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Dear colleague

We are writing to up-date you on progress towards developing a new programme for private sector renewal, regeneration and mixed communities to be launched in April 2009. Firstly, however, we would like to thank colleagues who took the time to respond to the questionnaire we sent you earlier in the year. The findings show that local authorities are engaged in a wide range of private sector housing activity across the region, providing a firm foundation for the new programme to build on.

The new programme will comprise three elements:

- Bid-based programme
- Formula-based
- Regional loan/equity release

It has been developed with the region's Private Sector Working Group and agreed by EERA's Housing & Sustainable Communities Panel (HSCP), which performs the functions of the Regional Housing Board in the East of England.

Bid-based programme

Government's expectations are that funding streams are co-ordinated and aligned to maximise the effectiveness and impact of resources. To this end, the aim of the bid-based programme is to achieve outcomes that contribute to tackling and preventing non-decency of private sector homes as well as the broader regeneration and mixed communities agenda. The main features of the bid-based programme are as follows:

- A total indicative pot of £25m over two years
- The funding available for this programme cannot support projects that would normally be funded through the National Affordable Housing Programme, Gypsy & Traveller Site Grant or displace other funding streams
- All bids must be led by a local housing authority
- Partnerships, particularly across local authority boundaries, will be encouraged but individual local authority bids will not be excluded

- Two-stage process: expressions of interest will be invited in order to eliminate weaker bids unlikely to be supported.

The indicative timescale, incorporating an expressions of interest' process, is as follows. It is based on an "end" date of mid September, the point at which EERA understands it may be required to provide advice to Ministers in respect of allocations for 2009-10.

w/c 19 th May	Invite expressions of interest
16 th June	Close expressions of interest process
18 th July	Invite full bids
29th August	Close bidding process

Formula-based

The HSCP agreed that an element of formula-based allocation to all local authorities should be retained in order to support continuity. In particular, it is intended to dampen the risk of some local authorities, particularly those areas with high levels of non-decency, receiving proportionately less in funding through the bid-based programme than at present. The indicative funding available for the formula-based element is £8.909m over two years and allocations will be derived from the Ready-Reckoner.

Regional loan/equity release scheme

Government also expects that sub-regional or regional partnerships are formed to offer loan/equity release packages. However, the experience of other regions shows that the development of loan/equity release schemes is a complex and time consuming process requiring extensive legal and financial expertise which has implications for delivery within the 2008-11 period.

The HSCP agreed, therefore, that bids to pilot a loan/equity release scheme on a partnership basis should be invited as part of the bid-based programme, whilst work continues on exploring opportunities for developing a regional loan/equity release scheme.

The new programme aims to achieve a balance between supporting continuity whilst trying to meet Government expectations of greater co-ordination and alignment of funding streams, and partnership approaches to loan/equity release schemes. It does, therefore, have the scope to support a broad range of activity. In particular, may we take this opportunity of encouraging you all to submit bids to the new bid-based programme when it is launched next month.

If you have any questions or require further information, please contact Lurna Compton, Regional Housing Officer, EERA at Lurna.compton@eera.gov.uk (01284 729418).

Yours sincerely



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