



Rt Hon Keith Hill MP
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Dear Liz

Allocation of Housing Capital Resources 2004/5

I am writing to thank you for the recommendations on housing capital allocations you sent me in the summer on behalf of the London Regional Housing Board. You will already know our decision on the split of resources available to local authorities and registered social landlords over the coming two years, and I was happy last week to accept your Board's recommendations on allocations to individual local authorities.

I would like to take this opportunity to record my appreciation for the work the Board has done. The Communities Plan set out a very challenging agenda. The strengthened regional role of housing and the better integration of housing, planning and economic development that this will deliver are essential to achieving our objectives. I have been impressed by the Board's commitment to the new agenda and a lot of progress has been achieved in a short space of time. I know that work is already under way to build on this, particularly in terms of including strengthening the underpinning data on needs and analysis of housing markets.


It is important that the new framework does not hamper your operation and that we provide effective support from the centre. On our behalf, the Chartered Institute of Housing has already carried out an evaluation of how the first round of the new arrangements has gone and will be issuing some Advice Notes soon. Some of the RHB submissions included requests for changes to, or raised concerns about, various aspects

of the new process. If there are any further issues that you would like to raise please take these up with Stephen Biddulph, of my Department's Affordable Housing Division in Eland House.

I am pleased that we were able to accept most of your recommendations. However, changes needed to be made to deliver our commitment to spend £1 billion on Key Worker housing - an important element of our action to improve key public services. My officials will consult the Board as the detail of the new key workers programme is developed

There were always going to be tensions in the first year of these new arrangements, but I am pleased we were able to resolve these through discussion.

Yours sincerely,

A handwritten signature in black ink that reads "Keith Hill". The signature is written in a cursive, slightly slanted style.

KEITH HILL