



23rd April 2009

Dear Colleague,

Budget Announcements - Housing

I am sure that you will have seen the key points of the Chancellor's budget announcement and the additional resources that are to be provided to kickstart development and help underpin housing growth and employment over the next few months.

We have been working, with colleagues in Communities and Local Government, in developing this package of measures and I am pleased to say that the Homes and Communities will be leading on delivery.

There are a number of elements to the proposed package:

- a set of proposals to **kickstart housing development (£400m)**. The aim of this package is to support development on sites where activity has stalled as a result of financial and market conditions. We will have a package of measures available including support for delivery of affordable housing, Homebuy Direct to support sales, and equity, infrastructure or gap finance. We will be looking to fund good quality schemes that can move ahead quickly. We expect that there will be strong interest from partners in this package and we intend to open an Expressions of Interest stage in early May;
- a **Challenge Fund for local authorities (£50m capital, £50m borrowing)** who wish to develop new build properties. We know that there is a significant appetite amongst local authorities to develop homes for social rent on local authority

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owned land. Again, we will publish details of the competition in early May;

- additional funding for **retrofitting existing stock (£85m)** to improve environmental standards and for funding low-carbon community heating schemes (**£21m**).

The intention behind the Government's announcements is to take action swiftly in these key areas we will now move quickly to launch programmes which allow you to access the funding to take schemes forward. If you have an interest in accessing new funds, I suggest that in the first instance you make contact with HCA Regional Directors in the areas in which you will make proposals.

Yours sincerely



Sir Bob Kerslake

