



GOVERNMENT OFFICE
FOR THE NORTH WEST

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Dear Andrew

Ringfenced Grant Determination

I am pleased to enclose with this letter your Local Area Agreement Grant Determination for 2007/08. Annex A to the Determination sets out the amount of grant provided to support the delivery of projects that will contribute to the achievement of the outcomes, targets and indicators in your LAA. Annex B sets out the related terms and conditions.

Please note that Pump Priming Grant and Reward Grant are not within scope of this Determination.

Payment arrangements

For 2007/08 the LAA grant will be paid on a monthly basis through Communities and Local Government's LOGASnet system. The standard payment profile will be 12% in the first month followed by 8% in the remaining 11 months. Payments will be made on 15th of each month, or the first working day thereafter.

However, those Round 1 and 2 authorities which incur an underspend greater than 5% on their 2006/07 LAA grant will find their payments adjusted to take account of any such underspend. This reconciliation will take place after the submission of final end-year Statements of Grant Usage - audited end-year Statements of Grant Usage for 2006/07 must be provided by 1 July 2007 at the very latest - and after any applications for additional carryforward have been considered. This timing suggests that pragmatically any reconciliation will take place in quarters 3 or 4 of 2007/08. Round 3 areas are not affected by this reconciliation.

Authorities in receipt of Rural Social Community Programme should note that the first month's payment should be sufficient to make payments to Third Sector partners leading on delivery.

Reporting and Audit Arrangements





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Round 1 and 2 authorities will be aware of the issues around the timing of submission of end-year Statements of Grant Usage. All authorities should note that the Determination includes a requirement for reporting at mid-year and end-year, but that we have not stated our deadlines for submission of these reports. (A similar approach has been taken with the Forecast Outturn report.) The absence of specific dates indicates that we will be discussing with key stakeholders whether we can better align our reporting timescales with those for the publication of local authority accounts. Your Government Office will confirm both the timing and the format of the reports in due course.

However, we want to re-emphasise that the Round 3 LAA Guidance set out specific reporting arrangements in relation to those authorities who are pooling Sure Start or Children's Fund. Where Children's Fund is pooled, the Statement of Grant Usage must identify spend on preventative services for 5-13 year olds and quantify the number of children and young people receiving regular support. Where General Sure Start Grant is pooled, the Statement must identify separately spend on Sure Start Local Programmes and children's centres.

Authorities in receipt of Neighbourhood Renewal Fund will note that NRF allocations are covered by this Determination. Authorities can establish whether they are in receipt of NRF by referring to Annex A. It is our clear expectation that authorities will report on the achievement of NRF-related outcomes, targets and indicators in their LAA via the progress reports referred to at paragraph 12 of Annex B. The precise form of those reports will be notified to you in due course by your Government Office.

Revenue to Capital Flexibility

Authorities should note that paragraph 6 and Annex A specify the portion of the grant which may be used to finance revenue expenditure. It is intended to relax this requirement in accordance with advice that will shortly be issued through an addendum to this letter.

Other Flexibilities

Round 1 and 2 authorities should note that we have also reduced the requirements around reporting records and asset registers. In both instances the scope of the condition has been revised so that only covers direct expenditure by the lead local authority, not expenditure by partners.

Recovery of Grant

Paragraphs 27 to 29 in Annex B to the Determination contain provisions about the recovery of grant in certain circumstances. However, authorities should note that there is no power for the Minister to require the *repayment* of grant in whole or in part in the situation where there is unsatisfactory progress with the achievement of the outcomes, targets and indicators in their LAA.

Contact Details

If you have any questions on these or other issues please contact Phillip Lomas, Regional Finance Manager, on 0161 952 4496 or by email at phillip.lomas@gonw.qsi.gov.uk.

Gail Porter