

## Partnership Board – 15<sup>th</sup> June 2010

### LAA Reward Grant

The Government announced some details of the £6.2bn reduction in public expenditure on Friday last week. This included reducing the previously announced totals of LAA Reward Grant to Round 2 and Round 3 LAAs.

The Government press release says

**“LAA Reward - £125m.** The focus on reducing the deficit, whilst protecting front line services meant that the Government looked carefully at programmes such as LAA Reward and concluded that the programme should be reduced.

- Areas should continue to use the maximum allocation of reward grant detailed in the agreements as the basis for calculating reward grant payments. Areas will then receive 50% of the reward achieved on any target.
- Our approach is intended to ensure that all areas receive a fair share of the available fund and that the bureaucracy associated with finalising these payments is minimised. This will mean that areas with LAAs that ran from 2006-2009 have already submitted their claims and these were paid in the last financial year. We will accept no further claims from these areas but plan to pay 50% of the value of any targets likely to be achieved where data to support a claim was not available before Dec 2009.”

#### Proposed Response

- This appears to mean that the £1.7m Reward Grant already received by the Council on behalf of the Partnership is still available and that a claim for the two indicators where further information has been awaited to substantiate performance may be accepted and give a further £600,000. In the best case, this would mean that £2,340,506 is available and, in the worst case, that £1,705,109 is available. For the time being, it would be prudent to work to the worst case figure.
- The approach recommended for dealing with this very disappointing news is that the **reduction in grant should be spread across all of the Management Groups and Harrow Chief Executives in proportion to their original allocation approved by the Partnership Board.** Figures illustrating this approach are set out over the page. The scale of the reductions means that both **the Management Groups and Harrow Chief Executives will need to reconsider their recommendations, ideally before the end of June.**
- It is important that Management Groups and Harrow Chief Executives have the maximum discretion in re-prioritising their allocations. To ensure that this is the case, **there should be no new spending entered into from today** until after the final distribution of grant is agreed. **Where expenditure has already been incurred on projects which can no longer be accommodated within the slimmed down programme, we would like to meet these costs from within the relevant management Group or HCE**

- **allocation.** The higher the level of these costs, the less room there is for Management Groups to include projects within their allocations.
- Everyone involved has already spent many hours considering how best to use the one-off funding from the Reward Grant. It is particularly frustrating that this work will now have to be done again to accommodate such significant reductions in grant that the Partnership had earned. **The reductions mean that it will be even more important to allocate the remaining funding to achieve sustainable benefits for Harrow.**
- The **authority delegated to Harrow Chief Executives** to agree the Partnership Fund allocation continues to enable this refocusing of priorities.
- **The Board will meet again to sign off the revised management group allocations.**

### The impact of the reduction in Reward Grant

	Original Claim	Proportional Claim (£1.7m)	Proportional Claim (£2.3m)
<b>Management Groups</b>			
Adult Health and Well Being Management Group	£132,032.80	£48,094.37	£66,016.40
Children's Trust	£899,462.50	£327,638.94	£449,731.25
Sustainable Development and Enterprise	£264,065.62	£96,188.76	£132,032.81
Safer Harrow	£780,879.76	£284,443.89	£390,439.88
Community Cohesion Management Group	£264,065.62	£96,188.76	£132,032.81
<b>HCE</b>	£2,340,506.33	£852,554.73	£1,170,253.00