

## LOCAL AUTHORITY CIRCULAR

LAC (2006)16

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

Directors of Social Services

Copy: Chief Executive – Strategic Health Authorities  
Chief Executive – Care Trusts  
Chief Executive – Primary Care Trusts

20 December 2006

**Gateway Reference: 7465**

### **CAPITAL GRANT FOR IMPROVING THE CARE HOME ENVIRONMENT FOR OLDER PEOPLE 2007/2008**

#### **SUMMARY**

1. A grant of £67.725 million is being provided in 2007/2008 to enhance the physical environment in care homes registered to provide nursing or personal care where the majority of places are for older people.
2. This Circular sets out how this one-off capital grant is to be allocated and provides conditions for use of the grant by local authorities.

#### **ACTION**

3. Authorities should note well the contents of this Circular, and in particular:
  - a. the allocations of the grant and arrangements for its payment;
  - b. the requirement to submit a satisfactory distribution proposal by 28 March 2007;
  - c. the other conditions to be applied.

4. Authorities are strongly encouraged to work with partners in the health, social care, the voluntary and independent sectors, people in receipt of services and their carers in developing proposals and local arrangements for utilising these grant monies. Authorities may also wish to draw upon evidence from inspections conducted by the Commission for Social Care Inspection.

## **BACKGROUND**

5. In April 2006, the Department of Health published *A new ambition for older age: next steps in implementing the national service framework for older people*. The central tenet of this document is that older people should be treated with dignity in all care settings, whether at home, in hospital or in a care home. It sets out key challenges for the future, one of which is to improve the physical environment of care.

## **ALLOCATION FORMULA AND USE OF FUNDING**

6. A total grant of £67.725m is being provided in the financial year 2007/2008.
7. The amount allocated to each Authority has been calculated based on the number of residents aged 65 or over supported by that Authority, as a proportion of the national total of all Local Authority supported residents aged 65 or over.
8. Payment of the grant allocated to each Authority is subject to receipt by the Department of Health on or before 28 March 2007 of a satisfactory distribution proposal which meets the aims of the grant, as set out in paragraphs 9 to 19 below. A pro-forma for this purpose is attached at Appendix B.
9. The funding is to support Authorities in discharging their functions under section 21 of the National Assistance Act 1948 (provision of accommodation). This includes functions that a local authority chooses to discharge by making arrangements with others under section 26 of that Act.
10. This funding is for capital expenditure only, for or in connection with improving the quality of social care services by improving the physical environment in which residential care is provided for older people pursuant to section 21 of the 1948 Act.
11. The grant is intended to safeguard and promote the welfare of older people for whom an Authority has made arrangements to provide or secure the provision of residential accommodation as part of its social services functions.
12. The funding should be used to benefit the maximum number of care home residents, rather than to enable large-scale or expensive redevelopments which benefit only a small number of residents. Authorities should take into account the number of places registered for older people in the care homes.

13. The minimum expenditure on any one care home should be £5,000.

## **POLICY INTENTIONS**

14. Deployment of the grants is expected to contribute to the wider health and social care agenda, including delivering on the National Service Frameworks (NSFs) and the Public Service Agreement (PSA) target to improve patient and user experience.
15. Under section 21 of the National Assistance Act 1948, local authorities are responsible for making arrangements to provide or secure the provision of residential accommodation for older people in need of care and attention which is not otherwise available. This can be provided in local authority managed, or independent sector, care homes. Authorities are also responsible for related services, such as food and personal care. In making these arrangements, local authorities must have regard to the welfare of the older people for whom they provide or arrange the care.
16. Effective use of the grants will:
  - a. Help older people living in care homes to do so with dignity; and
  - b. Enable care homes to be more responsive to the needs of older residents.
17. Detailed proposals for use of the grant funds for improvements to individual care homes should be set locally by Authorities, according to the following principles:
  - Improvements should directly benefit residents – improvements of areas that are exclusively used by staff would therefore be inappropriate;
  - Improvements should not be of such magnitude as to prompt a demand for increased fees;
  - Care home providers should be given a degree of discretion and flexibility in making the intended improvements. However, they should maintain a clear audit trail of their decision-making processes, which can be made available if requested.
  - The grants are not intended to enable large-scale or expensive redevelopments which benefit only a small number of care homes.
  - The proposals should not unreasonably favour homes owned by the Authority itself
18. Grants should support improvements that will make the greatest difference to the quality of life of residents. For example, projects could include:
  - Replacing worn-out carpeting or floor coverings, to reduce the risk of falls;

- Upgrading dining rooms, to improve food intake;
- Redecorating or upgrading residents' bedrooms, to engender a sense of self-worth;
- Upgrading bathrooms to enhance self-care;
- Improving gardens or outside spaces used by residents, to encourage outdoor exercise;
- Alterations that would give the residents greater privacy.
- Providing information technology that benefits older residents, for example residents' access to internet, email etc

19. It would be inappropriate for the grants to be used, for example, for:

- Refurbishment of staff rest rooms or other facilities not used by residents;
- Staff training or any other revenue activity;
- Medical equipment such as syringe drivers, monitors etc, which do not have an impact on the physical environment;
- Routine maintenance that offers no noticeable improvement in the care environment (e.g. boiler replacement).

#### **PAYMENT OF THE GRANT**

20. In 2007/2008, the grant will be paid under Section 31 of the Local Government Act 2003. Annex A confirms the allocations to each Authority. A grant determination is attached at Appendix A and Annex B sets out the grant conditions.

21. Subject to approval by the Secretary of State of an Authority's spending plans, each Authority will receive their total allocation in one front-loaded payment in May 2007 for the 2007/08 grant year. Authorities are asked to note that they remain responsible for complying with the law for the time being in force in the United Kingdom in using and distributing any grant monies, including any applicable state aid requirements, limitations or conditions.

#### **CERTIFICATION ARRANGEMENTS**

22. Formal auditor certification will not be required. However, an Authority may be asked to supply to the Secretary of State such information as may be required by her for the purposes of determining whether it has complied with the conditions set out in Appendix A, Annex B.

#### **CONTENTS**

23. This circular contains:-

- a. Appendix A: Determination for the grant;
- b. Appendix B: Distribution proforma;
- c. Annex A: Allocations;
- d. Annex B: Conditions of grant.

## **CANCELLATION OF CIRCULAR**

24. This circular should be cancelled on 30 September 2009.

## **ENQUIRIES**

25. Any enquiries about this circular should be addressed to Alison Tyson or Dr Liz Jones, Department of Health, Quarry House, Quarry Hill, Leeds, LS2 7UE or by emailing [alison.tyson@dh.gsi.gov.uk](mailto:alison.tyson@dh.gsi.gov.uk) or [elizabeth.jones@dh.gsi.gov.uk](mailto:elizabeth.jones@dh.gsi.gov.uk)

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**DETERMINATION UNDER SECTION 31 OF THE LOCAL GOVERNMENT ACT  
2003 FOR 2007/2008**

**CAPITAL GRANT FOR IMPROVING THE CARE HOME ENVIRONMENT FOR  
OLDER PEOPLE**

**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 (c.26) (“the 2003 Act”). It specifies grants which the Secretary of State proposes to pay to certain local authorities established in relation to 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 local authorities to whom grants are to be paid are those authorities (in this Determination referred to as “the Authorities”) listed in Column A of Annex A, and the amount payable to each Authority is the corresponding amount set out in Column B 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 she intends to impose on the payment of grants to the Authorities listed in Column A of Annex A, the conditions set out in Annex B.

**Payment**

6. Subject to an Authority listed in Annex A meeting the relevant conditions of the grant specified in Annex B, and to approval by the Secretary of State of the

Authority's spending plans as set out in its distribution proposal, the grant monies shall be payable to that Authority on or before 30<sup>th</sup> May 2007.

Signed by authority of the Secretary of State

21 December 2006

## ANNEX A

### CAPITAL GRANT FOR IMPROVING THE CARE HOME ENVIRONMENT FOR OLDER PEOPLE ALLOCATIONS FOR 2007/2008

COLUMN A	COLUMN B
Authority	Total Grant Allocation 2007/08 £
Barking & Dagenham	205,000
Barnet	365,000
Barnsley	365,000
Bath & N E Somerset	220,000
Bedfordshire	410,000
Bexley	250,000
Birmingham	1,260,000
Blackburn	245,000
Blackpool	315,000
Bolton	385,000
Bournemouth	280,000
Bracknell Forest	90,000
Bradford	745,000
Brent	195,000
Brighton & Hove	380,000
Bristol	570,000
Bromley	290,000
Buckinghamshire	370,000
Bury	275,000
Calderdale	300,000
Cambridgeshire	605,000
Camden	250,000
Cheshire	1,030,000
City of London	20,000
Cornwall	740,000
Coventry	355,000
Croydon	285,000
Cumbria	770,000
Darlington	210,000
Derby	390,000
Derbyshire	1,085,000
Devon	1,320,000
Doncaster	385,000
Dorset	510,000
Dudley	380,000
Durham	935,000
Ealing	280,000
East Riding	610,000
East Sussex	855,000
Enfield	235,000
Essex	1,365,000
Gateshead	380,000
Gloucestershire	705,000
Greenwich	225,000
Hackney	175,000
Halton	150,000



COLUMN A	COLUMN B
Authority	Total Grant Allocation 2007/08 £
Hammersmith & Fulham	150,000
Hampshire	1,370,000
Haringey	200,000
Harrow	165,000
Hartlepool	165,000
Havering	255,000
Herefordshire	220,000
Hertfordshire	1,180,000
Hillingdon	215,000
Hounslow	175,000
Isle of Wight	310,000
Isles of Scilly	20,000
Islington	215,000
Kensington & Chelsea	110,000
Kent	1,895,000
Kingston-upon-Hull	580,000
Kingston-upon-Thames	140,000
Kirklees	575,000
Knowsley	240,000
Lambeth	265,000
Lancashire	1,800,000
Leeds	1,040,000
Leicester	405,000
Leicestershire	650,000
Lewisham	305,000
Lincolnshire	1,290,000
Liverpool	895,000
Luton	165,000
Manchester	665,000
Medway Towns	240,000
Merton	140,000
Middlesbrough	215,000
Milton Keynes	190,000
N E Lincolnshire	270,000
N Lincolnshire	275,000
Newcastle upon Tyne	480,000
Newham	225,000
Norfolk	1,260,000
North Somerset	340,000
North Tyneside	505,000
North Yorkshire	835,000
Northamptonshire	805,000
Northumberland	565,000
Nottingham	425,000
Nottinghamshire	1,120,000
Oldham	440,000
Oxfordshire	525,000
Peterborough	180,000
Plymouth	450,000
Poole	135,000
Portsmouth	245,000
Reading	110,000
Redbridge	250,000

COLUMN A	COLUMN B
Authority	Total Grant Allocation 2007/08 £
Redcar & Cleveland	225,000
Richmond upon Thames	155,000
Rochdale	325,000
Rotherham	420,000
Rutland	50,000
Salford	400,000
Sandwell	455,000
Sefton	550,000
Sheffield	980,000
Shropshire	470,000
Slough	100,000
Solihull	205,000
Somerset	780,000
South Gloucestershire	300,000
South Tyneside	295,000
Southampton	280,000
Southend	245,000
Southwark	280,000
St Helens	225,000
Staffordshire	1,075,000
Stockport	370,000
Stockton-on-Tees	350,000
Stoke-on-Trent	445,000
Suffolk	900,000
Sunderland	525,000
Surrey	1,095,000
Sutton	170,000
Swindon	175,000
Tameside	435,000
Telford and Wrekin	180,000
Thurrock	135,000
Torbay	270,000
Tower Hamlets	200,000
Trafford	280,000
Wakefield	495,000
Walsall	380,000
Waltham Forest	200,000
Wandsworth	265,000
Warrington	315,000
Warwickshire	490,000
West Berkshire	110,000
West Sussex	1,010,000
Westminster	220,000
Wigan	425,000
Wiltshire	460,000
Windsor & Maidenhead	105,000
Wirral	890,000
Wokingham	90,000
Wolverhampton	350,000
Worcestershire	705,000
York	220,000
Total	67,725,000

## ANNEX B

### CONDITIONS FOR THE PAYMENT OF THE CAPITAL GRANT FOR IMPROVING THE CARE HOME ENVIRONMENT FOR OLDER PEOPLE 2007/2008

1. The payment of grant monies to an Authority listed in Column A of Annex A pursuant to section 31 of the Local Government Act 2003<sup>1</sup> for local authority expenditure in the financial year 2007/2008 is subject to the conditions set out in this Annex.

#### Interpretation

2. In this Annex:-

“the 1948 Act” means the National Assistance Act 1948<sup>2</sup>;

“care home” has the same meaning as in the Care Standards Act 2000<sup>3</sup>;

“physical environment” means a building or part of a building which is a care home, any fixtures, fittings, furnishings or contents in or on such premises, and includes any grounds to which residents have access;

“relevant residents “ means persons aged 65 or over who are provided with residential accommodation in a care home under Part 3 of the 1948 Act where the majority of all persons resident in that care home are, or will be, aged 65 or over during any period in which the intended improvements are, or are to be, undertaken.

#### Conditions

3. Each Authority shall submit a distribution proposal using the form at Appendix B which must be received by the Department of Health on or before **28 March 2007**, or such later date as the Secretary of State may, on request being made to her by such an Authority, determine.
4. The distribution proposal shall set out (amongst other things) the amount to be allocated by that Authority in respect of any care home and the purposes for, and the manner in which, that Authority intends to use this sum.
5. Each Authority shall use any grant monies paid to it for capital expenditure in the financial year 2007/2008 only, for the purposes of improving the physical environment of relevant residents for whom that Authority exercises functions under Part 3 of the 1948 Act.

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

<sup>2</sup> 1948 c. 29.

<sup>3</sup> 2000. c. 14.

6. In using the grant monies, each Authority shall have regard to the welfare of such relevant residents.
7. Each Authority shall take such steps as it is reasonable for it to take with a view to ensuring that any grant monies paid to it are used for the purposes mentioned in paragraph 5.
8. If an Authority does not spend the whole of the grant monies given to it in the financial year 2007/2008, the Authority shall:-
  - a. notify the Secretary of State in writing by 31<sup>st</sup> March 2008 of the amount of the grant monies that the Authority has not spent in the financial year 2007/2008; and
  - b. on or before 31<sup>st</sup> December 2008 or such later date, if any, as the Secretary of State may determine, pay to the Secretary of State a sum equal to that amount.
9. If any grant monies are used by an Authority to purchase any capital asset, the Secretary of State may recover the full market value from that Authority 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.
10. If an Authority fails to comply with any of the conditions set out in this Annex and 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.
11. Each Authority shall comply with the law for the time being in force in the United Kingdom in using and distributing any grant monies given to it.

### **Accounting for the grant**

12. Each Authority is required to separately identify the grant monies in its full annual accounts, and shall provide these accounts to the Secretary of State if requested by her.

### **Further Information**

13. Each Authority shall supply to the Secretary of State such further information as may be required by her for the purposes of determining whether that Authority has complied with the conditions set out in this Annex.





**CAPITAL GRANT FOR IMPROVING THE CARE HOME ENVIRONMENT FOR  
OLDER PEOPLE  
DISTRIBUTION PROPOSALS 2007/2008**

**1. General**

1.1 Please provide the information requested in paragraph 2 of this return concerning the planned distribution of the capital grant.

1.2. The return should be submitted to:-

Dr Liz Jones  
Department of Health  
Room 5E58  
Quarry House  
Quarry Hill  
Leeds  
LS2 7UE

Or by email to [elizabeth.jones@dh.gsi.gov.uk](mailto:elizabeth.jones@dh.gsi.gov.uk)

**2. How to complete the form**

The instructions given below refer to the boxes/columns requiring completion by their identifying numbers.

- (1) Enter the name of the care home to be improved.
- (2) Enter the address of the care home.
- (3) Enter the category relevant to the care home:-
  - a. Provider type – local authority, voluntary, private other
  - b. Care type – nursing, personal care, or both.
- (4) Enter the capital amount to be expended on this care home.
- (5) Describe:-
  - a. the nature of the improvement to be undertaken, linking it to one or more of the locally agreed distribution criteria,
  - b. how the need for this improvement has been identified,
  - c. how the Authority will arrange for the intended improvements to be carried out (non-local authority homes only).
- (6) Describe how the intended improvements will safeguard or promote the welfare of relevant residents, i.e. what benefits will this improvement deliver.