Ministry of Housing, Communities and Local Government

Main Estimate 2024-25: Estimates Memorandum

1. Overview

This memorandum for 2024-25 provides the Housing, Communities and Local Government Select Committee with details of the strategic overview and objectives of the Ministry of Housing, Communities and Local Government (MHCLG) along with a summary of the key budgets that will enable the Department to meet these objectives.

The Main Estimate, and accompanying Explanatory Memorandum, were prepared before and during the general election campaign. As such, the Main Estimate and departmental priority outcomes were set in the previous Parliament, when the Department was referred to as the Department for Levelling Up, Housing and Communities (DLUHC) and so the name used in this document. Since the Main Estimate and accompanying Explanatory Memorandum were prepared, the department has been renamed as the Ministry for Housing, Communities and Local Government, with the Statutory Instrument to formally change the name expected later in the year.

1.1 Objectives

DLUHC's priority outcomes are as follows:

1. Level up the United Kingdom.
2. Regenerate places, ensuring everyone has access to a high quality, secure and affordable home, and a greater say in how they are planned and built.
3. Ensure that buildings are safe and system interventions are effective and proportionate.
4. Strengthen the Union to ensure that its benefits, and the impact of levelling up across all parts of the UK, are clear and visible to all citizens.
5. A strong and sustainable local government sector with resilient, connected and integrated communities.

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

1.2 Spending controls

DLUHC'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.

DLUHC 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 exclusively 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 (FT) 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.

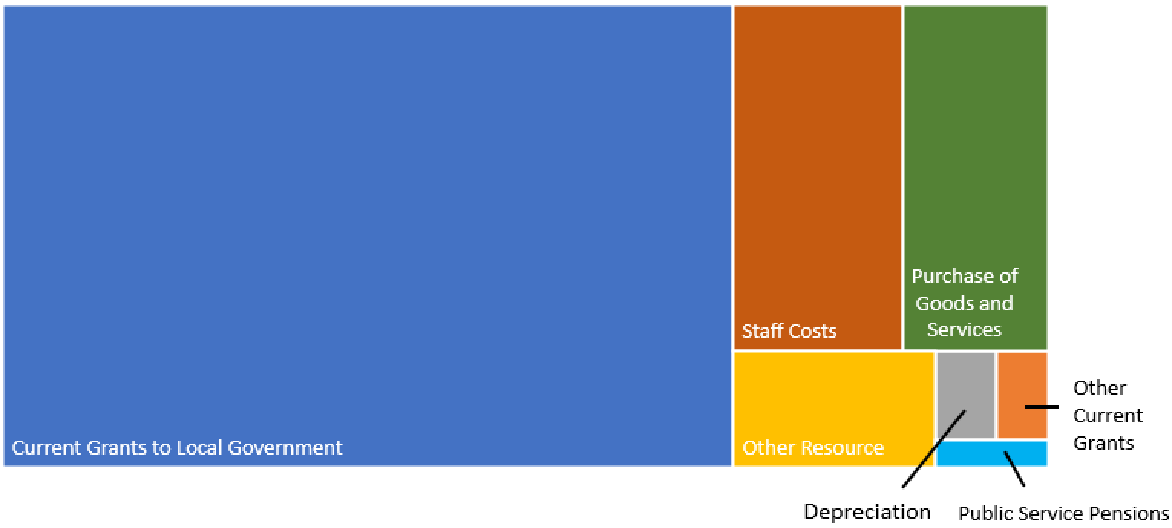
In addition, Parliament votes on a net cash requirement, designed to cover the elements of the above budgets which require DLUHC to pay out cash in year.

1.3 Main areas of spending

The graphics below show the main components of DLUHC's proposed budget for 2024-25. They also show the proportions of funds spent on its main activities.

1. **Communities Resource DEL (Programme and Administration): Total budget £3.6bn**

Graph 1

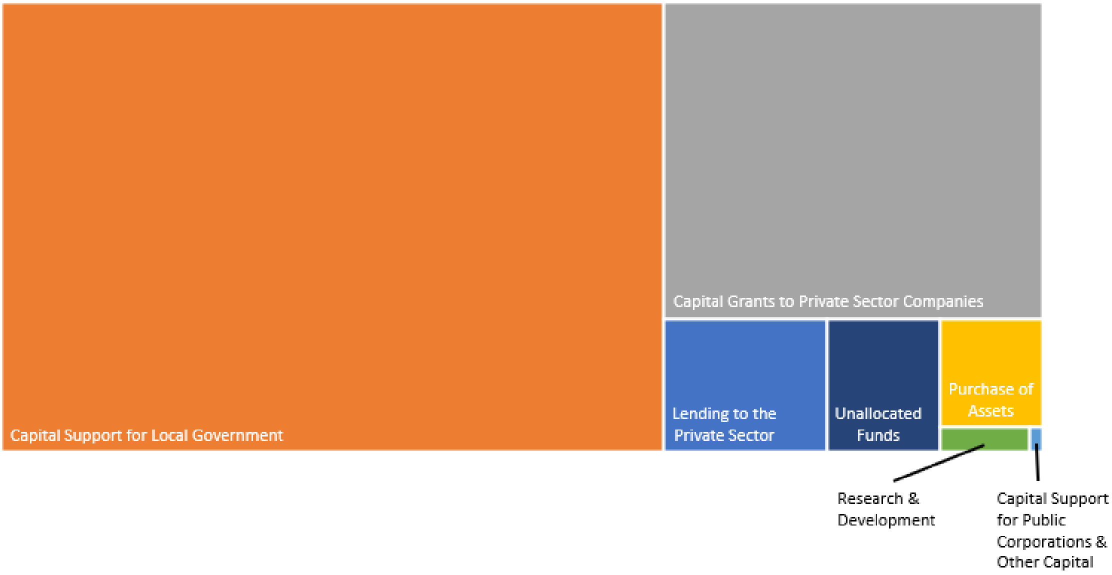


2. Local Government Resource DEL: Total budget £11.3bn

The vast majority of the Local Government DEL Resource budget of £11.3bn is spent on current grants and payments to Local Government.

3. Capital DEL (Grants and Financial Transactions): Total budget £7.2bn

Graph 2



4. Resource Annually Managed Expenditure (AME): Total budget £24.2bn

The vast majority (~95%) of the Resource AME budget is held for Business Rate transactions, with remainder supporting the Department's portfolio of housing investments and guarantees including Help to Buy and the Affordable Homes Programme.

1.4 Comparison of spending totals sought

The table below shows how the totals sought for DLUHC at Main Estimate 2024-25 compared with Supplementary Estimate 2023-24 and Main Estimate 2023-24 budgets.

Table 1

Spending Total Amounts sought this year for (Main Estimate 2024-25)		**Change from final budget last year (Supplementary Estimate 2023-24)**		**Change from original budget last year (Main Estimate 2023-24)**	
Spending Type	**£m**	**£m**	**%**	**£m**	**%**
Resource DEL - Communities	**3,569**	99	2.8%	530	17%
Resource DEL - Local Government	**11,337**	(3,264)	(22%)	(3,287)	(22%)
Capital DEL – Communities	**7,158**	34	0%	(36)	1%
Resource AME – Total DLUHC	**24,224**	6,578	37%	4,349	22%

1.5 Key drivers of spending changes since last year

Communities Resource DEL

The Department's Resource DEL budget at Main Estimate 2024-25 is £3,569m, with spending plans being £99m (2.8%) higher than the final budget sought at Supplementary Estimate 2023-24.

The overall £99m increase against the final spending plans in 2023-24 is predominantly due to a substantial increase of £667.5m on the UK Shared Prosperity Fund, reflecting the annual increase in funding that was set in the 2021 Spending Review. There has also been an increase in Election budgets of £95.5m linked to the Police and Crime Commissioner elections taking place in 2024-25.

These increases are offset by lower budgets being requested at Main Estimates for Home Building Funds and the Land and Infrastructure fund (-£261.0m in total), with DLUHC intending to make reserve claims for these at Supplementary Estimate 2024-25. A further £148m has not been included in our Main Estimate budget figures, which we are expecting to be transferred into the department at Supplementary Estimates. There has also been a further £230m reduction on the Supporting Families budget, for which policy responsibility, and the associated budget, has now been transferred to the Department for Education. Explanations are set out in Section 2.

A portion of our Resource DEL budget relates to the Department's administration budget. Of the overall budget, the administration budget amounts to £333m, a decrease of £5m since Supplementary Estimate 2023-24. More details on this year's spend and how it compares to previous years can be found below in Section 1.8.

Local Government Resource DEL

The Local Government Resource DEL budget at Main Estimate 2024-25 is £11,337m with spending plans being £3,264 lower than the final budget at Supplementary Estimate 2023-24.

The overall variance against the final spending plans in 2023-24 is largely due to the reclassification of section 31 business rate relief grants which are paid to local authorities (worth £4,997m in 2023-24) from DEL to Annually Managed Expenditure (AME). This follows a Treasury led review that concluded that linked to the nature of the business rate reliefs being compensated, which are difficult to forecast and to a large extent control, these grant payments should be classified in AME in future. The change brings this expenditure into line with other business rate related transactions which are also classified in AME. The change takes effect from 1st April 2024.

The reduction in DEL from the reclassification is offset by increases of £1,880m for Social Care grants, £213m for Revenue Support Grant and £135m for Funding Guarantee less reductions of £396m for Services Grant and £100m for Council Tax Support Fund.

Capital DEL

The Department's capital budgets of £7,158m can be split into two areas: 'Capital Grant' and 'Capital Financial Transactions' where we have Main Estimate budgets of £6,596m and £562m respectively.

The Department's overall spending plans for Capital DEL, as set out in the budget requested at Main Estimate 2024-25, is £34m (<0.5%) higher than the budget at Supplementary Estimate 2023-24.

Capital Grant – The Department's capital grant budget is £437.8m lower at Main Estimate 2024-25 compared with the Supplementary Estimate 2023-24. The overall decrease is predominantly driven by a £508m lower budget being requested for the Levelling Up Fund, which will be funded via a Reserve Claim at the Supplementary Estimate, and a reduction of £152m on the Future High Streets Fund. A further £249m has not been included in our Main Estimate budget figures, which we are expecting to be transferred into the department at Supplementary Estimate. These are offset by increased budgets for Levelling Up Partnerships (£170m), UKSPF (£156m), New Devolution Deals (£96m) and the Single Homelessness Accommodation Programme (£51m). Explanations are set out in Section 2.

Capital Financial Transactions – The Main Estimate budget for 2024-25 is £471m higher than the Supplementary Estimate in 2023-24. This has mainly been driven by increases to Land and Infrastructure and Long Term Funds which cover a wide range of housing and planning projects and therefore are not consistent budgets from one year to the next. There is also an increase to the department's unallocated provision to allow us to prioritise in response to market conditions. Explanations are set out in Section 2.

Resource AME

The Resource AME budget for 2024-25 has increased by £6,599m from the Supplementary Estimate 2023-24.

LG AME has increased by £7bn overall. Most of this increase relates to the reclassification of section 31 business rate relief grants from DEL to Annually Managed Expenditure (AME) worth £5,550m in 2024-25 as set out in the Local Government Resource DEL section. The Supplementary Estimate position also included receipt income of £1,342m for business rate relief outturns which relate to the reconciliation of the business rates retention system for prior financial years and reduced the spending control total accordingly for 2023-24. Without this income in 2024-25, the Main Estimate position increases by £1,342m. There is also an increase of £1,513m for the local share of business rates and a reduction of £1,448m for other business rates transactions including £1,111m for Transitional Protection Payments. Other large movements include a £0.4bn decrease in Help to Buy. Explanations are set out in Section 2.

1.6 New policies and programmes; ambit changes

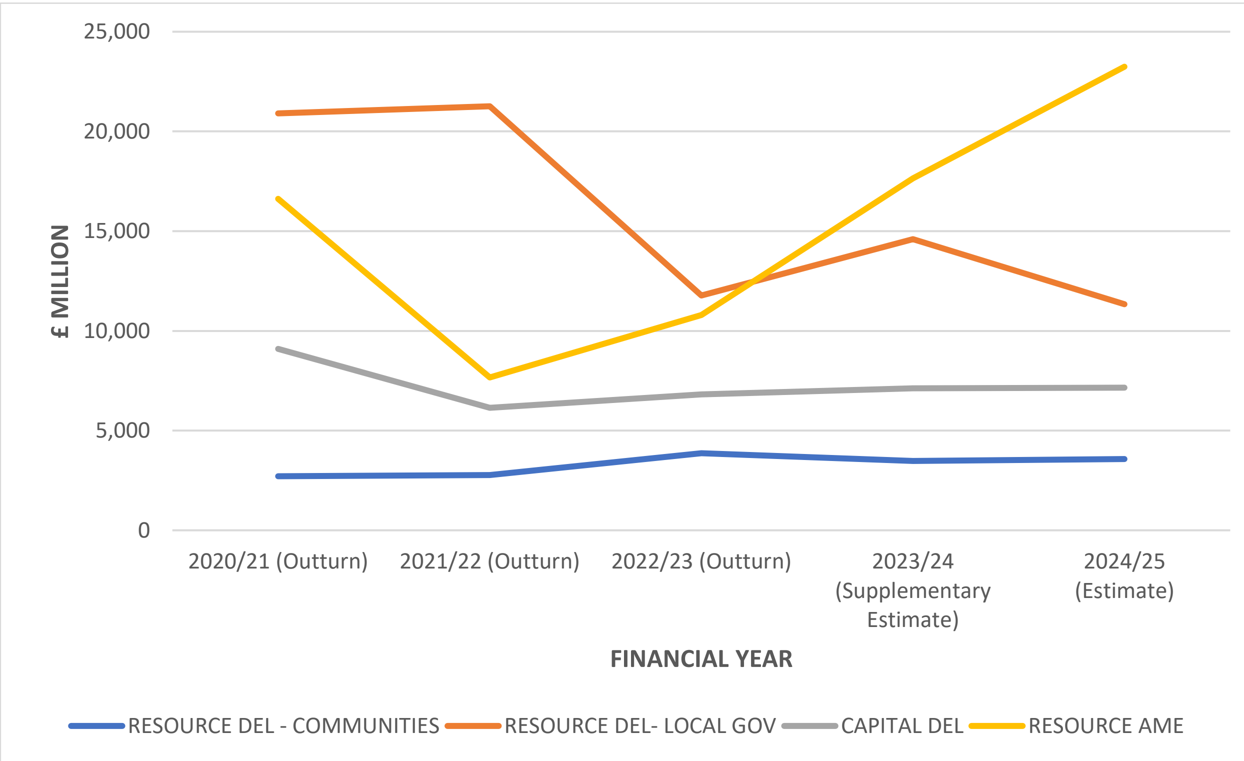
The ambit is a description of the services or purposes to which expenditure and income are to be put in respect of each of the relevant budget control totals. There have been no substantive changes to the department's ambit for 2024-25, other than the removal of specific references to providing support to local authorities and communities in respect of Covid-19 response and recovery, and cyber and digital modernisation.

A new Arm's Length Body, the Office for Place, was announced at the end of July 2023. The Office for Place existed, but operated in shadow form from the department to deliver its programme, funded by DLUHC core budget. On 1 April 2024 the company became fully established and "active" and is now receiving grant in aid funding from DLUHC. The Office for Place has been set up to support in the creation and stewardship of more beautiful, sustainable, popular and healthy places.

1.7 Spending trends

The chart below shows overall spending trends for the last four years, alongside plans presented in the 2024-25 Main Estimate.

Graph 3



Communities RDEL

Overall, spending on Communities RDEL has been relatively stable in past years and the settlement at Spending Round 2021 follows the same broad trend. Spending in 2022-23 was temporarily above trend due to the creation of the Homes for Ukraine programme.

Capital DEL

The Department has spent over £5bn on its CDEL programmes each year since 2015-16 – peaking at £9bn in 2020-21 due to a spike in demand for the legacy Help to Buy scheme. Spending decreased in 2021-22 as Covid-19 impacted on delivery of large capital programmes but has been at a higher level since.

Local Government RDEL

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

The LG DEL settlement for 2024-25 at Spending Round 2021 provides for an increase of £3.7bn against baseline for core funding to help meet funding pressures in Adult Social Care and other services. An additional £1bn was announced at Autumn Statement 2022 and £0.5bn at the Local Government Finance Settlement in February 2024.

Resource AME

The Department's AME budget for 2023-24 has increased by £6.6bn from the Supplementary Estimate 2023-24.

LG AME has increased by £7bn overall. Most of this increase relates to the reclassification of section 31 business rate relief grants from DEL to Annually Managed Expenditure (AME) worth £5,550m as set out in the Local Government Resource DEL section. The Supplementary Estimate position also included receipt income of £1,342m for business rate relief outturns which relate to the reconciliation of the business rates retention system for prior years and reduced the spending control total accordingly for 2023-24. Without this income in 2024-25, the Main Estimate position increases by £1,342m. There is also an increase of £1,513m for the local share of business rates and a reduction of £1,448m for other business rates transactions including £1,111m for Transitional Protection Payments. Other large movements include a £0.4bn decrease in Help to Buy.

1.8 Administration costs

Table 2

Spending total amounts sought this year **Main Estimate 2024-25**		**Change from final budget last year** **Supplementary Estimate 2023-24**		**Change from original budget last year** **Main Estimate 2023-24**	
		£m	**%**	**£m**	**%**
Administration non ringfenced	**£297.1m**	(4.4)	(1%)	1.7	1%
Administration ringfenced (depreciation)	**£36.5m**	0.1	0%	(4.8)	(12%)
Total	**£333.6m**	**(5.2)**	**(2%)**	**(3.9)**	**(1%)**

Through the Spending Review 2021, the Department was allocated a non-ringfenced admin budget for 2024-25 of £305m. A net £16m has been transferred to ringfenced admin in respect of the implementation of International Financial Reporting Standard (IFRS) 16 - Leases.

Further changes have since been made to the Department's administration budget at the Main Estimate 2024-25, including an additional £5m to cover the Department's Elections, Union and Constitution functions, £1m of additional funding for the UK Governance team function that transferred from Cabinet Office in 2023-24, and a further £1m of funding in relation to Levelling Up announcements made at Autumn Statement 2023.

1.9 Funding: Spending Review and Budgets

Spending Review 2021 set the overall budget for resource and capital expenditure for 2024-25. [1]

Total Communities DEL budget of £10.4bn was made available via Spending Review 2021, of which £3.4bn was Resource DEL and £7bn Capital DEL. Following announcements at Autumn Statement 2023, an additional £0.1bn of Resource DEL and £0.1bn of CDEL was also made available in 2024-25.

At Main Estimates we had an additional material transfer of funding from Local Government DEL to Communities DEL of £0.3bn for the New Homes Bonus, and a transfer of £0.1bn to the Department for Education for the UK Shared Prosperity Fund.

Total Local Government DEL budget of £12.8bn was made available at Spending Review 2021, all of which was Resource DEL. Autumn Statement 2022 announced additional funding of £1bn for Social Care and £0.5bn at the Local Government Finance Settlement in February 2024. £1.5 bn was also provided at AS22 and £1.7 bn at AS23 for the forecast increased take up of BR Relief measures.

At Main Estimates, reductions are being made for the reclassification of section 31 Business Rates Relief grants to AME (worth £5bn in DEL before the reclassification), £1bn will be surrendered to the Treasury in return for increased business rates retention for certain local authority areas, £0.3bn is being transferred to Communities DEL for New Homes Bonus and £0.1bn transferring to DfE for Supporting families. In addition, there are increases of £0.1bn from the Home Office for the transfer of Fire Pensions into the Local Government Settlement and £0.2bn from the Department for Health and Social Care for the Market Sustainability and Improvement Fund.

1.10 Funding: other spending announcements

A number of announcements were made at Autumn Statement 2023 and Spring Budget 2024 relating to housing, levelling up and devolution. These activities are being funded in 2024-25 from a combination of new funding and through the department absorbing elements within existing budgets across Estimate Row subheads A – Local Government & Public Services, B – Housing & Planning, C – Local Government & Devolution, and D – Elections, Constitution & Union.

[1] https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents

2 Spending detail

2.1 Explanations of changes in spending

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

Resource DEL **- Communities**

The table below shows how DLUHC's spending plans for Resource DEL (Programme and Administration) in the Communities Budget compare with the 2023-24 Supplementary Estimate. Our administration budgets appear on several estimate rows. This is primarily because administration spending in our arm's-length bodies (ALBs) appears on different estimate rows to spend in the core Department.

Table 3

Communities Resource DEL					
Sub-Head	**2024-25 Main Estimate budget sought**	**2023-24 Supplementary Estimate budget approved**	**Change from Supplementary Estimate 2023-24**		**See note**
	£m	**£m**	**£m**	**%**	
Local Government & Public Services	93.6	220.0	(126.4)	(57%)	1
Housing & Planning	1,570.1	1,914.9	(344.8)	(18%)	2
Local Growth & Devolution	1,463.7	748.7	715.0	95%	3
Elections, Union and Constitution	45.1	39.8	5.3	13%	
Supporting Families	0	230.4	(230.4)	(100%)	4
Research, Data & Trading Funds	5.6	15.4	(9.8)	(64%)	
DLUHC Staff, Building and Infrastructure Costs	275.4	293.2	(17.8)	(6%)	
Departmental Unallocated Provision	12.0	0.0	12.0	100%	5
Elections	103.2	7.7	95.5	1240%	6
Total RDEL DLUHC Communities	**3,568.7**	**3,470.1**	**98.6**	**3%**	

Notes

1. **Local Government & Public Services (-£126.4m)**: Variance largely driven by increases to the Rough Sleeping Drug and Alcohol Grant budget (£59.5m) this year, which was transferred to DHSC at Supps 23-24, and the Single Homelessness Accommodation programme (£15.6m) which will see the bulk of its delivery in 24-25. These increases are offset by reductions in Homes for Ukraine (£35.9m), where further budget is to be provided through a Reserve Claim at the Supplementary Estimate, and Flooding (£10.0m) and Hong Kong resettlements (£12.6m) which will similarly have budgets allocated via reserve claims at Supps, should they be required. A further £148m has not

been included in our Main Estimate budget figures, which we are expecting to be transferred into the department at Supplementary Estimates instead.

2. **Housing & Planning (-£344.8m)**: Variance largely driven by reductions to Homes England's Home Building Funds and Land and Infrastructure fund (-£261.0m in total), as Main Estimate budgets do not include cover for Expected Credit Losses, which will be requested at Supplementary Estimates as usual; Rough Sleeping Initiative (-£32.2m) as the 23-24 Supps budget had also included an additional c£30m of top-up funding for emerging pressures; and Single Land Programme (-£31.6m) due to an increase in the amount of income that can be retained in 24-25.

3. **Local Growth & Devolution (£715.0m)**: Variance principally driven by a £667.5m increase to the UK Shared Prosperity Fund in line with delivery plans. In addition, there have also been increases of £39.4m for New Devolution Deals, linked to investment funds agreed as part of the devolution deals over 22-23 and 23-24, but which only start to pay out after Mayoral elections have taken place, and new MCAs are established.

4. **Supporting Families (-£230.4m):** Responsibility and budget for delivering the Supporting Families programme moved to the Department for Education as of 1 April 2024. Therefore there is no budget required within DLUHC, with the 2024-25 budget being transferred (see section 2.2 for further detail of this transfer).

5. **Departmental Unallocated Provision (£12m):** Variance is due to the provision being removed at Supplementary Estimates each year.

6. **Elections (£95.5m):** Variance driven by additional funding to cover the Police and Crime Commissioner elections in 2024-25. General Election funding will be requested at Supplementary Estimates. This is non-voted expenditure.

***Resource DEL* – Local Government**

The table below shows how DLUHC's spending plans for Resource DEL in the Local Government Budget compare with the 2023-24 Supplementary Estimate.
Note: Local Government Resource DEL is not mapped to Departmental Strategic objectives.

Table 4

Local Government Resource DEL					
Sub-Head	**2024-25 Main Estimate budget sought**	**2023-24 Supplementary Estimate budget approved**	**Change from Supplementary Estimate 2023-24**		**See note**
	£m	**£m**	**£m**	**%**	
Revenue Support Grants	2,118.0	1,905.4	212.5	11%	1
Other Grants and Payments	9,206.1	12,649.7	(3,443.6)	(27%)	2
Business Rates Retention	13.2	46.4	(33.2)	(92%)	3
Total Local Government RDEL	**11,337.3**	**14,601.5**	**(3,264.2)**	**(22%)**	

1. **Revenue Support Grants:** Increases in 2024-25 due to (CPI 6.6% in Sep 2023) and the rolling in of Fire Pensions Grant from the Homes Office.

2. **Other Grants and Payments:** This reduction is largely due to the reclassification of section 31 BR Reliefs (worth £4.9 bn in 2023-24). Other, offsetting increases include £1,880m for Social Care grants and £135m for Funding Guarantee. There are also other reductions such as £396m for Services Grant and £100m for Council Tax Support Fund.

3. **Business Rates Retention:** Most of the reduction reflects that there is no start year budget for Safety Net on account payments at the Main Estimate. Treasury have confirmed they will provide £61m for this spending at the Supplementary Estimate which would more than offset the reduction.

Capital DEL- Communities

The table below shows how DLUHC's spending plans for Capital DEL in the Communities Budget compared with the 2023-24 Supplementary Estimate.

Table 5

CAPITAL DEL GRANT – Communities					
Sub-Head	**2024-25 Main Estimate budget sought**	**2023-24 Supplementary Estimate budget approved**	**Change from Supplementary Estimate 2023-24**		**See note**
	£m	**£m**	**£m**	**%**	
Local Government & Public Services	119.7	68.7	51.0	74%	1
Housing & Planning	4,620.2	4,862.0	(241.8)	(5%)	2
Local Growth & Devolution	1,782.0	2,036.5	(254.5)	(12%)	3
Elections, Union and Constitution	7.5	11.6	(4.1)	(35%)	
Supporting Families	0	0.7	(0.7)	(100%)	
Research, Data & Trading Funds	11.9	10.2	1.7	17%	
DLUHC Staff, Building and Infrastructure Costs	54.9	44.2	10.7	24%	4
Total CDEL Grant DLUHC	**6,596.2**	**7,033.8**	**(437.6)**	**(6%)**	

CDEL Grant

1. **Local Government & Public Services (£50.9m):** Variance is due to the Single Homelessness Accommodation programme, for which allocations following the final round of bidding for the programme were announced in February 2024, with the bulk of delivery programmed in 24-25.

2. **Housing & Planning (-£241.8m):** Variance has been driven by £249m which has not been included in our Main Estimate budget figures, which we are expecting to be transferred into the department at Supplementary Estimates.

3. **Local Growth & Devolution (-£254.4m):** Variance is driven by decreases on the Levelling Up Fund (-£508.1m), Freeports (-£27.2m) and the Community Ownership Fund (£21.3m), all of which will be funded via a reserve claim at Supplementary Estimates. The Future High Streets Fund is due to end by September 2024 and accounts for £152.1m of the variance. These reductions are offset by increases to Levelling Up Partnerships (£170.1m), which were established in 23-24 but the bulk of delivery will be in 2024-25; UK Shared Prosperity Fund (£155.9m) which will see funding and delivery increase in its third year; New Devolution Deals (£96.4m) partly for investment funds of devolution deals agreed in 23-24 where funding starts after new MCAs are set up, and partly for new devolution deals anticipated in 24-25; and Investment Zones (£52m) which is a new programme for 2024-25.

4. **DLUHC Staff, Building and Infrastructure Costs (£10.7m):** Increase predominantly linked to the capitalised lease costs under IFRS16 resulting from planned additions to our estate and other refurbishment, and increased investment in Digital services.

Table 6

CAPITAL DEL FINANCIAL TRANSACTIONS – Communities					
Sub-Head	**2024-25 Main Estimate budget sought**	**2023-24 Supplementary Estimate budget approved**	**Change from Supplementary Estimate 2023-24**		**See note**
	£m	**£m**	**£m**	**%**	
Local Government & Public Services	-	(50.0)	50.0	(100%)	1
Housing & Planning	331.0	145.8	185.3	127%	2
Local Growth & Devolution	-	(5.5)	5.5	(100%)	
Departmental Unallocated Provision	230.7	-	230.7	100%	3
Total CDEL FT DLUHC	**561.7**	**90.3**	**471.4**	**522%**	

CDEL FT

1. **Local Government & Public Services (£50.0m):** Variance is due to the London Settlement income budget following a loan repayment that had been included in 23-24 in error. The loan is actually expected to be repaid in 25/26 and therefore no budget is included for Mains 24/25.

2. **Housing & Planning (£185.3m):** The overall increase is predominantly driven by Land and Infrastructure and Long Term Funds, which cover a wide variety of projects, including third party loans, and the acquisition and remediation of different parcels of land. As such, the budget requirement each year is not consistent.

3. **Departmental Unallocated Provision (£230.7m):** The Department has allocated budgets for 2024-25 Main Estimate based on the best available forecasts for the coming financial year, leaving a portion of our CDEL Financial Transactions budget available to prioritise in response to market conditions.

The table below shows how spending plans for Resource AME compare with 2023-24 Supplementary Estimate. Note that Resource AME is not mapped to Outcome Delivery Plan objectives.

Table 7

Resource AME					
Sub-Head	**2024-25 Main Estimate budget sought**	**2023-24 Supplementary Estimate budget approved**	**Change from Supplementary Estimate 2023-24**		**See note**
	£m	**£m**	**£m**	**%**	
Local Government & Public Services	52.2	59.4	(7.2)	(12%)	
Housing & Planning	1,081.6	1,450.3	(368.7)	(25%)	1
Other Grants and Payments	5,550.3	0	5,550.3	100%	2
Non-Domestic Rates Outturn Adjustments	350.0	249.4	100.6	40%	3
Local Growth & Devolution	0.0	5.0	(5.0)	(100%)	
DLUHC Staff, Building and Infrastructure Costs	(0.2)	(0.2)	0.0	(0%)	
Business Rates Retention	17,189.7	15,882.5	1,307.2	8%	4
Total Resource Government AME	**24,223.6**	**17,646.4**	**6,577.2**	**37%**	

1. **Housing & Planning (£368.7m):** Variance principally driven by a £434m decrease reflecting expectations of changes in the Help to Buy loan book value. This is partially offset by increases of £37m on the Land and Infrastructure Fund, and £22m on the Single Land Programme. Homes England's AME estimates are based on updated economic scenarios, using a "reasonable worst case" approach. The movement in budget from 23-24 to 24-25 reflects changes in these economic forecasts.

2. **Other Grants and Payments**: **(£5,550m)**: This increase relates to the reclassification of section 31 business rate relief grants from DEL to Annually Managed Expenditure (AME), worth £5,550m in 2024-25.

3. **Non-Domestic Rates Outturn Adjustments (£100m):** The start year budget of £350m will be adjusted at Supplementary Estimates following submission of local authority outturn data.

4. **Business Rate Retention: (1,307.2m)** The Supplementary Estimate position included receipt income of £1,342m for business rate relief outturns which related to the reconciliation of the business rates retention system for prior financial years and reduced the spending control total accordingly for 2023-24. Without this income in 2024-25, the Main Estimate position increases by £1,342m. There is also an increase of £1,513m for the local share of business rates and a reduction of £1,548m for other business rates transactions including £1,111m for Transitional Protection Payments

2.2 Restructuring

On 23 May 2023, a Machinery of Government change was announced that transferred responsibility for the delivery of the Supporting Families programme from DLUHC to the Department for Education. This change took effect from 1 April 2024. The associated budgets have, therefore, also transferred across to DfE for 2024-25.

This change has resulted in £166.6m of RDEL budget (of which £1.6m Admin) and £1.3m of CDEL budget transferring from DLUHC Communities DEL, with £90.0m of RDEL also being transferred from Local Government RDEL. In 2023-24, these budgets came to a total of £230m and had previously been held on Estimate subhead E, which had been a unique row for the Supporting Families programme. With this programme being transferred in its entirety, subhead E has since been reallocated.

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
Table 8

Spending total amounts sought this year **Main Estimate 2024-25**		**Change from final budget last year** **Supplementary Estimate 2023-24**		**Change from original budget last year** **Main Estimate 2023-24**	
		£m	**%**	**£m**	**%**
Depreciation Programme	8.4	-	-	-	-
Depreciation Administration	36.5	0.1	0%	(4.8)	(12%)
UKSPF	1,135.7	667.4	143%	642.8	130%

Capital DEL
Table 9

Spending total amounts sought this year **Main Estimate 2024-25**		**Change from final budget last year** **Supplementary Estimate 2023-24**		**Change from original budget last year** **Main Estimate 2023-24**	
		£m	**%**	**£m**	**%**
Financial Transactions	561.7	471.4	522%	(178.6)	(24%)
UKSPF	303.7	155.9	105%	241.0	100%

2.4 Changes to contingent liabilities

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

- The department operates two guarantee schemes for the affordable housing sector (AHGS). The AHGS 2013 closed to applicants in March 2016 and the programme is now in the portfolio management and monitoring phase, meaning there will be no new applicants or approvals. Therefore, there will be no further drawing against this scheme, with £3.2bn drawn down. A financial guarantee against the 2013 scheme has been recognised in the Statement of Financial Position with a value of £28.3m. A second scheme was launched in 2020, guaranteeing debt of no more than £3bn. Autum Statement 2023 announced a £3bn expansion to the scheme making guaranteed debt up to a total of £6bn available, with applications from borrowers for the expanded scheme opening in February 2024. As of March 2024, £1.3bn of borrowing had been approved, with £1.1bn drawn down. The financial guarantee in the Statement of Financial Position has increased to a value of £1.36m.

- The department has provided a guarantee scheme for the private rented sector (PRS), guaranteeing debt of no more than £3.5bn. As of March 2024, the department had approved borrowing of circa £1.8bn of which £1.5bn has been drawn down and is covered by the guarantee scheme. The guarantees have been valued in accordance with IFRS 9 and are recognised as a financial guarantee in the Statement of Financial Position. The value has reduced from £27.3m.

- In May 2019, the department launched the ENABLE Build guarantee scheme, guaranteeing debt of no more than £1bn. As at March 2024, £420.5m has been drawn down and is covered by the guarantee scheme. The guarantees have been valued in accordance with IFRS 9 and have been recognised as a financial guarantee in the Statement of Financial Position. The value has increased to £279,207.

- Planning Inspectorate: Litigation costs may be incurred following unsuccessful attempts to resist a High Court challenge to an Inspector's decision. The timing and value of such awards are difficult to predict, but have been increased from £64,000 to £124,000.

- Planning Inspectorate: Ex-gratia payments which may possibly be made to appellants or other appeal parties who have incurred abortive appeal costs following an error made by a member of the Inspectorate's staff. The value has been reduced from £243,000 to £163,000.

3 Priorities and performance

3.1 How spending relates to objectives

The table below shows how expenditure against subhead descriptions contributes to Departmental priorities under the Outcome Delivery Plan.

Table 10

Estimate subhead	Level up the United Kingdom	Regenerate places, ensuring everyone has access to a high quality, secure and affordable home, and a greater say in how they are planned and built	Ensure that buildings are safe and system interventions are effective and proportionate	A strong and sustainable local government sector with resilient, connected and integrated communities	Strengthen the Union to ensure that its benefits, and the impact of levelling up across all part of the UK, are clear and visible to all citizens	Other – Administration, Local Government Resource DEL and Resource	Total
All figures £m							
A Local Government & Public Services	5.5	11.9	20.7	265.1	-	-	303.2
B Housing & Planning	-	1,950.3	757.0	516.9	-	-	3,224.2
C Local Growth & Devolution	3,050.9	194.7	-	-	-	-	3,245.6
D Elections, Union and Constitution	-	-	-	51.7	0.9	-	52.6
E Research, Data & Trading Funds	-	-	-	-	-	17.4	17.4
F DLUHC Staff, Building and Infrastructure Costs	-	-	-	-	-	330.5	330.5
G Departmental Unallocated Provision	-	-	-	-	-	242.7	242.7
H Local Government & Public Services (ALB)(Net)	-	-	-	-	-	18.8	18.8
I Housing & Planning (ALB)(Net)	-	3,002.8	139.6	-	-	45.8	3,188.2
J Elections	-	-	-	103.2	-	-	103.2
K Revenue Support Grant	-	-	-	-	-	2,118.0	2,118.0

L Other Grants and Payments	-	-	-	-	-	9,206.1	9,206.1
M Business Rates Retention	-	-	-	-	-	13.3	13.3
N Local Government & Public Services	-	-	-	-	-	51.5	51.1
O Housing & Planning	-	-	-	-	-	97.1	97.1
P DLUHC Staff, Building and Infrastructure Costs	-	-	-	-	-	(0.2)	(0.2)
Q Other Grants and Payments						5,550.3	5,550.3
R Non-Domestic Rates Outturn Adjustments	-	-	-	-	-	350.0	350.0
S Local Government & Public Services (ALB)(Net)	-	-	-	-	-	0.8	0.8
T Housing & Planning (ALB)(Net)	-	-	-	-	-	984.4	984.4
U Business Rates Retention	-	-	-	-	-	17,189.7	17,189.7
Total	**3,056.4**	**5,159.7**	**917.3**	**936.9**	**0.9**	**36,216.2**	**46,287.4**

Local Government Resource DEL, Communities Resource DEL Administration and Resource AME budgets are not allocated to Departmental Objectives.

As noted in Section 2.2, subhead E had previously been used exclusively for the Supporting Families programme. Since that programme has been moved over to DfE via a Machinery of Government transfer, subhead E has now been reallocated in 2024-25, as shown above.

3.2 Measures of performance against each priority

The priority outcomes for the Department are:

1. **Level Up** the United Kingdom.
2. **Regenerate** places, ensuring everyone has access to a high quality, secure and affordable home, and a greater say in how they are planned and built.
3. Ensure that buildings **are safe** and system interventions are effective and proportionate.
4. A strong and sustainable **local government** sector with resilient, connected and integrated **communities.**
5. Strengthen the **Union** to ensure that its benefits, and the impact of levelling up across all parts of the UK, are clear and visible to all citizens.

The priority outcomes listed above reflect the remit of the Department. Progress is reported and monitored through Portfolio Boards on a monthly basis with a quarterly stocktake undertaken by the Executive Team. The Department also reports against the agreed Priority Outcomes in the Annual Report and Accounts each year.

3.3 Major projects

In 2023/24, DLUHC held 11 of the major projects and programmes included in the Government Major Projects Portfolio (GMPP). They benefit from Infrastructure and Projects Authority (IPA) support, assurance, and are subject to quarterly reporting. An overview of the Department's GMPP programmes are as follows:

- **Remediation Portfolio:** The Remediation Portfolio's overarching strategic objective is to bring all affected buildings over 11 metres with unsafe cladding up to the minimum life-safety standard quickly, completely, proportionately, and consistently, while ensuring that residents are considered throughout the remediation process, delivering value for money and pursuing those responsible for the cost of remediation.

  The remediation of c.11,000 buildings is a programme of works with a central cost estimate of c.£18bn (including c.£9.2bn for government-led remediation) delivered through five programmes; the Aluminium Composite Material (ACM) programme, the Building Safety Fund (BSF) programme, the Cladding Safety Scheme (CSS) which is delivered through Homes England, the Responsible Actors Scheme (RAS), and the Social Housing (SH) programme.

- **Affordable Homes Programme (AHP):** The AHP allocates grant funding to Local Authorities and Housing Associations to help support the capital costs of developing affordable housing for rent or sale. The 2021 – 2026 AHP operates with a budget of £11.5bn. Over 2023 delivery targets were renegotiated to reflect economic challenges. Delivery of the programme is delegated to our delivery partners Homes England and the Greater London Authority. Delivery partners have full delegated responsibility to make spending and allocation decisions in line with their targets, agreed assessment criteria, and within predetermined delegation limits.

- **Digital Planning Programme:** The Digital Planning Programme is moving a semi analogue planning system, based on documents, to one that is data-driven, standards based, and provides user centred products and services. A shift to data from documents will underpin a more efficient and responsive planning ecosystem, capable of identifying more land for development and of deciding what to build and where, as well as enduring a faster and more efficient decision-making process.

- **Electoral Integrity Programme:** The Electoral Integrity Programme has implemented the Elections Act 2022. The Act brought in key recommendations from the Pickles report, including voter identification, removal of the 15-year limit on overseas electors' UK Parliamentary Election voting rights, some recommendations from the Law Commission, and other measures. As of May 2024, all measures have come into effect, meaning the EIP is approaching its closure phase. There is some remaining work to do, such as continuing to make updates and improvements to digital services and to fund implementation of new measures, but we will fold this into business-as-usual. We have two contracts in place to evaluate the Elections Act, with the second report evaluating delivery at the 2024 polls expected for March 2025.

- **Freeports:** Freeports aim to help places transition into sectors that will sustain in the long term, attracting investment, **enabling** innovation, and creating high-quality jobs. They offer benefits for businesses, including tax reliefs on specific sites and dedicated support for innovation and international trade. There are eight Freeport locations in England: Teesside, Humber, East Midlands, Freeport East, Liverpool, Thames, Solent and Plymouth and South Devon. Two Green Freeports have also been launched in Scotland (Inverness & Cromarty Firth and Forth Green Freeport) and two Freeports in Wales (Celtic and Anglesey Freeport). **D**iscussions continued with stakeholders in Northern Ireland.

- **Grenfell Site and Programme**: The Government took ownership of the Grenfell Tower site in July 2019 and established the Grenfell Site & Programme to deliver the vision of the community-led Grenfell Tower Memorial Commission for a fitting memorial for the bereaved, survivors and Grenfell community, recognising the Grenfell Tower fire tragedy and honouring those who lost their lives. Specifically, the programme objectives are to:
  - Manage the site safely and protect the health and safety of those living, studying and working in close proximity to the site;
  - Engage empathetically with the bereaved, survivors and community at every step; seek progress on policy issues they care about; work with public authorities to assist their recovery; and support the GTMC to realise their vision to deliver a fitting memorial.
  - Realise the vision of the community-led Grenfell Tower Memorial Commission, by delivering a fitting memorial for the bereaved, survivors and local community, and make an evidence-based decision on the tower, in line with legal responsibilities as the owner and a public authority;
  - Ensure our approach is trauma aware, and that we work with partners on the delivery of suitable and accessible physical and mental health services to support the community and the DLUHC programme teams and;
  - Deliver the vision through rigorous programme management techniques.

- **Housing Infrastructure Fund (HIF):** This programme provides investment in up-front infrastructure to unlock housing delivery. HIF is providing £4.2bn of infrastructure grant funding to over 90 local authorities for physical infrastructure (such as roads, community facilities, utilities, land assembly), to unlock up to circa 270,000 homes. Following an IPA Gate review rated red in 2023, the programme did a reset of their business case to respond to the challenging economic conditions, and their delivery rating improved to amber at the IPA review last autumn.

- **Levelling Up Fund (LUF):** This fund was open to bids from all local authorities in the UK alongside some public sector and other bodies in Northern Ireland. The capital-only fund provides grant payments to successful bidders to support town centre & high street regeneration, transport and cultural & heritage bids / projects. Round 3 was announced on 20 November 2023, with 55 local projects awarded a share of c.£1bn.

- **Levelling Up Home Building Fund (LUHBF):** The Levelling Up Home Building Fund is a £2bn fund which is open to SME housebuilders, non-bank lenders and sector innovators. The Fund aims to deliver 42,000 new homes and unlock a further 9,300 homes.

- **Towns Fund:** This programme has two major components: Town Deals and the Future High Streets Fund (FHSF). The ***Town Deals programme*** aims to regenerate towns and deliver long-term economic and productivity growth through investments in urban regeneration, digital and physical connectivity, skills, heritage and enterprise infrastructure. The ***Future High Streets Fund*** aims to renew and reshape town centres and high streets to improve experience, drive growth and ensure future sustainability. The total funding for both programmes is £3.2bn.

- **UK Holocaust Memorial and Learning Centre (UKHMLC):** This programme is to build a new memorial in Victoria Tower Gardens in Westminster to honour the six million Jewish men, women and children that were murdered during the Holocaust, as well as other victims of Nazi persecution. A learning centre integrated with the memorial will explore the British relationship to the Holocaust including the role of the British Parliament and democratic institutions. A Bill currently before Parliament seeks to remove a statutory obstacle to obtaining planning consent.

4 Other information

4.1 Additional specific information required by the Select Committee

The Select Committee has not requested any 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.

Sarah Healey

Accounting Officer and Permanent Secretary

Ministry of Housing, Communities and Local Government

15 July 2024

Department for Levelling Up, Housing and Communities

INTRODUCTION

1. The Department for Levelling Up, Housing and Communities ('the Department') supports communities across the UK to thrive, making them great places to live and work. The Department's work includes investing in local areas to drive growth and create jobs, delivering the homes our country needs, supporting community and faith groups, and overseeing local government, planning and building safety. The Department works to strengthen the Union to ensure that its benefits, and the impact of levelling up across all parts of the United Kingdom, are clear and visible to all citizens. Our priority outcomes are being refreshed and agreed with HM Treasury as part of the development of the 2024-25 Outcome Delivery Plan.

PART I: EXPENDITURE AND AMBIT

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit - Housing and Communities			
Resource	**3,465,605,000**	103,211,000	3,568,816,000
Capital	**7,157,829,000**	-	7,157,829,000
Departmental Expenditure Limit - Local Government			
Resource	**11,337,390,000**	-	11,337,390,000
Capital	**-**	-	-
Annually Managed Expenditure			
Resource	**24,223,628,000**	-	24,223,628,000
Capital	**-**	-	-
Total Net Budget			
Resource	**39,026,623,000**	103,211,000	39,129,834,000
Capital	**7,157,829,000**	-	7,157,829,000
Non-Budget Expenditure	**-**		
Net Cash Requirement	**32,044,883,000**		

Amounts required in the year ending 31 March 2025 for expenditure by Department for Levelling Up, Housing and Communities on:

Departmental Expenditure Limit - Housing and Communities:

Expenditure arising from:

Increasing the supply of affordable housing and supporting home ownership and diversifying the housing market; policies and activities regulating and helping people access the housing market, whether they are renting or looking to buy; policies to improve housing quality; supporting infrastructure and planning programmes including policy; buying, remediating and selling land for housing and economic development; preventing homelessness, and supporting people to stay in their homes and supporting those already homeless.

Supporting local economies across the United Kingdom (UK) to boost productivity and deliver inclusive growth for all our communities, cultural institutions and society in general; economic growth and devolving powers and responsibilities at a local level; European Union (EU) structural funds; UK Holocaust Memorial project.

Supporting local authorities and communities; bringing them together; emergency assistance and financial support to local authorities and communities; encouraging race, gender and faith equality; helping support troubled families and victims of domestic violence and child sexual exploitation; tackling extremism and promoting cohesive communities; Gypsy and Traveller policy.

Supporting effective local government to deliver public services to local people, driving efficiencies and transformation; encouraging action at neighbourhood level; legacy and historic programmes previously run by the Department including payments to the Valuation Office Agency; research and development programmes; supporting the effective functioning of the local audit system.

Responsibility for keeping the Grenfell Tower site safe and secure until a decision is made about its future. Supporting residents and victims of the Grenfell fire and engaging with the Grenfell Tower Memorial Commission.

Delivery of the Building Safety portfolio through supporting and monitoring the rectification of safety issues relating to buildings and enforcement by local regulators; reviewing the current building safety system and implementing changes to that system as they are required; delivery of the energy performance of buildings regime. UK-wide delivery of insurance products to rectify building safety issues and a National Regulator for Construction Products, and the delivery of a new Building Safety Regulator for England along with training and recruitment of local regulators.

Exiting the EU and net spending by Arm's Length Bodies (ALBs) and public corporations, including Homes England.

Expenditure relating to any of the above areas in the form of: equity investment, or making loans through advances of principal (financial transactions); using a payment by results mechanism; the creation of liabilities and expenditure related to a financial guarantee or similar financial instrument given by the Department; providing grant funding to charities; providing funding through endowments as laid out in Managing Public Money; social investment models; purchase and management of exchange rate contracts to hedge exposure risk; financial transactions devolved to and delivered by local authorities.

Administration of the Department for Levelling Up, Housing and Communities, its ALBs, and associated offices, ensuring that they deliver on the Department's objectives.

Administration and operation of the Department in connection with maintaining the integrity of the Union, and sustaining a flourishing democracy.

Income arising from:

Increasing the supply of affordable housing and supporting home ownership and diversifying the housing market; policies and activities regulating and helping people access the housing market, buying and selling land for housing and economic development; capital pooled housing receipts; planning programmes and policy.

Supporting local economies across the country to boost productivity and deliver inclusive growth for all communities and economic growth; EU structural funds and European Regional Development Fund programme; city deals.

Supporting effective local government to deliver public services to local people, driving efficiencies and transformation; supporting local authorities; disabled facilities grant; legacy and historic programmes previously run by the Department; research and development programmes.

Exiting the EU, public corporations, including Homes England.

Delivery of the Building Safety portfolio and energy performance regime.

Income relating to any of the above areas in the form of: equity investment, or making loans through advances of principal (financial transactions); using a payment by results mechanism; fees and charges including by ALBs; creation of liabilities related to a financial guarantee or similar financial instrument given by the Department; purchase and management of exchange rate contracts to hedge exposure risk; financial transactions devolved to and delivered by local authorities.

Administration of the Department for Levelling Up, Housing and Communities, its ALBs, and associated offices, ensuring that they deliver on the Department’s objectives.

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

Deposits forfeited by candidates in an election.

Insurance schemes.

Departmental Expenditure Limit - Local Government:
Expenditure arising from:
Supporting effective local government to deliver public services to local people.

Financial support to local authorities and specified bodies including grant payments; including revenue support grant, business rates retention including transitional relief; business rate relief measures and Covid-19 measures.

Supporting social care and independent living; local government devolved powers.

Supporting cyber and digital modernisation.

Annually Managed Expenditure:
Expenditure arising from:
Debt payments relating to housing stock; charges on financial products’ repayments of excess contributions made by local authorities; provision for future liabilities, impairments, and exchange rate movements including on financial instruments (including guarantees); business rates retention; hedging.

Supporting effective local government to deliver public services to local people and net spending by the Department's ALBs and other public bodies not classified as ALBs and setting up of new Development Corporations. Movements arising from pension schemes of the Department and its ALBs.

Supporting communities to respond and recover from Covid-19.

Income arising from:
Supporting effective local government to deliver public services to local people.

Department for Levelling Up, Housing and Communities will account for this Estimate.

£

	Voted Total	Allocated in Vote on Account	Balance to complete or surrender
Departmental Expenditure Limit - Housing and Communities			
Resource	3,465,605,000	1,590,973,000	**1,874,632,000**
Capital	7,157,829,000	3,337,277,000	**3,820,552,000**
Departmental Expenditure Limit - Local Government			
Resource	11,337,390,000	7,796,087,000	**3,541,303,000**
Capital	-	-	**-**
Annually Managed Expenditure			
Resource	24,223,628,000	8,943,863,000	**15,279,765,000**
Capital	-	-	**-**
Non-Budget Expenditure	-	-	**-**
Net Cash Requirement	32,044,883,000	14,161,400,000	**17,883,483,000**

PART II: SUBHEAD DETAIL

£'000

	2024-25 Plans										2023-24 Plans	
	Resources							Capital			Resources	Capital
	Administration			Programme			Total					
	Gross	Income	Net	Gross	Income	Net	Net	Gross	Income	Net	Net	Net
	1	2	3	4	5	6	7	8	9	10	11	12
Departmental Expenditure Limit (DEL) - Housing and Communities												
Voted expenditure												
A Local Government and Public Services	-	-	-	74,764	-	74,764	74,764	119,359	-	119,359	202,717	17,821
B Housing and Planning	-	-	-	1,472,171	-15,044	1,457,127	1,457,127	1,876,131	-	1,876,131	1,508,404	2,182,334
C Local Growth and Devolution	-	-	-	1,463,661	-	1,463,661	1,463,661	1,781,966	-	1,781,966	748,705	2,030,958
D Elections, Union and Constitution	-	-	-	45,052	-	45,052	45,052	7,468	-	7,468	39,765	11,571
E Research, Data and Trading Funds	-	-	-	5,570	-	5,570	5,570	11,875	-	11,875	15,428	10,161
F DLUHC Staff, Building and Infrastructure Costs	284,509	-15,407	269,102	6,419	-	6,419	275,521	54,949	-	54,949	293,165	44,230
G Departmental Unallocated Provision	-	-	-	12,129	-	12,129	12,129	230,613	-	230,613	-	-
H Local Government and Public Services (ALB)(Net)	18,790	-	18,790	-	-	-	18,790	300	-	300	17,331	925
I Housing and Planning (ALB)(Net)	45,773	-	45,773	67,218	-	67,218	112,991	3,075,168	-	3,075,168	406,476	2,825,385
Supporting Families	-	-	-	-	-	-	-	-	-	-	*230,399*	*710*
Total voted DEL	**349,072**	**-15,407**	**333,665**	**3,146,984**	**-15,044**	**3,131,940**	**3,465,605**	**7,157,829**	**-**	**7,157,829**	**3,462,390**	**7,124,095**
Non-voted expenditure												
J Elections	-	-	-	103,211	-	103,211	103,211	-	-	-	7,700	-
Total non-voted DEL	**-**	**-**	**-**	**103,211**	**-**	**103,211**	**103,211**	**-**	**-**	**-**	**7,700**	**-**
Total DEL - Housing and Communities	**349,072**	**-15,407**	**333,665**	**3,250,195**	**-15,044**	**3,235,151**	**3,568,816**	**7,157,829**	**-**	**7,157,829**	**3,470,090**	**7,124,095**
Department Expenditure Limit (DEL) - Local Government												
Voted expenditure												
K Revenue Support Grant	-	-	-	2,117,964	-	2,117,964	2,117,964	-	-	-	1,905,423	-
L Other Grants and Payments	-	-	-	9,206,135	-	9,206,135	9,206,135	-	-	-	7,653,175	-
M Business Rates Retention	-	-	-	13,291	-	13,291	13,291	-	-	-	46,377	-
Total voted DEL	**-**	**-**	**-**	**11,337,390**	**-**	**11,337,390**	**11,337,390**	**-**	**-**	**-**	**9,604,975**	**-**
Total DEL - Local Government	**-**	**-**	**-**	**11,337,390**	**-**	**11,337,390**	**11,337,390**	**-**	**-**	**-**	**9,604,975**	**-**

PART II: SUBHEAD DETAIL

£'000

	2024-25 Plans										2023-24 Plans	
	Resources							Capital			Resources	Capital
	Administration			Programme			Total					
	Gross	Income	Net	Gross	Income	Net	Net	Gross	Income	Net	Net	Net
	1	2	3	4	5	6	7	8	9	10	11	12
Annually Managed Expenditure (AME)												
Voted expenditure												
N Other Grants and Payments	-	-	-	5,550,342	-	5,550,342	5,550,342	-	-	-	5,039,912	-
O Local Government and Public Services	-	-	-	51,452	-	51,452	51,452	-	-	-	53,669	-
P Housing and Planning	-	-	-	97,139	-	97,139	97,139	-	-	-	99,870	-
Q DLUHC Staff, Building and Infrastructure Costs	-	-	-	-150	-	-150	-150	-	-	-	-168	-
R Non-Domestic Rates Outturn Adjustments	-	-	-	350,000	-	350,000	350,000	-	-	-	206,014	-
S Local Government and Public Services (ALB)(Net)	-	-	-	765	-	765	765	-	-	-	5,696	-
T Housing and Planning (ALB)(Net)	-	-	-	984,390	-	984,390	984,390	-	-	-	1,350,448	-
U Business Rates Retention	-	-	-	20,005,979	-2,816,289	17,189,690	17,189,690	-	-	-	15,882,538	-
Local Growth and Devolution	-	-	-	-	-	-	-	-	-	-	*5,000*	-
Total voted AME	**-**	**-**	**-**	**27,039,917**	**-2,816,289**	**24,223,628**	**24,223,628**	**-**	**-**	**-**	**22,642,979**	**-**
Total AME	**-**	**-**	**-**	**27,039,917**	**-2,816,289**	**24,223,628**	**24,223,628**	**-**	**-**	**-**	**22,642,979**	**-**
Voted expenditure	**349,072**	**-15,407**	**333,665**	**41,524,291**	**-2,831,333**	**38,692,958**	**39,026,623**	**7,157,829**	**-**	**7,157,829**	**35,710,344**	**7,124,095**
Non-voted expenditure	**-**	**-**	**-**	**103,211**	**-**	**103,211**	**103,211**	**-**	**-**	**-**	**7,700**	**-**
Total for Estimate	**349,072**	**-15,407**	**333,665**	**41,627,502**	**-2,831,333**	**38,796,169**	**39,129,834**	**7,157,829**	**-**	**7,157,829**	**35,718,044**	**7,124,095**

PART II: RESOURCE TO CASH RECONCILIATION

	2024-25 Plans	2023-24 Plans	2022-23 Outturn
			£'000
Net Resource Requirement	**39,129,834**	**35,718,044**	**26,439,914**
Net Capital Requirement	**7,157,829**	**7,124,095**	**6,817,728**
Accruals to cash adjustments	**-14,139,569**	**-13,408,228**	**-13,651,290**
Of which:			
Adjustment for ALBs:			
Remove voted resource and capital	-4,192,404	-4,606,261	-3,510,114
Add cash grant-in-aid	2,270,939	1,182,640	1,591,589
Adjustments to remove non-cash items:			
Depreciation	-127,216	-137,848	-11,300
New provisions and adjustments to previous provisions	-60,725	-60,630	8,959
Departmental Unallocated Provision	-242,742	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-16,264,953	-14,773,302	-11,745,349
Adjustments to reflect movements in working balances:			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	4,468,809	4,980,649	-
Use of provisions	8,723	6,524	14,925
Removal of non-voted budget items	**-103,211**	**-7,700**	**88**
Of which:			
Consolidated Fund Standing Services	-103,211	-7,700	88
Other adjustments	-	-	-
Net Cash Requirement	**32,044,883**	**29,426,211**	**19,606,440**

PART III: NOTE A - STATEMENT OF COMPREHENSIVE NET EXPENDITURE & RECONCILIATION TABLE

£'000

	2024-25 Plans	2023-24 Plans	2022-23 Outturn
Gross Administration Costs	328,072	320,479	218,232
Less:			
Administration DEL (Housing and Communities) Income	-15,407	-10,426	-16,737
Administration DEL (Local Government) Income	-	-	-
Net Administration Costs	**312,665**	**310,053**	**201,495**
Gross Programme Costs	46,494,377	44,911,086	38,207,472
Less:			
Programme DEL (Housing and Communities) Income	-15,044	-38,734	-1,137,664
Programme DEL (Local Government) Income	-	-	-
Programme AME Income	-2,816,289	-4,050,372	-6,185,279
Non-budget income	-183,869	-	-186,712
Net Programme Costs	**43,479,175**	**40,821,980**	**30,697,817**
Total Net Operating Costs	**43,791,840**	**41,132,033**	**30,899,312**
Of which:			
Resource DEL (Housing and Communities)	3,527,112	3,438,290	3,834,806
Resource DEL (Local Government)	11,337,390	9,604,975	7,693,746
Capital DEL (Housing and Communities)	6,420,329	6,896,134	4,636,234
Capital DEL (Local Government)	-	-	-
Resource AME	24,257,851	22,680,543	14,921,238
Capital AME	-	-	-
Non-budget	-1,750,842	-1,487,909	-186,712
Adjustments to include:			
Departmental Unallocated Provision (resource)	12,129	-	-
Consolidated Fund Extra Receipts in the budget but not in SoCNE	-	-	-
Adjustments to remove:			
Capital in the SoCNE	-4,670,356	-5,408,225	-4,449,522
Grants to devolved administrations	-	-	-
Non-Budget Consolidated Fund Extra Receipts in SoCNE	1,750,842	1,487,909	186,712
Other adjustments	-1,754,621	-1,493,673	-196,588
Total Resource Budget	**39,129,834**	**35,718,044**	**26,439,914**
Of which:			
Resource DEL (Housing and Communities)	3,568,816	3,470,090	3,865,661
Resource DEL (Local Government)	11,337,390	9,604,975	7,693,746
Resource AME	24,223,628	22,642,979	14,880,507
Adjustments to include:			
Grants to devolved administrations	-	-	-
Prior period adjustments	-	-	-
Adjustments to remove:			
Consolidated Fund Extra Receipts in the resource budget	-	-	-
Other adjustments	-	-	-
Total Resource (Estimate)	**39,129,834**	**35,718,044**	**26,439,914**

PART III: NOTE B - ANALYSIS OF DEPARTMENTAL INCOME

£'000

	2024-25 Plans	2023-24 Plans	2022-23 Outturn
Voted Resource DEL - Housing and Communities			
F DLUHC Staff, Building and Infrastructure Costs			
EU Grants Received	-	-	-12,824
Sales of Goods and Services	-	-	-3,913
Other Income	-15,407	-10,426	-
Total EU Grants Received	**-**	**-**	**-12,824**
Total Sales of Goods and Services	**-**	**-**	**-3,913**
Total Other Income	**-15,407**	**-10,426**	**-**
Total Administration	**-15,407**	**-10,426**	**-16,737**
Programme			
A Local Government and Public Services			
Interest and Dividends	-	-	-640
Other Income	-	-	-58
B Housing and Planning			
Sales of Goods and Services	-15,044	-17,494	-14,416
Interest and Dividends	-	-1,785	-10,880
Other Grants	-	-	-33
Other Income	-	-	-624
C Local Growth and Devolution			
EU Grants Received	-	-	-267,296
Sales of Goods and Services	-	-	-600
Other Grants	-	-	-1,134
Other Income	-	-	-348
D Elections, Union and Constitution			
Sales of Goods and Services	-	-	-43
E Research, Data and Trading Funds			
Sales of Goods and Services	-	-	-40
Other Grants	-	-	-30
F DLUHC Staff, Building and Infrastructure Costs			
Sales of Goods and Services	-	-	-42
Other Income	-	-	-2,622
Total EU Grants Received	**-**	**-**	**-267,296**
Total Sales of Goods and Services	**-15,044**	**-17,494**	**-15,141**
Total Interest and Dividends	**-**	**-1,785**	**-11,520**
Total Other Grants	**-**	**-**	**-1,197**
Total Other Income	**-**	**-**	**-3,652**
Total Programme	**-15,044**	**-19,279**	**-298,806**
Total Voted Resource DEL- Housing and Communities	**-30,451**	**-29,705**	**-315,543**

PART III: NOTE B - ANALYSIS OF DEPARTMENTAL INCOME

			£'000
	2024-25 Plans	**2023-24 Plans**	**2022-23 Outturn**
Voted Resource AME			
Programme			
P Housing and Planning			
Sales of Goods and Services	-	-	-1,251
U Business Rates Retention			
Other Grants	-2,816,289	-4,050,372	-6,184,029
Total Sales of Goods and Services	**-**	**-**	**-1,251**
Total Other Grants	**-2,816,289**	**-4,050,372**	**-6,184,029**
Total Programme	**-2,816,289**	**-4,050,372**	**-6,185,280**
Total Voted Resource AME	**-2,816,289**	**-4,050,372**	**-6,185,280**
Total Voted Resource Income	**-2,846,740**	**-4,080,077**	**-6,500,823**
Voted Capital DEL- Housing and Communities			
Programme			
A Local Government and Public Services			
Sales of Assets	-	-	-1,985
Repayments	-	-50,000	-34,085
B Housing and Planning			
Sales of Assets	-	-	-9
Other Grants	-	-	-594,599
Repayments	-	-	-1,435
C Local Growth and Devolution			
EU Grants Received	-	-	-234,360
Other Grants	-	-19,455	-11,490
Other Income	-	-5,496	-1,706
E Research, Data and Trading Funds			
Other Income	-	-	-6,980
F DLUHC Staff, Building and Infrastructure Costs			
Sales of Assets	-	-	-53,516
Other Grants	-	-	-456
Total Sales of Assets	**-**	**-**	**-55,510**
Total EU Grants Received	**-**	**-**	**-234,360**
Total Other Grants	**-**	**-19,455**	**-606,545**
Total Other Income	**-**	**-5,496**	**-8,686**
Total Repayments	**-**	**-50,000**	**-35,520**
Total Programme	**-**	**-74,951**	**-940,621**
Total Voted Capital DEL- Housing and Communities	**-**	**-74,951**	**-940,621**
Total Voted Capital Income	**-**	**-74,951**	**-940,621**

PART III: NOTE C - ANALYSIS OF CONSOLIDATED FUND EXTRA RECEIPTS

In addition to income retained by the Department the following income is payable to the Consolidated Fund:

£'000

	2024-25 Plans		**2023-24 Plans**		**2022-23 Outturn**	
	Income	***Receipts***	**Income**	***Receipts***	**Income**	***Receipts***
Income in budgets surrendered to the Consolidated Fund (resource)	-	-	-	-	-	-
Income in budgets surrendered to the Consolidated Fund (capital)	-	-	-	-	-	-
Non-budget amounts collectable on behalf of the Consolidated Fund (in the SoCNE)	-1,750,842	*-1,750,842*	-1,487,909	*-1,487,909*	-2,431,950	*-2,431,950*
Total	**-1,750,842**	***-1,750,842***	**-1,487,909**	***-1,487,909***	**-2,431,950**	***-2,431,950***

DETAILED DESCRIPTION OF CFER SOURCES

£'000

	2024-25 Plans		**2023-24 Provisions**		**2022-23 Outturn**	
	Income	***Receipts***	**Income**	***Receipts***	**Income**	***Receipts***
Non-Budget						
Capital Pooled Housing Receipts	-183,000	*-183,000*	-	-	-186,712	*-186,712*
HCA Housing Supply: Help to Buy	-1,563,473	-1,563,473	-1,484,819	-1,484,819	-2,239,091	-2,239,091
HCA Housing Supply: First Buy	-3,500	*-3,500*	-3,090	*-3,090*	-6,147	*-6,147*
Guarantees	-869	*-869*	-	-	-	-
Total	**-1,750,842**	***-1,750,842***	**-1,487,909**	***-1,487,909***	**-2,431,950**	***-2,431,950***

PART III: NOTE D - EXPLANATION OF ACCOUNTING OFFICER RESPONSIBILITIES

The Accounting Officer prepares resource accounts for each financial year. See Section 2, Part III - Other statements and notes for further details of Accounting Officer responsibilities.

Accounting Officer:	Sarah Healey

Executive Agency Accounting Officers:

Paul Morrison	Planning Inspectorate

ALB Accounting Officers:

Peter Denton	Homes England
Nigel Ellis	Commission for Local Administration in England
Alice Bradley and Sally Frazer	The Leasehold Advisory Service
Antonio Masella	Valuation Tribunal Service
Richard Blakeway	The Housing Ombudsman
Jonathan Walters	Regulator for Social Housing

PART III: NOTE E - ARM'S LENGTH BODIES (ALBs)

£'000

Section in Part II: Subhead Detail	Body	Resources	Capital	Grant-in-aid
H	Commission for Local Administration in England	13,186	100	12,326
H	Valuation Tribunal Service	5,604	200	5,706
I	Homes England	73,208	3,065,651	2,241,700
I	The Leasehold Advisory Service	1,924	-	1,900
I	The Office for Place	3,500	517	4,017
I	Regulator of Social Housing	20,070	700	4,700
I	The Housing Ombudsman	14,289	8,300	590
S	Commission for Local Administration in England	-452	-	-
S	Valuation Tribunal Service	1,217	-	-
T	Homes England	989,590	-	-
T	Regulator of Social Housing	960	-	-
T	The Housing Ombudsman	-6,160	-	-
Total		**1,116,936**	**3,075,468**	**2,270,939**

PART III: NOTE F - ACCOUNTING POLICY CHANGES

Grant funding to local authorities for business rates reliefs and tax policy changes was reclassified from DEL to AME at Spring Budget 2024 due to volatility and uncertainty in cost estimates.

The amount of spending that has been reclassified is equal to £5.1 billion in 2024-25, and has been backdated to all outturn years in which applicable spending took place. Local authorities will receive the same funding, as will the devolved administrations through the Barnett formula. This change therefore has no impact on Total Managed Expenditure or public borrowing.

PART III: NOTE G - EXPENDITURE RESTING ON THE SOLE AUTHORITY OF THE SUPPLY AND APPROPRIATION ACT

The following subheads contain provision sought under the sole authority of Part I of the Estimate and of the confirming Supply and Appropriation Act

Section in Part II: Subhead Detail	Service	£'000
A	UK Holocaust Memorial Programme	2,509
A	Chairship of the International Holocaust Remembrance Alliance	200

PART III: NOTE J - STAFF BENEFITS

The Exceptional Performance and Instant Reward Scheme is open to all of the Department's employees below the Senior Civil Service (SCS). The guidelines suggest a maximum of £1,000 for exceptional performance and £100 for Instant Voucher Awards. All awards are taxable, reckon for national insurance purposes, are non-consolidated and non-pensionable. For voucher awards, the Department meets the tax and national insurance costs. The total cost of the exceptional performance scheme for delegated grades is limited to 0.65% of paybill. There are separate arrangements for the performance management of the SCS.

PART III: NOTE K - CONTINGENT LIABILITIES

Nature of liability	£'000
The Government Legal Department (GLD) manages litigation cases on behalf of the department. Litigation costs may be incurred following unsuccessful attempts to resist some of those challenges.	237
Claim for repair or repurchase of defective Right to Buy homes sold by local authorities between 1980 and 1985.	250 - 750 per house
Potential liabilities to the EC arising from current European legislation.	Unquantifiable
Potential losses arising from inability to recover ineligible expenditure arising as a result of the closure of ERDF 2014-20 programmes.	Unquantifiable
Potential liabilities arising following the tragic events at Grenfell Tower in June 2017. At this time, the nature and value of the liabilities arising cannot be determined with sufficient reliability and consequently, are considered to be unquantifiable.	Unquantifiable
Homes England: At 30 September 2023, the West Sussex Pension Scheme had 9 active members. When the last active member leaves the scheme, the obligation to pay an exit debt will be crystallised. The timing and value of any exit debt due in the future is not yet known.	Unquantifiable
Homes England: Homes England is potentially liable for miscellaneous claims by developers, contractors and individuals in respect of costs and claims not allowed for in development agreements, construction contracts, grants and claims such as Compulsory Purchase Orders. Payment, if any, against these claims may depend on lengthy and complex litigation and potential final settlements cannot be determined with any certainty at this time. As claims reach a more advanced stage they are considered in detail and specific provisions are made in respect of those liabilities to the extent that payment is considered probable.	Unquantifiable
Planning Inspectorate: Litigation costs may be incurred following unsuccessful attempts to resist a High Court challenge to an Inspector's decision. The timing and value of such awards are difficult to predict.	64
Planning Inspectorate: Ex-gratia payments which may possibly be made to appellants or other appeal parties who have incurred abortive appeal costs following an error made by a member of the Inspectorate's staff.	243
Estimated £2.5 million self-correction to the European Regional Development Fund (ERDF) programme to reduce the total error rate below 2% following the European Commission audit.	2,500

PART III: NOTE K - CONTINGENT LIABILITIES

Nature of liability	£'000
Parliamentary Contingent Liabilities that have been disclosed to Parliament and are disclosed in the Accountability Report but are not disclosed under IFRS as the probability is considered remote:	
Professional Indemnity Insurance (PII) Scheme – The department provides state backing to an insurer who administers PII policies for qualified professionals to enable them to access the indemnity cover they need to undertake EWS1 assessments. The scheme is now closed to new policies. The risk is limited by the number of policies in issue, policy limits depending on the size of the building, insurance only being issued to qualified professionals and the audit of the certificates.	Unquantifiable
The department operates two guarantee schemes for the affordable housing sector (AHGS). The AHGS 2013 closed to applicants in March 2016 and the programme is now in the portfolio management and monitoring phase, meaning there will be no new applicants or approvals. Therefore, there will be no further drawing against this scheme, with £3.2 billion drawn down. A financial guarantee against the 2013 scheme has been recognised in the Statement of Financial Position with a value of £29.1 million. A second scheme was launched in 2020, guaranteeing debt of no more that £3 billion. At 31 March 2023 £722.5 million of borrowing had been approved, with £648.5 million drawn down. The financial guarantee in the Statement of Financial Position had a value of nil.	
The department has provided a guarantee scheme for the private rented sector (PRS), guaranteeing debt of no more than £3.5 billion. At 31 March 2023, the department has approved borrowing of circa £1.8 billion of which £1.5 billion has been drawn down and is covered by the guarantee scheme. The guarantees have been valued in accordance with IFRS 9 and have been recognised as a financial guarantee in the Statement of Financial Position with a value of £76.1 million.	
On the 7 May 2019, the department launched the ENABLE Build guarantee scheme, guaranteeing debt of no more than £1 billion. At 31 March 2023, £346 million has been drawn down and is covered by the guarantee scheme. The guarantees have been valued in accordance with IFRS 9 and have been recognised as a financial guarantee in the Statement of Financial Position with a value of £50,000.	
In 2019-20, the department provided a letter of comfort to the Queen Elizabeth II Conference Centre to confirm that a loan will be provided if required, in accordance with the Framework Agreement between the department and the trading fund. The department laid a Statutory Instrument on the 8th June 2021 to increase the trading fund's borrowing limit from £2 million to £12 million. At 31 March 2023, the department had loaned the trading fund £2.6 million.	2,600
To strengthen local authorities' ability to enforce building safety remediation action, the department has indemnified the Joint Inspection Team (JIT) for professional indemnity and for death and personal injury claims resulting from their advice. The local authority retains responsibility for decisions on enforcement. The indemnity is unquantifiable and will continue for the duration of the period over which the JIT operates and 6 years thereafter for professional indemnity, and 125 years for death and personal injury.	Unquantifiable

PART III: NOTE K - CONTINGENT LIABILITIES

Nature of liability	£'000
The department provides letters of comfort to ALBs in relation to their pension scheme liabilities. Ebbsfleet Development Corporation is no longer part of the Departmental Group for accounting purposes but the department continues to be responsible for governance arrangements and the letter of comfort continues to be in place.	Unquantifiable
An indemnity to Returning Officers for UK Parliamentary elections; For the purposes of UK Parliamentary elections, Returning Officers and Acting Returning Officers throughout Great Britain are statutorily independent officers. They stand separate from both central and local government. As a result, they can be exposed to a variety of legal risks varying from minor claims for injury at polling stations to significant election petitions challenging the outcome of a poll and associated legal costs. The indemnity is to cover the costs of any claims against them, which are not covered under the existing insurance policies that Returning Officers hold. The indemnity will cover costs arising in relation to UK Parliamentary elections including by-elections, where the date of the poll is on or before the 1 May 2024.	Unquantifiable
An indemnity to Police Area Returning Officers and Local Returning Officers for the Police and Crime Commissioner elections held on 6 May 2021. For the purposes of Police and Crime Commissioner elections, Police Area Returning Officers and Local Returning Officers throughout England and Wales are statutorily independent officers. They stand separate from both central and local government. As a result, they can be exposed to a variety of legal risks varying from minor claims for injury at polling stations to significant election petitions challenging the outcome of a poll and associated legal costs. The indemnity is to cover the costs of any claims against them, which are not covered under any existing insurance policies that Police Area Returning Officers and Local Returning Officers hold. The Department will also certify the Returning Officers under The Employers' Liability (Compulsory Insurance) Regulations 1998 in respect of any liability to their employees. The indemnity and certificate will remain in place to provide cover to Police Area Returning Officers and Local Returning Officers for any by-elections that are held prior to the next scheduled Police and Crime Commissioner elections on 2 May 2024.	Unquantifiable
An indemnity to Petition Officers for any Recall Petition that may be held between the date the indemnity came into force, 8 June 2016, and 6 May 2020; For the purposes of Recall Petitions, Petition Officers throughout Great Britain are statutorily independent officers. They stand separate from both central and local government. As a result, they can be exposed to a variety of legal risks varying from minor claims for injury at signing locations to recall petition complaints, challenging the outcome of a petition and associated legal costs. The Cabinet Office has not provided an indemnity for Petition Officers previously as the Recall Petition legislation came into effect only in 2015. This follows the same process where the Cabinet Office has provided an indemnity to Returning Officers for the UK Parliamentary elections in May 2015, as well as all other recent electoral events. The indemnity is to cover the costs of any claims against Petition Officers, which are not otherwise recoverable under the charges provisions contained in paragraph 3 of Schedule 1 to the Recall of MPs Act 2015.	Unquantifiable