



Cllr Keith Wakefield
Leader, Leeds City Council

Cllr Andrew Waller
Leader, City of York

Cllr Mehboob Khan
Leader, Kirklees Metropolitan Council

Cllr Ian Greenwood
Leader, City of Bradford Metropolitan District Council

Cllr Andrew Carter
Chair, Leeds City Region

(Sent by email)

Dear Cllr Wakefield, Cllr Waller, Cllr Khan, Cllr Greenwood and Cllr Carter

As part of the review of programmes which the Coalition Government has inherited, I am writing to authorities who have had a proposed award of eco-town funding to outline some of our thinking, and my review of spending commitments, and to ask for your response.

I am clear that to restore a good supply of new housing and to achieve higher standards of sustainability and innovation requires a fundamental rethink of how we go about this. Top down targets have been shown not to work – we now have the lowest housebuilding in peacetime since 1924. I want to replace this with new powerful incentives and ownership for the local community, making sure that there is real support for major new developments and that the community has helped to shape them. We have announced our intention to implement rapidly the commitment to abolish Regional Strategies and return decision making powers on housing and planning to local councils. The Localism Bill, announced in the Queen's speech will include this and other measures to shift power back into the hands of individuals, communities and councils and give local communities a real share in growth.

Critical to this new approach will be 3 new elements:

- (i) Putting the local community in the driving seat – giving real power to local people to control the way in which villages, towns and cities develop;
- (ii) Rewarding local communities so that development occurs where people see that building new homes is of direct benefit to them in terms of jobs, improving affordability and investment in the existing community and the infrastructure it needs;
- (iii) Creating a strong and well considered local plan, locally determined, which provides enough jobs and homes to meet the aspirations of the area.

Rt Hon Grant Shapps MP
Minister for Housing and Local Government

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To ensure that there is real local leadership and engagement, Government needs to step back - to support, not direct and to enable, not specify. I do want to support communities in their wish to adopt higher standards of sustainability and design and to enable them to decide what additional standards are appropriate, but I also want to see eco-development and zero carbon homes at all levels – the home, the street, the village and across the country not just in a small number of selected eco-towns.

My priority is to see that plans are well supported locally and will achieve genuine improvements in sustainability. As with any large scale sustainable housing growth and similar types of innovative development, Government will look to provide support, but we will not designate or impose a solution on a particular area, rather support an eco-town if the local community support it.

I have reviewed the resources available for eco-towns in the light of our deficit reduction priorities. We are clear that deficit reduction and ensuring economic recovery, is the most urgent issue facing Britain to maintain the confidence of both the financial markets and the wider economy. In this context, it is fair that Local Authorities make a contribution to savings in 2010-11 which will enable Government to take immediate action to tackle the UK's unprecedented deficit in this financial year. The need to act quickly and the wider pressures on the housing budget means that difficult decisions have had to be made about reducing grants due to be paid to local government.

Taking these factors into account, I am reducing the awards payable in 10/11 to authorities by 50%. Awards will be subject to achievement of milestones, and completion of a value for money and sustainability audit on projects. Additionally I want to ensure that localism is a real feature of these schemes. Before releasing this funding therefore I would be grateful if you could let me have details of your programme for engaging the community on the development and enabling it to help shape its character. This is vital for the new approach we have outlined and I would want to have a view from your local MPs on whether this process is working well and fairly across all sections of the community.

I appreciate that these are long term projects. Going forward there will be additional support as I have proposed via a powerful housing incentive match funding scheme Council Tax match funding on every new home built and a higher rate for every new affordable home.

I want to make clear that my role will be supportive on the provision of new housing and particularly the most sustainable housing, providing it meets the criteria we have set out – and I look forward to working with you on this new approach.

I am also copying this letter to the Members of Parliament for the relevant area.

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

GRANT SHAPPS MP