

## LOCAL AUTHORITY CIRCULAR

LAC (2006) 9

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

Chief Executive - Care Trusts  
Chief Executive - Strategic Health Authorities

The Director of Social Services

4<sup>th</sup> April 2006

### Mental Health Grant Guidance 2006/07

#### Summary

1. The purpose of this circular is to provide guidance on the administration and conditions attached to the Mental Health Grant (MHG) for Councils with Social Service Responsibilities (CSSRs) in 2006/07. This guidance is aimed primarily at those CSSRs rated Zero, One and Two stars under the Commission for Social Care Inspection's (CSCI) performance ratings system. CSCI three star CSSRs and those CSCI two star CSSRs where the authority has been rated Comprehensive Performance Assessment (CPA) four star will need to pay particular attention to the 'Grant Freedoms' section.
2. The MHG will be paid under section 31 of the Local Government Act 2003. This circular explains how the 2006/07 Mental Health Grant (MHG) of £132.9 million breaks down between the core grant and the non-London Homeless Mentally Ill Initiative (HMII). It sets out the conditions attached to the grant and individual CSSRs' allocations. This circular also provides the forms required for the administration of MHG in 2006/07, and the Statement of Expenditure forms for 2005/06 and 2006/07.
3. The allocations in this LAC supersede those provided in DH LASSL(2005)6 dated 5<sup>th</sup> Dec 2005. Councils in receipt of HMII will be separately informed of their allocations. LASSL(2005)6 detailed allocations for each CSSR based on a total Mental Health Grant of £132.9 million. Allocations for HMII are not subject to an allocation formula. Consequently, the MHG allocation for each CSSR in this circular is based on a MHG of £132 million. Details of allocations for each CSSR are given in Annex A, Part 1 and Part 2.

Please note that this circular provides details of confirmed local authority allocations for 2006/07 (Annex A, Part 1 and Part 2) and provisional allocations (Appendix B) in respect of 2007/08. A separate Mental Health Grant LAC will be issued next year in respect of the allocations for 2007/08.

## Action

Authorities are asked to:

- a) note the allocations of the grant and arrangements for its payment
- b) note the conditions to be applied
- c) Submit the appropriate forms as set out in Appendix A

## Background

4. MHG comprises of one grant for adults of working age and one grant for the non-London HMII. The MHG grant available for allocation to councils is £132 million. The non-London HMII of £0.9 million was allocated on a 100%, 70:30 or 50:50 basis depending on how long the scheme has been running. Councils in receipt of HMII will be separately informed of their allocations. Details of allocations for each CSSR are given in Annex A, Part 1 and Part 2.

## Allocation Formula & Payment of the Grant

5. In 2006/07, 75% of the MHG grant will be allocated according to the younger adults' Relative Needs Formulae (RNF) and 25% will be allocated as in previous years. This is consistent with the phased approach that will result in 100% of the grant allocated according to the younger adults' RNF control total in 2007/08. In 2006/07, as there is no increase in the allocated grant total from 2005/06, the grant floor is set at minus 2.7%, which is the equivalent to negative GDP. This floor determines the minimum level of growth a local authority will receive on their allocation.
6. A determination is shown on page 18 (after provisional allocations). The determination confirms the individual allocations and sets out grant conditions. Grants will be paid in one instalment to three star councils and in quarterly instalments to all other councils. Indicative allocations dates and references for the payments are set out in the determination.
7. Any recoveries due as a result of 2005/06 certification will be deducted from the final 2006/07 payment. This payment will be delayed if we are not in receipt of an auditor-certified statement of expenditure form for 2005/06.
8. We no longer require payment request forms; instalments will be paid automatically, with exception of the fourth instalment. This instalment will include any supplementary allocations from underspend bids, minus any surrenders and minus any recoveries. Funds will be transferred directly into each CSSR's bank account through the Bank Automated Credit System (BACS).

## Use of funding

9. Mental Health Grant (MHG) is for **revenue** expenditure only. It should not be used to finance any capital needs resulting from the development of services for people with mental illness.

Nor may it be used as a substitute source of finance for social care being provided already, including any provision through joint finance or 'dowry' payments.

10. Further conditions of the grant are set out in the determination shown on page 13.

### **Grant Freedoms for High Performing CSSRs**

11. CSCI three star CSSRs (as at December 2005) or CSSRs rated CPA four star (as at December 2005) will have no conditions attached to their grant payments and a final statement of expenditure will not be required. In addition, CSCI three star CSSRs will receive all of their MHG allocation in May 2006.

12. Although CSCI three star CSSRs and CSCI two star CSSRs rated CPA four star are not required to follow the grant conditions outlined in this document much of the information and guidance is important and CSSRs are encouraged to read this circular.

### **End of Year Flexibility**

13. CSCI three star CSSRs and CSCI two star CSSRs rated CPA four star can carry forward up to 100% of their grant allocation.

14. CSCI two star CSSRs not rated CPA four star will be allowed to carry forward up to 25% of their total grant allocation. Carry forward for CSCI zero and CSCI one star CSSRs is up to 5%. Any grant carried forward will be the councils responsibility to manage the funds locally. The amount carried forward must be spent within 2007/08.

### **Underspend Exercise**

15. If funds cannot be used locally and end of year flexibility is not being used, CSSRs should inform the Department immediately they anticipate an underspend, to allow for reallocation to other CSSRs. In addition, with the exception of CSCI three star and CSCI two star CSSRs rated CPA four star, all CSSRs are asked to complete the final outturn form MHG 1 attached at Appendix A. It must be signed at Director level and returned to the Department by 19th December 2006. This should enable CSSRs to provide an accurate forecast of final outturn against their indicative MHG allocations for 2006/07, which takes account of any local reallocation of resources. When the form MHG 1 is returned to the Department any forecast underspend identified at item B2 should normally be released at item C2.

16. Any forecasted underspend not released that remains unspent in 2006/07 will be reclaimed the following year through the certification procedures.

17. All CSSRs including CSCI three star and CSCI two star CSSRs rated CPA four star (as at December 2005) may bid for a supplementary MHG allocation by completing section D of form MHG1. CSSRs that receive a supplementary allocation during the year should note that it will be a "one-off" payment for 2006/07 and paid as part of the fourth instalment.

CSSRs committing supplementary money to projects lasting beyond the end of the financial year should not assume that MHG support will be made available from the Department in future years to help them fulfil such commitments.

### **Expenditure certification requirements.**

18. Statements of Expenditure for 2005/06, form MHG EXP 3 (originally provided under LAC(2005)11) at appendix A need not be completed by CSCI three star CSSRs (as at November 2004) and CSSRs rated "excellent" (at December 2004), or by those CSSRs receiving a MHG of £50K or less in 2005/06. All other CSSRs should complete the form and return the pre auditor certified copy to the department by 3<sup>rd</sup> October 2006, and the auditor certified form by 3<sup>rd</sup> January 2007.
19. Statements of Expenditure for 2006/07 form MHG EXP 4 at appendix A need not be completed by CSCI three star CSSRs (as at December 2005) and CSSRs rated CPA four star (as at December 2005) or by those councils receiving a MHG of £50K or less in 2006/07. All other councils should complete the form and return the pre auditor certified copy to the department by 2nd October 2007, and the auditor certified form by 2<sup>nd</sup> January 2008.

### **Cancellation of circular**

20. This circular should be cancelled on 31 March 2007. It replaces the guidance "Mental Health Grant 2005/06 LAC(2005) 11" – dated 19<sup>th</sup> May 2005 .

### **Enquiries**

21. Any queries on this circular and its enclosures or the administration of the grant should be directed to-

Dorothy Francis, Department of Health, Area 214, 2<sup>nd</sup> Floor, Wellington House, 133-155 Waterloo Rd, London, SE1 8UG.

Telephone: 020 7972 4678

E-mail: [Dorothy.Francis@dh.gsi.gov.uk](mailto:Dorothy.Francis@dh.gsi.gov.uk) – Please use e-mail whenever possible when sending queries.

Further copies of this Circular may be obtained from Department of Health, PO Box 777, London SE1 6XH, Tel. 0870 155 5455 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/letters/> Full text of recent circulars is also accessible at this site. © Crown copyright 2004. This Circular may be freely reproduced by all to whom it is addressed.

*This circular has been issued by:*

**Anthony Sheehan**  
**Director for Care Services.**

**MENTAL HEALTH GRANT FORMS**

This annex contains all of the forms, which CSSRs will require for the administration of the Mental Health Grant in 2006/07.

**2006/07**

MHG 1 FORECAST OF FINAL OUTTURN OF EXPENDITURE FOR THE MENTAL HEALTH GRANT 2006/2007- includes option to bid for UNDERSPEND (**Deadline 19/12/06**)

MHG EXP 4 MENTAL HEALTH GRANT STATEMENT OF EXPENDITURE FOR FINANCIAL YEAR 2006/07 (**Deadline for pre-certification 02/10/07 and certified form 02/01/08**)

**2005/06**

MHG EXP 3 MENTAL HEALTH GRANT STATEMENT OF EXPENDITURE FOR FINANCIAL YEAR 2005/06 (**Duplicate - Deadline for pre-certification 03/10/06 and certified form 03/01/07**)

**MENTAL HEALTH GRANT 2006/07****FORECAST OF FINAL OUTTURN (as at 19 December 2006)**

Name of CSSR .....

(CPA) rating .....(as at December 2005)

CSCI star rating .....(as at December 2005)

The purpose of this form is to identify each CSSRs forecast outturn against their 2006/07 Mental Health Grant, to give each CSSR an opportunity formally to release any surplus Grant to the Department of Health, and to bid for underspend funds. The form should be completed and returned by **19th December 2006**, to *Dorothy Francis, Department of Health, Area 214, 2<sup>nd</sup> Floor, Wellington House, 135-155 Waterloo Rd, London, SE1 8UG*

**A. ALLOCATION DETAILS FOR 2006/07**

1. Total MHG allocation £ .....

**B. FORECAST EXPENDITURE FOR 2006/07**

1. Forecast expenditure of MHG allocation £ .....

2. Forecast underspend on MHG (A 1. minus B 1.) £ .....

**C. END OF YEAR FLEXIBILITY**

1. Do you intend to carry over any of your MHG?

Y/N (delete as appropriate)

2. If so how much: £ .....

1. Do you wish to surrender any MHG to the Department now?

Y/N (delete as appropriate)

2. If so, how much: £ .....



E.4. Signed ..... Date.....

Name in Capitals .....

Official Position .....

This form must be signed by either the Director of Finance or Social Services or the Assistant Director in either of those departments who have responsibility for their CSSR's MHG.

**E.5.**

Please contact the following person in my department if you have any queries about this claim:

<b>Name:</b> _____
<b>Tel:</b> _____
<b>E-mail:</b> _____

**NOTES:**

1. This form should not be used for claims for payments of grant allocations.
2. CSSRs which release any of their grant through this process should consider their allocations reduced by the amount released.
3. Regardless of completing this form, CSSRs should inform the Department immediately as soon as they anticipate an underspend in their grant award at any time during the year.

This form should now be forwarded to Dorothy Francis, Department of Health, Area 214, 2<sup>nd</sup> Floor, Wellington House, 135-155 Waterloo Rd, London, SE1 8UG.

Telephone: 0207 972 4678

*E-mail: [dorothy.francis@dh.gsi.gov.uk](mailto:dorothy.francis@dh.gsi.gov.uk)*

**MENTAL HEALTH GRANT****STATEMENT OF EXPENDITURE FOR FINANCIAL YEAR 2005/06**

CSSRs should read the notes overleaf and then complete this form and forward the original to the auditor appointed by the Audit Commission and a copy to *Dorothy Francis, Department of Health, Area 214, 2<sup>nd</sup> Floor, Wellington House, 135-155 Waterloo Rd, London, SE1 8UG*

It must be returned no later than **3<sup>rd</sup> October 2006**. The audited forms should be sent by the auditor to Dorothy Francis at the above address no later than **3<sup>rd</sup> January 2007**.

**Name of CSSR**.....

**Core Grant (paid at 100%)**

1. TOTAL AUTHORISED ALLOCATION FROM THE DH
  - (i) Original allocation (see note 1) £ .....
  - (ii) Balance of unspent allocation brought forward from 2004-05 £ .....
  - (iii) Supplementary allocation(s) awarded in year £ .....
  - (iv) Allocation(s) surrendered in year £ .....
  - (v) Total allocation of (i) +(ii) + (iii) – (iv) £ .....
2. TOTAL REVENUE EXPENDITURE SERVICES ELIGIBLE FOR SUPPORT FROM 100% MHG £ .....
3. GRANT ENTITLEMENT FOR 2005/06 (lower of line 1(v) and line 2) £ .....
4. BALANCE OF UNSPENT ALLOCATION CARRIED FORWARD FROM 2005/06 TO 2006/7 (the lower of [line 1(v) minus line 3] and [25% (CSCI two star) or 5% (CSCI zero or CSCI one star) of line 1(v)]) £ .....
5. AMOUNT OF GRANT PAID IN RESPECT OF 2005/06
  - (i) Amount of grant actually paid (including supplementary allocation if applicable) £ .....
  - (ii) Amount(s) deducted from 2005/06 payments in respect of any overclaim(s) in previous year(s) £ .....
  - (iii) Total of 5 (i) + (ii) £ .....
6. BALANCE (line 3 +4 minus line 5(iii)) (See notes 2 and 3) £ .....

## CHIEF FINANCIAL OFFICER'S CERTIFICATE

I hereby certify that the expenditure stated at (2) has been incurred under the terms and conditions of the Mental Health Grant Scheme as set out in the Mental Health Grant Guidance 2005/06.

Chief Financial Officer.....Date.....



### Certificate of the auditor appointed by the Audit Commission

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.

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:

*For claims and returns above de minimis and up to the threshold#*

- carried out Part A tests in Certification Instruction number HC08 and obtained such evidence and explanations as I/we consider necessary.

(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.

*For claims and returns over the threshold#*

- 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 HC08 and obtained such evidence and explanations as I/we consider necessary.

(Except for the matters raised in the attached qualification letter dated \_\_\_\_\_)\*  
I/we have concluded that the claim or return is:

- fairly stated; and
- in accordance with the relevant terms and conditions.

Signature \_\_\_\_\_

Name (block capitals) \_\_\_\_\_  
on behalf of the Audit Commission

Date \_\_\_\_\_

*\*Delete as necessary*

*# Delete non-applicable certificate*

#### NOTES:

1. Overclaims (a negative balance at (6)) will be deducted from payments of grant in 2006/07.
2. Where a CSSR underestimates entitlement or underclaims (a positive balance at (6)) the shortfall will not be made up by the Department.
3. The fourth instalment of MHG 2006/07 will NOT be made until the Department of Health has received this form duly completed.

**MENTAL HEALTH GRANT****STATEMENT OF EXPENDITURE FOR FINANCIAL YEAR 2006/07**

CSSRs should read the notes overleaf and then complete this form and forward the original to the auditor appointed by the Audit Commission and a copy to *Dorothy Francis, Department of Health, Area 214, 2<sup>nd</sup> Floor, Wellington House, 135-155 Waterloo Rd, London, SE1 8UG.*

It must be returned no later than **2<sup>nd</sup> October 2007** The audited forms should be sent by the auditor to Dorothy Francis at the above address no later than **2<sup>nd</sup> January 2008**.

**Name of CSSR**.....

**Core Grant (paid at 100%)**

1. TOTAL AUTHORISED ALLOCATION FROM THE DH
  - (i) Original allocation (see note 1) £ .....
  - (ii) Balance of unspent allocation brought forward from 2005-06 £ .....
  - (iii) Supplementary allocation(s) awarded in year £ .....
  - (iv) Allocation(s) surrendered in year £ .....
  - (v) Total allocation of (i) +(ii) + (iii) – (iv) £ .....
2. TOTAL REVENUE EXPENDITURE SERVICES ELIGIBLE FOR SUPPORT FROM 100% MHG £ .....
3. GRANT ENTITLEMENT FOR 2006/07(lower of line 1(v) and line 2) £ .....
4. BALANCE OF UNSPENT ALLOCATION CARRIED FORWARD FROM 2006/07 TO 2007/8 (the lower of [line 1(v) minus line 3] and [25% (CSCI two star) or 5% (CSCI zero or CSCI one star) of line 1(v)]) £ .....
5. AMOUNT OF GRANT PAID IN RESPECT OF 2006/07
  - (i) Amount of grant actually paid (including supplementary allocation if applicable) £ .....
  - (ii) Amount(s) deducted from 2006/07 payments in respect of any overclaim(s) in previous year(s) £ .....
  - (iii) Total of 5 (i) + (ii) £ .....
6. BALANCE (line 3 +4 minus line 5(iii)) (See notes 2 and 3) £ .....

# CHIEF FINANCIAL OFFICER'S CERTIFICATE

I hereby certify that the expenditure stated at (2) has been incurred under the terms and conditions of the Mental Health Grant Scheme as set out in the Mental Health Grant Guidance 2006/07.

Chief Financial Officer.....Date.....



## Certificate of the auditor appointed by the Audit Commission

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.

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:

*For claims and returns above de minimis and up to the threshold#*

- carried out Part A tests in Certification Instruction number HC08 and obtained such evidence and explanations as I/we consider necessary.

(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.

*For claims and returns over the threshold#*

- 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 HC08 and obtained such evidence and explanations as I/we consider necessary.

(Except for the matters raised in the attached qualification letter dated \_\_\_\_\_)\*  
I/we have concluded that the claim or return is:

- fairly stated; and
- in accordance with the relevant terms and conditions.

Signature \_\_\_\_\_

Name (block capitals) \_\_\_\_\_  
on behalf of the Audit Commission

Date \_\_\_\_\_

*\*Delete as necessary*

*# Delete non-applicable certificate*

### NOTES:

4. **Overclaims (a negative balance at (6)) will be deducted from payments of grant in 2007/08.**
5. **Where a CSSR underestimates entitlement or underclaims (a positive balance at (6)) the shortfall will not be made up by the Department.**
6. **The fourth instalment of MHG 2007/08 will NOT be made until the Department of Health has received this form duly completed.**

## PROVISIONAL ALLOCATIONS FOR 2007/08

## Summary of Allocations

Local Authority	Mental Health Grant 2007/08 (£)
Principal Metropolitan Cities	11,194,571
Other Metropolitan Districts	22,030,295
Metropolitan Sub Total	33,224,866
Inner London	13,079,815
Outer London	13,806,181
London Sub total	26,885,996
Shire Counties	50,151,952
Shire Unitary Authorities	21,737,186
Shire sub total	71,889,138
England Total	132,000,000

## PROVISIONAL ALLOCATIONS FOR 2007/08

Local Authority	Mental Health Grant 2007/08 (£)
<i><b>Principal Metropolitan Cities</b></i>	
Birmingham	3,184,601
Leeds	1,982,190
Liverpool	1,805,131
Manchester	1,705,159
Newcastle upon Tyne	897,376
Sheffield	1,620,113
Sub-Total	11,194,571
<i><b>Other Metropolitan Districts</b></i>	
Barnsley	697,774
Bolton	780,991
Bradford	1,362,348
Bury	477,168
Calderdale	520,322
Coventry	840,383
Doncaster	866,022
Dudley	754,548
Gateshead	628,691
Kirklees	1,020,305
Knowsley	593,372
North Tyneside	587,032
Oldham	686,883
Rochdale	633,417
Rotherham	750,199
Salford	728,133
Sandwell	893,466
Sefton	793,606
Solihull	397,388
South Tyneside	492,481
St Helens	540,018
Stockport	604,170
Sunderland	938,019
Tameside	640,756
Trafford	509,541
Wakefield	935,464
Walsall	744,037
Wigan	886,283
Wirral	994,666
Wolverhampton	732,812
Sub-Total	22,030,295
Metropolitan Sub-total	33,224,866

Local Authority	Mental Health Grant 2007/08 (£)
<b><i>Inner London</i></b>	
City of London	36,271
Camden	1,095,618
Greenwich	932,005
Hackney	1,232,404
Hammersmith and Fulham	886,809
Islington	957,036
Kensington and Chelsea	792,811
Lambeth	1,364,749
Lewisham	1,134,255
Southwark	1,323,992
Tower Hamlets	1,161,387
Wandsworth	1,128,833
Westminster	1,033,645
Sub-total	13,079,815
<b><i>Outer London</i></b>	
Barking and Dagenham	541,034
Barnet	853,855
Bexley	515,910
Brent	925,856
Bromley	666,177
Croydon	896,604
Ealing	998,454
Enfield	762,345
Haringey	872,629
Harrow	536,540
Havering	511,287
Hillingdon	659,774
Hounslow	659,540
Kingston upon Thames	431,137
Merton	657,928
Newham	1,051,657
Redbridge	601,985
Richmond upon Thames	474,698
Sutton	432,202
Waltham Forest	756,569
Sub-total	13,806,181
London Sub-total	26,885,996

Local Authority	Mental Health Grant 2007/08 (£)
<b><i>Shire Counties</i></b>	
Bedfordshire	781,259
Buckinghamshire	889,497
Cambridgeshire	1,143,836
Cheshire	1,422,694
Cornwall	1,227,893
Cumbria	1,189,248
Derbyshire	1,822,361
Devon	1,465,702
Dorset	785,778
Durham	1,425,678
East Sussex	1,177,151
Essex	2,709,663
Gloucestershire	1,162,962
Hampshire	2,382,422
Hertfordshire	2,205,329
Kent	2,870,514
Lancashire	2,827,602
Leicestershire	1,121,869
Lincolnshire	1,526,266
Norfolk	1,836,943
North Yorkshire	1,131,536
Northamptonshire	1,372,627
Northumberland	784,682
Nottinghamshire	1,821,102
Oxfordshire	1,316,340
Shropshire	577,222
Somerset	1,028,029
Staffordshire	1,729,150
Suffolk	1,517,454
Surrey	2,298,810
Warwickshire	1,057,469
West Sussex	1,642,508
Wiltshire	804,884
Worcestershire	1,095,472
Sub-total	50,151,952

Local Authority	Mental Health Grant 2007/08 (£)
<b><i>Shire Unitary Authorities</i></b>	
Bath & North East Somerset	420,693
Blackburn with Darwen	445,751
Blackpool	472,777
Bournemouth	438,232
Bracknell Forest	227,428
Brighton & Hove	803,527
Bristol	1,139,426
Darlington	288,496
Derby	654,963
East Riding of Yorkshire	660,763
Halton	369,462
Hartlepool	284,771
Herefordshire	370,262
Isle of Wight Council	347,091
Isles of Scilly	4,615
Kingston upon Hull	891,650
Leicester	870,069
Luton	478,282
Medway	540,819
Middlesbrough	484,273
Milton Keynes	475,283
North East Lincolnshire	412,822
North Lincolnshire	396,806
North Somerset	387,879
Nottingham	913,351
Peterborough	403,726
Plymouth	671,424
Poole	293,867
Portsmouth	535,347
Reading	349,800
Redcar and Cleveland	408,982
Rutland	56,326
Slough	292,959
South Gloucestershire	426,547
Southampton (3 * ratings)	687,183
Southend-on-Sea	460,580
Stockton-on-Tees	459,460
Stoke-on-Trent	762,985
Swindon	376,350
Telford and The Wrekin	390,524
Thurrock	341,795
Torbay	362,207
Warrington	440,399
West Berkshire	265,911
Windsor and Maidenhead	281,593
Wokingham	240,639
York	449,093
Sub -total	21,737,186
Shires Sub-total	71,889,138

# **DETERMINATION UNDER SECTION 31 OF THE LOCAL GOVERNMENT ACT 2003 OF THE MENTAL HEALTH GRANT FOR 2006/07**

## **Introduction**

1. This Determination is made by the Secretary of State for Health (“the Secretary of State”) under section 31 of the Local Government Act 2003<sup>1</sup> (“the 2003 Act”). It specifies grants that the Secretary of State proposes to pay to certain local authorities in England.

2. This Determination specifies the local authorities to which grants are to be paid, the services the grants are to be used to support, the amount which the Secretary of State proposes to pay each of the authorities concerned and the manner of payment. It also specifies the conditions that the Secretary of State intends to impose on the payment of the grants.

3. Before making this Determination, the Secretary of State obtained the consent of the Treasury in accordance with section 31(6) of the 2003 Act.

## **Mental Health Services**

4. Pursuant to section 31 of the 2003 Act, the Secretary of State hereby determines that the grants are to be paid towards revenue expenditure incurred by local authorities in the financial year 2006/07 in respect of mental health services as defined in Annex B.

## **Amounts payable to local authorities**

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

## **Payment of grant monies**

6.—(1) Grant monies shall be payable—

- (a) to authorities listed in Part 1 of Annex A on or before 23rd May 2006; and
- (b) to authorities listed in Part 2 of Annex A, in four instalments of equal amounts to be paid on or before 23rd May 2006, 8th August 2006, 7th November 2006 and 6th February 2007 (“the final instalment”);

## **Conditions for the payment of the grants**

7.—(1) Subject to paragraph (2), and 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, the conditions set out in Annex B.

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<sup>1</sup> 2003 C. 26.

(2) The conditions set out in Annex B shall not apply to—

(a) those authorities listed in Part 1 of Annex A; and

(b) those two star authorities listed in Part 2 of Annex A which are rated as “four star” in the Comprehensive Performance Assessment as at December 2005.

(3) For the purposes of paragraph 7(2)(b)—

(a) a “two star authority” means a local authority which has been awarded that number of stars in the social services performance ratings published by the Commission for Social Care Inspection in December 2005<sup>2</sup>; and

(b) “Comprehensive Performance Assessment” means an assessment of council performance carried out by the Audit Commission as at December 2005<sup>3</sup>.

Signed by authority of the Secretary of State

[Date]            2006

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<sup>2</sup> For more information on the star rating system see:

[http://www.csci.org.uk/council\\_performance/star\\_ratings/default.htm](http://www.csci.org.uk/council_performance/star_ratings/default.htm)

<sup>3</sup> Further details can be found at: [www.audit-commission.gov.uk/cpa/index.asp](http://www.audit-commission.gov.uk/cpa/index.asp)

## ALLOCATIONS FOR THE MENTAL HEALTH GRANT FOR 2006/2007

## PART 1

## CSCI - 3 Star Rating

Column 1	Column 2
Local Authority	Mental Health Grant 2006/07 (£)
<b><i>Principal Metropolitan Cities</i></b>	
Newcastle upon Tyne	922,278
<b><i>Other Metropolitan Districts</i></b>	
Barnsley	630,787
Bolton	771,481
Gateshead	642,861
Kirklees	977,505
Knowsley	553,427
Salford	699,608
Sunderland	920,916
<b><i>Inner London</i></b>	
City of London	37,278
Camden	1,126,021
Southwark	1,360,732
Tower Hamlets	1,193,614
Wandsworth	1,160,158
<b><i>Outer London</i></b>	
Bexley	530,226
Kingston upon Thames	443,100
Redbridge	610,046
<b><i>Shire Counties</i></b>	
Derbyshire	1,764,221
Kent	2,920,059
Leicestershire	1,138,609
Shropshire	567,229
Somerset	1,007,647
Suffolk	1,559,562
Worcestershire	1,088,503
<b><i>Shire Unitary Authorities</i></b>	
Southampton	706,252
Thurrock	333,354
West Berkshire	273,289

## ALLOCATIONS FOR THE MENTAL HEALTH GRANT FOR 2006/2007

## PART 2

## CSCI - Zero, One &amp; Two Ratings

Column 1	Column 2
Local Authority	Mental Health Grant 2006/07 (£)
<b><i>Principal Metropolitan Cities</i></b>	
Birmingham	3,082,623
Leeds	2,037,194
Liverpool	1,712,233
Manchester	1,675,419
Sheffield	1,665,070
<b><i>Other Metropolitan Districts</i></b>	
Bradford	1,309,075
Bury	483,126
Calderdale	534,761
Coventry	813,486
Doncaster	827,967
Dudley	747,052
North Tyneside	603,322
Oldham	701,106
Rochdale	610,771
Rotherham	712,993
Sandwell	855,041
Sefton	770,318
Solihull	401,985
South Tyneside	498,273
St Helens	518,483
Stockport	603,414
Tameside	632,663
Trafford	518,442
Wakefield	873,205
Walsall	746,550
Wigan	848,117
Wirral	967,751
Wolverhampton	728,974

Column 1	Column 2
Local Authority	Mental Health Grant 2006/07 (£)

***Inner London***

Greenwich	957,867
Hackney	1,266,603
Hammersmith and Fulham	911,417
Islington	983,593
Kensington and Chelsea	814,811
Lambeth	1,402,619
Lewisham	1,165,730
Westminster	1,062,328

***Outer London***

Barking and Dagenham	532,343
Barnet	877,549
Brent	951,547
Bromley	684,663
Croydon	921,485
Ealing	1,026,161
Enfield	783,499
Haringey	896,844
Harrow	551,428
Havering	525,474
Hillingdon	678,083
Hounslow	677,841
Merton	676,185
Newham	1,076,871
Richmond upon Thames	487,871
Sutton	444,195
Waltham Forest	777,563

Column 1	Column 2
Local Authority	Mental Health Grant 2006/07 (£)
<b><i>Shire Counties</i></b>	
Bedfordshire	802,938
Buckinghamshire	914,180
Cambridgeshire	1,175,577
Cheshire	1,431,891
Cornwall	1,197,538
Cumbria	1,131,511
Devon	1,463,458
Dorset	807,583
Durham	1,331,526
East Sussex	1,209,816
Essex	2,784,854
Gloucestershire	1,189,656
Hampshire	2,448,532
Hertfordshire	2,266,526
Lancashire	2,735,642
Lincolnshire	1,456,168
Norfolk	1,811,615
North Yorkshire	1,161,035
Northamptonshire	1,371,906
Northumberland	787,332
Nottinghamshire	1,775,968
Oxfordshire	1,352,867
Staffordshire	1,696,119
Surrey	2,362,601
Warwickshire	1,045,597
West Sussex	1,688,086
Wiltshire	827,219

Column 1	Column 2
Local Authority	Mental Health Grant 2006/07 (£)
<b><i>Shire Unitary Authorities</i></b>	
Bath & North East Somerset	432,367
Blackburn with Darwen	417,683
Blackpool	447,653
Bournemouth	450,393
Bracknell Forest	233,739
Brighton & Hove	825,824
Bristol	1,171,044
Darlington	293,757
Derby	652,703
East Riding of Yorkshire	632,639
Halton	330,114
Hartlepool	272,264
Herefordshire	364,358
Isle of Wight Council	341,310
Isles of Scilly	4,743
Kingston upon Hull	904,467
Leicester	848,882
Luton	482,079
Medway	546,000
Middlesbrough	492,728
Milton Keynes	458,958
North East Lincolnshire	405,351
North Lincolnshire	390,114
North Somerset	391,274
Nottingham	871,240
Peterborough	392,694
Plymouth	650,871
Poole	302,021
Portsmouth	550,202
Reading	359,507
Redcar and Cleveland	405,573
Rutland	57,889
Slough	298,807
South Gloucestershire	436,041
Southend-on-Sea	473,361
Stockton-on-Tees	433,481
Stoke-on-Trent	696,459
Swindon	369,509
Telford and The Wrekin	358,771
Torbay	349,001
Warrington	425,366
Windsor and Maidenhead	289,407
Wokingham	247,316
York	461,555

**CONDITIONS FOR THE PAYMENT OF THE MENTAL HEALTH GRANT FOR 2006/07**

1. With the exception of those authorities referred to in paragraph 7(2)(b) of the Determination, the payment of grant monies to a local authority as specified in Part 2 of Annex A pursuant to section 31 of the Local Government Act 2003<sup>4</sup> (“grant monies”) for local authority expenditure in the financial year 2006/07 shall be subject to the conditions set out in this Annex.

2. In this Annex—

“mental health services” means—

- (a) the services provided by local authorities which are designed to support implementation of the Mental Health National Service Framework (MHNSF) Standards<sup>5</sup>;
- (b) those necessary mental health service developments set out in the NHS Plan<sup>6</sup>; and
- (c) the milestones set out in Local Development/Delivery Plans<sup>7</sup>;

“zero star authority”, “one star authority” and “two star authority” means a local authority which has been awarded that number of stars in the social services performance ratings published by the Commission for Social Care Inspection in December 2005<sup>8</sup>; and

“Comprehensive Performance Assessment” means an assessment of council performance carried out by the Audit Commission in December 2005<sup>9</sup>

**Use of grant monies**

3.—(1) Subject to paragraph 4 (carryover), each local authority shall use the grant monies for revenue expenditure in the financial year 2006/07 only, for the purposes of carrying out mental health services.

(2) Local authorities shall discuss and agree their proposals for expenditure of the mental health grant monies with Mental Health National Service Framework (MHNSF) Local Implementation Teams and partner agencies.

(3) For the purposes of paragraph 3(2)—

- (a) “MHNSF Local Implementation Teams” means teams consisting of local authority employees and employees of NHS bodies who are responsible for the implementation of mental health services in a local authority’s area; and

<sup>4</sup> 2003 c. 26.

<sup>5</sup> The MHNSF Standards are to be found in the Mental Health National Service Framework which can be found at: <http://www.doh.gov.uk/PublicationsAndStatistics>

<sup>6</sup> For information about the NHS Plan see the Department of Health website: <http://www.doh.gov.uk/PublicationsAndStatistics>

<sup>7</sup> Milestones can be found in Local Development Plans. Further details of such Plans can be found at:

<http://www.doh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/PlanningFramework>

<sup>8</sup> See footnote number 2.

<sup>9</sup> See footnote number 3.

(b) “partner agencies” means Primary Care Trusts, Strategic Health Authorities and NHS trusts responsible for mental health services in a local authority’s area.

## **Carryover**

4.—(1) Two star authorities not rated as “four star” in a Comprehensive Performance Assessment may carry over up to 25% of the grant monies set out in Annex A for expenditure in the financial year 2007/08, but only for the purposes for which the grant is made.

(2) One star or zero star authorities may carry over up to 5% of the grant monies set out in Annex A for expenditure in the financial year 2007/08, but only for the purposes for which the grant is made.

(3) Subject to sub-paragraph (4), grant monies carried over in accordance with this paragraph must be spent in the financial year 2007/08.

(4) Where grant monies are carried over under this paragraph but are not spent in the financial year 2007/08, then the provisions of paragraph 8 shall apply with the following modifications:

(a) for the words “financial year 2006/07”, in all places where they occur, substitute “financial year 2007/08”;

(b) in paragraph 8(3)—

(i) the words “and to paragraph 4 above (carryover)” are omitted; and

(ii) for the words “31st December 2007”, substitute “31st December 2008”;

(c) in Paragraph 8(4), for the words “31st December 2006” substitute “31st December 2007”.

## **Final instalment of grant monies**

5.—Where grant monies are payable in instalments pursuant to paragraph 6(b) of the Determination —

(a) the final instalment will only be paid once the Secretary of State has received a statement in the required form (“the certified statement”)<sup>10</sup> in relation to mental health grant monies received by an authority in respect of the financial year 2005/06 certified by the authority’s Chief Finance Officer, and by an auditor appointed by the Audit Commission; and

(b) any recovery of mental health grant monies by the Secretary of State resulting from the certified statement in respect of the financial year 2005/06 shall be deducted from the final instalment.

## **Certified statement**

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<sup>10</sup> The statement must be set out on form ref: MHG EXP 3 which can be found at Appendix A of the Mental Health Grant Guidance 2005/2006. See: the Mental Health Grant Guidance 2005/06 (LAC 2005 LAC (2005)11) for details of the dates by which the certified statement in relation to the 2005/06 Grant must be received by the Secretary of State.

6.—(1) Subject to sub-paragraph (2), each authority shall ensure that information as to the expenditure of the mental health grant monies is provided to the Secretary of State on a form<sup>11</sup> provided by him, and is certified—

(a) by the authority's Chief Finance Officer, and a copy of the form thus completed is received by the Secretary of State not later than 2nd October 2007; and

(b) by an auditor appointed by the Audit Commission, and the form thus fully completed is received by the Secretary of State not later than 2nd January 2008.

(2) Sub-paragraph (1) shall not apply where the grant monies paid to the local authority for the mental health grant are £50,000 or less.

### **Further information**

7. 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 they have complied with the conditions set out in this Annex.

### **Repayment of grant monies**

8.—(1) Subject to sub-paragraph (2), if a local authority fails to comply with the conditions set out in this Annex 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 him and notified in writing to the authority. Such sum as has been notified shall immediately become repayable to the Secretary of State.

(2) If, in the certified statement referred to in paragraph 6, the auditor states that he is of the view that the expenditure of the mental health grant monies by the local authority in question was not discussed and agreed with MHNSF Local Implementation Teams and relevant partner agencies in accordance with paragraph 3(2), then the auditor may disqualify such part of the mental health grant monies as he sees fit, and such a sum, as notified by him to the local authority in writing, shall be repayable to the Secretary of State in the following financial year.

(3) Subject to sub-paragraph (4) of this condition and to paragraph 4 above (carryover), if a local authority does not spend the whole of the grant monies in the financial year 2006/07, then the 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 2006/07. Such sum shall become repayable to the Secretary of State on 31st December 2007 or such later date, if any, as the Secretary of State may determine.

(4) Where, on or before 31st December 2006, a local authority is of the view that it is unlikely to spend the whole of the grant monies in the financial year 2006/07 in accordance with paragraph 3, the authority must accordingly notify the Secretary of State on a form<sup>12</sup> provided by him which shall indicate the amount of the surplus grant monies.

(5) In sub-paragraph (4), "surplus grant monies" means an amount equal to such part of the grant monies as the authority considers it will not spend in the financial year 2006/07.

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<sup>11</sup> See footnote 10 for details of the form in question.

<sup>12</sup> . See Form ref: MHG 1 which can be found at Appendix A of the Mental Health Grant Guidance 2006/07