

# Ministry of Housing, Communities and Local Government

## Supplementary Estimate 2019-20: Estimates Memorandum

### 1. Overview

Supply Estimates are the means by which the Government seeks authority from Parliament for its own spending each year. The Supplementary Estimate is the annual process through which the Ministry of Housing, Communities and Local Government (MHCLG) can make budget changes to Voted Supply (to reallocate, reduce or increase budgets) before seeking agreement from Parliament to these changes.

This memorandum for 2019-20 provides the Housing, Communities and Local Government Select Committee with details of the strategic overview and objectives of the Department along with a summary of the key budgets that will enable the Department to meet these objectives. The memorandum explains the changes made to the Department's budgets through the Supplementary Estimate and provides explanation for why these changes have been made.

#### 1.1 Objectives

MHCLG's objectives, as set out in its published Single Departmental Plan, are as follows:

1. Deliver the homes the country needs
2. Make the vision of a place you call home a reality
3. Support local government to deliver high quality services with sustainable finances
4. Create strong communities, socially, economically and a sense of place
5. Secure effective support for those affected by the Grenfell Tower disaster, delivering the changes this tragedy demands and ensuring people are safe and feel safe within their homes
6. Support a smooth exit from the European Union
7. Maintain MHCLG as a great place to work

The budgets held by the Department and the expenditure that is undertaken are in support of these objectives. Details of the spending that relates to each objective is given in Section 3.

## 1.2 Spending controls

MHCLG's spending is broken down into several different spending totals, for which Parliament's approval is sought.

The spending totals on which Parliament votes are:

- **Resource Departmental Expenditure Limit (Resource DEL or RDEL)** – this budget covers current expenditure and comprises two distinct types of budgets:
  - *Programme budgets* which fund the current expenditure of delivering programmes (e.g. the legal costs associated with capital grant programmes) and;
  - *Administration budgets* which fund the costs of running the Department (and its arm's-length bodies) including accommodation and pay.

MHCLG is unusual among Government Departments in that it has two Resource DEL budgets. These are to cover the Department's core function (the 'Communities' budget) and those which are delivered through local authorities (the 'Local Government' budget).

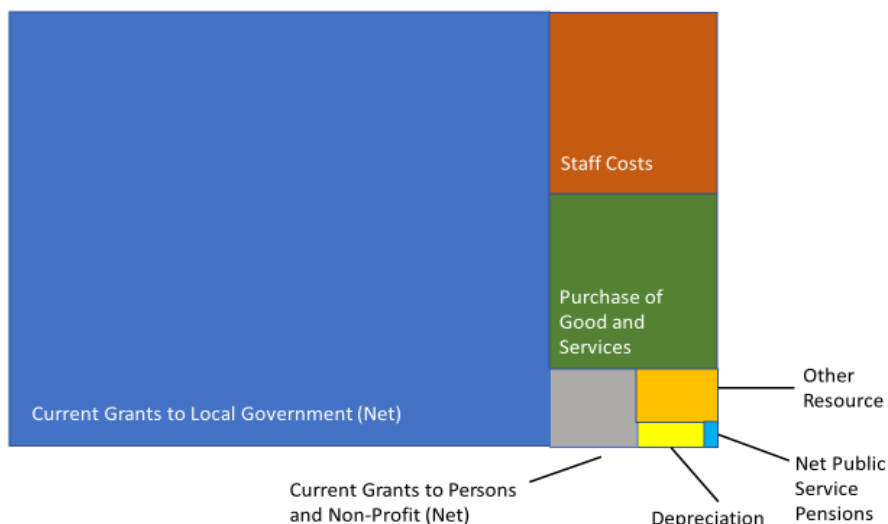
- **Capital Departmental Expenditure Limit (Capital DEL or CDEL)** – this budget covers expenditure on assets, investment and capital grants and comprises two distinct types of budgets:
  - *Capital grant budgets* which fund capital costs of delivering programmes and;
  - *Financial transaction budgets* which fund programmes that provide financial instruments such as loans or purchase of equity.
- **Resource Annually Managed Expenditure (Resource AME or RAME)** – this budget covers current expenditure that is inherently volatile or demand-led meaning that Departments do not always have the ability to manage spending, for example, impairments, provisions and pension scheme movements.

In addition, Parliament votes on a net cash requirement, designed to cover the elements of the above budgets which require MHCLG to pay out cash in year.

### 1.3 Main areas of spending

The graphics below shows the main components of MHCLG’s proposed budget for the current year. They also show the proportions of funds spent on its main activities.

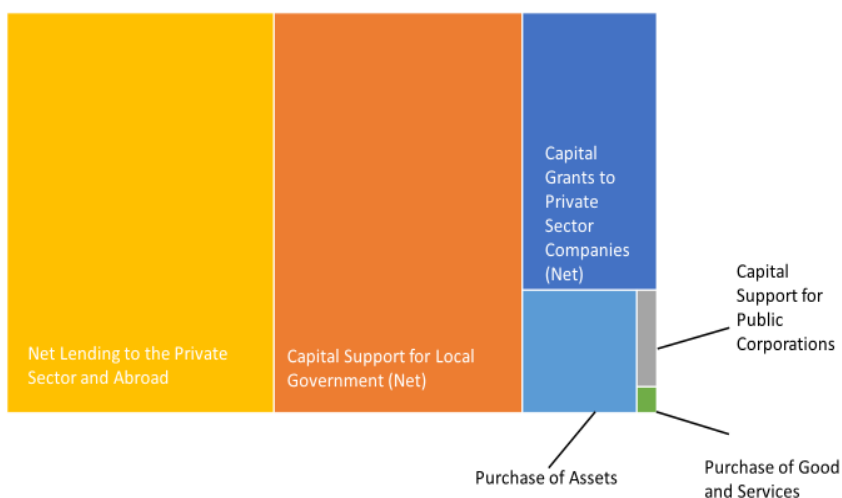
#### 1. Communities Resource DEL (Programme and Administration): Total budget £2.8 billion, 2019-20



#### 2. Local Government Resource DEL: Total budget £5.2 billion, 2019-20

The totality of Local Government DEL Resource budget (£5.2 billion) is spent on current grants and payments to Local Government.

#### 3. Capital DEL (Grants and Financial Transactions): Total budget £8.6 billion, 2019-20



## 1.4 Comparison of spending totals sought

The table below shows how the totals sought for MHCLG at Supplementary Estimate 2019-20 compared with Main Estimate 2019-20 budgets and final outturn in 2018-19.

Spending total Amounts sought this year (Supplementary Estimate 2019-20) £ million		Compared to original budget this year. (Main Estimate 2019-20)		Compared to final outturn last year (Outturn 2018-19)	
		£ million	%	£ million	%
		Resource DEL (Communities)	<b>£2,847</b>	+£246	+9%
Resource DEL (Local Government)	<b>£5,186</b>	(£20)	(0%)	+£352	+7%
Capital DEL	<b>£8,585</b>	(£2,102)	(20%)	+£1,161	+16%
Resource AME	<b>£19,686</b>	+£632	3%	(£1,701)	(8%)

## 1.5 Key drivers of spending changes since last year

### Communities Resource DEL

#### **Compared to original budget this year (Main Estimate 2019-20)**

The Department's Resource DEL budget at Supplementary Estimate is £246million (9%) greater than the Main Estimate set earlier this financial year bringing our total planned expenditure to £2.8 billion.

The majority of the increase (£217 million) can be attributed a reserve claim made through the Supplementary Estimate following a change in budgeting (as determined by HM Treasury) as a result of the introduction of a new accounting standard in respect of financial instruments – IFRS 9. The size of the Department's financial instrument portfolio means that this budgeting change has had a significant impact and therefore HM Treasury have agreed to provide further budget cover in this respect.

A portion of our Resource DEL budget relates to the Department's administration budget; of the overall budget, the administration budget amounts to £294 million, an increase of £16.3 million since Main Estimate. More details on this year's spend and how it compares to previous years can be found below in Section 1.8.

More detail can be found on the changes made to both our administration and programme budgets in Table B which is an annex to this document.

### **Compared with final outturn last year (Outturn 2018-19)**

The Department's Communities Resource DEL budget at Supplementary Estimate 2019-20 is £519 million (22%) higher than final outturn in 2018-19.

As noted above, £217 million of this variance can be attributed to the IFRS 9 budget that has been sought from HM Treasury. The Department is also planning to spend significantly more (£302 million) on delivering our strategic objectives in 2019-20, including an additional £102 million on Voluntary Right to Buy, £36 million on Homelessness and Rough Sleeping and £30 million on the Towns Fund when compared to outturn in 2018-19.

### **Local Government Resource DEL**

#### **Compared to original budget this year (Main Estimate 2019-20)**

The Local Government Resource DEL budget has decreased by £20 million compared with Main Estimate in 2019-20. This decrease is primarily made up of the surrender of DEL to fund the City of London offset and unused budget allocated to Safety Net on Account payments.

#### **Compared with final outturn last year (Outturn 2018-19)**

At the Supplementary Estimate 2019-20, the total DEL budget sought is £352 million higher than final outturn in 2018-19 primarily due to an increase of £450 million relating to Business Rate Reliefs and £580 million of Social Care grants offset by the decrease in Revenue Support Grant.

### **Capital DEL**

The Department's capital budgets can be split into two areas 'Capital Grant' and 'Capital Financial Transactions' where we have budgets of £4.7 billion and £3.9 billion respectively.

#### **Compared to original budget this year (Main Estimate 2019-20)**

The Department's Capital DEL budget at Supplementary Estimate 2019-20 is £2.1 billion (20%) lower than the budget allocated at Main Estimate 2019-20.

*Capital Financial Transactions* - £1.8 billion of the reduction can be attributed to this budget which covers the demand-led Help to Buy Scheme and other programmes including the Home Building Fund which generate income that can be recycled to fund further spending. Market conditions in 2019-20 have meant that demand has not been as strong for the Help to Buy scheme as has been expected when original budgets were set in the Spending Review 2015 (and through subsequent fiscal events). Income generating programmes have also over-achieved on their original income budgets meaning that the Department has been able to self-fund to a greater extent and is able to return budget back to HM Treasury. Overall, £1.8 billion of Financial Transaction budget has been surrendered.

*Capital Grant* – The Department's capital grant budget has reduced by £295 million since Main Estimate 2019-20, this is mainly due a reprofile of £283 million of budget into 2020-21 which allows our budgets to better align with delivery plans.

More detail can be found on the changes made to programme budgets in Table B which is an annex to this document.

### **Compared with final outturn last year (Outturn 2018-19)**

The Department is planning to spend £1.2bn more in 2019-20 than was spent in 2018-19.

The difference can be predominantly attributed to the Department's capital grant budgets where Department continues to spend more in support of the Government's housing agenda. 2019-20 plans include spending an additional budget on programmes including Affordable Homes Programme (£945 million), Brent Cross Development (£89 million), Housing Infrastructure Fund (£88 million), and Cladding Remediation (£65 million) compared with 2018-19.

### **Resource AME**

#### **Compared to original budget this year (Main Estimate 2019-20)**

The AME budget has increased by £632 million from Main Estimate 2019-20. This change is largely driven by payments relating to Business Rate reconciliations from 2018-19 and a contingency for changes occurring after the Supplementary Estimate is finalised.

#### **Compared with final outturn last year (Outturn 2018-19)**

The AME budget has reduced, largely due to a reduction in the locally retained share of business rates. This follows the introduction of a new 75% Business Rates Retention Pilots scheme this year which replaces the 100% Business Rates Retention Pilots scheme for 2018-19.

## **1.6 New policies and programmes; ambit changes**

The ambit is a description of the services or purposes to which expenditure and income are to be put in respect of each of the relevant budget control total.

An additional line has been added to the income arising in Housing and Communities Resource DEL budgets, relating to potential financial contributions from donors, including individuals and trusts, towards the construction and management of the Holocaust Memorial and Learning Centre. The revised paragraph now includes:

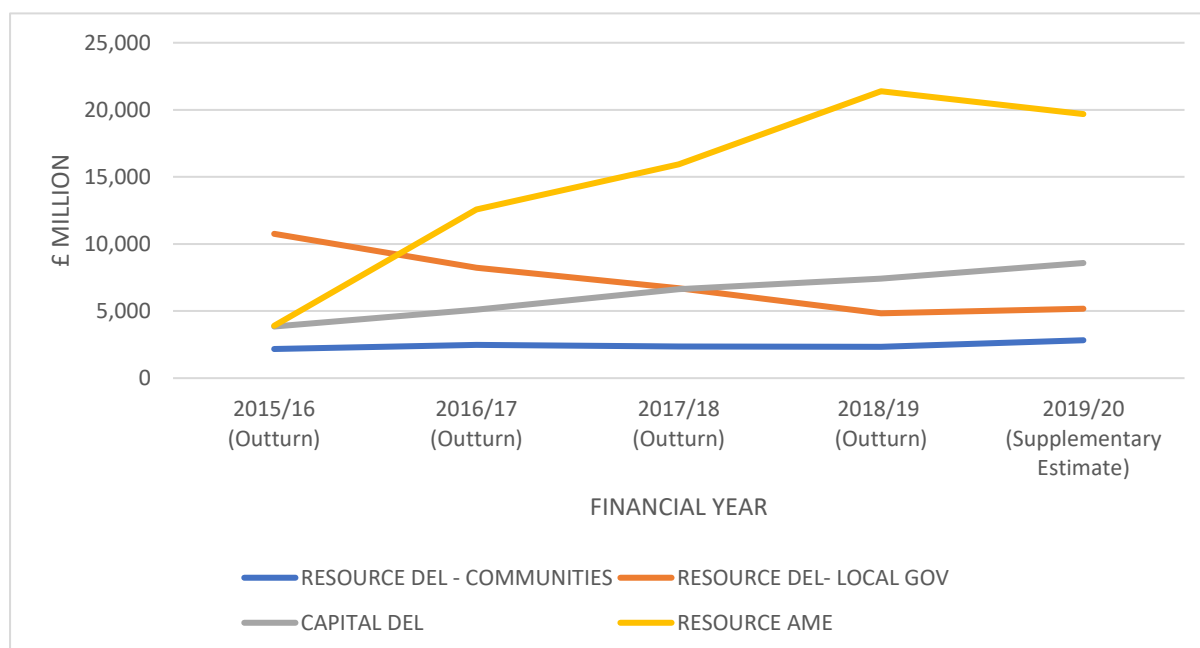
“Philanthropic donations towards the construction and management of the Holocaust Memorial and Learning Centre”.

An additional line has been added to the income arising in Local Government Resource DEL budgets, relating to financial support to local authorities and specified bodies including grant payments; including Business Rate Relief Measures. The revised paragraph now reads as follows:

“Financial support to local authorities including Business Rate Relief Measures and other grants”.

## 1.7 Spending trends

The chart below shows overall spending trends for the last four years and plans presented in the Supplementary Estimate for 2019-20.



### Communities

Overall, spending on Communities RDEL has been relatively stable in past years with limited variation between years. The increase seen in RDEL budget at Supplementary Estimate 2019-20 can mainly be attributed to a reserve claim (£217 million) relating to IFRS 9 (a new accounting standard relating to financial instruments). The introduction of IFRS 9 also changed the budgeting treatment of these instruments. Due to the size of the Department's financial instrument portfolio, this had a significant budget impact for which HM Treasury has provided additional cover.

In line with the Government's ambition for housing and commitment to improving building safety, the Department has spent increasing amounts on its CDEL programmes each year (£3.8 billion in 2015-16 compared to £8.6 billion planned spend in 2019-20).

45% of our planned spend this year is across a portfolio of loans and investments in the housing market (known as financial transactions) with the remainder paid as grants. This percentage has increased from 30% in 2014-15 as the Department has increasingly focused on providing support to the market through financial transactions which provide a better return for the taxpayer, as they generate income flows that support future investment.

### Local Government

Part of the Department's remit is to manage and provide funding to local government on behalf of central government. All our spending on Local Government DEL and almost all the Department's Annually Managed Expenditure (AME) is for Local Government.

12.5% of Local Government Resource DEL will be paid as Revenue Support Grant. This funding can be spent by local authorities on any service. The Revenue Support Grant is decreasing across this

Spending Review period. However, local authorities have access to £46.4 billion of Core Spending Power in 2019-20, which represents a real-terms increase and a 2.8% increase in cash terms compared to the previous financial year. Core Spending Power is a wider measure of the resources available to local government, including council tax and retained business rates. The Department publishes an annual summary of Core Spending Power – the latest publication can be found here:

<https://www.gov.uk/government/publications/core-spending-power-final-local-government-finance-settlement-2019-to-2020>

Other grants and payments to local authorities from Local Government Resource DEL include the Better Care Fund and business rate reliefs which are increasing across the Spending Review period.

### Resource AME

The introduction of business rates retention from 2013-14 saw a consequential reduction in DEL and an increase in AME following classification changes. The retained element of business rates (the local share) scores as AME in MHCLG's Estimate. There is a year on year reduction in 2019-20 following the introduction of 75% business rates retention pilots following the end of the 100% business rate pilots in 2018-19.

Retained business rates are recorded as a non-cash expenditure item in the Department's accounts and the amount estimated to be retained by local authorities in 2019-20 is £18.1 billion (£20.1 billion in 2018-19).

## 1.8 Administration costs and efficiency plans

Amounts sought this year (Supplementary Estimate 2019-20) £ million		Compared to original budget this year (Main Estimate 2019-20)		Compared to final outturn last year (Outturn 2018-19)	
		£ million	%	£ million	%
Administration - non ring fenced	£261.8	+£8.8	+3%	+£9.9	+4%
Administration – ringfence – Brexit funding	£12.5	+£7.5	+150%	+£12.5	-
Administration - ring fenced - depreciation	£20.0	-	-	+£17.6	+740%
<b>Total</b>	<b>£294.3</b>	<b>+£16.3</b>	<b>+6%</b>	<b>+£40.0</b>	<b>+16%</b>

Between 2010 and 2015, the Department accepted one of the largest budget cuts of any Government Department. At the 2015 Spending Review, the Department committed to making savings on administration budgets based on activities required of the Department at the time.



The Department has continued to drive the efficiencies to which it is committed. However, the Department took on significant new work from 2017-18 with a corresponding increase in programme and administration budgets to support our ambitious agenda on housing, our response to the Grenfell tragedy and the establishment of the Building Safety Programme. This additional work continues in 2019-20.

To support MHCLG meeting its increased responsibilities, the following funding as agreed with HM Treasury was included at the Main Estimate 2019-20;

- Our Autumn Budget 2017 settlement allows the Department to switch Resource DEL programme budget to Resource DEL administration budget to cover the additional administration costs of responding to Grenfell. This switch was allocated at the Main Estimate and amounted to £11 million in 2019-20.
- Subsequently agreed flexibilities allow the Department to switch budget from Capital DEL to Resource DEL Administration, this switch was allocated at the Main Estimate and amounted to £18.75 million in 2019-20.
- An increased income cap allowing MHCLG to retain £141 million of income in 2019-20 to fund Resource DEL administration spending.
- Additional budget of £4.4 million to fund additional pressures associated with the Autumn Budget 2018 SCAPE discount rate change which have resulted in Civil Service Pension Scheme rates rising from 20.9% to 27.0% from 1 April 2019.
- Additional budget of £5 million to support costs associated with EU Exit. This forms part of an overall allocation of £35 million in 2019-20 of which £5 million has been allocated to Resource DEL Administration budgets.

Further changes have been made to the Department's administration budget at this Supplementary Estimate include;

- As noted at the Main Estimate, the Department was eligible to make use of a further flexibility provided by HM Treasury which permits a switch to administration from housing capital budgets to fund the costs of delivering those programmes. This switch has now been processed and amounts to £45.6 million.
- During the year, the Department agreed with HM Treasury that all costs relating to the Planning Inspectorate (an arm's-length body) should be reclassified to Resource DEL programme to more accurately reflect the front-line delivery work they carry out. As a result, budget of £36.2 million has been moved from Administration budgets to Programme budgets.
- HM Treasury has also provided the Department with additional funding (£7.5 million) relating to additional costs incurred relating Brexit including the Department's preparations for a no deal scenario.
- Budget Cover Transfers to Other Government Departments amounting to £0.6 million.

## 1.9 Funding: Spending Review and Budgets

The SR15 set the overall Departmental budget up to 2019-20 for resource expenditure and to 2020-21 for capital expenditure. Since that time, the Government has made a number of changes to 2019-20 Spending Plans including announcements of additional funding in Budgets and Autumn Statements. Details of funding changes made at these fiscal events are set out in the table at Annex B.

At Autumn Budget 2016, additional gross capital investment was made available for the National Productivity and Investment Fund (NPIF) to support affordable housing growth. Additional funding made available for 2019-20 included:

- £800 million for the Housing Infrastructure Fund
- An additional £362 million for the Affordable Housing Programme
- £560 million for Accelerated Construction

At Autumn Budget 2017, a package of more than £15 billion of new financial support over the following five years was announced to support the Department's housing objectives. Additional funding available for 2019-20 is listed below:

- £2.8 billion for the Help to Buy Equity Loan scheme
- £522 million in loan and equity funding as part of the Home Building Fund to support Small and Medium Enterprises
- £70 million for Estate Regeneration
- £180 million for Housing Infrastructure Fund (Strategic Infrastructure and Remediation)
- £300 million for Small Sites: Infrastructure and Remediation
- £185 million for a Land Assembly Fund
- £70 million for Voluntary Right to Buy for Housing Association Tenants
- £10 million for Private Rented Sector Access Schemes
- £9 million for support for the Grenfell community
- £64 million for Starter Homes Land Fund
- £1 billion for the Affordable Housing Programme

Some of the above budgets have subsequently been readjusted to match budgets to expected delivery profiles this year. Further details can be found in the tables in Section 2.

At Autumn Budget 2018, additional funding was announced to boost efforts to build the homes communities need further, restore the dream of home ownership, help our high streets and support councils to deliver local services. Additional funding was made available as follows:

- £2 million for Development Corporations
- £14 million for the Future High Streets Fund, including £0.5 million for Capital DEL
- £4.3 million for Strategic Housing Deals
- £2.8 million for Neighbourhood Forums
- £240 million for Adult Social Care Winter Pressures
- £410 million for Social Care Support
- £273 million for Business Rates relief for retail properties
- £129 million extension of Devolution Deal and GLA Business Rates Retention Pilots

HM Treasury have also allocated MHCLG £35 million to meet the costs associated with exiting the European Union. More detail can be found in Section 2.

## 1.10 Other funding announcements

Any spending announcements requiring funding in 2019-20 but not listed at Annex B relate to money reallocated from within existing budgets, rather than 'new', additional money. These include:

- **Rough Sleeping Strategy:** The Government has now committed over £1.2 billion to tackle homelessness and rough sleeping over the current Spending Review period, which includes the cross-government Rough Sleeping Strategy, published in August 2018. The Rough Sleeping Strategy sets out an ambitious £100 million RDEL package across 2018-19 and 2019-20 to help people who sleep rough now and put in place the structures that will end rough sleeping once and for all. This year's budget of £92 million for Rough Sleeping includes £46 million allocation to Rough Sleeping Initiative (announced in March 2018), £38 million for Rapid Rehousing pathway, £5 million for Non-UK nationals fund, £3 million for an Offender accommodation pilot & the remainder for evaluation and research.
- **Housing Deals:** In March 2018, the Secretary of State announced total funding of £389 million beginning in 2018-19 and continuing in this financial year, to fund housing deals in Oxfordshire, Greater Manchester and West Midlands. This will support delivery of 542,000 homes by 2035.
- **Commonwealth Games Athletes' Village:** In October 2018, the Government announced £165 million investment to support the Commonwealth Games Athletes' Village, which will unlock 5,000 new homes in the area after the Games, creating a long-lasting legacy for Birmingham and for the Games. Funding for this for the current financial year (up to £88 million CDEL) has been found from reprioritising other programmes, notably the Housing Infrastructure Fund. This will not reduce the overall quantum of the Housing Infrastructure Fund as we intend to return funding in later years.
- **Borderlands Growth Deal:** As announced at Spring Statement 2019, MHCLG will invest up to £30 million CDEL in this Spending Review period to support the deal. Funding will support economic development across the region.

In line with good budget management, the Department is able to reprioritise its budgets in response to market conditions and ensure that funding is allocated to programmes that are able to progress good quality, value for money projects in order to achieve objectives as laid out in the Single Departmental Plan.

The Department's capital budgets predominantly relate to complex, multi-year programmes. The inherent nature of such programmes can result in changes to expenditure profiles as delivery plans develop. Allocated budgets are monitored and adjusted to match the most recent expected spend profile.

## 2 Spending detail

### 2.1 Explanations of changes in spending

In the following tables, differences of more than 10% **and** more than £10 million or more than 5% **and** £200 million are explained in detail in a note beneath the relevant table.

#### **Resource DEL - Communities**

The table below shows how MHCLG's spending plans for Resource DEL (Programme and Administration) in the Communities Budget compare with 2019-20 Main Estimate. Our administration budgets appear on several estimate rows. This is because of budgeting rules on depreciation and income classified as administration, and because administration spending in our arm's-length bodies (ALBs) appear on different estimate rows to spend in the core department.

Subheads	Strategic Objective	Programme*	Resource DEL				
			2019-20 (Supplementary Estimate budget sought)	2019-20 (Main Estimate budget approved)	Change from Main Estimate 2019-20		See note number
			£ million	£ million	£	%	
A - Local Government & Public Services	SO1	Housing Delivery in London & South East	15.0	0.4	14.6	3650%	1
	SO3	Improvement & Digital	6.1	3.9	2.2	56%	2
		Business Rates Retention	0.0	33.0	(33.0)	(100%)	
		Enhanced oversight and accountability	15.3	14.8	0.5	3%	
		Adult Social Care	1.3	0.5	0.8	160%	
	SO4	Integration and Communities	46.0	24.0	22.0	92%	3
		Midlands Engine	0.3	0.2	0.1	50%	
Holocaust Memorial & Learning Centre		5.5	0.0	5.5	-		
		Northern Powerhouse	0.6	0.6	0.0	-	

		Resilience & Emergencies	13.7	0.0	13.7	-	4
	SO5	Grenfell Recovery Programme	14.4	15.9	(1.5)	(9%)	
		Responding to Public Inquiry	0.6	1.0	(0.4)	(40%)	
		Management of Grenfell Tower Site	5.0	4.4	0.6	14%	
	SO6	Cumulative Implications for Local Govt	55.4	35.0	20.4	58%	5
A - Local Government & Public Services Total			179.2	133.7	45.5	34%	
B - Housing & Planning							
	SO1	Building Affordable Housing	1,105.1	1,104.9	0.2	0%	
		Infrastructure for Housing	2.9	2.0	0.9	45%	
		Market Diversification & Guarantees	13.2	16.0	(2.8)	(18%)	
		Other Commitments	10.4	1.4	9.0	643%	
		Planning Reform for Homes	66.9	41.4	25.5	62%	6
		Public Sector Land	0.1	0.0	0.1	0%	
		More Land in the Right Places	0.0	2.3	(2.3)	(100%)	
		Housing Delivery in London & South East	5.8	0.0	5.8	-	
	SO2	Voluntary Right to Buy Pilot	105.3	195.4	(90.1)	(46%)	7
		Homelessness	259.0	275.8	(16.8)	(6%)	
		Leasehold reform	0.9	0.8	0.1	13%	
		Private Rented Sector Reform	11.7	4.9	6.8	139%	
		Social Housing Green Paper Implementation	0.0	0.8	(0.8)	(100%)	
		Rough Sleeping	97.1	92.0	5.1	6%	
		Supported Housing	13.7	14.2	(0.5)	4%	
	SO4	Planning Reform for Growth and Communities	0.4	1.2	(0.8)	(67%)	
	SO5	Building Regulations Oversight	0.9	1.0	(0.1)	(10%)	
		Remediation	11.2	5.4	5.8	107%	
		Implementing the Hackitt Review	2.6	6.0	(3.4)	(57%)	
	Other	Admin incl. depreciation	0.0	43.8	(43.8)	(100%)	8
B - Housing & Planning Total			1,707.2	1,809.3	(102.1)	(6%)	
C - Decentralisation & Local Growth							
	SO1	Infrastructure for Housing	4.6	4.0	0.6	15%	
		OX-CAM ARC	4.5	0.5	4.0	800%	

		LEP Stewardship	26.7	29.7	(3.0)	(10%)	
		Coastal Communities	6.7	0.0	6.7	-	
		Midlands Engine	0.7	0.0	0.7	-	
		Thames Estuary	1.0	0.0	1.0	-	
	SO4	City Regions and Devolved Administrations Growth Deals	129.8	141.5	(11.7)	(8%)	
		Stronger Towns	20.0	20.0	0.0	0%	
		Deliver European Funding Programmes	5.9	2.1	3.8	181%	
		High Streets	20.7	14.0	6.7	48%	
		Infrastructure & Investment	3.0	3.0	0.0	0%	
C - Decentralisation & Local Growth Total			223.6	214.8	8.8	4%	
D - Troubled Families	SO4	Troubled Families	148.9	146.0	2.9	2%	
D - Troubled Families Total			148.9	146.0	2.9	2%	
E - Research, Data & Trading Funds	Corporate	Corporate	7.6	7.2	0.4	6%	
	SO4	Deliver European Funding Programmes	12.3	14.0	(1.7)	(12%)	
E - Research, Data & Trading Funds Total			19.9	21.2	(1.3)	(6%)	
F - MHCLG Staff, Building and Infrastructure Costs	Corporate	Corporate	2.5	2.5	0.0	0%	
	SO3	Improvement & Digital	5.8	5.0	0.8	16%	
	Other	Admin incl. depreciation	221.1	191.0	30.1	16%	9
F - MHCLG Staff, Building and Infrastructure Costs Total			229.4	198.5	30.9	16%	
Departmental Unallocated Provision	Other	DUP	0.0	10.5	(10.5)	(100%)	10
Departmental Unallocated Provision Total			0.0	10.5	(10.5)	(100%)	
H - Local Government & Public Services (ALB)(Net)	Other	Admin incl. depreciation	17.5	17.8	(0.3)	(2%)	
H - Local Government & Public Services (ALB)(Net) Total			17.5	17.8	(0.3)	(2%)	
I - Housing & Planning (ALB)(Net)	SO1	Building Affordable Housing	0.6	1.6	(1.0)	(63%)	
		Help to Buy	18.7	4.4	14.3	325%	11
		Housing Delivery in London & the South East	0.0	2.0	(2.0)	(100%)	
		Homes England Transformation	4.9	0.0	4.9	-	
		Infrastructure for Housing	7.3	4.0	3.3	83%	
		Market Diversification & Guarantees	202.2	23.1	179.1	775%	12

		More Land in the Right Places	31.9	(11.3)	43.2	(382%)	13
	SO2	Homelessness	0.4	0.0	0.4	-	
	Other	Admin incl. depreciation	55.4	25.5	29.9	117%	14
I - Housing & Planning (ALB)(Net) Total			<b>321.4</b>	<b>49.3</b>	<b>272.1</b>	<b>552%</b>	
<b>Total RDEL MHCLG Communities</b>			<b>2,847.1</b>	<b>2,601.1</b>	<b>246.0</b>	<b>9%</b>	

\*Programme structure is subject to Cabinet Office approval

**1. Housing Delivery in London & South East:** An additional £15 million has been claimed from HM Treasury to cover budgeting changes relating to the introduction of IFRS 9 accounting standard.

**2. Business Rates Retention:** The budget held at Main Estimate related to costs of an additional Business Rates Retention Pilot area added in 2019-20 and was always planned to be transferred to Local Government DEL for onward surrender to HM Treasury. This budget has been transferred to Local Government DEL and surrendered as expected at Supplementary Estimates.

**3. Integration and Communities:** The budget has been amended to bring in line with expected spend for the year and to reflect budget drawn down from HM Treasury through a Reserve Claim for the English Language Programme as planned from the start of the financial year.

**4. Resilience and Emergencies:** This budget has been increased since the Main Estimate reflecting the Government support provided for flooding and other major incidents that have occurred throughout the year. This includes funding provided to respond to severe flooding during November 2019 and Bellwin support to other smaller localised incidents.

**5. Cumulative Implications for Local Government:** The increase seen in budget reflects the support provided by HM Treasury for the Department's preparation for Brexit. The additional funding announced in Summer 2019 supported the local tier's Brexit preparations. This included funding to all local authorities, Local Resilience Forums and areas with or near to major ports.

**6. Planning Reform for Homes:** The budget change can mainly be attributed to the reclassification of the Planning Inspectorate from Admin to Programme Whilst this budget remains in Subhead B, the budget now sits within 'Planning Reform for Homes' rather than 'Admin including depreciation'. Of the remaining budget, the Neighbourhood Planning budget has been reduced by £6 million to reflect demand, the Government will continue to support Neighbourhood Planning Programmes in future years. Additionally, £4 million of budget has been transferred to DEFRA to support the Government wide Great Crested Newts programme.

**7. Voluntary Right to Buy Pilot:** The budget has been adjusted to reflect the change in spending profile which can fluctuate given that this is a demand-led scheme. As result of lower than expected sales claims for 2019-20, in May 2019 £25 million was allocated to the Private Sector ACM Cladding Remediation

Fund, and £25 million was reallocated to other priorities. The budget has been further adjusted at Supplementary Estimates to reflect the expected spending profile for 2019-20. Some sales will complete in 2020-21 and HM Treasury has agreed to move £17 million into 2020-21 to fund these.

**8. Supported Housing:** During the year, the Department agreed with HM Treasury that all costs relating to the Planning Inspectorate (an Arm's Length Body) should be reclassified to Resource DEL programme to more accurately reflect the front-line delivery work they carry out. As a result, budget has been moved from 'Admin including depreciation' to 'Planning Reform for Homes'.

**9. Admin including depreciation:** Additional budget has been recognised in respect of Brexit and through an existing flexibility that allows the Department to switch from Capital DEL budget to Resource Admin DEL budget, please see Section 1.8 for more detail.

**10. Departmental Unallocated Provision:** The Department held budget at Main Estimate to cover any unexpected pressures or meet increased demand on our demand led schemes. This budget has now been allocated out across various work areas to meet changes in budget requirement during the year.

**11. Help to Buy:** An additional £14 million has been claimed from HM Treasury through an agreed Reserve Claim following the introduction of a new accounting standard, IFRS 9, which has changed how costs relating to the Help to Buy scheme should be budgeted for.

**12. Market Diversification and Guarantees:** The budget has been reset to cover legal fees required for the Home Building Fund and additional budget of £163 million has been claimed from HM Treasury to cover budgeting changes relating to the introduction of IFRS 9 accounting standard.

**13. More Land in the Right Places:** The increased budget reflects additional amounts that are to be spent in 2019-20.

**14. Admin including depreciation:** Additional budget has been recognised as an existing flexibility that allows the Department to switch from Capital DEL budget to Resource Admin DEL budget has been utilised, please see Section 1.8 for more detail.



**Resource DEL – Local Government**

The table below shows how MHCLG’s spending plans for Resource DEL in the Local Government Budget compared with 2019-20 Main Estimate.

Note that Local Government Resource DEL is not mapped to Departmental Strategic objectives.

Subheads	Resource DEL				
	2019-20 (Supplementary Estimate budget sought)	2019-20 (Main Estimate budget approved)	Change from Main Estimate 2019-20		See note number %
	£ million	£ million	£	%	
J - Revenue Support Grant	653.1	653.1	0.0	0.0%	
K - Other Grants and Payments	4,532.9	4,539.4	(6.5)	(0.2%)	
L - Business Rates Retention	0.2	13.3	(13.1)	(98.5%)	1
<b>Total RDEL Local Government</b>	<b>5,186.2</b>	<b>5,205.8</b>	<b>(19.6)</b>	<b>0.4%</b>	

1. **Business Rates Retention:** This decrease in budget results from the surrender of unused Safety Net on account budget in 2019-20 and the transfer of funding for Business Rates Relief to Subhead K.

## Capital DEL- Communities

The table below shows how MHCLG's spending plans for Capital DEL in the Communities Budget compared with 2019-20 Main Estimate.

Subheads	Strategic Objective	Programme*	Capital DEL				
			2019-20 (Supplementary Estimate s budget sought)	2019-20 (Main Estimates budget approved)	Change from Main Estimate 2019-20		See note number
CAPITAL DEL - GRANT							
			£ million	£ million	£	%	
A - Local Government & Public Services	SO1	Housing Delivery in London & South East	0.0	1,254.0	(1,254.0)	(100%)	1
	SO5	Grenfell Recovery Programme	5.0	5.0	0.0	0%	
		Management of the Grenfell Tower Site	21.6	28.0	(6.4)	(23%)	
SO6	Cumulative Implications for Local Govt	1.1	0.0	1.1	-		
A - Local Government & Public Services Total			27.7	1,287.0	(1,259.3)	(98%)	
B - Housing & Planning	SO1	Infrastructure for Housing	312.4	219.9	92.5	42%	2
		Planning Reform for Homes	3.6	0.5	3.1	620%	
		Market Diversification & Guarantees	30.0	30.0	0.0	0%	
		Housing Delivery in London & South East	59.7	0.0	59.7	-	3
		Building Affordable Housing	1,218.5	0.0	1,218.5	-	1
		Public Sector Land	8.2	27.0	(18.8)	(69%)	4
		More Land in the Right Places	147.0	147.0	0.0	0%	
	SO2	Homelessness	15.3	25.3	(10.0)	(40%)	5
		Rough Sleeping	1.2	0.0	1.2	-	
		Supported Housing	0.3	0.0	0.3	-	
SO5	Building Regulations Oversight	3.1	3.8	(0.7)	(18%)		
	Remediation	162.5	92.0	70.5	77%	6	

		Implementing the Hackitt Review	0.4	0.0	0.4	0%	
B - Housing & Planning Total			1,962.2	545.5	1,416.7	260%	
C - Decentralisation & Local Growth	SO1	Infrastructure for Housing	55.0	98.9	(43.9)	(44%)	7
		Housing Delivery in London & South East	15.0	0.0	15.0	-	8
		OX-CAM ARC	26.0	30.0	(4.0)	(13%)	
	SO4	City Regions and Devolved Administrations Growth Deals	98.3	134.5	(36.2)	(27%)	9
		LEP Stewardship	737.8	787.8	(50.0)	(6%)	10
		Deliver European Funding Programmes	(25.0)	0.0	(25.0)	-	
		High Streets	0.0	0.5	(0.5)	(100%)	
Coastal Communities	18.9	0.0	18.9	-			
		Infrastructure & Investment	5.7	5.7	0.0	0%	
C - Decentralisation & Local Growth Total			931.7	1,057.4	(125.7)	(12%)	
D - Troubled Families	SO4	Troubled Families Programme	1.1	0.0	1.1	-	
D - Troubled Families Total			1.1	0.0	1.1	0%	
E - Research, Data & Trading Funds	Corporate	Corporate	6.1	5.8	0.3	5%	
E - Research, Data & Trading Funds Total			6.1	5.8	0.3	5%	
F - MHCLG Staff, Building and Infrastructure Costs	Corporate	Corporate	10.0	14.0	(4.0)	(29%)	
F - MHCLG Staff, Building and Infrastructure Costs Total			10.0	14.0	(4.0)	(29%)	
H - Local Government & Public Services (ALB)(Net)	SO1	Market Diversification & Guarantees	0.4	0.3	0.1	33%	
H - Local Government & Public Services (ALB)(Net) Total			0.4	0.3	0.1	33%	
I - Housing & Planning (ALB)(Net)	SO1	Building Affordable Housing	1,361.7	1,353.1	8.6	1%	
		Homes England Transformation	9.2	22.2	(13.0)	(59%)	11
		Housing Delivery in London & the South East	0.0	66.0	(66.0)	(100%)	3
		Infrastructure for Housing	72.2	163.5	(91.3)	(56%)	12
		Market Diversification & Guarantees	80.6	121.1	(40.5)	(33%)	13
		More Land in the Right Places	244.3	385.7	(141.4)	(37%)	14

	SO2	Other Commitments	0.8	1.1	(0.3)	(27%)	
		Homelessness	19.0	0.0	19.0	-	15
I - Housing & Planning (ALB)(Net) Total			1,787.8	2,112.7	(324.9)	(15%)	
<b>GENERAL CAPITAL Total</b>			<b>4,727.0</b>	<b>5,022.7</b>	<b>(295.7)</b>	<b>(6%)</b>	
<b>CAPITAL DEL - FINANCIAL TRANSACTIONS</b>							
A - Local Government & Public Services	SO1	Housing Delivery in London & the South East	20.0	20.0	0.0	0%	
A - Local Government & Public Services Total			20.0	20.0	0.0	0%	
B - Housing & Planning	SO1	Infrastructure for Housing	11.8	0.0	11.8	-	16
		Help to Buy	100.0	0.0	100.0	-	17
B - Housing & Planning Total			111.8	0.0	111.8	0%	
I - Housing & Planning (ALB)(Net)	SO1	Help to Buy	3,600.0	4,110.2	(510.20)	(12%)	17
		Market Diversification & Guarantees	125.7	463.0	(337.3)	(73%)	18
		Infrastructure for Housing	0.0	2.8	(2.8)	(100%)	
I- Housing & Planning (ALB)(Net) Total			3,725.7	4,576.0	(850.3)	(19%)	
Departmental Unallocated Provision	DUP	DUP	0.0	1,067.0	(1,067.0)	(100%)	19
Departmental Unallocated Provision Total			0.0	1,067.0	(1,067.0)	(100%)	
<b>FINANCIAL TRANSACTIONS Total</b>			<b>3,857.5</b>	<b>5,663.0</b>	<b>(1,805.5)</b>	<b>(32%)</b>	
<b>CAPITAL DEL Total</b>			<b>8,584.5</b>	<b>10,685.7</b>	<b>(2,101.2)</b>	<b>(20%)</b>	

\*Programme structure is subject to Cabinet Office approval

The Department's capital budgets predominantly relate to complex, multi-year programmes. The inherent nature of such activities can result in allocated budgets not matching to expected spend profile on these programmes. In line with good budget management, the Department is able to reprioritise its budgets in response to market conditions and to ensure that funding is allocated to programmes that are able to progress good quality, value for money projects in order to achieve objectives as laid out in the Single Departmental Plan.

**CDEL Grant**

- 1. Housing Delivery in London and South East:** The Greater London Authority element of the Affordable Housing budget has been transferred to the Building Affordable Housing programme budget.
- 2. Infrastructure for Housing:** Budget has increased since the Main Estimate recognising £83 million of funding for Commonwealth Games Athlete's village and £22 million of payments for the Housing Infrastructure Fund schemes in London which the Department manages instead of Homes England. A budget exchange of £12 million into 2020-21 has also been requested through the Supplementary Estimate in relation to an infrastructure scheme in Bicester to better align payment with delivery milestones.
- 3. Housing Delivery in London and South East:** This change relates to a classification decision taken by the ONS in July 2019 to reclassify the Ebbsfleet Development Corporation from an ALB to Local Government. Budget is therefore no longer held under Subhead I but instead is recognised under Subhead B.
- 4. Public Sector Land:** The change in budget compared to the Main Estimate can mainly attributed to Budget Cover Transfers made to various other government departments. These have been planned since the start of the year and cover the costs of acquiring the site from Government Departments, under an agreement to share future income once the land has been made suitable for housing and sold on to the market. The Land Release Fund was able to accelerate the delivery of programmes spending an additional £1.2 million using underspend from elsewhere in the Department, meaning that the programme will require less funding in 2020-21.
- 5. Homelessness:** The original budget of £24 million for the Move On Fund related entirely to Homes England's provision outside London. This was transferred to Homes England (Subhead I). An additional budget of £14 million was added to Subhead B to meet contractual commitments in the Greater London Authority's Move On Fund within London. £1.3 million of this row is allocated to other Homelessness and Rough Sleeping Capital DEL expenditure.
- 6. Remediation:** The Social Sector Cladding Remediation budget for 2019-20 has been increased by £46 million to accommodate unexpected slippage in spend originally forecast for 2018-19. Some payments forecast for last financial year were delayed when certain projects did not meet their anticipated milestones due to technical requirements related to the remediation of cladding. In addition £25 million was added for the Private Sector Cladding Remediation Fund, for which budget had not been set at the time of the Main Estimate.
- 7. Infrastructure for Housing:** The reduction in budget seen since the Main Estimate relates to the Greater Manchester Housing Deal (£25 million) which has been withdrawn and a reprofiling of the West Midlands Housing Deal (£16 million) and Lodge Hill Project (£3 million) budgets into 2020-21, to better align with the delivery profile.
- 8. Housing Delivery in London and the South East:** This relates to the budget for East Bank (previously called Olympicopolis) moving to Decentralisation and Local Government (Subhead C) from Local Government and Public Services (Subhead A).

**9. City Regions and Devolved Administrations:** The main changes seen in budget since the Main Estimate relates to Sheffield City Region Devolution Deal (£18 million) which is not in a position to receive funding in 2019-20 and the 2017 Cambridgeshire and Peterborough Devolution Deal which is still subject to annual review before funding can be released. The 2019-20 review has not yet concluded and so £15 million has been reprofiled into 2020-21 to allow for the release of funding in the next financial year.

**10. Deliver European Funding Programmes:** The income budget relates to the recovery of grant payments from recipients who did not comply with grant conditions. This income is difficult to forecast and therefore a budget was not set at the start of the year, we now have greater certainty over the position so will recognise a budget at the Supplementary Estimate accordingly.

**11. Homes England Transformation:** The Service Transformation of Homes England has been slightly delayed, as a result, less budget is required for planned expenditure in 2019-20.

**12. Infrastructure for Housing:** The majority of the change seen since the Main Estimate relates to Housing Infrastructure Fund schemes which have experienced delays in contracting with local authority partners and as such, funding of £85 million has been re-profiled into 2020-21. City Deal land sales, and the corresponding receipts and payments to Local Authorities have also experienced some delays, resulting in a lower budget being required in 2019-20. These transactions are expected to take place in 2020-21.

**13. Market Diversification and Guarantees:** The change primarily relates to the Community Housing Fund. £38 million from the 2019-20 budget cannot be allocated because of the lead-in times involved in bringing housebuilding schemes forward to the point where they are able to apply for funding. The surplus funding from 2019-20 has been surrendered. Decisions on future funding allocations will be decided through future fiscal events.

**14. More Land in the Right Places:** The decrease in budget compared to the Main Estimate can firstly be attributed to the Land Assembly programme which has reprofiled £93 million of funding into 2020-21 to better align budgets with land acquisition opportunities and delivery milestones. Secondly, the Small Sites Fund and Accelerated Construction programmes have experienced difficulties in identifying and contracting enough value for money schemes to meet expenditure targets in 2019-20. As the 2020-21 budgets for these programmes are considered sufficient, the Department has chosen not to reprofile these budgets but instead utilise them to manage the Department's overall budget position.

**15. Homelessness:** Increase in budget seen since the Main Estimate reflects budget transferred from Subhead B during the year which has then been adjusted to reflect planned spend for the year.

### ***CDEL Financial Transactions***

**16. Infrastructure for Housing:** The change in budget since the Main Estimate relates to the Manchester Housing Investment Fund where additional funding has been provided to the Greater Manchester Combined Authority for onward lending commitments with developers.

**17. Help to Buy:** The Department has surrendered surplus budget for the Help to Buy Scheme. Help to Buy is a demand led programme and whilst demands remains strong in 2019-20, it is lower than the original forecast estimate. As at 30 June 2019 over 236,000 households, 81% of them first time buyers, had been supported to purchase a home by the Help to Buy programme.

**18. Market Diversification and Guarantees:** Budgets have been adjusted to meet demand in 2019-20, any surplus budget this year has been surrendered back to HM Treasury as the Department has already secured sufficient budget in future years to meet delivery profiles. The Department has also generated more income than budgeted at Main Estimate so is able to self-fund to a greater extent, the result of this is that budget set at the start of the year is no longer required so can be returned to HM Treasury.

**19. Departmental Unallocated Provision:** The Department allocated budgets for 2019-20 Main Estimate based on our best available forecasts for the coming financial year however, this left a portion of the budget unallocated. In holding this unallocated amount, the Department had the flexibility to adjust budgets in response to market conditions. The market conditions experienced during the year have meant this additional budget did not need to be called upon and the Department is therefore surrendering this amount back to HM Treasury.

## Resource AME

The table below shows how spending plans for Resource AME compared with last year. Note that Resource AME is not mapped to Departmental Strategic objectives.

Subheads	Resource AME		Change from Main Estimate 2019-20		See note number
	2019-20 (Supplementary Estimate budget sought)	2019-20 (Main Estimate budget approved)			
	£ million	£ million	£ million	%	
Local Government & Public Services	66.2	-	66.2	-	1
M Housing & Planning	127.4	0.2	127.2	63600%	2
Decentralisation & Local Growth	6.1	6.1	-	0%	
O Research, Data and Trading Funds	2.0	2.0	-	0%	
P MHCLG Staff, Building and Infrastructure Costs	2.4	(1.2)	3.6	(300%)	
Q Non-Domestic Rates Outturn Adjustments	83.6	300.0	(216.4)	(72%)	3
R Local Government & Public Services (ALB)(Net)	2.6	2.9	(0.3)	(10%)	
S Housing & Planning (ALB)(Net)	735.9	710.5	25.4	4%	
T Business Rates Retention	18,659.3	18,032.6	626.7	3%	4
<b>Total Resource AME</b>	<b>19,685.5</b>	<b>19,053.1</b>	<b>632.4</b>	<b>3%</b>	

**1. Local Government & Public Services:** Additional Resource AME budget has been sought to recognise costs associated with the ownership of the Grenfell Tower.

**2. Housing & Planning:** Resource AME budget is held to cover potential losses on the financial transaction portfolio. It was known at the start of the year that the Department did not have sufficient budget. Further budget cover has been sought to cover any potential losses that may occur in this financial year.

**3. Non-Domestic Rates Outturn Adjustments:** The decrease of £216.4 million Non-Domestic Rates Outturn Adjustments has been used to fund Business Rates reconciliation payments in (under Subhead T) in respect of 2018-19 outturns.

**4. Business Rates Retention:** The AME increase of £626.7 million at the Supplementary Estimate (including a transfer of £216.4 million from subhead Q) follows the submission of local authority business rate outturn returns for 2018-19 and includes an £80 million contingency against audit adjustments made following the Supplementary Estimate which will be returned to Treasury if unutilised.



## 2.2 Restructuring

No restructuring has taken place in MHCLG this year.

## 2.3 Ring fenced budgets

Within the totals, the following elements are ring fenced. This means that savings in these budgets may not be used to fund pressures on other budgets.

### Resource DEL

Amounts sought this year (Supplementary Estimate 2019-20)		Compared to original budget this year (Main Estimate 2019-20)		Compared to final outturn last year (Outturn 2018-19)	
£ million		£ million	%	£ million	%
Depreciation Programme	£5.0	-	-	(£12.6)	166%
Depreciation Administration	£20.0	-	-	(£17.6)	(740%)

### Capital DEL

Amounts sought this year (Supplementary Estimate 2019-20)		Compared to original budget this year (Main Estimate 2019-20)		Compared to final outturn last year (Outturn 2018-19)	
£ million		£ million	%	£ million	%
Financial Transactions	£3,857.5	(£1,806.1)	(32%)	(£174.2)	(4%)

## 2.4 Changes to contingent liabilities

At Supplementary Estimate, the following changes have been made to contingent liabilities held by the Department:

- The Department previously provided a guarantee for the Affordable Housing Sector of no more than £3.5 billion at Main Estimate. The guarantee scheme is closed to new applicants. The department has drawn down £3.2 billion since 31st March 2018, there will be no further drawing against this scheme.
- The Department recognised a guarantee for the private rented sector, guaranteeing debt of no more than £3.5 billion. The amount drawn down has increased by £300 million to £800 million since the Main Estimate.
- The Department has recognised a new contingent liability in respect of potential liabilities that may arise from the ENABLE Build guarantee scheme, guaranteeing debt of no more than £1 billion. To date there have not been any amounts drawn down.
- The Department has provided further detail clarifying the areas covered by the guarantee of EU-funded projects after the UK has left the EU. At this time, the nature and value of the liabilities arising cannot be determined with sufficient reliability and consequently are considered to be unquantifiable.
- The Department previously recognised a contingent liability for a potential liability of £0.675 million (details of which were withheld for commercial reasons). It is now payable and so is recognised on the Statement of Financial Position and ceases to be a contingent liability.
- The Department recognised the contingent liability in respect of the Local Government Association Joint Inspectors Team (JIT) advisory role to the local authority at Main Estimate. A clarification has been added and describes the duration of the potential liability covered by the indemnity.

### 3 Priorities and performance

#### 3.1 How spending relates to objectives

The table below shows how expenditure against each subhead (estimate row) contributes to Departmental priorities under the Single Departmental Plan.

Estimate subhead	1: Deliver the homes the country needs	2: Make the vision of a place you call home a reality	3. Support local government to deliver high quality services with sustainable finances	4: Create strong communities , socially, economically and a sense of place	5: Secure effective support for those affected by the Grenfell Tower disaster, delivering the changes this tragedy demands and ensuring people are safe and feel safe within their homes	6. Support a smooth exit from the European Union	Unallocated – Administration, Local Government Resource DEL and Resource AME	Total
<b>Amounts sought this year (Supplementary Estimate 2019-20 - £ million)</b>								
<b>A Local Government and Public Services</b>	35.0	-	22.7	66.1	46.6	56.5	-	226.9
<b>B Housing and Planning</b>	3,095.6	504.5	-	0.4	180.7	-	-	3,781.2

<b>C Decentralisation and Local Growth</b>	203.4	-	-	951.9	-	-	-	1,155.3
<b>D Troubled Families</b>	-	-	-	150.0	-	-	-	150.0
<b>E Research, Data and Trading Funds</b>	-	-	-	12.3	-	-	13.7	26.0
<b>F MHCLG Staff, Building and Infrastructure Costs</b>	-	-	5.8	-	-	-	233.6	239.4
<b>H Local Government and Public Services (ALB) (Net)</b>	0.4	-	-	-	-	-	17.5	17.9
<b>I Housing and Planning (ALB) (Net)</b>	5,759.3	20.2	-	-	-	-	55.4	5,834.9
<b>J Revenue Support Grant</b>	-	-	-	-	-	-	653.1	653.1
<b>K Other Grants and Payments</b>	-	-	-	-	-	-	4,532.9	4,532.9
<b>L Business Rate Retention</b>	-	-	-	-	-	-	0.2	0.2
<b>Local Government and Public Services</b>							66.2	66.2
<b>M Housing and Planning</b>	-	-	-	-	-	-	127.4	127.4
<b>N Decentralisation &amp; Local Growth</b>	-	-	-	-	-	-	6.1	6.1

<b>O Research, Data and Trading Funds</b>	-	-	-	-	-	-	2.0	2.0
<b>P MHCLG Staff, Building and Infrastructure</b>	-	-	-	-	-	-	2.4	2.4
<b>Q Non-Domestic Rate Outturn Adjustment</b>	-	-	-	-	-	-	83.6	83.6
<b>R Local Government and Public Services (ALB) (Net)</b>	-	-	-	-	-	-	2.6	2.6
<b>S Housing &amp; Planning (ALB)(Net)</b>	-	-	-	-	-	-	735.9	735.9
<b>T Business Rates Retention</b>	-	-	-	-	-	-	18,659.3	18,659.3
<b>TOTAL</b>	<b>9,093.7</b>	<b>524.7</b>	<b>28.5</b>	<b>1,180.7</b>	<b>227.3</b>	<b>56.5</b>	<b>25,191.9</b>	<b>36,303.3</b>

We do not collect information about the allocation of spend to Departmental Objective 7 (Maintaining MCHLG as a great place to work). Additionally, Local Government Resource DEL, Communities Resource DEL Administration and Resource AME budgets are not allocated to Departmental Objectives.

## 3.2 Measures of performance against each priority

MHCLG's Single Departmental Plan is published online with our priorities, key objectives underpinning them and the metrics and performance by which they are measured.

Our key measures of performance included in the 2019-20 Single Departmental Plan are as follows:

### **a. Deliver the Homes the Country needs**

1. Net additional dwellings per annum
2. Number of properties bought using a Help to Buy equity loan since launch
3. Gross supply of affordable housing completions

### **b. Make the Vision of a Places you Call Home a Reality**

1. Rough sleeping count for England
2. Numbers being accepted as homeless and in priority need

### **c. Deliver a Sustainable Future for Local Government**

1. Percentage of 4 year settlements for local councils accepted

### **d. Create strong communities, socially, economically and a sense of place**

1. Families engaged in the Troubled Families Programme
2. Families that have achieved significant and sustained progress against the problems that were identified when they entered the Troubled Families Programme
3. Number of projects which received ERDF growth funding

### **e. Support effective support for those affected by the Grenfell Tower disaster, delivering the changes this tragedy demands and ensuring people are safe and feel safe within their homes**

1. Number of high-rise residential and publicly-owned buildings in England that have finished remediation works to remove Aluminium Composite Material (ACM) cladding systems
2. Number of high-rise residential and publicly-owned buildings with ACM cladding systems unlikely to meet Building Regulations yet to be remediated

### **f. Support a smooth exit from the European Union**

1. No specific performance indicators

### **g. Maintain MHCLG as a great place to work**

1. People survey engagement score
2. Representation of female staff, ethnic minority staff and disabled staff<sup>3</sup>
3. Greenhouse gas emissions
4. % of spend that is allocated to small and medium enterprises

### 3.3 Major projects

The Department does not currently have any major projects.

## 4 Other information

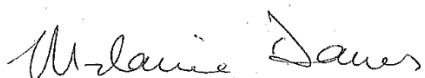
### 4.1 Additional specific information required by the Select Committee

The Select Committee has not requested any particular information which has not been addressed in this Memorandum.

## 5 Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by me as Departmental Accounting Officer.



**Melanie Dawes**

Accounting Officer

Permanent Secretary

Ministry of Housing, Communities and Local Government

27 January 2020