and local recruitment
- Integration with market-shaping priorities and commissioning intentions

This allows councils to influence the shape of their local care market without directly managing workforce infrastructure or expanding internal capacity.

Complementing, not replacing, other approaches

Working with introductory agencies does not preclude other market-shaping activity. Councils may continue to:

- Invest in in-house micro-provider or workforce development programmes
- Support community and voluntary sector initiatives
- Commission traditional domiciliary care where appropriate

The value of introductory agency models lies in adding resilience, flexibility, and choice to the system, particularly where existing approaches are under pressure or have limited reach.

From a market-shaping perspective, this diversification helps reduce dependency on any single model and supports people to access care in ways that reflect their preferences, circumstances, and local context.

4. How introductory agencies support people to find, organise, and sustain care

This section describes how introductory agency models operate at the level of individual care arrangements, and how this translates into practical benefits for people, families, practitioners, and local authority teams. It also explains how these models can be used both strategically and tactically to address specific gaps in local care supply.

Supporting people to find care in practice

For many people drawing on Direct Payments or Individual Service Funds, the most significant challenge is not managing a budget, but finding reliable, consistent care in the first place. This is particularly acute in areas where traditional domiciliary care capacity is limited, unstable, or has withdrawn entirely.

Introductory agencies support people by:

- Helping them clarify what they want from care, including preferences around continuity, timing, and relationships
- Identifying suitable self-employed care workers operating locally
- Facilitating introductions rather than allocating staff through shift-based systems
- Supporting people to build small, consistent teams over time

This approach moves away from fragmented, rota-driven care towards relational models of support, where trust and familiarity can develop. For many people, particularly older adults and those living alone, this is central to feeling safe and supported at home.

Reducing burden on individuals and families

While personalised funding arrangements offer flexibility and choice, they can also place a significant administrative and emotional burden on individuals and families, especially where care markets are fragile.

By providing coordination, systems, and optional budget management, introductory agencies can reduce the need for people to:

- Navigate care markets alone
- Repeatedly contact providers that cannot supply care
- Manage complex arrangements without practical support
- Act as de facto care coordinators

This can make Direct Payments and ISFs more accessible to people who value choice and control, but do not wish to take on full responsibility for sourcing and sustaining care without support.

Supporting social work and brokerage teams

From an operational perspective, introductory agencies can also reduce pressure on social workers, brokers, and commissioning teams who are frequently asked to “find care” in increasingly difficult market conditions.

The model provides:

- A credible and practical option to offer alongside commissioned care
- A route for progressing Direct Payments or ISFs where care supply is otherwise limited
- Ongoing coordination that helps stabilise care arrangements

This enables practitioners to recommend personalised funding with greater confidence, knowing that there is a workable pathway from assessment and planning to care delivery.

Tactical use in areas of low supply

In addition to being used across whole local authority areas, introductory agency models can also be deployed tactically to address specific supply challenges.

Many councils face acute difficulties in:

- Rural areas with dispersed populations
- Coastal towns with seasonal workforce pressures
- Neighbourhoods with long-standing recruitment challenges
- Areas sometimes described as “care deserts,” where traditional domiciliary care is no longer viable

In these contexts, introductory agencies can provide targeted infrastructure to support care delivery where it is otherwise difficult to sustain.

This may involve:

- Focusing recruitment efforts in specific localities
- Supporting people to work with self-employed care workers who live nearby
- Enabling flexible, local working patterns that are unattractive to larger agencies
- Reducing travel time and inefficiency inherent in traditional models

For older people in particular, this can be critical in maintaining care at home where agency-based provision has withdrawn or is unreliable.

Flexibility across population groups

While introductory agency models have often emerged in response to challenges in working-age adult care, they are increasingly relevant to older people's care, particularly in areas with limited domiciliary provision.

They can support:

- Short, regular visits delivered locally
- Consistent support from familiar workers
- Care arrangements that evolve over time rather than remaining fixed
- Continuity that is difficult to achieve through shift-based services

This flexibility allows councils to respond more creatively to demographic change and geographic pressures, without relying solely on traditional provider markets.

Sustaining care arrangements over time

Finally, the combination of coordination, digital infrastructure, and optional budget management helps care arrangements remain stable over time.

This includes:

- Supporting continuity when workers change availability
- Enabling adjustments without wholesale re-procurement
- Maintaining visibility of care delivery and spend
- Reducing the likelihood of care breakdown and crisis intervention

For commissioners, this contributes to more durable use of Direct Payments and ISFs, fewer emergency responses, and greater stability within local care systems.

5. Using introductory agencies alongside Direct Payments and Individual Service Funds

This section explains how introductory agency models can be used alongside Direct Payments and Individual Service Funds (ISFs), and clarifies the distinct legal and practical requirements that apply to each arrangement. In particular, it focuses on the importance of capacity, direction, and accountability, which are frequently areas of confusion in practice.

Maintaining clarity in these areas is essential to ensuring that personalised funding arrangements remain lawful, robust, and defensible over time.

Direct Payments and the role of suitable persons

Direct Payments are intended to give people choice and control over how their care and support is arranged. In practice, a Direct Payment may be:

- Managed directly by the individual, where they have the capacity and wish to do so, or
- Managed by a suitable person acting on the individual's behalf

Where a suitable person is involved, they may take responsibility for:

- Managing the Direct Payment
- Arranging and coordinating care
- Supporting the individual's wishes, preferences, and outcomes

This means that Direct Payments can lawfully be used even where the individual does not have capacity to manage the payment themselves, provided that the arrangement reflects their wishes and is made in their best interests.

Introductory agencies can support Direct Payment arrangements by:

- Helping individuals or suitable persons to identify and introduce self-employed care workers
- Providing coordination and digital systems that reduce administrative burden
- Offering optional third-party budget holding and reconciliation, where agreed by the local authority

In these arrangements, decision-making authority remains with the individual or the suitable person. The introductory agency supports the organisation of care but does not replace the role of the person or their representative.

Individual Service Funds and the requirement for direction

Individual Service Funds operate on a different basis. For an ISF arrangement to be lawful and meaningful, the individual must be able to direct how their support is delivered.

This means the person must have the capacity to:

- Express preferences about their support
- Influence decisions about who provides that support
- Agree changes to arrangements over time

While an ISF provider may hold and manage the budget on the person's behalf, the defining feature of an ISF is that the individual retains direction and control, even though they do not manage the money directly.

Where a person is not able to direct their support, an ISF is not an appropriate mechanism. In those circumstances, a Direct Payment managed by a suitable person, or another lawful arrangement, should be used instead.

This distinction is critical and is often blurred in practice. Failing to maintain it can expose councils to legal and audit risk and can undermine the person's rights.

How introductory agencies operate within these frameworks

Introductory agency models can operate lawfully alongside both Direct Payments and ISFs, provided these distinctions are respected.

In Direct Payment arrangements:

- Introductory agencies may support individuals or suitable persons to organise care
- Optional third-party budget holding may be used where agreed
- Direction rests with the individual or suitable person

In ISF arrangements:

- Introductory agencies may only operate where the individual is able to direct their own support
- The agency provides coordination, systems, and infrastructure to enable that direction to be exercised in practice
- Budget holding does not displace the person's role in shaping their support

In all cases:

- Decision-making authority is not assumed by the introductory agency
- Care arrangements are driven by the person's expressed wishes and preferences
- The local authority retains its statutory oversight and assurance role

This clarity helps ensure that personalised funding arrangements remain lawful, transparent, and resilient as people's circumstances change.

Supporting confidence in personalised funding arrangements

When used appropriately, introductory agencies can help councils to:

- Support a wider range of people to access Direct Payments confidently
- Reduce the risk of Direct Payments breaking down due to lack of coordination or support
- Use ISFs appropriately where individuals are able to direct their arrangements
- Manage transitions safely where capacity or circumstances change over time

For commissioners and practitioners, this means being able to recommend personalised funding with greater confidence, knowing that people are supported in ways that align with both their preferences and the statutory framework.

6. Financial assurance, virtual wallets, and commissioner oversight

This section explores how introductory agency models can support financial assurance, transparency, and proportionate oversight when operating alongside Direct Payments and Individual Service Funds. It focuses in particular on the use of third-party budget holding and virtual wallet arrangements as alternatives to, or complements for, traditional prepaid card systems.

The assurance challenge in personalised funding

As councils increase the use of Direct Payments and ISFs, financial oversight becomes more complex. Commissioners and finance teams are often seeking to balance:

- Flexibility and responsiveness for individuals
- Timely and accurate payment of care and support
- Transparency and accountability of public funds
- Proportionate audit and assurance arrangements
- Avoidance of unnecessary administrative burden

In many local authorities, prepaid cards or externally managed accounts have become the default mechanism for achieving this balance. However, these arrangements do not always integrate well with care coordination, can be slow to operate, and may introduce friction that undermines personalised care rather than enabling it.

Virtual wallets as financial infrastructure

Some introductory agencies operate virtual wallet systems that allow individual budgets to be held in dedicated third-party accounts. These accounts are used solely for care and support expenditure and are kept separate from an individual's personal finances.

From a commissioner and finance perspective, virtual wallets function as financial infrastructure rather than care provision. They can offer:

- A clear and auditable route for funds to flow from the local authority to care delivery
- Transparency of balances and expenditure
- Automated reconciliation against agreed support
- Real-time visibility of transactions where access is agreed

Importantly, virtual wallet arrangements are designed to support personalised care arrangements, rather than constrain how support is organised.

Holding funds through third-party arrangements

Where agreed by the local authority, introductory agencies may hold funds on behalf of individuals through designated third-party accounts. This can apply to:

- Direct Payments, including those managed by suitable persons
- ISF-style arrangements where the individual directs their own support

In practice, this means that:

- The local authority pays funds into a dedicated account
- Expenditure is limited to agreed care and support purposes
- Payments to care workers and services are automated
- Balances and transactions are clearly recorded and reportable

This approach can reduce the need for individuals or suitable persons to manage separate bank accounts, while giving councils confidence that funds are being used in line with agreed plans.

Oversight, reporting, and audit

Introductory agency models that include virtual wallet functionality are designed to support proportionate oversight rather than retrospective scrutiny.

This typically includes:

- Automated reconciliation of spend against agreed support
- Clear records of payments, hours, and services delivered
- The ability to provide reports to commissioners on request
- Periodic reconciliation and audit processes agreed with the council

For finance and audit teams, this provides a clear line of sight from allocation to expenditure without requiring manual invoice checking or intensive monitoring by council staff.

Relationship to prepaid cards and managed accounts

Virtual wallet arrangements do not require councils to abandon existing financial mechanisms, but they do provide an alternative where prepaid cards or managed accounts are proving inflexible or resource intensive.

Key distinctions include:

- Integration with care coordination and workforce support
- Reduced reliance on physical cards and manual transactions
- Faster and more responsive payment processes
- Fewer handoffs between systems, providers, and council teams

For councils that do not currently use prepaid cards, virtual wallets can offer a way to introduce structured financial oversight without commissioning a standalone payment platform.

Maintaining commissioner oversight and accountability

Throughout all arrangements, the local authority retains its statutory role in oversight and accountability.

In practice, this means that:

- Councils set the parameters for how funds may be used
- Reporting and access arrangements are agreed in advance
- Introductory agencies operate within the council's policy framework
- Accountability for public funds remains clear and transparent

This clarity is particularly important where care arrangements evolve over time, or where individuals move between Direct Payments and ISFs.

Supporting confidence across the system

By combining introductory agency functions with robust financial infrastructure, councils can support personalised funding arrangements that are:

- Flexible for individuals and families
- Workable for practitioners
- Transparent for commissioners and finance teams
- Defensible for audit and governance purposes

When designed and implemented well, these approaches can enable greater use of Direct Payments and ISFs without increasing financial risk or administrative burden.

Conclusion: Key considerations for commissioners

This paper has explored how introductory agency models, supported by appropriate infrastructure and governance, can contribute to more resilient local care markets and more sustainable use of Direct Payments and Individual Service Funds.

For commissioners considering whether and how approaches of this kind could add value within their local authority area, the following considerations are likely to be central.

1. Clarity of strategic intent

Introductory agencies are most effective when they form part of a deliberate and articulated local strategy, rather than being used only in response to market failure or as a last-resort option.

Commissioners may wish to be clear about:

- Their ambitions for increasing the uptake and sustainability of Direct Payments and ISFs
- How personalised funding sits alongside commissioned services within the local offer
- Where neighbourhood-based and relational care models are most needed
- How intermediary models fit within wider market-shaping objectives

Without this clarity, introductory agency models risk being under-used, misunderstood, or deployed inconsistently.

2. Understanding and accepting infrastructure costs

All approaches to supporting personalised care involve infrastructure costs. These may be:

- Held in-house through council teams
- Commissioned separately through external programmes
- Embedded within hourly rates paid for care

Commissioners may wish to consider where it is most effective and sustainable for these costs to sit, and whether embedding infrastructure within care delivery offers advantages in flexibility, scalability, and responsiveness.

3. Agreeing fair and transparent rates

For introductory agency models to function well, there needs to be agreement on fair and transparent hourly rates that:

- Remunerate self-employed care workers appropriately
- Cover the costs of recruitment, coordination, and digital systems
- Reflect the value of continuity, flexibility, and local delivery
- Remain competitive when compared with traditional domiciliary care

Clear rate-setting supports consistency, practitioner confidence, and long-term sustainability.

4. Supporting lawful and confident use of Direct Payments and ISFs

Commissioners will need to ensure that:

- Direct Payments are used appropriately, including where suitable persons are involved
- ISFs are only used where individuals are able to direct their own support (because the workforce is self-employed and must be controlled and directed by the care receiver)
- Roles and responsibilities are clearly understood by practitioners and providers
- Transitions between funding arrangements are managed safely and lawfully

Maintaining clarity in these areas supports both legal compliance and confident practice.

5. Using introductory agencies strategically and tactically

Introductory agency models can be deployed in different ways, including:

- Across whole local authority areas
- Within specific neighbourhoods or population groups
- In rural, coastal, or low-supply areas
- As targeted responses to persistent “care deserts”

Commissioners may wish to consider where a targeted or phased approach could add most value, particularly in older people’s services and areas with ongoing workforce shortages.

6. Ensuring proportionate financial oversight

Any approach must be capable of standing up to scrutiny from finance, audit, and governance colleagues. This includes clarity about:

- How budgets will be held and monitored
- What level of reporting and reconciliation is required
- How third-party arrangements and virtual wallets support assurance
- How oversight can remain proportionate and enabling

Effective financial infrastructure should support flexibility and personalisation, rather than restrict them.

7. Creating the conditions for success

Finally, commissioners may wish to reflect on the wider conditions required to make these approaches work in practice, including:

- Practitioner understanding and confidence
- Clear operational guidance and pathways
- Realistic expectations about market development timescales
- Ongoing dialogue between commissioners, providers, and communities

Introductory agency models are not a quick fix however, when used thoughtfully and as part of a coherent strategy, they can contribute to more responsive, resilient, and person-centred local care systems.