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Chief Executives, Chief Finance Officers and
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Other Interested Parties

RECEIVED

29 OCTOBER 2001

08 NOV 2001

Dear Sir/Madam

CHIEF EXECUTIVE
CITY OF SALFORD

**LOCAL GOVERNMENT PRIVATE FINANCE INITIATIVE (PFI):
PROVIDING ADDITIONAL SOCIAL HOUSING AND MAKING LOCAL AUTHORITIES
MORE ACCESSIBLE TO THE PUBLIC**

This letter invites outline proposals from local authorities who wish to pursue PFI projects aiming to sign contracts by the end of the financial year 2003/04, and who wish to receive central government support in the form of PFI credits, for the following two categories of scheme:

1. Additional social housing

Additional social housing in the local area in the form of long-term (25-30 years) service contracts with RSLs, with new build or acquisition and refurbishment, and continuing management and maintenance. These PFI projects would be accounted for in the General Fund. DTLR would particularly welcome proposals for joined up housing and social services schemes, especially those with the aim of preventing social exclusion and creating more sustainable communities. Examples of this type of scheme might include offering a comprehensive package of housing and support for older people, adults with learning disabilities or vulnerable young people. We would also consider proposals for affordable general needs housing in areas of particularly high demand.

2. Making local authorities more accessible to the public

Improving accessibility of information and services to local communities, integrating the provision, both across the authority and with other agencies. The Department would particularly welcome proposals for what are often called "one-stop shops" or joint service centres, ie conveniently located shop-style premises offering a range of facilities under one roof. Authorities may also submit schemes for providing or improving other kinds of council facilities in which interaction with the public takes place (eg general reception areas). Information and communication technology and/or office accommodation may be included, but only insofar as they directly support public interface areas. The emphasis should be primarily on enhanced face-to-face communication with the public and schemes will be judged mainly upon the effectiveness with which they achieve that objective.

Outline proposals must be received by DTLR by **14 January 2002** (address below) and should be submitted in the format specified in the attached guidance (Annex I for social housing, Annex II

for 'one-stop shops'). Joint housing and social services schemes will also be assessed by the Department of Health. 'One-stop shops' are also likely to require some assessment by other departments. We hope to make decisions on which proposals might go forward by the end of March 2002.

Authorities whose projects are selected at this first stage will then need to be invited to prepare a Outline Business Case (OBC) for consideration by the inter-departmental Project Review Group (PRG). PRG must endorse all local government PFI projects in line for central government support before they proceed to competition.

We expect that demand for PFI credits will outstrip supply. Our purpose in inviting outline proposals at this first stage is to minimise the time and effort authorities spend on developing projects which do not ultimately receive support, because of funding constraints. We are concerned, however, to ensure that estimates of the likely level of PFI credits required to support projects are as accurate as possible. We are therefore asking applicants to carry out some value for money analysis.

Further initial advice and informal support in developing proposals can be obtained from the 4Ps at www.4ps.co.uk (Telephone 020 7472 1550). Please also do not hesitate to contact the DTLR staff identified in the attached guidance if you have questions.

Outline proposals should be e-mailed by 14 January 2002 to:

Social housing: Marianne Croker, address Marianne.Croker@DTLR.gsi.gov.uk. In addition please send two hard copies by the same date to Marianne Croker, DTLR, 2/E2 Eland House, Bressenden Place, London SW1E 5DU.

'One-stop shops': Rosalind Kendler, address Rosalind.Kendler@DTLR.gsi.gov.uk.
Hard copies are not required.

Yours sincerely



SIMON OLIVER