

## **THE OLDHAM METROPOLITAN BOROUGH COUNCIL LOCAL AREA AGREEMENT GRANT DETERMINATION 2007 No 31/830**

The Minister of State for Local Government ("the Minister of State"), in exercise of the powers conferred on him by section 31 of the Local Government Act 2003, makes the following determination:-

### **Citation**

- 1) This determination may be cited as the Oldham Metropolitan Borough Council Local Area Agreement Grant Determination 2007 No 31/830.

### **Purpose of the grant**

- 2) The purpose of the grant, except for the Neighbourhood Renewal Fund element of the grant, is to provide support to Oldham Metropolitan Borough Council ("the authority") towards eligible expenditure as defined in paragraph 3 of Annex B to this Determination.
- 3) The purpose of the Neighbourhood Renewal Fund element of the grant is to provide support to the authority, to enable it, in collaboration with the [insert LSP name] Local Strategic Partnership, to improve services in its most deprived areas.

### **Determination**

- 4) The Minister of State determines that a maximum amount of grant of £14,158,826, as detailed in Annex A will be paid to the authority in 12 monthly instalments.
- 5) Where part of the grant is identified as being grant for capital expenditure in Annex A, that part shall be used to finance capital expenditure<sup>1</sup> only.
- 6) Where part of the grant is identified as being grant for revenue expenditure in Annex A, that part shall not be used to finance capital expenditure.

### **Treasury consent**

- 7) Before making this determination, the Minister of State obtained the consent of the Treasury.

### **Grant conditions**

- 8) Pursuant to section 31(4) of the Local Government Act 2003, the Minister of State determines that the grant (except for the Neighbourhood Renewal Fund element of the grant) will be paid subject to the conditions in Annex B. The Neighbourhood Renewal Fund element of the grant will not be subject to conditions.

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<sup>1</sup> "Capital expenditure" has the meaning given by section 16 of the Local Government Act 2003.

**Signed by authority of the Minister of State for Local Government**

A handwritten signature in black ink, appearing to read 'Alan Riddell', with a long horizontal flourish underneath.

**Alan Riddell  
Director Local Development and Renewal  
Department for Communities and Local Government  
26 April 2007**

A Senior Civil Servant within the Department for Communities and Local Government

## **ANNEX A**

### **AMOUNT OF GRANT**

The amount of grant to be paid under this Determination, which is a maximum of £14,158,826 is divided into the following blocks:

	Total amount of grant in block £	Amount of grant in block for capital expenditure £	Amount of grant in block for revenue expenditure £
Children and Young People Block	£7,145,621	£0	£7,145,621
Healthy Communities & Older People Block	£0	£0	£0
Safer & Stronger Communities Block	£1,690,311	£336,511	£1,353,799
Economic Development Block	£0	£0	£0
Neighbourhood Renewal Fund	£5,322,894	£0	£5,322,894

## **ANNEX B**

### ***GRANT CONDITIONS***

1. In this Annex:

“LAA” means those outcomes, targets, enabling measures and funding streams, as are identified in the Local Area Agreement dated 23 March 2006, as [revised on insert date] together with the statement of involvement of the Voluntary and Community Sector and local people in the design of those outcomes and targets and the delivery of those outcomes;

“the Government Office” means Government Office for the North West;

“the authority” means Oldham Metropolitan Borough Council;

“the Minister of State” means the Minister of State for Local Government

“eligible expenditure” is given the meaning in paragraph 3 of this Annex.

“entertaining” means anything which would be a taxable benefit to the person being entertained according to current UK tax regulations.

2. Grant will only be paid to the authority to support eligible expenditure.

#### **Eligible expenditure**

3. Subject to paragraph 5 below, “eligible expenditure” means payments from the amount of grant specified against a block in Annex A, made by the authority (or any person acting on behalf of the authority) in respect of the delivery of such projects, between 1 April 2007 and 31 March 2008, as will contribute to the achievement or to exceed the outcomes, targets and indicators that block of its LAA. Of the grant monies of £14,158,826, payments of not more than 5% or £707,941 may be made in the period 1 April 2008 – 31 March 2009. Eligible expenditure does not include:

- (a) contributions in kind;
- (b) payments for activities of a political or exclusively religious nature;
- (c) depreciation, amortisation or impairment of fixed assets;
- (d) input VAT reclaimable by the authority from HM Revenue and Customs;
- (e) interest payments or service charge payments for finance leases;
- (f) gifts, other than promotional items with a value of no more than £10 in a year to any one person;
- (g) entertaining; and
- (h) statutory fines, criminal fines or penalties.

4. Should the authority achieve all agreed three year targets in any block and have remaining grant against that block, it shall use such remaining grant to exceed the targets in that block of the LAA.
5. Should the authority achieve all the agreed targets in the LAA and have remaining grant, it shall use such remaining grant to exceed any target in the LAA. In this case “eligible expenditure” means payments (other than those set out at paragraphs 3(a) – (h)), made by the authority, (or any person acting on behalf of the authority), in respect of the delivery of such projects, between 20 April and 31 March 2008, as will exceed any target in the LAA.
6. The authority shall not incur liabilities for eligible expenditure before there is an operational need for it to do so.
7. The authority shall not pay for eligible expenditure sooner than the due date for payment.
8. For the purpose of defining the time of payments, a payment is made by the authority when money passes out of its control (or out of the control of any person acting on behalf of the authority). Money will be assumed to have passed out of such control at the moment when legal tender is passed to a supplier (or, if wages, to an employee), when a letter is posted to a supplier (or employee) containing a cheque, or an electronic instruction is sent to a bank to make a payment to a supplier (or employee) by direct credit or bank transfer.

### **Allocation of Grant Funding**

9. In deciding how to allocate grant funding, the authority shall have regard to the outcomes and targets determined by the LSP set out in the LAA.

### **Statement of Grant Usage**

10. The authority shall prepare Statements of Grant Usage at six monthly intervals. The first covering the period 1 April 2007 - 30 September 2007. The second covering the period 1 April 2007 - 31 March 2008. The third covering the period 1 April 2008 – 30 September 2008, if there are payments of eligible expenditure in that period and the fourth covering the period 1 April 2008 – 31 March 2009, if there are payments of eligible expenditure in the period 1 October 2008 – 31 March 2009. The authority shall submit each Statement of Grant Usage to the Government Office by such date as the Government Office may specify. The Statement of Grant Usage shall be in such form as the Government Office may specify and shall provide details of eligible expenditure against each relevant block. Each Statement of Grant Usage shall be certified by the authority’s Chief Finance Officer that, to the best of his or her knowledge, the amounts shown on the Statement are eligible expenditure and that the grant has been used for the

purposes intended.

### **Outturn information Report**

11. The authority shall submit a report to the Government Office setting out the value of the work, financed by grant under this Determination, carried out by the authority, from 1 April 2007 to 29 February 2008, together with an estimate of the value of such work to be carried out during March 2008 where “value” shall be measured according to the authority’s accounting policies. The report shall be submitted by such date (after 29 February 2008) as the Government Office may specify.

### **Progress Report**

12. The authority shall prepare a Progress Report at six monthly intervals or at such other intervals as may be specified by the Government Office, to be submitted to the Government Office by a date to be specified by the Government Office. The Progress Report shall provide details of progress against the outcomes, targets and indicators set out in the LAA.

### **Grant Audit**

13. The authority’s Chief Finance Officer shall prepare an annual report. The report shall set out whether he has received an audit opinion from the Chief Internal Auditor that he can provide reasonable assurance that the second Statement of Grant Usage, in all material respects, fairly presents the eligible expenditure in the period 1 April 2007 to 31 March 2008 in accordance with the definitions and conditions in this Determination. The report shall be submitted to the Government Office by such date (after 31 March 2008) as the Government Office may specify.
14. A second such report will be required if either a third or a third and fourth Statement of Grant Usage are prepared in accordance with paragraph 10 above. The second such report, if any, shall be prepared by the authority’s Chief Finance Officer and submitted to the Government Office by such date as the Government Office may specify. The report shall set out whether he has received an audit opinion from the Chief Internal Auditor that he can provide reasonable assurance that the fourth Statement of Grant Usage, in all material respects, fairly presents the eligible expenditure in the period 1 April 2008 to 31 March 2009 in accordance with the definitions and conditions in this Determination.
15. The authority shall ensure that it informs the Government Office promptly of any significant financial control issues raised by its internal auditors and shall take adequate measures to investigate and resolve any reported irregularity.

16. The Minister of State may require a further external validation to be carried out by an appropriately qualified independent accountant or auditor of the use of the grant after the annual audit report(s) referred to in paragraphs 13 and 14 above have been submitted to the Government Office.

### **Financial Management**

17. The authority shall maintain a sound system of internal financial controls.
18. The authority shall take adequate measures to safeguard against fraud and theft. All cases of fraud or theft, whether proven or suspected, relating to grant paid under this determination, shall be referred to the Government Office.

### **Grant Accounting**

19. The authority shall maintain reliable, accessible and up to date accounting records with an adequate audit trail for all its eligible expenditure.
20. The authority (and any person acting on behalf of the authority) shall permit:
  - (a) the Comptroller and Auditor General or appointed representatives; and
  - (b) the Minister of State or appointed representatives;free access at all reasonable times to all documents (including computerised documents and data) and other information as are connected to the grant payable under this Determination, or to the purposes to which grant is put, subject to the provisions in paragraph 21.
21. The documents, data and information referred to in paragraph 20 are such which the Minister of State or the Comptroller and Auditor General may reasonably require for the purposes of his financial audit or any department or other public body or for carrying out examinations into the economy, efficiency and effectiveness with which any department or other public body has used its resources. The authority shall further provide such explanations as are reasonably required for these purposes.
22. Paragraphs 20 and 21 do not constitute a requirement for the examination, certification or inspection of the accounts of the authority by the Comptroller and Auditor General under section 6(3) of the National Audit Act 1983. The Comptroller and Auditor General will seek access in a measured manner to minimise any burden on the authority and will avoid duplication of effort by seeking and sharing information with the Audit Commission.

## **Fixed Assets**

23. The authority shall keep a register of its fixed assets, including all land and buildings, acquired or improved, at a cost exceeding £5,000, wholly or partly using grant provided under this determination.
24. For each fixed asset in the register the following particulars shall be shown where appropriate:
  - (a) date of acquisition or improvement;
  - (b) description of asset;
  - (c) cost, net of recoverable VAT;
  - (d) location of the asset;
  - (e) serial or identification numbers;
  - (f) location of the title deeds (where appropriate);
  - (g) date of any disposal;
  - (h) proceeds of disposal net of VAT; and
  - (i) the identity of any person to whom the fixed asset has been transferred or sold.
25. If fixed assets are sold or their ownership transferred whilst they have any economic value, the authority shall notify the Minister of State as soon as possible. The Minister of State may require the authority to repay the proceeds or an appropriate part of them, as may be determined by the Minister of State and notified in writing to the authority. Such sum as has been notified shall immediately become repayable to the Minister of State who may set off the sum against any future amount due to the authority from central Government.
26. The authority shall not allow a third party to take a charge on any fixed asset funded wholly or partly by grant paid under this Determination.

## **Breach of Conditions and Recovery of Grant**

27. If the authority fails to comply with any of these conditions, or if the authority fails to comply with paragraphs 5 and 6 of the Determination, or if any overpayment is made under this grant or any amount is paid in error, or if any of the events set out in paragraph 28 occurs, the Minister 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 Minister of State and notified in writing to the authority. Such sum as has been notified shall immediately become repayable to the Minister of State who may set off the sum against any future amount due to the authority from Central Government.
28. The events referred to in paragraph 27 are:

- (a) the authority purports to transfer or assign any rights, interests or obligations arising under this determination without the prior agreement of the Minister of State;
  - (b) any information provided in any application for grant monies payable under this determination, or in any subsequent supporting correspondence is found to be significantly incorrect or incomplete in the opinion of the Minister of State;
  - (c) it appears to the Minister of State that other circumstances have arisen or events have occurred which are likely to significantly affect the authority's ability to meet the objectives, targets or indicators set out in the LAA.
29. If the authority fails to make satisfactory progress in the delivery or achievement of the objectives, targets and indicators set out in the LAA, the Minister of State may reduce, suspend or withhold grant payments.