



1. Home (<https://www.gov.uk/>)
 2. Coronavirus (COVID-19) (<https://www.gov.uk/coronavirus-taxon>)
 3. Healthcare workers, carers and care settings during coronavirus (<https://www.gov.uk/coronavirus-taxon/healthcare-workers-carers-and-care-settings>)
 4. Workforce Capacity Fund for adult social care (<https://www.gov.uk/government/publications/workforce-capacity-fund-for-adult-social-care>)
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Guidance

Annex B: grant conditions

Updated 19 April 2021

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Grant conditions

In this grant determination:

- 'a local authority' means an upper tier or unitary local authority identified in Annex A
- 'the department' means the Department of Health and Social Care
- 'grant' means the amounts set out in the ASC Workforce Capacity Fund Grant Determination 2020/21
- 'upper tier and unitary local authorities' means:
 - a county council in England
 - a district council in England, other than a council for a district in a county for which there is a county council
 - a London borough council
 - the Council of the Isles of Scilly
 - the Common Council of the City of London

The grant must only be used to deliver measures that result in additional staffing capacity for adult social care to:

- support providers to maintain the provision of safe care
- support providers to restrict the movement of staff between care homes and other care settings
- support timely and safe discharge from hospital into care settings
- to enable new admissions from the community into care services

Examples of the measures that this fund could be used for are:

- establishment or expansion of LA staff banks
- increasing the utility of existing staff by backfilling the administrative or non-regulated roles of experienced and skilled staff to free up their time to provide direct care and support
- providing new incentives for existing staff to take on additional hours, e.g. paying for childcare and overtime.
- local recruitment initiatives
- funding new training costs for new recruits or to increase productivity of existing staff
- redeployment of existing staff into new roles. This would cover LA employed staff as well as staff from other services e.g. closed day services

Local authorities are encouraged to look at other local authorities' strategies and replicate their approaches to successfully delivering additional staffing capacity (see Workforce Capacity Fund guidance). Where local authorities are already using such approaches, the funding can be used to increase the scale of activity. Local authorities may also use the grant to cover administrative and/or set up costs they incur for new measures that deliver additional staffing capacity.

The grant may be used to fund alternative approaches not specified above on the condition that such measures generate additional adult social care workforce capacity, such as employing more people, where shortages arise from COVID-related short-term workforce supply issues in adult social care.

Subject to the grant conditions being satisfied, local authorities can choose to pass some or all of their funding to care providers within the local authority's geographical area to meet unprecedented levels of staff absence due to COVID-19. If the local authority chooses to make payments to providers financed by this grant they must ensure that providers will use the funding to support genuinely new expenditure that delivers additional staffing capacity and has not already been funded by other sources of public funding.

Local authorities can use funding to deliver measures that help all providers of adult social care in their geographical area, this includes care home and domiciliary care, care providers with which local authorities do not have contracts, and organisations providing care and support who may not be registered with the Care Quality Commission (CQC). Day care, and short stay care services and supporting the capacity of the personal assistant workforce are also included.

However, if a local authority chooses to passport funding directly to a care provider, they should ensure funding is only given to a provider that is registered with the CQC. A provider is legally required to register with the CQC if it carries on a regulated activity set out in the Health and Social Care Act 2008 (Regulated Activities) Regulations.

If a local authority chooses to transfer funding to a CQC registered care provider they should ensure that funding is allocated on condition that:

- the recipient care provider uses it for new expenditure that delivers additional staff capacity and has not already been funded by the Infection Control Fund or other sources of public funding
- the provider will return any grant amount to the local authority that is not spent on those measures
- the local authority has in place appropriate oversight of deliverables and outputs from any amount of grant passed to a provider
- the local authority has due regard to their responsibilities with respect to international agreements on subsidy control
- if requested to do so, the care provider should provide the local authority or the department receipts or such other information as they request to evidence that the funding has been spent in accordance with the measures above
- if requested to do so, the care provider should provide the department or the local authority with an explanation of any matter relating to funding and its use by the recipient as they think necessary or expedient for the purposes of being assured that the money has been used in an appropriate way in respect of those measures

The grant must not be used for fee uplifts, expenditure already incurred or activities for which the local authority has earmarked or allocated expenditure or for activities which do not support the primary purpose of the Workforce Capacity Fund which is to deliver additional staffing capacity. This means the grant cannot be used on non-staffing capacity expenditure – for example, isolation pay

To be compliant with the conditions of this fund a recipient local authority must:

- only use the funding to support measures that deliver additional staffing capacity to address COVID-related workforce supply issues in adult social care. This includes the measures set out above and can include passing some or all of the funding to care providers, subject to the grant conditions above being satisfied

- ensure that any payments to care providers are made on condition that it is used for measures that deliver additional staffing capacity. The provider should return any grant amount to the local authority that is not spent on those measures
- report on their spending as outlined in the Reporting Section below. This includes providing the department with a report by 12 February 2021 confirming the local authority's plan for spending the grant, including a breakdown of activity and costs that cumulatively add up to the full amount of grant allocated to the local authority
- provide the department with a return by 17 May, certifying that their reported expenditure from this grant has been spent in compliance with the grant conditions

If a local authority has any grounds for suspecting financial irregularity in the use of this funding, it must notify the department immediately, explain what steps are being taken to investigate the suspicion and keep the department informed about the progress of the investigation. For these purposes 'financial irregularity' includes fraud or other impropriety, mismanagement, and the use of grant for purposes other than those for which it was provided. The local authority must take all reasonable steps to recover the money that has been misspent.

Reporting

Local authority reporting requirements

Local authorities are required to provide the department with 3 returns covering the information set out in annex D by the dates below. If local authorities have passed funding on to care providers, they must obtain the information they need from providers to complete the returns.

- reporting point 1: 12 February 2021
- reporting point 2: 5 March 2021
- reporting point 3: 17 May 2021

Reporting point 1

Local authorities must write to the department by 12 February 2021 confirming the local authority's plan for spending the grant, including a breakdown of activity and costs that cumulatively add up to the full amount of grant the local authority will spend for the duration of the fund. These must be submitted to the department who will review the returns on behalf of the Secretary of State for Health and Care.

We do not expect local authorities to have spent all of the first instalment before reporting point 1 (12 February 2021). However, we do expect local authorities to report on their expected expenditure and activity.

The payment of the second instalment is contingent on the department receiving these returns and being satisfied that funding will be spent in accordance with the grant conditions set out above. The report must cover the following areas:

- plan for activities to deliver additional staffing capacity

- spending plan. This should include any amounts the LA intends to passport to care providers. As set out above, if an LA passes funding directly to a care provider they should ensure funding is only given to a provider that is registered with the CQC to carry on a regulated activity set out in the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014
- additional workforce capacity expected to be delivered

A template for the return due on 12 February 2021 can be found at annex D. This should be returned to workforcecapacityfund@dhsc.gov.uk (further information can be found in the accompanying guidance).

Reporting point 2

Local authorities must submit a high-level progress report to the department by 5 March 2021. This should confirm the current activity that is being undertaken, and the outputs that have been delivered.

The progress report should cover the spend period of February. A template for the return due on 5 March 2021 will be made available. Further information can be found in the accompanying guidance.

Reporting point 3

By 17 May, local authorities will need to return a report on how they have spent this grant including the amount spent on different areas of activity and details of the activity carried out. The guidance summarises the information the department expects to collect at the end of the scheme. The local authority's S151 Officer and the Director of Adult Social Services must submit the report to the department for the full grant period (January to March). This must certify that the grant has been used for the purposes intended, as set out in this Determination. S151 Officers and Directors of Adult Social Services have been provided with a statement of assurance for their signature as per annex E.

We expect local authorities to have fully spent the funding by the end point of the fund on 31 March 2021 (and to demonstrate this at reporting point 3, due 17 May 2021). We are clear that 'spent' means that expenditure has been incurred between 16 January and 31 March 2021. This means the activity leading to the expense must have happened by 31 March 2021, so that the local authority is accruing the expense and it appears in the local authorities 20/21 accounts. Those local authorities who have not fully spent their allocation at the end of the fund will be expected to repay any unspent monies.

Financial management

A recipient local authority and providers must maintain a sound system of internal financial controls.

Local authorities must ensure that appropriate measures are put in place to mitigate against the risk of fraud. This is particularly important for local authorities who choose to pass some or all of this funding to social care providers.

A number of different public funding streams have been made available during the pandemic. Local authorities should as far as possible put measures in place to ensure this funding is not used to support activity which has already been funded by an alternative source of public funding.

If a recipient local authority has any grounds for suspecting financial irregularity in the use of any grant paid under this funding agreement, it must notify the department immediately, explain what steps are being taken to investigate the suspicion and keep the department informed about the progress of the investigation. For these purposes 'financial irregularity' includes fraud or other impropriety,

mismanagement, and the use of grant for purposes other than those for which it was provided. Examples of this include a provider falsely representing themselves as eligible for funding, or a provider using the funding for purposes outside of the grant conditions.

Before passing funding on to third parties, local authorities should assure themselves that they are legitimate recipients of this funding. To help local authorities check the backgrounds of third parties the Government Grants Management Function have waived the annual fee of their digital assurance tool, Spotlight, and made it available to local authorities until 31 March 2021. Alongside other checks conducted by local authorities, the tool can help with pre-payment, and in some cases post-payment, assurance. The Government Grants Management Function and Counter Fraud Function can offer support in using Spotlight and interpreting results. We expect local authorities to undertake additional due diligence where Spotlight highlights issues.

Breach of conditions and recovery of grant

If the local authority fails to comply with any of these conditions, or if any overpayment is made under this grant or any amount is paid in error, the Secretary of State may reduce, suspend or withhold grant payments or require the repayment of the whole or any part of the grant monies paid, as may be determined by the Secretary of State and notified in writing to the authority. Such sum as has been notified will immediately become repayable to the Secretary of State who may set off the sum against any future amount due to the authority from central government, including but not limited to the second installment of this grant.

Local authorities must submit reporting returns by 12 February, 5 March and 17 May. A template is provided at annex D for reporting point 1. These must be submitted to the department who may review the returns on behalf of the Secretary of State for Health and Care.

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