



GOVERNMENT OFFICE
FOR THE SOUTH WEST

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Our Ref: GDL/4/01
Your Ref:

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Dear Dr Robinson,

I am pleased to enclose with this letter your Local Area Agreement Grant Determinations for 2007/08.

There are two Determinations enclosed:

Revenue

In response to representations made by 4 star authorities a proportion of your revenue allocation is being provided on an unringfenced basis. Annex A to the Revenue Determination sets out the amount of grant provided. We expect this to be used to support the delivery of projects that will contribute to the achievement of the outcomes, targets and indicators in your LAA.

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. We expect authorities to report on the achievement of NRF-related outcomes, targets and indicators via LAA progress reporting arrangements. The precise form of those reporting arrangements will be notified to you in due course by your Government Office.

There are some specific arrangements in relation to those authorities which are pooling Children's Fund. Where Children's Fund is pooled, it is our expectation that authorities will identify spend on preventative services for 5-13 year olds and quantify the number of

children and young people receiving regular support. The precise form of those reporting arrangements will be notified to you in due course by your Government Office.

Capital

Your capital allocation is ringfenced. Annex A to the Capital Determination sets out the amount of capital 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.

We would like to draw your attention to the following conditions:

Reporting and Audit Arrangements

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.

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.

Payment arrangements

For 2007/08 the LAA grant – both revenue and capital - 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 there after.

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.

Pump Priming Grant and Reward Grant

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

Contact Details

If you have any questions on these or other issues you should in the first instance speak to your locality manager in the GO, Paul Roberts, tel no. 0117 900 1898 e-mail: paul.roberts@gosw.gsi.gov.uk.

*yours sincerely,
Richard Feward.*