

Our ref: JEC/JM

6 November 2007

Rt Hon Nick Brown MP
1 Mosley Street
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Spending Review 2007 and BNG Resources 2008-2011

I am writing following our discussions earlier in September about SR 2007 and Housing Market renewal Funding. As you know, Ministers announced last month that there would be £1BN for the HMR programme over the next three years. Our next task is to ensure that a fair share of resources comes to Tyneside and we have made public our intention to bid for £105M over the period.

The submission of Housing Market Renewal Pathfinder business plans took place last week and I enclose a copy of the BNG Business Plan (which will remain confidential until we know Ministers' decisions in January) and the accompanying document 'The Changing Place'.

'The Changing Place' reflects the six month strategic review we have undertaken to look in detail at what is changing in each of our intervention areas and how we need to adapt investment priorities to fulfil our vision of creating great places to live. The findings are reflected in our Business Plan with its bid for £105M over the next three years.

We are also publishing separately the results of groundbreaking research carried out for us by Glen Bramley of Heriot Watt University, and who is also a Board Member of the National Housing and Planning Advice Unit, looking at an impact assessment of a 'high intervention' new build and regeneration programme on affordability, poverty rates in local neighbourhoods and the results of the integration of economic and housing programmes. This important work has been the background to the 'New Growth Point' bid recently submitted to CLG by Newcastle and Gateshead Councils and BNG.

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The Audit Commission is assessing the Business Plan submissions for CLG and we know that we have been assessed as 'performing strongly', the highest classification. The Commission is also grading investment need for each of the Pathfinder areas and its assessment is classified as strong, significant, moderate or minimal. In BNG's case the current classification is significant, the second highest classification, subject to confirmation once the detailed Business Plan has been scrutinised.

We are very confident that BNG will be able to make effective use of new resources over the next three years, significantly enhance our growing delivery rate and secure increased private resources, as well as maintain our recognised track record of community engagement in neighbourhood change.

The key question for us is how to ensure the resources arrive. I know you will be discussing this with your colleagues and we would be very happy to provide you with further information if that would help. Iain Wright MP, Parliamentary Under Secretary, is leading Ministerial scrutiny and the Pathfinder Chairs are seeing Yvette Cooper on 4 December to discuss the programme further.

Please let me know if you require any further information.

Yours sincerely

Jim Coulter
Chair, Bridging NewcastleGateshead