

Annie Shepperd
Chief Executive
Southwark

17 February 2011

Dear Annie,

Decent Homes Backlog Funding Allocations

I am writing to inform you of the outcome of your bid for Decent Homes Backlog funding.

The HCA received bids from 70 council landlords. The bids received had a total value of £2.7bn, against the available budget of £1.6bn, and a relatively even profile of proposed expenditure, against the rising profile of the CSR settlement. We have therefore had to conduct a thorough assessment of the bids, in consultation with DCLG and the Mayor for London, and make some difficult decisions in order to create a programme within the annual budget limits, which has been endorsed by the Housing Minister. Decisions were guided by the criteria set out in our *Invitation to Bid*, that is:

- need for investment
- value for money and affordability
- capacity to deliver
- dependent match funding
- demonstrated lower costs through early spend.

Most landlords are funded at a reduced level from their bid, or with a delayed profile. Twenty four authorities which submitted a bid have not been funded. Only those authorities which have made a strong case for investment need, proposed an affordable profile, and built in significant savings or excellent value for public expenditure will receive funding close to their bid.

Following assessment we are making the following allocation to your authority:

2011/12	2012/13	2013/14	2014/15	Total
£ .00	£11,250,000.00	£15,000,000.00	£50,693,599.00	£76,943,599.00

A list of all the allocations made is available on our website at <http://www.homesandcommunities.co.uk/decenthomes>.

Allocations for 2011/12 and 2012/13 are committed expenditure. As outlined in the *Invitation to Bid* this will be paid through the HRA in 2011/12 and as a downward adjustment to your opening Self Finance debt in 2012/13.

Allocations for 2013/14 and 2014/15 are provisional. Confirmation of these amounts depends on successful delivery by organisations in 2011 -13, the continuing availability of capital resources for the programme, and policy decisions of Government and, as appropriate, the Mayor for London. We note that landlords may wish to revise their case for funding as the impacts of Self Financing become clearer. We recognise that appropriate certainty over capital funding for Decent Homes Backlog works is an important issues for authorities in taking up the new Self Financing settlement.

Allocations for 2013 -15 will be confirmed as part of that settlement. We have noted where bidders applied for funding beyond 2011-15.

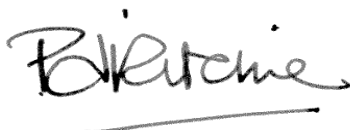
If your bid included a case for funding on specific elements of stock (using the Worksheet G facility), the allocation above includes any investment made for that stock. It will be up to you to decide how to apply the funding received. However, we would be happy to discuss with you how the allocation was derived from your main bid and Worksheet G elements. Funding has been made available for capital works that help stock to reach the Decent Homes Standard; it should not be used for other purposes (for example where stock is already at that Standard).

My staff will be in contact with you shortly to discuss confirming your profile of homes to be made decent through this allocation and future monitoring arrangements. We will want to ensure consistency, and avoid duplication, with BPSA data collections. In cases where bidding authorities noted inaccuracy in their BPSA reports we are holding a note of revised numbers, as will have been discussed with you.

We understand that the amount of available funding will not be sufficient to eliminate the Decent Homes Backlog in local authorities, and that the recently published details of the Self Financing settlement will impact in different ways in different places. If you wish to discuss your allocation, or continuing issues with aspects of your stock, please contact the HCA Executive Director for your area, David Lunts (David.Lunts@hca.gsx.gov.uk).

Decent Homes Backlog allocations reflect a commitment to delivering decent homes within a tight fiscal context. Whilst investment is constrained, the potential to improve the housing and lives of tenants remains. Both Government and individual council landlords will be looking to make the most efficient and effective use of the capital funding available. The HCA will act to support you in this by sharing best practice in procurement, and encouraging transparency over costs. We hope that we can work with you in delivering a successful programme, and if there are aspects of delivery you wish to discuss, please contact us.

Yours sincerely,



Pat Richie
Chief Executive

Cc: Gerri Scott;