

LOCAL AUTHORITY CIRCULAR

LAC(2005)10

To: The Chief Executive
County Councils)
Metropolitan District Councils) England
Shire Unitary Councils)
London Borough Councils
Common Council of the City of London
Council of the Isles of Scilly

The Director of Social Services
Finance Director

19 April 2005

SUPPORTED CAPITAL EXPENDITURE (CAPITAL GRANT) FOR IMPROVING INFORMATION MANAGEMENT 2005/2006

SUMMARY

- 1. This circular sets out how the capital grant for improving information management in social services is to be allocated and provides conditions for use of the grant by councils.**

ACTION

2. Authorities are asked to:
 - (a) note the allocations of the grant and arrangements for its payment
 - (b) note the conditions to be applied
 - (c) where appropriate, submit the final statement to this Department by 31 December 2006.

BACKGROUND

3. The document *Information for Social Care*, issued in May 2001, provides a toolkit to help authorities tackle the information agenda in order to improve the quality of social care through the better use of information and information technology.
4. **LASSL(2004)26**, issued on 2 **December 2004**, announced that £25m would be paid in 2005-06 to CSSRs for the purposes of the development, improvement or acquisition of systems for improving information management.

ALLOCATION FORMULA AND USE OF FUNDING

5. The £25m grant has been allocated as follows:
 - i. one quarter as a flat rate payment of £41,900 (£26,000 for Isles of Scilly and City of London);
 - ii. three quarters in relation to total Formula Spending Shares.
6. The funding is for capital expenditure only, for or in connection with the improvement to the quality of social care services provided by local authorities with social services responsibilities, through better use of information and information technology. This includes those services that a local authority chooses to provide by delegating them to others under Section 31 of the Health Act 1999.
7. The NHS Care Records Service (NCRS) is being implemented as part of the National Programme for IT in the NHS in England. The integration of social care information is a key requirement in the final phase of NCRS implementation (2008/2010). This will include:
 - Electronic implementation of the Single Assessment Process
 - Development of an Electronic Social Care Record
 - General IT infrastructure in social care

It follows, therefore, that significant benefits will be gained by using the Grant to facilitate that integration. The Department will be asking each Local Authority during 2005 to summarise its spending proposals for 2006/07 and 2007/08 covered by the extension of the Grant.

Freedoms for High Performing Councils

8. The only condition attached to the grant payment to Councils with either three social services stars (as per ratings issued in Dec 2004) or a Comprehensive Performance Assessment of excellent or good (as per ratings issued in Dec 2004) is that the money must be used for capital purposes. The support will form part of the authorities' single capital pot allocation.
9. For other authorities the grant will be ring-fenced. Two star councils will be able to carry forward up to 25% of the grant, and one and zero star councils will be able to carry forward up to 15%. Any carry forward must be spent in 2006/07 for the purposes for which the grant has been paid.

Payment of the Grant

10. All payments will be made under section 31 of the Local Government Act 2003. A determination is attached at Appendix A. The determination confirms the individual allocations and sets out the grant conditions. Those councils with three stars for social services will receive their total allocation in one front-loaded payment in April 2005. All other councils will be paid 50% of their grant in May 2005, the remainder to be paid in November 2005.

Monitoring of the Grant

11. Progress on the information agenda will continue to be subject to in-year monitoring through the Delivery and Improvement Statement process.

CERTIFICATION ARRANGEMENTS

12. Councils with 3 stars for social services and councils with a Comprehensive Performance Assessment of 'excellent' or 'good' will not be subject to auditor certification. All other councils in receipt of the grant will be subject to auditor certification, though under new arrangements with the Audit Commission, any claim for less than £50,000 will not be subject to auditor certification.
13. A final statement form is attached at Appendix B. The completed form must be submitted to the Audit Commission appointed auditor by 30 September 2006, for its certification and return to Andrew Derbyshire at the Department of Health (see address given at the end of this circular), by 31 December 2006.

Amounts Carried forward from 2003-04 to 2004-05

14. Where a council submitted a certificate of expenditure covering the 2003-04 grant showing that an amount was due to be repaid to the Department of Health, that amount will be deducted from the 2005-06 grant.
15. Certification must be in the year the expenditure is incurred, not the year the allocation carried forward was originally paid. Any amount carried forward from one year will be treated as an allocation in respect of the next.

CONTENTS

16. This circular contains 2 appendices:

Appendix A: Determination for the grant and its conditions

Appendix B: Final statement for 2005-06

CANCELLATION OF CIRCULAR

17. This circular should be cancelled on 30 September 2006.

ENQUIRIES

18. Enquiries about this circular should be made to:
Andrew Derbyshire
Room 1N35 Quarry House
Quarry Hill
Leeds LS2 7UE
andrew.derbyshire@dh.gsi.gov.uk
Fax 0113 254 5482

Further copies of this Circular may be obtained from Department of Health, PO Box 777, London SE1 6XH, Tel. 08701 555 455 or Fax 01623 724 524. Please quote the code and serial number appearing on the top right-hand corner.

Current circulars are now listed on the Department of Health web site on the Internet at: **<http://www.dh.gov.uk/PublicationsAndStatistics/LettersAndCirculars/fs/en>**. Full text of recent circulars is also accessible at this site.

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**THE IMPROVING INFORMATION MANAGEMENT GRANT
DETERMINATION FOR 2005/06**

Introduction

1. This determination is made by the Secretary of State for Health (“the Secretary of State”) under s.31 of the Local Government Act 2003 (c.26) (“the 2003 Act”). It specifies grants which the Secretary of State proposes to pay to certain local authorities in England.
2. Before making this determination the Secretary of State obtained the consent of the Treasury in accordance with section 31(6) of the 2003 Act.

Amounts payable to authorities

3. Pursuant to section 31(3) of the 2003 Act the Secretary of State hereby determines that the authorities to which grants are to be paid, and the amount of each grant, are the authorities listed in column 1 of Annex A and the corresponding amounts set out in column 2 of that Annex.

Purpose of the grants

4. (1) The grants shall be used towards capital expenditure incurred or to be incurred by local authorities.
(2) “Capital expenditure” has the same meaning as specified in section 16(1) of the 2003 Act.

Conditions for Payment of the Grants

5. Pursuant to section 31(4) and (5) of the 2003 Act the Secretary of State hereby specifies as the conditions which he intends to impose on the payment of the grants:
 - (a) to authorities listed in Part 1 and 2 of Annex A the conditions set out in Part 1 of Annex B, and
 - (b) to authorities listed in Part 3 of Annex A the conditions set out in Part 2 of Annex B.

Payment

6. The grant monies shall be payable-
- (a) to authorities listed in Part 1 of Annex A on or before 30th April 2005,
and
 - (b) to authorities listed in Parts 2 and 3 of Annex A in two equal instalments, the first on or before 31st May 2005, and the second on or before 30th November 2005.

Signed by authority of the Secretary of State

A handwritten signature in black ink, appearing to read "Michael Walker", is centered within a light gray rectangular box.

MICHAEL WALKER

April 2005

ANNEX A

THE IMPROVING INFORMATION MANAGEMENT GRANT: ALLOCATIONS FOR 2005/06

PART 1

Column 1	Column 2
LOCAL AUTHORITY	ALLOCATION (£s)
Bexley	120,000
Blackburn with Darwen	97,000
Bolton	145,000
City of London	31,000
Derbyshire	283,000
Gateshead	126,000
Kensington and Chelsea	147,000
Kent	468,000
Kingston upon Thames	94,000
Kirklees	177,000
Knowsley	124,000
Leicestershire	202,000
Newcastle upon Tyne	169,000
North Lincolnshire	92,000
Somerset	197,000
Sunderland	164,000
Southwark	246,000
Tower Hamlets	228,000
Wandsworth	197,000
Westminster	183,000

PART 2

Column 1	Column 2
LOCAL AUTHORITY	ALLOCATION (£s)
Barnsley	127,000
Bath and NE Somerset	96,000
Blackpool	103,000
Bracknell Forest	74,000
Bradford	228,000
Brighton & Hove	141,000
Brent	185,000
Bromley	144,000
Buckinghamshire	177,000

Column 1	Column 2
LOCAL AUTHORITY	ALLOCATION (£s)
Bury	105,000
Calderdale	111,000
Cambridgeshire	206,000
Camden	192,000
Cheshire	251,000
Cornwall	216,000
Croydon	174,000
Cumbria	206,000
Darlington	77,000
Derby	130,000
Devon	268,000
Dorset	161,000
Durham	232,000
East Riding of Yorkshire	135,000
East Sussex	212,000
Essex	458,000
Gloucestershire	216,000
Greenwich	186,000
Halton	93,000
Hammersmith and Fulham	159,000
Hampshire	386,000
Hartlepool	79,000
Herefordshire	97,000
Hertfordshire	381,000
Hounslow	139,000
Islington	190,000
Lancashire	422,000
Leeds	310,000
Leicester	165,000
Lewisham	208,000
Liverpool	284,000
Luton	111,000
Manchester	280,000
Medway Towns	116,000
Newham	191,000
Norfolk	302,000
North Yorkshire	205,000
Northumberland	147,000
Nottinghamshire	278,000
Poole	86,000
Portsmouth	116,000
Reading	95,000
Redcar & Cleveland	96,000
Richmond upon Thames	105,000
Sefton	156,000

Column 1	Column 2
LOCAL AUTHORITY	ALLOCATION (£s)
Sheffield	262,000
Shropshire	130,000
Solihull	107,000
Southend on Sea	106,000
South Gloucestershire	108,000
Southampton	130,000
St Helens	112,000
Stockport	136,000
Stockton-on-Tees	108,000
Stoke on Trent	139,000
Suffolk	250,000
Surrey	362,000
Sutton	111,000
Tameside	127,000
Telford and Wrekin	96,000
Warrington	103,000
Warwickshire	200,000
West Berkshire	81,000
West Sussex	275,000
Wigan	153,000
Wiltshire	167,000
Windsor and Maidenhead	83,000
Wokingham	75,000
Worcestershire	205,000
York	95,000

PART 3

Column 1	Column 2
LOCAL AUTHORITY	ALLOCATION (£s)
Barking and Dagenham	133,000
Barnet	177,000
Bedfordshire	156,000
Birmingham	536,000
Bournemouth	105,000
Bristol	205,000
Coventry	164,000
Doncaster	149,000
Dudley	155,000
Ealing	189,000
Enfield	160,000
Hackney	227,000
Haringey	170,000
Harrow	126,000

Column 1	Column 2
LOCAL AUTHORITY	ALLOCATION (£s)
Havering	120,000
Hillingdon	136,000
Isle of Wight	92,000
Isles of Scilly	27,000
Kingston upon Hull	154,000
Lambeth	241,000
Lincolnshire	244,000
Merton	118,000
Middlesbrough	104,000
Milton Keynes	112,000
North East Lincolnshire	100,000
North Somerset	102,000
North Tyneside	121,000
Northamptonshire	235,000
Nottingham	168,000
Oldham	130,000
Oxfordshire	222,000
Peterborough	101,000
Plymouth	136,000
Redbridge	137,000
Rochdale	126,000
Rotherham	140,000
Rutland	51,000
Salford	148,000
Sandwell	180,000
Slough	91,000
South Tyneside	115,000
Staffordshire	280,000
Swindon	97,000
Thurrock	94,000
Torbay	96,000
Trafford	117,000
Wakefield	161,000
Walsall	151,000
Waltham Forest	153,000
Wirral	176,000
Wolverhampton	155,000

ANNEX B

CONDITIONS FOR THE PAYMENT OF THE IMPROVING INFORMATION MANAGEMENT GRANT FOR 2005/2006

PART 1

The payment of grant monies to local authorities listed in Parts 1 and 2 of Annex A pursuant to section 31 of the Local Government Act 2003 for local authority expenditure in the financial year 2005/2006 is subject to the condition that the grant monies shall be used only for capital expenditure.

PART 2

1. The payment of grant monies to local authorities listed in Part 3 of Annex A pursuant to section 31 of the Local Government Act 2003 (“grant monies”) for local authority expenditure in the financial year 2004/2005 shall be subject to the conditions set out in this Part.

2. In this Part —

“star rating system” means the system introduced to give effect to the announcement by the Secretary of State in October 2001 about Personal Social Services Performance Ratings¹; the latest Social service ratings were issued by CSCI in November 2004 the relevant detail can be found at http://www.csci.org.uk/council_performance/star_ratings/default.htm

“zero star”, “one star”, and “two star” authorities” in relation to a local authority means a local authority which has been awarded that number of stars in the star ratings published in November 2004.

Use of grant monies

3. (1) Each local authority listed in Part 3 of Annex A shall use the corresponding allocation of grant monies in that part of that Annex only for capital expenditure for the purposes of the development, improvement or acquisition of systems for improving information management across the range of social services provided by that authority, in the financial year 2005/2006, or in the circumstances mentioned in paragraph 7, in the financial year 2006/2007.

(2) Each two star local authority may carry forward a maximum of 25% of the grant monies allocated to them under Part 3 of Annex A for expenditure incurred for the purposes referred to in sub-paragraph (1) in the financial year 2006/07.

¹ For more information on the star rating system, see the Department of Health website on <http://www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/SocialServicesPerformanceAssessment/fs/en>.

(3) Each Zero or one star local authority may carry forward a maximum of 15% of the grant monies allocated to them under Part 3 of Annex A for expenditure incurred for the purposes referred to in sub-paragraph (1) in the financial year 2006/2007.

Further information

4. Each local authority shall supply to the Secretary of State such further information as may be required by him for the purposes of determining whether it has complied with the conditions set out in this Part of this Annex.

Certified statement

5. (1) Subject to sub-paragraph (2), each local authority listed in Part 3 of Annex A which receives grant monies shall ensure that information required by the Secretary of State is certified, on a form provided by him, –

- (a) by the authority's Chief Finance Officer, and a copy of the form thus partly completed is received by the Secretary of State and by an auditor appointed by the Audit Commission not later than 30 September 2006;
- (b) by an auditor appointed by the Audit Commission, and the form thus fully completed is received by the Secretary of State no later than 31 December 2006.

(2) Each local authority carrying over grant monies under the provisions of paragraph 3(3) and (4) for expenditure in the financial year 2006/2007 shall ensure that information required by the Secretary of State is certified, on a form provided by him, –

- (a) by the authority's Chief Finance Officer, and a copy of the form thus partly completed is received by the Secretary of State and by an auditor appointed by the Audit Commission not later than 30 September 2007;
- (b) by an auditor appointed by the Audit Commission, and the form thus fully completed is received by the Secretary of State no later than 31 December 2007.

(3) Sub-paragraphs (1)(b) and (2)(b) shall not apply where the grant monies claimed by the local authority are £50,000 or less.

Other conditions

6. Subject to sub-paragraphs (2) and (3) of paragraph 3, if a zero star, one star or two star local authority does not spend the whole of the grant monies allocated to it in the financial year 2005/2006, then that local authority shall repay to the Secretary of State an amount equal to such part of the grant monies as the local authority has not spent in the financial year 2005/2006. Such sum shall become repayable to the Secretary of State on 30 September 2006 or such later date, if any, as the Secretary of State may determine.

7. If any grant monies are used to purchase any capital asset, the Secretary of State may recover the full market value of any assets purchased if those assets are disposed of or cease to be used for the provision of those services for which the grant is made. The full market value shall be determined by the Secretary of State as being the value of the assets at the time they cease to be used for the provision of those services for which the grant is made, or, if disposed of, at the date of disposal.

8. If a local authority fails to comply with any of the conditions set out in this Part of this Annex which apply to it, the Secretary of State may require the repayment of the whole or any part of the grant monies paid to that authority, as may be determined by the Secretary of State and notified in writing to the authority. Such sum as has been notified shall immediately become repayable to the Secretary of State.

IMPROVING INFORMATION MANAGEMENT CAPITAL GRANT 2005-2006

FINAL STATEMENT

Authorities should complete this form, and send it, certified by the Chief Finance Officer to the auditor appointed by the Audit Commission by 30 September 2006. The form, certified by the appointed auditor, should be sent to the following address by 31 December 2006:-

Andrew Derbyshire
Digital Health Information Policy
Department of Health
Room 1N35 Quarry House
Quarry Hill
Leeds LS2 7UE

Note that where the amount claimed (line 5) is less than £50,000, the claim should be certified by the Chief Finance Officer and sent direct to Department of Health at the above address by 30 September 2006.

LOCAL AUTHORITY.....

1. Unspent allocation brought forward from 2004/05 to 2005/06	£
2. Grant allocation approved by Department of Health (per Annex A of the Determination)	£
3. Total allocation in 2005/06 (line 1 plus line 2)	£
4. Total eligible expenditure incurred in 2005/06	£
5. Grant entitlement for 2005/06 (lower of lines 3 and 4 above)	£
6. Unspent 2005/06 allocation (line 3 minus line 5)	£
7. Balance of unspent allocation carried forward from 2005/06 to 2006/07 (the lower of line 6 and 25%(2 star) or 15% (zero or one star) of line 3) (see Note 1 below)	£
8. Total grant received from the Department of Health (including unspent allocation brought forward from 2004/05 to 2005/06).	£
9. Balance of grant due from/(to) the Department of Health (line 5 plus line 7 minus line 8) (see Note 2)	£

NOTES

- Where the grant entitlement is less than the approved allocation, the difference, up to 25% for 2-star councils and up to 15% for zero and 1-star councils, may be carried forward to 2006/2007.
- Any negative balance at line 9 is repayable to the Department of Health.

CERTIFICATE OF CHIEF FINANCE OFFICER

I certify that the expenditure stated in line 4 above has been incurred in accordance with the terms and conditions set out in the Determination made under Section 31 of the Local Government Act 2003.

CHIEF FINANCE OFFICER:

.....DATE:.....

ENQUIRIES TO.....TELEPHONE NO:.....

	Certificate of the auditor appointed by the Audit Commission
<p>The Statement of Responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns, issued by the Audit Commission, sets out the respective responsibilities of these parties, and the limitations of our responsibilities as appointed auditors.</p>	
<p>I/We have examined the entries in this form (which replaces or amends the original submitted to me/us by the authority dated _____)* and the related accounts and records of the authority in accordance with Certification Instruction A01 and I/we have:</p>	
<p><i>For claims and returns above de minimis and up to the threshold#</i></p>	
<ul style="list-style-type: none">carried out Part A tests in Certification Instruction number SOC08 and obtained such evidence and explanations as I/we consider necessary.	
<p>(Except for the matters raised in the attached qualification letter dated _____)* I/we have concluded that the claim or return is in accordance with the underlying records.</p>	
<p><i>For claims and returns over the threshold#</i></p>	
<ul style="list-style-type: none">assessed the control environment for the preparation of this claim or return in accordance with Certification Instruction A01 and, on the basis of my/our assessment, carried out Part A/Parts A and B* tests in Certification Instruction number SOC08 and obtained such evidence and explanations as I/we consider necessary.	
<p>(Except for the matters raised in the attached qualification letter dated _____)* I/we have concluded that the claim or return is:</p>	
<ul style="list-style-type: none">- fairly stated; and- in accordance with the relevant terms and conditions.	
Signature _____	Name (block capitals) _____
Date _____	on behalf of the Audit Commission
<p><i>*Delete as necessary</i> <i># Delete non-applicable certificate</i></p>	