ADULTS’ PSS SPECIFIC GRANTS 2006-07 & 2007-08

This annex provides a brief description in respect of each grant and gives details of the allocation basis.

National amounts for each year are given in brackets.

Preserved Rights Grant (£297.565 million in 2006-07 & £275.248 million in 2007-08)

By section 50(1) of the Health and Social Care Act 2001, which came into effect on 8 April 2002, local authorities are responsible for providing residential accommodation to persons ordinarily resident in their area who were previously in relevant accommodation with Preserved Rights to higher rates of Income Support. The Preserved Rights Grant is paid to local authorities to help them discharge these responsibilities. Preserved Rights resources are allocated to individual local authorities pro rata to the numbers of former Preserved Rights residents which each authority indicated that they supported in September 2002, multiplied by the area cost adjustment. Allocations are estimated separately for older and for younger residents. The Preserved Rights Grant is allocated by case load data, and is therefore not suitable for allocation by reference to an authority’s relative share of the adults’ social services Relative Needs Formula (RNF) control totals. This is a specific formula grant issued without conditions, and will be paid under section 31 of the Local Government Finance Act 2003.

Access and Systems Capacity Grant (£546 million in both 2006-07 & 2007-08)

The purpose of this grant is to enable local authorities to build up the stock of community based social services, and thereby promote older people’s independence, reduce the incidence of delayed discharges, and meet new targets for assessment. In each of the two years, the grant will distribute an additional £4 million to councils to cover the cost of discontinuing the application of the Liable Relative Rules (LRR) when assessing charges for residential care. The grant will be distributed according to each authority’s proportional share of the older people’s (65 and over) RNF control total for each year. The grant floor is set at 0.74% to represent the actual increase in the level of national funding for the specific grant from 2005-06. This is a specific formula grant issued without conditions, and will be paid under section 31 of the Local Government Finance Act 2003.

Repeal of the Liable Relative Rule (LRR)

Under sections 42 and 43 of the National Assistance Act 1948, where a person goes into residential care and receives social services’ assistance from a local authority in meeting the cost of that care, the local authority has discretionary
powers to ask the person’s “liable relatives” to make payments towards the costs incurred by the state. Since the introduction of the Child Support Agency in April 1993 the rule has effectively only applied to married or divorced couples. As the rule is now widely regarded as anachronistic, the Government intends to repeal these provisions. In the consultation on changes to the National Assistance (Assessment of Resources) Regulations and the Charges for Residential Accommodation Guide in October 2003 and April 2004, DH notified local authorities that it planned to seek the repeal of these rules by primary legislation at the earliest opportunity, and not later than April 2007. In the interim, DH strongly encourages councils to exercise their discretion in favour of not applying the liable relatives rule. To meet its responsibilities under the new burdens principle, DH has provided additional annual funding of £4 million to meet the costs of repealing the LRR. This will be allocated to local authorities through the Access and Systems Capacity Grant.

Delayed Discharges Grant (£100 million in 2006-07 & 2007-08)
This grant was introduced by DH in 2003-04 in support of the Community Care (Delayed Discharges) Act 2003. This legislation introduced reimbursement charges, payable by local authorities to NHS Trusts, for those delays for which they are solely responsible. The aim of the grant is to encourage local authorities to work with health partners to invest in appropriate out of hospital services to tackle the causes of delay in their local system. The grant has been allocated according to each authority’s relative share of the older people’s RNF control total. The grant floor is set at minus 2.7%, which is equivalent to a negative GDP value, as there is no increase in the grant total from 2005-06. This is a specific formula grant without conditions and will be paid under section 31 of the Local Government Finance Act 2003.

Carers Grant (£185 million in 2006-07 & 2007-08)
The main purpose of the Carers grant is to:
• enhance provision of community care and children’s services to allow carers to take a break from caring by stimulating greater diversity of provision
• stimulate a greater awareness by authorities of the need for services in their area to be more responsive to the needs of carers; and
• provide carers with services other than breaks, in keeping with the 2001 Carers and Disabled Persons Act.
The split between client groups is consistent with the previous FSS method, derived from the 1995 General Household Survey of informal carers. 20% of the grant is intended for children’s services to support families of disabled children and young carers. 5% is the maximum spent on administrative costs. The remaining 75% is intended for adult services. As with the former FSS methodology, 20% has been allocated using the local authority level proportions derived from the children’s RNF, 24% using the younger adults’ (18-64) RNF and the remaining 56% using the older people’s RNF. The grant floor is set at minus 2.7%, which is equivalent to a negative GDP value, as there is no increase in the grant total from 2005-06. This is a specific formula grant.
without conditions and will be paid under section 31 of the Local Government Finance Act 2003.

**Mental Health Grant (£132.900 million in 2006-07 & 2007-08)**

Resources provided by the Mental Health Grant should be invested by councils in those developments designed to support implementation of both Mental Health National Service Framework standards, and those necessary Mental Health service developments set out in the NHS Plan. Such investments will augment existing Mental Health expenditure and help support delivery of milestones set out in Mental Health local delivery plans.

The £132.900 million ring fenced grant will be allocated as follows:

- £132 million to authorities as the grant for mental health services for adults of working age;
- £0.900 million to fund the homeless mentally ill initiative outside London.

In 2006-07, 75% of the grant will be allocated according to the younger adults’ RNF and 25% will be allocated as in previous years. In 2007-08 the grant will be 100% allocated according to the younger adults’ RNF control total. The floor is set at 0.68% to represent the actual increase in the level of national funding in 2006-07. In 2007-08 it is set at minus 2.7% as there is no increase in the grant total from the previous year. This is a specific formula grant issued with conditions.

**AIDS Support Grant (£16.5 million in both 2006-07 & 2007-08)**

The AIDS Support Grant helps local authorities to support social care packages for people living with HIV/AIDS (and where appropriate, their partners, carers and families). The grant enables those with HIV to live independently in the community for as long as possible, and assists with the cost of HIV training for relevant social workers. As established in 2004-05, 70% of the allocation is based on HIV caseload in a local authority area, and 30% on the number of women and children living with HIV in a local authority area. New RNF proportions are not an appropriate means to allocate this grant. Instead, allocations will be based on the most recently available HIV caseload data by local authority area of residence, to be provided by the Health Protection Agency (HPA) later this year.

**National Training Strategy Grant (£107.859 million in 2006-07 & 2007-08)**

This grant supports the training of social care staff across the statutory, private and voluntary sectors. The majority of funds (£87.859 million) are provided for developing NVQ qualifications and continuous Professional Development in social care to enable service providers to meet the National Minimum Standards. The level of this grant has been increased in both years by the transfer of £13 million from the Human Resources Development Strategy Grant, to fund post qualification training for professional workers in the social care field. The
remaining £7 million should be used to develop the Learning Resource Centres within local authorities to help all social care staff undertake training and qualifications and continue their career development. Allocations for each local authority for the first two elements of the grant are included in this circular as a combined figure. The funds for the Learning Resource Centres are managed centrally as they are presently being operated as pilots to test out different types of centres in different situations. Further guidance will be issued in due course. The grant has been allocated according to an authority’s proportional share of the total RNF control total. The grant floor is set at minus 2.7%, which is equivalent to a negative GDP value, as there is no increase in the grant total from 2005-06. This is a specific formula grant without conditions and will be paid under section 31 of the Local Government Finance Act 2003.

Human Resources Development Strategy (£49.750 million in 2006-07 & 2007-08)
These grants support the development of both the children and young people’s and adults’ social care workforce. It should be used to increase the effectiveness of human resources management, tackle the serious problems of recruitment and retention of staff, and assist in the reform of service provision through the development of new types of worker. Total local authority allocations of £46.750 million of the grant are included in this circular. The remaining £3 million will be used centrally to manage the Skills for Care Project. This element of funding is top-sliced from the grant with the agreement of local government (the Local Government Association and Association of Directors of Social Services). The grant has been allocated according to an authority’s proportional share of the total RNF control total. The grant floor is set at minus 2.7%, which is equivalent to a negative GDP value, as there is no increase in the grant total from 2005-06. This is a specific formula grant without conditions and will be paid under section 31 of the Local Government Finance Act 2003.

Preventative Technology (£30 million in 2006-07 & £50 million in 2007-08)
This grant provides funding to pilot new financial initiatives across health and social care that promote cost effective preventative services for older people, and which encourage the integration of budgets and services. These shared projects should in particular explore how the whole health and social care system can provide local authorities with positive financial incentives to invest in preventative services. In particular, councils will be expected to use the grant to invest in telecare initiatives aimed at supporting individuals to live at home and thereby reduce the number of avoidable admissions to residential care or hospital. The grant will be allocated in the proportion of £30 million in 2006-07 and £50 million in 2007-08 to all local authorities in England with social services responsibilities using the relative share of older people’s RNF. As the grant is new in 2006-07, no floor is needed.
Partnerships for Older People Projects (POPP) Pilots (£20 million in 2006-07 & £40 million in 2007-08)

This grant provides funding to pilot new financial initiatives across health and social care that promote cost effective preventative services for older people, and which encourage the integration of budgets and services. The purpose of the POPP pilots is to test and evaluate approaches, which will create a sustainable shift in resources and culture towards ‘prevention’ and thereby deliver improved outcomes for older people. The funding is allocated in two stages in the period 2006-08: (1) allocations for two-year projects, confirmed as part of this settlement for both 2006-07 and 2007-08, and (2) allocations for one-year projects commencing in 2007-08 which will be confirmed in Autumn 2006 following the Round 2 application process, which will commence in Spring 2006. As the pilots are allocated by bid, the RNF control total is not applicable. The funding will be issued with conditions under s.31 of the Local Government Act 2003.

Child and Adolescent Mental Health Services (CAMHS) (£90.539 million in 2006-07 & 2007-08)

The Department of Health and the Department for Education and Skills are working together to improve and expand CAMHS. In 2006-07 £86.484 million will be allocated to local authorities using the children's RNF control total. In 2007-08 this will increase to £88.214 million. The remainder will be used to fund the National CAMHS Support Service and NSF Service Developments to test the approach to developing services as set out in Every Child Matters and the Children's NSF. The CAMHS Standard of the Children's National Service Framework provides a definition of a comprehensive CAMH service which is an essential component of the modernisation of services envisaged in Every Child Matters. The grant should be used to improve CAMH services, in accordance with local needs and priorities, as set out in the CAMHS Development Strategy. This should respect the description of a comprehensive CAMH as set out in the Children's NSF and should outline how the resources will be used to achieve a comprehensive CAMHS. Such a service should include mental health promotion and early intervention. Further detailed guidance for the grant will be issued shortly. Plans for spending the grant should be agreed between Social Services, Primary Care Trusts, Education Departments and other partners. Local agencies should work in partnership at all levels of service planning and delivery. Joint commissioning arrangements and/or Health Act flexibilities should be used wherever possible. Up to 5% of the grant may be spent on capital projects including the development of IT infrastructure and investment in the built environment. The floor is set at 2.00% to represent the actual increase in the level of national funding from 2005-06 to 2006-07, and the decrease in the amount top sliced from 2006-07 to 2007-08.

Individual Budget Pilots (£6 million in 2006-07 & 2007-08)

£12 million will be made available for the two years, in the proportion of £6 million in 2006-07 and £6 million in 2007-08. This funding is available to support the
Independence, Wellbeing and Choice agenda, including the piloting of individual budgets and wider work on modernising needs assessment processes for both 2006-07 and 2007-08. £2.6m is available directly to fund 13 pilot projects based in local authorities to test the development of individual budgets. The pilot sites will be working with existing budgets but the intention is to give them all a modest allocation to support the costs of running the pilot. The pilots are expected to run for eighteen months to two years. Most, if not all, will have a full year of running in 2006-07 (a small number may come on stream part way through the year. The intention is to pay £0.200 million to each site, making these payments to the chosen local authorities by means of a PSS Specific Grant (Revenue). Successful pilot sites were announced by the Minister for Care Services on 21 November 2005. We anticipate a small number of pilots to support wider work on modernising needs assessment. Announcements about the local authorities which will be involved in the modernising needs assessment pilots will be made in spring 2006. Payments to selected local authorities will be made by a specific ring-fenced revenue grant. This will not be allocated using the RNF control totals as the grant is bid-based. This funding will be issued with conditions under s.31 of the Local Government Act 2003

Commission for Social Care Inspection (CSCI) Reimbursement (£0.750 million in 2006-07 and 2007-08)
Due to the delay in CSCI taking over responsibility for the second stage review of Local Authority social services’ complaints, pending the outcome of the wider regulatory review, it is necessary to set up a specific revenue grant in both 2006-07 and 2007-08 to reimburse the local authorities with their share of the £750k top-sliced from the overall control total. This non ring-fenced grant has been allocated in line with the Total RNF control total and the floor set to (2.7% or minus GDP) as there is no increase year on year in the grant total.

Improving Information Management (£25 million in 2006-07 & 2007-08)
This grant provides capital funding to local authorities for the purpose of improving their information management. The Department will monitor progress based on the spending plans, which will be required as part of the accompanying LAC issued in support of this grant. The grant has been allocated to each authority as:
• one quarter as a flat rate payment of £41,900 per authority (£26,000 for Isles of Scilly and City of London); and
• three quarters in relation to the overall RNF control total.
The grant floor is set at minus 2.7%, which is equivalent to a negative GDP value, as there is no increase in the grant total from 2005-06. The grant will be paid under section 31 of the Local Government Finance Act 2003.
AIDS/HIV (£3.100 million in 2006-07 & £3.100 million in 2007-08)

In previous years, capital funding for the AIDS/HIV programme has been distributed to local authorities through SCE(R). Discussions are on going between Departments to determine whether this is still the most appropriate allocation regime. Allocations of this funding will be announced in Spring 2006.

Extra Care Housing Grant (£20.000 million in 2006-07 & £40.000 million in 2007-08)

Extra care housing will provide older people with a safe and secure environment where they can live independently with access to flexible care and services. Allocation is based on bids submitted by local authorities in line with agreed DH criteria. This £60 million grant will be issued without conditions to local authorities and their housing partners during the next two years, in the proportion of £20 million in 2006-07 and £40 million in 2007-08.