



Department for
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Thank you for your letter of 20 May, following our discussion at the LGA Environment and Housing Board on 14 May. I found the discussion very useful and as you say in your letter, it demonstrated the appetite among local authorities to deliver more housing and to think creatively about the future of housing finance.

As you know, it is still some weeks until the outcome of the Spending Round process is announced. In our discussion, I explained that while I fully agree that local authorities should be ambitious and should aim to build more new homes, the Government remains very strongly committed to the aim of reducing public borrowing. In that context, I suggest that it would be most helpful for local government to consider how best it can support new housing supply through innovative working with the private sector. I know that some authorities are already working on ideas such as joint ventures, and many are looking at how to make the best use of available local authority land. I would be very interested to learn more about the work along these lines that local authorities are doing across the country, and to consider what steps Government could take to help.

On the other points you raise for further discussion, I am very happy to consider any further information or proposals you have to put forward. We are of course in dialogue with local government on older people's housing, for example DCLG is represented on the Association of Directors of Adult Social Services' Housing Policy Network. In addition, I intend chairing a roundtable on older people's housing in the near future and I will be inviting a local government representative to attend. I have also asked my officials to contact you to see if there are other potential avenues of communication which we can explore.

Finally, I would also like to raise the issue of the New Homes Bonus with you. I am aware that the Bonus featured in your Spending Round overview document, and that you are supportive of the evaluation of the Bonus we are carrying out this financial year, and that was referred to in the National Audit Office's recent study of the Bonus. I would like to invite you to nominate a LGA official that my officials can liaise with in taking forward the evaluation. If you would like to take up this opportunity please send details to Andrew.lynych@communities.gsi.gov.uk.

MARK PRISK MP