

LOCAL AUTHORITY CIRCULAR**LAC (2006)13**

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

1 June 2006

**Mental Health Supported Capital Expenditure (Revenue) -
2006/07**

Gateway ref: 6640

Summary

1. The purpose of this circular is to provide guidance on the administration and conditions attached to the Mental Health Supported Capital Expenditure (Revenue) (MHSCE(R)) for 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) three or four star will need to pay particular attention to the set of freedoms available to CSSRs with those ratings. A separate circular will be issued next year in respect of allocations for 2007/08.
2. The Local Government Act 2003 abolished credit approvals and provided for a new capital finance system which was introduced from 1 April 2004. The Department for Communities and Local Government (used to be called Office of the Deputy Prime Minister) has provided local authorities with detailed guidance on the new system. One of the consequences of these changes has been that from 2004/05 central Government support for capital investment will be described as either Supported Capital Expenditure (Revenue) known as SCE(R) or Supported Capital Expenditure (Capital Grant) known as SCE(C). SCE(R) and SCE(C) can be further classified as either single pot or ringfenced.
3. Previously, credit approvals from central Government set the limit of a local authority's long-term borrowing and attracted Revenue Support Grant (RSG) or Housing Revenue Account Subsidy (HRAS) towards the financing costs of loans (interest payments and provisions for the repayment of principal). Under the new system, unless, exceptionally, a national limit is imposed, a local authority will be free to make its own borrowing decisions according to what it can afford.

Central Government support for borrowing through RSG/HRAS will continue to be given on the basis of a named amount of capital expenditure which the borrowing will support. And, ringfenced SCE(R) will no longer be time limited.

- 4 In 2006/07 the Department is making available, to local councils with social services responsibilities (CSSRs), £22.600 million in ringfenced mental health supported capital expenditure (MHSCE(R)) to fund capital projects, which assist the development of comprehensive social care mental health services for adults.
5. Each CSSR has been allocated an indicative MHSCE(R). This MHSCE(R) is to be used to support the implementation of the recommendations of the mental health project of the Social Exclusion Unit. These recommendations are concerned to enable adults with mental health problems to enter and retain work and to better access both services and opportunities for social participation. The Report was published in June 2004.
6. The allocations in this LAC supersede those provided in DH LASSL(2005)7 to take account of the allocation of a basic £50,000 to each CSSR. This 'floor' is intended to represent the baseline cost of implementing the social exclusion unit recommendations. The remainder of the funding has been distributed on the basis of each council's proportional share of the younger adults' Relative Needs Formulae (RNF) with a 2.7% floor applied to mitigate the impact of the step-change in funding caused by the introduction of a new PSS formula for younger adults.. It should be noted that the basis of the allocation is the same for all CSSRs. CSSRs indicative allocations are detailed at Annex 3. CSSRs should indicate that they wish to take up this allocation by following the instructions set out in paragraph 12.
7. Any allocations not taken up will be pooled and made available for other mental health capital projects. Bids for MHSCE(R) for use on other mental health capital projects may be submitted as set out in paragraph 13.

Purpose

8. The commitment within the 2005 – 2008 Planning Framework “National Standards, Local Action” is for mental health is to achieve the following in line with the National Service Framework for Mental Health and the Suicide Prevention Strategy.
 - Improve access to general community mental health services
 - Reduce the suicide rate and deaths by undetermined causes by 20% by 2010.
9. In order to support CSSRs in achieving their priorities MHSCE(R) in 2006/07 are being allocated to support the capital costs associated with:
 - (a) meeting the recommendations of the MH project of the Social Exclusion Unit, for example:
 - Advice and services related to accessing and retaining employment;
 - Advice and support regarding access to opportunity for social participation in, for example, education, housing, arts, sports and leisure, community engagement and building capacity with mainstream agencies to better provide this;
 - Modernising and reconfiguration of day services, to provide for improved access to mainstream and supported employment opportunities;
 - Support for services aimed at meeting the needs of key groups at particular risk of exclusion, e.g., young people in transition, or homeless people.
 - (b) improving access for Black and minority ethnic communities in particular by implementing the action set out in Delivering Race Equality in Mental Health Care, published in January 2005.

10. More detail on the recommendations of the MH project of the Social Exclusion Unit can be found at http://www.socialexclusionunit.gov.uk/mental_health/mental_health.htm. Delivering Race Equality is available at http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4100773&chk=grJd1N
11. Proposals for the use of MHSCE(R) should be developed in partnership with PCTs and other relevant agencies in the health, housing, independent and private sectors and taking account of user and carer interests. Mental Health National Service Framework Local Implementation Teams should support bids.

Action

12. CSSRs who wish to take up their allocation of MHSCE(R) in whole or in part should complete form SCE 1 at Annex 1 and return it to the address specified by 30 June 2006. Those CSSRs that do not wish to take up their allocation of MHSCE(R) in whole or in part should notify the Department as soon as possible and in any event no later than 30 June 2006 so that the MHSCE(R) can be pooled with others for redistribution.
13. If CSSRs wish to submit bids for **additional MHSCE(R)** then Form SCE 2 at Annex 2 should be completed and returned by 28 July 2006. These bids may be for any project that supports the local implementation of the mental health recommendations of the Social Exclusion Unit, MH NSF standards, the mental health commitments set out in NHS Plan or the Priorities and Planning Framework Objectives for mental health.
14. CSSRs that are performing well will receive a set of freedoms, providing incentives for all CSSRs to improve. Those awarded with CSCI three stars for social services in December 2005 and those CSSRs where the authority has been rated Comprehensive Performance Assessment (CPA) three or four star in December 2005 are able to use the ringfenced MHSCE(R) allocated for 2006/07 for any capital purpose. Nevertheless all councils should read this guidance, particularly if they wish to apply for additional MHSCE(R).
15. CSCI 2star, 1star and zero star CSSRs not CPA rated three or four star wishing to pursue alternative schemes to the ones for which MHSCE(R) were originally awarded must inform the Department and explain why they cannot go ahead with the original schemes. They may be asked to bid afresh if the alternative proposals are significantly different from those originally submitted.

Cancellation of Circulars

16. This Circular should be cancelled on 1st April 2007.
17. The following Circular should now be cancelled: LAC(2005)12

ENQUIRIES

18. Any queries on this document and its enclosures or the administration of the MHSCE(R) should be directed to Janet Goodwin, Department of Health, Mental Health Branch, Area 215, Wellington House, 133-155 Waterloo Road, London SE1 8UG e-mail: janet.goodwin@dh.gsi.gov.uk Telephone: 020 7972 4548
19. Further copies of this Circular may be obtained from Department of Health, PO Box 777, London SE1 6XH, Tel. 0870 1555455 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.

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Antony Sheehan
Director of Care Services

Form SCE 1**MENTAL HEALTH SUPPORTED CAPITAL EXPENDITURE (REVENUE)
(MHSCE(R)) 2006/2007****CONFIRMING UPTAKE OF ALLOCATION.**

1.	Name of CSSR:	
2.	Indicative MHSCE(R) allocation	£
3.	Amount of Allocation CSSR will be taking up	£

Statement to be signed by Directors of Social Services and Finance.

(the statement below is not applicable to those councils with either Commission for Social Care Inspection three stars for social services or a Comprehensive Performance Assessment of three or four star as at December 2005)

I confirm that the capital services to be purchased through use of the MHSCE(R) satisfy the criteria and conditions set out in the attached guidance. I also confirm that we have discussed the nature of these services with, where appropriate, Primary care trusts, NHS mental health providers and other statutory NHS bodies. I also confirm that the use of the MHSCE(R) resource is supported by MHNSF LIT(s).

Director of Social Services**Director of Finance**

Signed:

Signed:

Name:

Name:

Date:

Date:

<p>Please contact the following officer in my council about any query arising from this application:</p> <p>Name:</p> <p>Address:</p> <p>Telephone number:</p>
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Return this form, by **30 June 2006**, to

Janet Goodwin, Department of Health, Mental Health Branch, Area 215 Wellington House, 133-155 Waterloo Road, London SE1 8UG e-mail: janet.goodwin@dh.gsi.gov.uk telephone: 020 7972 4548

Failure to return this form by that date will result in your award being relinquished.

Form SCE 2

**APPLICATION FOR ADDITIONAL MENTAL HEALTH
SUPPORTED CAPITAL EXPENDITURE (REVENUE) (MHSCE(R)) 2006/2007**

1. Name of CSSR:

2. Total amount of **additional** MHSCE(R) requested £

Brief description of project (ie title, purpose, location, expected start date, intended beneficiaries and what the MHSCE(R) will buy) PLEASE SUBMIT YOUR BIDS IN PRIORITY ORDER	Names of partner agencies Involved with each scheme	MHSCE(R) requested
		<i>2006/2007</i>

3. Statement to be signed by Directors of Social Services and Finance (or equivalent)

I confirm that the capital services to be purchased through use of the MHSCE(R) satisfy the criteria and conditions set out in the attached letter. I also confirm that we have discussed the nature of these services with where appropriate, Primary care trusts, NHS mental health providers and other statutory NHS bodies; and that the services are specified in the Local Development/Delivery Plans developed jointly with our partner agencies. I also confirm that the use of the MHSCE(R) resource is supported by MHNSF LIT(s).

Director of Social Services

Director of Finance

Signed:

Signed:

Name:

Name:

Date:

Date:

Please contact the following officer in my council about any query arising from this application:

Name:

Address:

Telephone number:

Return this form, **by 28 July 2006**, to

Janet Goodwin
Department of Health
Mental Health Branch
Area 308
Wellington House
133-155 Waterloo Road
London
SE1 8UG

e-mail: janet.goodwin@dh.gsi.gov.uk
Telephone: 020 7972 4548

Indicative Allocations of Mental Health Supported Capital Expenditure

Local Authority	2006/07 Total Supported Capital Expenditure (Revenue) (£)	2007/08 Total Supported Capital Expenditure (Revenue) (£) (provisional)
<i>Principal Metropolitan Cities</i>		
Birmingham	411,472	424,807
Leeds	268,146	265,909
Liverpool	244,687	259,983
Manchester	239,020	245,492
Newcastle upon Tyne	147,284	146,002
Sheffield	220,966	222,586
Barnsley	123,480	132,739
Bolton	132,933	136,763
Bradford	203,152	210,035
Bury	100,974	101,747
Calderdale	105,740	105,445
Coventry	147,394	149,436
Doncaster	139,375	147,541
Dudley	132,521	136,557
Gateshead	114,072	116,139
Kirklees	166,513	170,926
Knowsley	111,809	118,241
North Tyneside	109,177	109,952
Oldham	119,999	122,450
Rochdale	119,299	122,767
Rotherham	129,415	135,882
Salford	132,040	135,288
Sandwell	150,449	155,036
Sefton	136,101	140,478
Solihull	98,149	96,088
South Tyneside	101,274	102,744
St Helens	106,304	110,638
Stockport	123,457	121,346
Sunderland	146,977	153,483
Tameside	118,015	121,062
Trafford	107,822	106,899
Wakefield	151,224	159,995
Walsall	128,059	130,993
Wigan	144,391	151,349
Wirral	153,694	161,089
Wolverhampton	130,743	132,457
Metropolitan Sub-total	5,419,127	5,560,347

Local Authority	SCE® Mental Health (£) 2006/07	SCE(R) Mental Health (£) 2007-08 (provisional)
<i>Inner London</i>		
City of London	54,259	53,100
Camden	179,549	174,698
Greenwich	157,775	153,512
Hackney	185,221	180,217
Hammersmith and Fulham	148,029	144,029
Islington	168,345	163,797
Kensington and Chelsea	141,996	138,159
Lambeth	214,341	208,551
Lewisham	173,132	168,455
Southwark	212,919	207,167
Tower Hamlets	191,494	186,321
Wandsworth	188,692	183,595
Westminster	178,782	173,952
Sub-total	2,194,533	2,135,552
<i>Outer London</i>		
Barking and Dagenham	110,879	111,931
Barnet	158,555	154,271
Bexley	108,587	105,652
Brent	158,754	154,465
Bromley	132,840	129,251
Croydon	156,055	151,839
Ealing	168,751	164,192
Enfield	141,113	137,300
Haringey	149,918	145,867
Harrow	112,328	109,292
Havering	108,763	105,823
Hillingdon	125,633	122,238
Hounslow	129,398	125,902
Kingston upon Thames	98,158	95,505
Merton	113,760	110,686
Newham	160,775	162,955
Redbridge	122,880	120,067
Richmond upon Thames	110,013	107,040
Sutton	104,494	101,669
Waltham Forest	134,135	130,510
Sub-total	2,605,788	2,546,443
London Sub-total	4,800,321	4,681,995

Local Authority	SCE® Mental Health (£) 2006/07	SCE® Mental Health (£) 2007/08 (provisional)
Shire Counties		
Bedfordshire	147,065	143,091
Buckinghamshire	165,908	161,425
Cambridgeshire	193,801	188,566
Cheshire	217,490	214,999
Cornwall	185,419	191,048
Cumbria	185,230	191,519
Derbyshire	250,712	260,816
Devon	221,822	220,743
Dorset	136,660	134,104
Durham	204,458	218,063
East Sussex	171,618	168,644
Essex	380,186	369,918
Gloucestershire	189,763	184,636
Hampshire	345,774	336,436
Hertfordshire	327,809	318,955
Kent	390,405	382,030
Lancashire	369,856	382,250
Leicestershire	188,616	183,520
Lincolnshire	221,917	230,568
Norfolk	260,262	263,602
North Yorkshire	181,825	178,189
Northamptonshire	211,830	210,217
Northumberland	134,340	136,550
Nottinghamshire	252,630	260,533
Oxfordshire	207,255	201,656
Shropshire	117,311	117,470
Somerset	170,637	171,411
Staffordshire	249,791	252,919
Suffolk	214,310	215,052
Surrey	331,969	323,003
Warwickshire	178,541	176,441
West Sussex	234,758	228,416
Wiltshire	150,804	146,730
Worcestershire	181,471	179,584
Sub-total	7,572,242	7,543,107

Local Authority	SCE® Mental Health (£) 2006-07	SCE® Mental Health 2007/08 (provisional)
<i>Shire Unitary Authorities</i>		
Bath & North East Somerset	93,398	90,874
Blackburn with Darwen	97,310	101,364
Blackpool	99,430	103,672
Bournemouth	96,262	94,935
Bracknell Forest	79,135	76,995
Brighton & Hove	137,014	133,312
Bristol	180,831	175,946
Darlington	79,178	79,941
Derby	120,895	122,817
East Riding of Yorkshire	127,798	129,354
Halton	91,753	95,368
Hartlepool	79,942	81,867
Herefordshire	92,393	92,535
Isle of Wight Council	87,494	88,638
Isles of Scilly	50,000	50,000
Kingston upon Hull	139,440	144,045
Leicester	147,916	150,755
Luton	104,250	103,788
Medway	112,955	111,706
Middlesbrough	98,858	100,741
Milton Keynes	109,938	108,644
North East Lincolnshire	95,492	96,637
North Lincolnshire	92,017	93,826
North Somerset	95,284	94,145
Nottingham	155,206	159,027
Peterborough	97,134	97,383
Plymouth	125,254	127,818
Poole	82,084	80,239
Portsmouth	110,524	107,537
Reading	96,667	94,054
Redcar and Cleveland	92,752	94,558
Rutland	55,927	54,997
Slough	87,710	85,339
South Gloucestershire	105,928	103,065
Southampton	125,367	122,409
Southend-on-Sea	94,519	92,869
Stockton-on-Tees	104,844	105,972
Stoke-on-Trent	132,265	140,932
Swindon	96,481	98,133
Telford and The Wrekin	96,135	98,133
Thurrock	91,101	90,560
Torbay	88,521	90,713
Warrington	101,780	102,241
West Berkshire	84,738	882,447
Windsor and Maidenhead	85,434	83,125
Wokingham	84,559	82,273
York	97,397	94,764
Sub –total	4,801,310	4,807,551
Shires Sub-total	12,373,552	12,350,658