



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>)
- Department of Health & Social Care (<https://www.gov.uk/government/organisations/department-of-health-and-social-care>)

Guidance

Workforce Capacity Fund for adult social care: local authority circular

Updated 6 April 2021

Contents

Background

The grant

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This publication is available at <https://www.gov.uk/government/publications/workforce-capacity-fund-for-adult-social-care/workforce-capacity-fund-for-adult-social-care-local-authority-circular>

This circular sets out:

- allocations of the Workforce Capacity Fund for 2020/21;
- the conditions that will apply to that grant; and
- guidance intended to assist local authorities (LAs).

Background

On 18 September 2020 the government made a commitment in the adult social care COVID-19 winter plan (<https://www.gov.uk/government/publications/adult-social-care-coronavirus-covid-19-winter-plan-2020-to-2021>) to support local authorities and social care providers to maintain safe staffing levels over the winter period and to continue working with the care sector to ensure there is sufficient workforce capacity across services. The restriction of routine staff movement remains critical to managing the risk of outbreaks and infection in care homes. The emergence of a new and highly transmissible variant of COVID-19 has resulted in increased staffing shortages due to staff testing positive for COVID-19 or having to self-isolate. In addition, some people being discharged from hospital may require complex or increased social care as they recover from COVID-19 and other illnesses. To enable providers to meet these workforce challenges, on 16 January the government announced an extra £120 million funding to support local authorities to manage workforce pressures.

This funding will be paid as a Section 31 grant ring fenced exclusively for actions which enable local authorities to deliver measures to supplement and strengthen adult social care staff capacity to ensure that safe and continuous care is achieved to deliver the following outcomes:

- maintain care provision and continuity of care for recipients where pressing workforce shortages may put this at risk
- support providers to restrict staff movement in all but exceptional circumstances, which is critical for managing the risk of outbreaks and infection in care homes
- support safe and timely hospital discharges to a range of care environments, including domiciliary care, to prevent or address delays as a result of workforce shortages
- enable care providers to care for new service users where the need arises

This is a new grant, separate to the second Infection Control Fund (ICF2) and Rapid Testing Fund, which will further help the care sector respond to the challenges posed by COVID-19 and will be paid to local authorities in England.

This document is accompanied by 5 annexes (and accompanying guidance) which among other things set out the conditions upon which the grant is paid and the local authorities to whom it will be paid:

- annex A – grant determination letter (<https://www.gov.uk/government/publications/workforce-capacity-fund-for-adult-social-care/annex-a-grant-determination-letter>)
- annex B – grant conditions (<https://www.gov.uk/government/publications/workforce-capacity-fund-for-adult-social-care/annex-b-grant-conditions>)
- annex C – grant allocations (<https://www.gov.uk/government/publications/workforce-capacity-fund-for-adult-social-care/annex-c-grant-allocations>)

- annex D – reporting template (<https://www.gov.uk/government/publications/workforce-capacity-fund-for-adult-social-care>)
- annex E – statement of assurance (<https://www.gov.uk/government/publications/workforce-capacity-fund-for-adult-social-care/annex-e-statement-of-assurance>)

The grant

The 2020 to 2021 grant will be paid in two instalments:

- payment 1 – £84 million (70% of funding) by early February 2021
- payment 2 – £36 million (30% of funding) in March 2021. This payment will be conditional on local authorities having completed a return to the Department of Health and Social Care by 12 February

Grant conditions

Pursuant to section 31(4) of the Local Government Act 2003 the Secretary of State has attached conditions to the payment of the grant, which are set out in Annex B.

All funding must 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 safe and timely hospital discharges from hospital into care settings
- to enable new admissions from the community into care services

Local authorities can choose to transfer some or all of their funding to their local care providers to deliver additional staffing capacity. If a 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 staff capacity and has not already been funded by the Infection Control Fund or other sources of public funding.

Clawback provisions apply to this fund including that local authorities must repay any underspend from the fund and any amounts used for measures that do not meet the grant conditions. If the Department of Health and Social Care (the department) considers that funding has not been used in accordance with the grant conditions, it will provide local authorities with an opportunity to explain their spending. However, if the department reasonably believes spending is not in line with the grant conditions the Department may recover grant monies from local authorities. All local authorities will be allocated the first instalment of this funding in early February, according to the distributions set out in annex C.

The payment of the second instalment of the grant is contingent on local authorities having returned the reporting template in annex D to the department by 12 February specifying 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. Further information on reporting requirements can be found in the accompanying guidance. If a local authority's estimated costs amount to less than the amount of funding allocated, then the department will withhold the difference between the local authorities estimated costs and funding allocations in annex C.

Distribution of funding

Allocations of funding per local authority are attached at annex C. The department's expectation is that the grant will be fully spent on the staffing capacity measures by 31 March 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 authority's 20/21 accounts.

If there is any underspend at reporting point 1 or 3 (see paragraph below) or the department has insufficient information or evidence to demonstrate that the fund will be spent (reporting point 1) or has been spent (reporting point 3) according to the grant conditions outlined in the grant determination, 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. However, the department will only look to recover funding where it is reasonably considered that the fund has not been used in accordance with the grant conditions.

Reporting

Local authorities must distribute the money in line with this document and are required to provide three returns to the department covering the information set out in annex D and the accompanying guidance and return it by the dates below. If local authorities have passed funding on to 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

Enquiries

Enquiries about this circular should be addressed to the Department of Health & Social Care, Adult Social Care Workforce Team at workforcecapacityfund@dhsc.gov.uk.

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