Ministry of Housing, Communities and Local Government Supplementary Estimates memorandum 2025-26

1. Overview

Supply Estimates are how 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 2025-26 provides the Housing, Communities and Local Government Select Committee with details of the strategic overview and priority outcomes of MHCLG, along with a summary of the key budgets that will enable the Department to meet these priority outcomes.

1.1 Objectives

The priority outcomes for the Department are:

1. Build a country where everyone has access to a safe, affordable and decent home.
2. Create places with modernised local government, sustainable public services and high-quality infrastructure.
3. Shape an economy that delivers tangible growth everywhere and for everyone.

The budgets held by the Department and the expenditure that is undertaken support these outcomes. Details of the spending that relates to each outcome are 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 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 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.

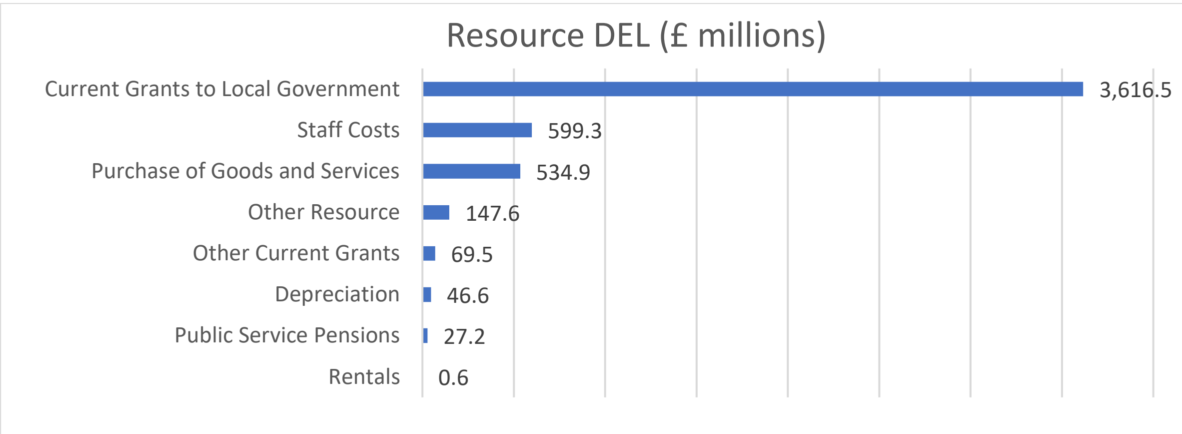
In addition, Parliament votes on a net cash requirement, designed to cover the elements of the above budgets which require MHCLG to pay out cash during the year.

1.3 Main areas of spending

The graphics below shows the main components of MHCLG's proposed budget for 2025-26. They also show the proportions of funds spent on its main activities.

1. Communities Resource DEL (Programme and Administration): Total budget £4.8bn

Graph 1

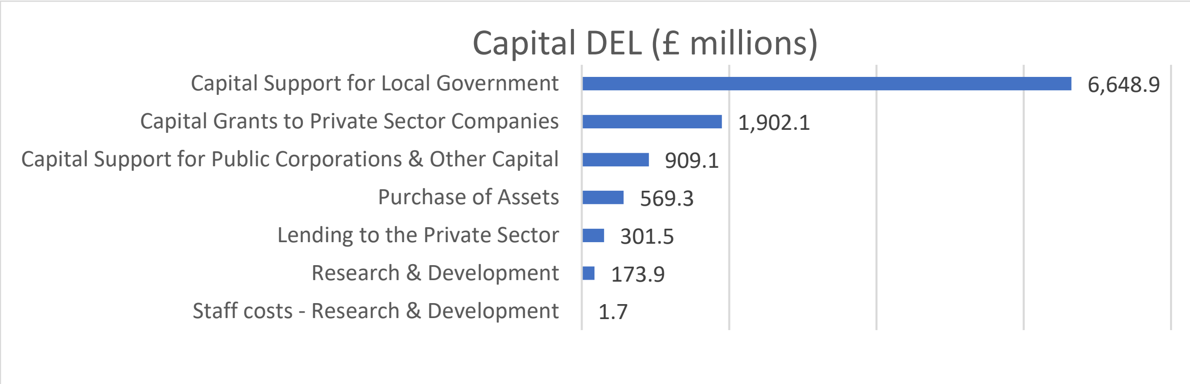


2. Local Government Resource DEL: Total budget £13.8bn

The majority of the £13.8bn Local Government DEL Resource budget is spent on current grants and payments to Local Government.

3. Capital DEL (Grants and Financial Transactions): Total budget £8.8bn

Graph 2



4. Resource Annually Managed Expenditure (AME): Total budget £25.1bn

The Resource AME budget is predominantly held for Business Rate transactions and to support the Department's portfolio of housing investments and guarantees.

1.4 Comparison of spending totals sought

The table below shows how the totals sought for MHCLG at Supplementary Estimate 2025-26 compared with Main Estimate 2025-26 budgets, final outturn in 2024-25, and initial SR25 figures.

Table 1

Spending total amounts sought this year (Supplementary Estimate 2025-26)		**Difference (+/-) Compared to Main Estimate**		**Difference (+/-) Compared to Outturn**		**Difference (+/-) compared to Spending Review**	
		(Main Estimate 2025-26)		**(Outturn 2024-25)**		**SR25**	
	£m	**£m**	**%**	**£m**	**%**	**£m**	**%**
Resource DEL - Communities	**4,750**	121	3%	987	26%	905	24%
Resource DEL - Local Government	**13,849**	0	0%	2,519	22%	(18)	-0%
Capital DEL - Communities	**8,777**	(278)	-3%	521	6%	(23)	-0%
Resource AME - Total MHCLG	**25,150**	783	3%	2,305	10%	-	-

1.5 Key drivers of spending changes since last year

<u>Communities Resource DEL</u>

Compared to original budget this year (Main Estimate 2025-26)

The Department's Communities Resource DEL budget at Supplementary Estimate is £0.1bn (3%) greater than the Main Estimate set earlier this financial year, bringing our total planned expenditure to £4.8bn. The principal driver of this increase is £0.2bn of funding being received by MHCLG from the

Home Office as part of the Machinery of Government transfer of Fire Services – the transfer of services was agreed at the Main Estimate, with associated budget transfers being carried out at the Supplementary Estimate. This increase has been offset by a range of smaller movements, including reductions in respect of lower budget requirement for expected credit losses.

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

Compared to final outturn last year (Outturn 2024-25)

The Department's Communities Resource DEL budget at Supplementary Estimate is £1bn (26%) higher than the final outturn in 2024-25. This increase is due to £0.5bn of budget in 2025-26 for Integrated Settlements for Established Mayoral Authorities, which was new this year and involved funding being incorporated into MHCLG budgets from other departments; £0.3bn uplift to the Homelessness Prevention Grant; £0.2bn increase due to transfer of Fire budgets into MHCLG which did not feature in 2024/25; £0.3bn on the Home Building Fund; and £0.2bn on Homes England receipts (Help to Buy and Long Term Housing Investment Fund). This was offset by decreases on the UK Shared Prosperity Fund (£0.4bn) and budgets for national elections (£0.3bn)

<u>Local Government Resource DEL</u>

Compared to original budget this year (Main Estimate 2025-26)

The Local Government Resource DEL budget total has remained unchanged compared with Main Estimate in 2025-26. An increase of £18m for the Families First Partnership grant is fully offset by a transfer of £18m to Communities DEL for Cyber and Digital Modernisation.

Compared with final outturn last year (Outturn 2024-25)

At the Supplementary Estimate 2025-26, the total Local Government Resource DEL budget sought is £2.5bn higher than final outturn in 2024-25. The changes include increases of £0.9bn for Adult Social Care grants, £0.7bn for Children's Social Care grants, £0.5bn for Employers National Insurance Contributions grant and £0.1bn for Revenue Support Grant and a net overall increase of £0.3 bn across the following LG Settlement related grants: Recovery Grant, Funding Floor, Services Grant, Funding Guarantee and Rural Services Delivery Grant

<u>Capital DEL</u>

The Department's capital budgets can be split into two areas: 'Capital Grant' and 'Capital Financial Transactions' where we have Supplementary Estimate budgets of £8.5bn and £0.3bn respectively.

Compared to original budget this year (Main Estimate 2025-26)

The Department's overall Capital DEL budget at Supplementary Estimate 2025-26 is £0.3bn (3%) lower than the budget allocated at Main Estimate 2025-26.

Capital Grant – Our budget requirement at the Supplementary Estimate is £0.2bn (2%) lower than at Main Estimate 2025-26. The key driver is £0.2bn of building remediation budgets that we have agreed with HMT to reprofile across the next two financial years. Explanations are set out in Section 2.

Capital Financial Transactions – Funding decreased by £0.1bn (25%), driven by project slippage and pipelines of activity not always materialising as originally planned. Timing of expenditure on financial transactions is inherently uncertain, therefore a prudent approach is taken to holding budgets that mitigate the risk of breaching our control total. Explanations are set out in Section 2.

Compared with final outturn last year (Outturn 2024-25)

MHCLG is planning to spend £0.5bn (6%) more than was spent in 2024-25. Spending plans on Capital DEL Grant have increased by £0.4bn and Financial Transactions have increased by £0.1bn.

Capital Grant – Compared with the 2024-25 outturn, spending plans have increased by £0.4bn overall on a range of programmes, including Affordable Homes (£0.4bn), Integrated Settlements (£0.4bn), and the Local Authority Housing Fund (£0.1bn). These increases have been offset by reductions across a number of other programmes, including the UK Shared Prosperity Fund (£0.2bn), and the Housing Infrastructure Fund (£0.2bn).

Capital Financial Transactions – Spending is planned to be £0.1bn higher compared to the 2024-25 outturn, with this variance being mainly driven by an increase on the Levelling Up Home Building Fund that had seen unexpected additional income receipts in 2024-25.

For fuller details of amounts allocated to the Department, please see Table B which is an annex to this document.

<u>Resource AME</u>

Compared to original budget this year (Main Estimate 2025-26)

The Resource AME budget at the Supplementary Estimate for 2025-26 increased by £0.8bn (3%) from the Main Estimate 2025-26. This change is predominantly due to the £0.8bn increase in core AME budgets linked to the recent Machinery of Government transfer of Fire Services from Home Office to MHCLG, with additional budget being transferred to MHCLG to cover current service pension costs.

Compared with final outturn last year (Outturn 2024-25)

The Supplementary Estimate budget is £2.3bn higher than the 2024-25 outturn. This variance is largely within the core department, due to change in the AME budget held to cover potential losses on financial transactions such as the Help to Buy (£0.9bn) and Single Land (£0.1bn) programmes, and the £0.8bn increase in budget for Fire Services pensions that have transferred to MHCLG from the Home Office for 2025-26. The remaining variance is driven by a net increase of £0.2bn for Business Rates Related budgets, with £1.2bn more for the Local Share of Business Rates and £0.2bn for BR Outturn Adjustments offset by reductions of £0.5bn for Transitional Protection payments, £0.4bn for BR Relief grants, £0.2 bn for a prior year accrual and £0.1 bn for Levy Surplus distribution.

1.6 Key drivers of change since the Spending Review

The main causes of changes in Resource DEL budgets from the initial Spending Review figures are in respect of Budget Cover Transfers into the department at Main Estimates, including £413m from various other government departments for Mayoral Strategic Authorities' integrated settlements, and £290m to fund the New Homes Bonus.

On Capital DEL budgets, the key changes from Spending Review figures are £283m of additional Budget Transfers into the department from other government departments at Main Estimates, to provide funding for Mayoral Strategic Authorities' integrated settlements. This increase was offset by a £173m budget exchange agreed from 2025-26 into the next two financial years, to match revised delivery plans on building remediation, and a £102m surrender of CDEL Financial Transaction budgets due to a combination of project slippage and activity pipelines not materialising as planned.

1.7 Reserve claims and spending pressures

At the Supplementary Estimate, the following claims have been made from the Reserve:

Spend Category	Budget sub-head	£m	Reason for claim	Pressure identified at the Main Estimate?
Core CDEL	Elections, Union and Constitution	14	Additional funding provided by HM Treasury for the Port Talbot Transition Board.	No

1.8 Funding: other spending announcements

Autumn Budget 2024 included a number of announcements affecting the work of MHCLG which were reflected in the Main Estimate and accompanying memorandum. There have not been any other major spending announcements that involved 2025-26 reallocations of funding within existing totals at the Supplementary Estimate.

1.9 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 at the Supplementary Estimate.

1.10 Administration costs

Table 2

Spending total amounts sought this year (Supplementary Estimate 2025-26)		Difference (+/-) compared to original budget this year		Difference (+/-) compared to original Outturn last year		Difference (+/-) compared to Spending Review	
		(Main Estimate 2025-26)		(Outturn 2024-25)		(SR25)	
		£m	%	£m	%	£m	%
Administration non-ringfenced	**£282.2m**	4.0	1%	151.5	116%	4.0	1%
Administration ringfenced - depreciation	**£40.7m**	(39.8)	-49%	41.2	8240%	(39.8)	(49%)
Total	**£322.9m**	(35.8)	**-10%**	**192.7**	**148%**	**-**	**-**

* Admin non-ringfenced is the net position of expenditure and income receipts – for clarity and comparability, these two elements have been separated out as follows:

Spending total amounts sought this year (Supplementary Estimate 2025-26)		Difference (+/-) compared to original budget this year		Difference (+/-) compared to outturn last year	
		(Main Estimate 2024-25)		(Outturn 2024-25)	
		£m	%	£m	%
Administration non-ringfenced expenditure	**£473.7m**	4.8	1%	36.6	8%
Administration non-ringfenced income	**(£191.5)m**	(0.9)	0%	114.9	(38%)
Total	**£282.2m**	3.9	**1%**	**151.5**	**116%**

Administration budgets at the Supplementary Estimate have decreased by £36m compared to the Main Estimate. This is predominantly due to a reduction in the ringfenced budget requirement to cover depreciation costs that had seen a previous, one-off increase for assets under construction which have since been brought into use. That increased requirement is no longer needed and has therefore been removed at the Supplementary Estimate.

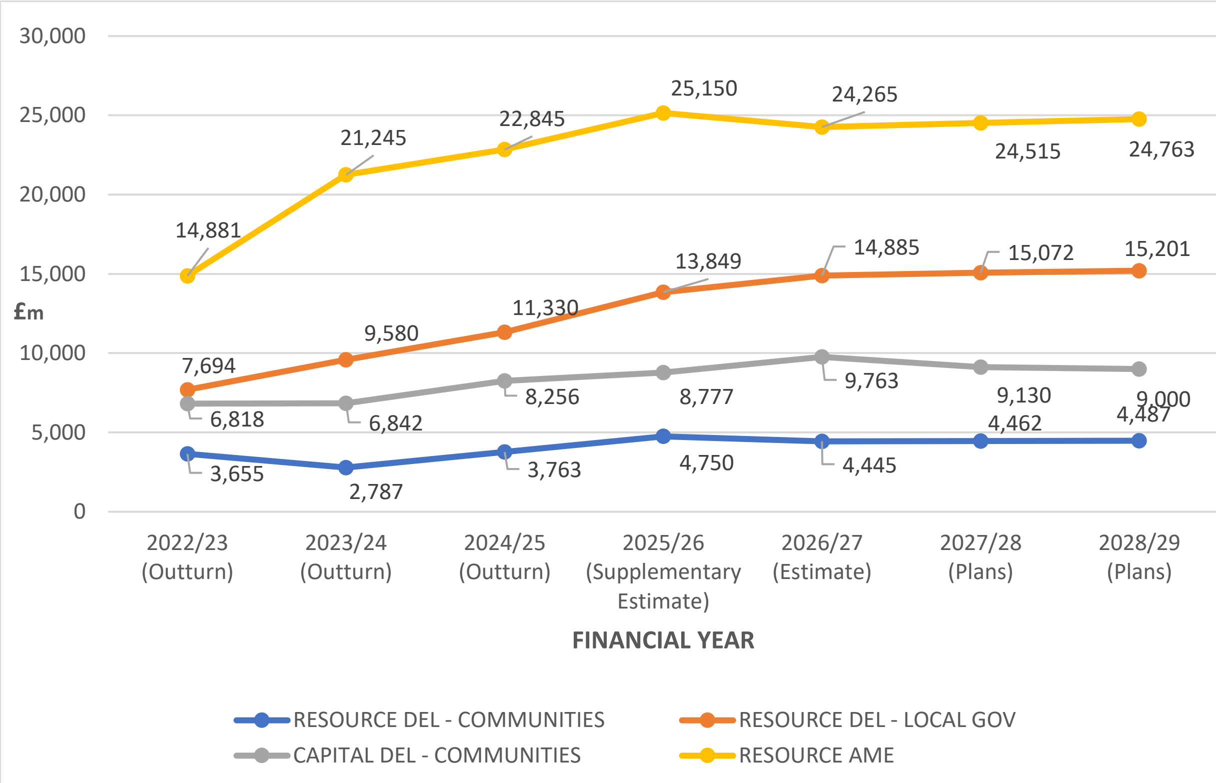
The net non-ringfenced Administration budget has increased by £152m compared with the 2024-25 outturn. This includes an overall increase in expenditure of £37m, linked to budget being transferred into the department as part of the Machinery of Government transfer of Fire Services, and costs associated with recruitment that had been delayed from 2024-25. There is also a £115m reduction in income, which is predominantly due to income from housing investments, where Homes England generates substantial receipts, but the department only retains a small proportion – the Supplementary Estimate budget therefore only reflects the amount that the department can retain, whereas the outturn figure reflects all income generated.

The net ringfenced Administration budget has increased by £41m compared with the 2024-25 outturn. This difference is primarily due to accounting adjustments in the fair value of assets held in the long term and short term housing investment funds that were carried out in the 2024-25 financial year, which resulted in a net depreciation 'income' of £0.5m.

1.11 Spending trends

The chart below shows overall spending trends for the last three years, plans presented in the Supplementary Estimate for 2025-26 and spending plans up to 2028-29.

Graph 3



Communities Resource DEL

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 had been temporarily above trend due to the creation of the Homes for Ukraine programme, which then returned to expected levels. In 2024-25, spend was then higher due to the planned increase on the UK Shared Prosperity Fund and the costs associated with the General Election. For 2025-26, planned spend has increased, predominantly due to increased funding for homelessness prevention and budget transfers into the department to provide new funding for Integrated Settlements for Mayoral Strategic Authorities. Spend plans in future years are steady, and reflect expected efficiencies within the department's activity.

Communities Capital DEL

In line with the Government's ambition for housing and commitment to improving building safety, the Department has spent over £5bn on its CDEL programmes each year since 2015-16. In 2024-25, capital expenditure saw an increase, reflecting the further maturity and embedding of programmes such as Affordable Homes, the Levelling Up Fund and the UK Shared Prosperity Fund, with that trend continuing into 2025-26. Expected spend from 2026-27 is then higher, predominantly linked to social and affordable housing plans and introduction of the National Housing Delivery Fund.

Local Government Resource DEL

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 the Department's Annually Managed Expenditure (AME) is for the benefit of Local Government.

Local Government DEL has increased by £2.5bn compared to 2024-25. The changes include increases of £0.9bn for Adult Social Care grants, £0.7bn for Children's Social Care grants, £0.5bn for Employers National Insurance Contributions grant and £0.1bn for Revenue Support Grant and a net overall increase of £0.3bn across the following Local Government Settlement related grants: Recovery Grant, Funding Floor, Services Grant, Funding Guarantee and Rural Services Delivery Grant

Resource AME (Total MHCLG)

The Department's AME budget for 2025-26 has increased by £2.3bn from the 2024-25 outturn, with this variance predominantly due to changes in the budget held to cover potential losses on financial transactions, and an increase in budget for Fire Services pensions that has been transferred to MHCLG from the Home Office from 2025-26. It also includes a net increase of £0.2bn for Business Rates Related budgets

Future year AME plans are broadly steady, though spending plans may see an increase dependent on the future transitional arrangements put in place for the National Housing Bank.

2 Spending detail

2.1 Explanations of changes in spending

In the following tables, differences of more than 10% **and** more than £10m or more than 5% **and** £200m are explained 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 the 2025-26 Main Estimate. Our Administration budgets appear on several estimate rows. This is primarily because administration spending in our arm's- length bodies (ALBs) appear on different estimate rows to spend in the core department. The elections budget relates to funding by-elections and is non-voted expenditure.

Table 3

Communities Resource DEL					
Sub-Head	**2025-26 Supplementary Estimate budget sought**	**2025-26 Main Estimate budget approved**	**Change from Main Estimate 2025-26**		**See note number**
	£ million	**£ million**	**£ million**	**%**	
Local Government & Public Services	588.3	653.9	-65.6	-10%	1
Housing & Planning	2,252.9	2,102.9	150.1	7%	
Local Growth & Devolution	1,009.7	970.8	38.9	4%	
Elections, Union and Constitution	40.6	21.5	19.2	89%	2
Research, Data & Trading Funds	6.5	5.8	0.8	13%	
Departmental Unallocated Provision	0.0	30.3	-30.3	-100%	3
Elections	8.8	8.8	0.0	0%	
MHCLG Staff, Building and Infrastructure Costs	308.4	304.4	4.0	1%	
Integrated Settlements for Established Mayoral Strategic Authorities	535.0	530.9	4.1	1%	
Total RDEL MHCLG	**4,750.2**	**4,629.2**	**121.0**	**3%**	

Notes

1. **Local Government & Public Services**: The largest drivers of the decrease are £24m due to delayed commencement of the Renters' Rights Bill; £19m relating to elections-related budget being reallocated to the Elections, Union and Constitution estimate row; and £12m on the Rough Sleeping Prevention & Recovery Grant due to delays in commencement of the Care Leavers Amendment. That small underspend was directed to the Homelessness Prevention Grant instead (within the Housing and Planning estimate row).

2. **Elections, Union and Constitution:** The increase is related to the reallocation of £19m budget from the Local Government and Public Services estimate row, leading to a £10m uplift to the digital electoral service and £9m to support the electoral reform programme.

3. **Departmental Unallocated Provision:** the Department started the year with a small unallocated budget. Variance is due to reallocation of this provision at the Supplementary Estimate each year.

Resource DEL – Local Government

The table below shows how MHCLG's spending plans for Resource DEL in the Local Government Budget compare with 2025-26 Main Estimate. Local Government Resource DEL is not mapped to Departmental Strategic objectives.

Table 4

Local Government DEL					
Sub-Head	2025-26 Supplementary Estimate budget sought	2025-26 Main Estimate budget approved	Change from Main Estimate 2025-26		See note number
	£ million	£ million	£ million	%	
Revenue Support Grants	2,217.3	2,217.3	0.0	0%	
Other Grants and Payments	11,557.6	11,557.6	0.0	0%	
Business Rates Retention	74.5	74.5	0.0	0%	
Total Local Government DEL	**13,849.4**	**13,849.4**	**0.0**	**0.00%**	

The Local Government Resource DEL budget total has remained unchanged compared with Main Estimate in 2025-26.

Capital DEL - Communities

The table below shows how MHCLG's spending plans for Capital DEL in the Communities Budget compare with 2025-26 Main Estimate.

Table 5

CAPITAL DEL GRANT - Communities					
Sub-Head	2025-26 Supplementary Estimate budget sought	2025-26 Main Estimate budget approved	Change from Main Estimate 2025-26		See note number
	£ million	£ million	£ million	%	
Local Government & Public Services	39.2	49.8	-10.6	-21%	1
Housing & Planning	5,671.4	6,030.5	-359.2	-6%	2
Local Growth & Devolution	2,203.2	2,017.6	185.5	9%	
Elections, Union and Constitution	46.2	26.0	20.2	78%	3
Research, Data & Trading Funds	15.2	15.1	0.1	1%	
Departmental Unallocated Provision	0.0	8.2	-8.2	-100%	
MHCLG Staff, Building and Infrastructure Costs	59.4	65.3	-6.0	-9%	
Integrated Settlements for Established Mayoral Strategic Authorities	441.1	438.1	3.0	1%	
Total CDEL Grant	**8,475.6**	**8,650.7**	**-175.1**	**-2%**	

1. **Local Government & Public Services:** The key driver of this decrease is £7m budget relating to local government elections being reallocated to the Elections, Union and Constitution estimate row.

2. **Housing and Planning:** the £359m reduction is principally driven by a combination of a £173m budget exchange agreed from 2025-26 into the next two financial years, to match revised delivery plans on building remediation; and a £171m reduction on the Housing Infrastructure Fund with projects leaving the programme early in the year and therefore not claiming their funding. This HIF budget has then been redirected to accelerate activity in Local Growth and Devolution.

3. **Elections, Union and Constitution:** The most significant drivers of the £20m budget increase are £14m additional budget being provided from the HMT reserve for Port Talbot, and the £7m budget reallocation from Local Government and Public Services.

Table 6

CAPITAL DEL FINANCIAL TRANSACTIONS - Communities					
Sub-Head	**2025-26 Supplementary Estimate budget sought**	**2025-26 Main Estimate budget approved**	**Change from Main Estimate 2025-26**		**See note number**
	£ million	**£ million**	**£ million**	**%**	
Local Government & Public Services	0.0	0.0	0.0	100%	
Housing & Planning	301.5	404.0	-102.5	-25%	1
Local Growth & Devolution	0.0	0.0	0.0	100%	
Departmental Unallocated Provision	0.0	0.0	0.0	100%	
Total CDEL FT	**301.5**	**404.0**	**-102.5**	**-25%**	

1. **Housing & Planning:** The overall decrease is predominantly driven by reductions in brownfield land and infrastructure funds, due to a combination of project slippage and pipelines of activity not materialising as planned.

Resource AME

The table below shows how spending plans for Resource AME compared with the 2025-26 Main Estimate.

Table 7

Resource AME					
Sub-Head	**2025-26 Supplementary Estimate budget sought**	**2025-26 Main Estimate budget approved**	**Change from Main Estimate 2025-26**		**See note number**
	£ million	**£ million**	**£ million**	**%**	
Local Government & Public Services	42.9	51.0	-8.1	-16%	
Housing & Planning	1,803.8	938.6	865.2	92%	1
Other Grants and Payments	5,128.7	5,128.7	0.0	0%	
Non-Domestic Rates Outturn Adjustments	221.8	350.0	-128.2	-37%	2
Local Growth & Devolution	0.0	-1.8	1.8	-100%	
MHCLG Staff, Building and Infrastructure Costs	7.2	0.0	7.2	100%	
Business Rates Retention	17,946.0	17,900.8	45.2	0%	
Total Resource Government AME	**25,150.3**	**24,367.3**	**783.05**	**3.21%**	

Notes

1. **Housing & Planning**: Resource AME budget is held to cover potential losses on the financial transaction portfolio and is adjusted at Supplementary Estimate as usual. The significant budget increase at Supplementary Estimate is predominantly linked to the recent Machinery of Government transfer of Fire Services from Home Office to MHCLG, with £821m additional AME budget being transferred to MHCLG to cover current service pension costs .

2. **Non-Domestic Rates Outturn Adjustments:** Main Estimate funding of £350m was in place to provide budget cover for business rates outturn adjustments. These are accounted for in the Business Rates Retention section. The post Supplementary position of £221.8m provides a contingency for further year end audit adjustments.

2.2 Restructuring

No restructuring that has significantly affected budget structures has taken place 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

Table 8

Spending total amounts sought this year Supplementary Estimate 2025-26		Compared to original budget this year Main Estimate 2025-26		Compared to final outturn last year Outturn 2024-25	
		£m	%	£m	%
Depreciation Programme	5.9	(13.2)	(69%)	(2.5)	(30%)
Depreciation Administration	40.7	(39.8)	(49%)	21.6	113%
UK Shared Prosperity Fund	622.8	18.4	3%	(389.6)	(38%)

Capital DEL

Table 9

Spending total amounts sought this year Supplementary Estimate 2025-26		Compared to original budget this year Main Estimate 2025-26		Compared to final outturn last year Outturn 2024-25	
		£m	%	£m	%
Financial Transactions	301.5	(102.5)	(25%)	72.6	32%
UK Shared Prosperity Fund	213.1	(34.9)	(14%)	(218.5)	51%

2.4 Changes to contingent liabilities

Contingent liabilities are disclosed in the Department's Annual Report and Accounts, with any changes being set out in the Estimates Memoranda. At Supplementary Estimate, the following changes have been made to the Department's contingent liabilities:

- The department has provided a guarantee scheme for the private rented sector (PRS), guaranteeing debt of no more than £3.5 billion. At 30 September 2025, the department has approved borrowing of circa £1.9 billion of which £1.46 billion has been drawn down, a further £109m had been repaid, and £61m approved yet to be funded, all of which 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 £2.6 million, which is a reduction from the £17m previously held.

- The Grenfell Home Ownership Scheme enables residents to purchase a share of their current home that is equivalent to the value of their Grenfell home. Estimated uptake is 20% of eligible residents, with most expected within 4–5 years. The value of this contingent liability is currently held at £48m (previously unquantified).

3 Priorities and performance

3.1 How spending relates to objectives

The table below shows how expenditure against subhead descriptions contributes to Departmental priorities:

Table 10

Estimate subhead	Build a country where everyone has access to a safe, affordable and decent home	Create places with modernised local government, sustainable public services and high-quality infrastructure	Shape an economy that delivers tangible growth everywhere and for everyone	Local Government Resource DEL, Resource AME, and Administration	Grand Total
All figures £ millions					
A Local Government & Public Services	523.1	72.1	9.2	0.0	604.4
B Housing & Planning	4,329.1	0.0	2.4	0.0	4,331.5
C Local Growth & Devolution	51.4	1,575.6	1,580.9	5.0	3,212.9
D Integrated Settlements for Established Mayoral Strategic Authorities	0.0	0.0	976.1	0.0	976.1
E Elections, Union and Constitution	0.0	24.7	62.1	0.0	86.8
F Research, Data & Trading Funds	0.0	2.8	0.0	18.9	21.7
G MHCLG Staff, Building and Infrastructure Costs	0.0	0.0	0.0	367.8	367.8
H Local Government & Public Services (ALB)(Net)	0.0	17.1	0.0	5.9	23.0
I Housing & Planning (ALB)(Net)	3,838.9	0.0	0.6	54.8	3,894.3
J Elections	0.0	8.9	0.0	0.0	8.9
K Revenue Support Grant	0.0	0.0	0.0	2,217.3	2,217.3
L Other Grants and Payments	0.0	0.0	0.0	11,557.6	11,557.6
M Business Rates Retention	0.0	0.0	0.0	74.5	74.5
N Other Grants and Payments	0.0	0.0	0.0	5,128.7	5,128.7
O Local Government & Public Services	0.0	0.0	0.0	43.2	43.2

P Housing & Planning	0.0	0.0	0.0	848.7	848.7
Q MHCLG Staff, Building and Infrastructure Costs	0.0	0.0	0.0	7.2	7.2
R Non-Domestic Rates Outturn Adjustments	0.0	0.0	0.0	221.8	221.8
S Local Government & Public Services (ALB)(Net)	0.0	0.0	0.0	(0.4)	(0.4)
T Housing & Planning (ALB)(Net)	0.0	0.0	0.0	955.1	955.1
U Business Rates Retention	0.0	0.0	0.0	17,946.0	17,946.0
Total	**8,742.5**	**1,701.2**	**2,631.3**	**39,452.1**	**52,527.1**

Local Government Resource DEL, Communities Resource DEL Administration and Resource AME budgets are not allocated to Departmental Objectives. In particular, LG DEL is held by MHCLG on behalf of departments with responsibility for local services, placing it outside MHCLG's core objectives as set out in this table.

3.2 Measures of performance against each priority outcome

The priority outcomes for the Department are:

1. Build a country where everyone has access to a safe, affordable and decent home.
2. Create places with modernised local government, sustainable public services and high-quality infrastructure.
3. Shape an economy that delivers tangible growth everywhere and for everyone.

The priority outcomes listed above reflect the remit of the Department, and have been updated for the 2025-26 financial year. Key indicators for these outcomes are being refined and finalised. The underlying outcomes the support the key priorities above, and progress against them, will be reported and monitored through Portfolio Boards on a monthly basis with a quarterly stocktake undertaken by the Executive Team. The MHCLG Board, chaired by the Secretary of State, is focused on operational implications and effectiveness of departmental performance and delivery against its priorities. The Department also reports against its priority outcomes in the Annual Report and Accounts.

3.3 Major projects

MHCLG currently manages nine major projects within the Government Major Projects Portfolio (GMPP), down from twelve at the start of the year following the offboarding of two projects (Towns Fund and Levelling Up Fund) and the closure of one (Electoral Integrity Programme). These projects benefit from support provided by the National Infrastructure and Service Transformation Authority (NISTA)—formerly the IPA—including NISTA-led assurance and quarterly reporting requirements.

This year, the department has worked closely with NISTA on Project Reset and its implications for MHCLG. Project Reset aims to reshape the governance and delivery of GMPP projects by strengthening accountability, increasing autonomy, and streamlining assurance processes. For MHCLG, this will mean a smaller GMPP portfolio, revised portfolio classifications, greater delegated authority, and a shift towards proportionate assurance.

In parallel, the department has been aligning its major projects to support delivery of the Government's Plan for Change, with a particular focus on building 1.5 million homes in England and accelerating planning decisions for at least 150 major economic infrastructure projects. While these priorities continue to evolve, our major projects remain focused on delivery and on maximising alignment with these new objectives.

A high-level overview of MHCLG's GMPP programmes is provided below, aligned to departmental priorities:

Build 1.5m new homes:

- **Affordable Homes Programme (AHP):** The Affordable Homes Programme (AHP) is one of the primary vehicles used for the delivery of affordable housing in England. It 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 £12.3bn (including top-ups announced in October 2024 and February 2025), delivering homes across

England for both rent and sale with final completions expected in March 2030. The 2021-26 programme will deliver 110,000 to 130,000 homes. The tops ups are expected to support the delivery of up to 7,800 homes, with more than half of them being for social rent. Delivery is delegated to our partners Homes England and the Greater London Authority with delegated responsibility to make spending and allocation decisions in line with targets and agreed assessment criteria set by MHCLG, and within predetermined delegation limits. £2bn of new grant funding was announced in March 2025.

- **Brownfield, Land and Infrastructure Fund (BIL):** BIL provides £1.5bn for infrastructure projects on brownfield land, unlocking the infrastructure needed for new homes and employment space to drive housing delivery, regeneration and economic growth. With over 150 projects contracted and more to follow, the programme is expected to exceed its targets, unlocking over 65,500 homes and 200,000 sqm of employment floorspace. While the programme is forecast to close in 2028/29, due diligence is ongoing, and a small number of projects may have expenditure beyond this date.
- **Home Building Fund:** The Home Building Fund is a £2bn fund which is open to SME housebuilders, lenders, institutional investment vehicles and sector innovators. The Fund is expected to support the delivery of 54,000 homes, accelerating housing delivery, whilst supporting diversification, innovation and capacity in the market. The programme is forecast to complete in 2031/32 – however some housing delivery will be complete in later years given the nature of some multi-phase and equity schemes supported through the Fund.
- **Housing Infrastructure Fund (HIF):** HIF provides £4.2bn grant funding for infrastructure projects which, once built, will unlock housing capacity in areas of high demand. Through funding over 100 infrastructure schemes in all regions of England, HIF is expected to unlock the construction of up to 260,000 homes over 250,000 homes. The programme is forecast to complete in 2027/28. Beyond housing, HIF delivers wider benefits including improved transport links, land remediation and new education and health facilities.
- **Digital Planning –** The Digital Planning Programme uses digital tools to modernise the planning system. The interventions will shift a semi-analogue planning system to one that is data-driven, standards-based and powered by modern 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, of deciding what to build and where, as well as ensuring a faster and more efficient decision-making process. The programme currently has an end date of 2026/27 (subject to extension), with whole of life costs (WLC) of £150m.

Local Growth:

- **Freeports:** Freeports, which have been brought together with Investment Zones as Industrial Strategy Zones, aim to catalyse private investment into the UK's former industrial heartlands, helping transition regional economies towards the sectors of the future, such as renewables, and create long-term, high-quality jobs for local communities. The Freeports Programme has an important role to play in delivering the Government's Industrial Strategy and growth mission. All 12 Freeports are now open for business, offering a range of benefits for companies looking to invest in the UK, including tax reliefs on specific sites, a programme of public investment including £300m capital funding, and dedicated support for innovation and international trade. The capital funding element of the programme is forecast to complete by 2027/28, however tax reliefs and business rate retention will continue beyond this date.

Construction & Building Remediation:

- **Grenfell Site and Programme:** The Department took full responsibility for the Grenfell Tower site from the local Council in July 2019; work began in September 2025 to carefully take the Tower down. The programme is working closely with the Grenfell Tower Memorial Commission to deliver a lasting memorial, which honours the 72 lives that were lost in the tragedy, with a Multi-Disciplinary Design Team who will design the memorial announced in Nov 2025.
- **UK Holocaust Memorial and Learning Centre (UKHMLC):** This programme is to build a striking new memorial to the Holocaust in Victoria Tower Gardens in Westminster to honour the six million Jewish men, women and children that were murdered during the Holocaust., A learning centre, integrated with the memorial, will explore the British relationship to the Holocaust including the role of Britain's Parliament and democratic institutions. Royal Assent for the Holocaust Memorial Bill and planning consent are required before construction can begin.
- **Remediation Portfolio:** The Remediation Portfolio is in place to bring all affected buildings over 11 metres high with unsafe cladding to the minimum life-safety standard quickly, completely, proportionately and consistently. The Portfolio oversees an estimated £15bn+ programme of works delivered across four programmes the Aluminium Composite Material (ACM) programme, the Building Safety Fund (BSF), the Cladding Safety Scheme (CSS), and the Responsible Actors Scheme (RAS). The CSS now delivers the expanded funding entitlement for social housing providers. The launch of the Remediation Acceleration Plan (RAP) in December 2024 (updated July 2025) sets out our plan for identifying and fixing buildings faster.

4 Other information

4.1 Research & Development Expenditure

The following is provided as contextual information on R&D expenditure at the request of the Science, Innovation & Technology Committee. In contrast to the spending outlined in previous sections, it does not represent a firm spending commitment as part of the estimates process.

The Spending Review settlement confirmed a ringfenced £9m budget to be used for specific Frascati research and development costs. The key driver of variance between the Supplementary Estimate budget and the budget at Main Estimates is due to a £3m budget transfer from MHCLG to DCMS that was carried out at the Main Estimate.

Spending total amounts sought this year (Supplementary Estimate 2025-26)		Compared to original budget this year. Main Estimate 2025-26		Compared to original OUTTURN last year (Outturn 2024-25)		Difference (+/-), compared to Spending Review SR25	
	£m	£m	%	£m	%	£m	%
R&D	**4**	(4)	(45%)	(2)	(31%)	(4)	(51%)

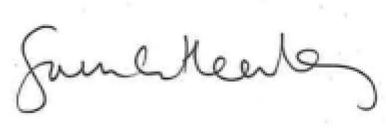
4.2 Additional specific information required by the Select Committee

The Select Committee has not requested any information which is not 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

3 February 2026

Ministry of Housing, Communities and Local Government

INTRODUCTION

This Supplementary Estimate is required for the following purposes:

£

Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
Budget Cover Transfers			
(Section G) Budget Cover Transfer to Cabinet Office for the Public Appointments Website		-10,000	
(Section F) Budget Cover Transfer to Cabinet Office for Gov.uk missions campaigns		-500,000	
(Section G) Budget Cover Transfer to Cabinet Office for Spads Salary costs		-137,000	
(Section G) Budget Cover Transfer to Cabinet Office for the Savanta Social Cohesion Data Project		-45,000	
(Section G) Budget Cover Transfer to Cabinet Office for the Participation Pilots programme		-500,000	
(Section B) Budget Cover Transfer to Environment, Food and Rural Affairs for the New Homes Accelerator		-889,000	
(Section B) Budget Cover Transfer to Environment, Food and Rural Affairs for the Nature Restoration Fund		-2,000,000	
(Section A) Budget Cover Transfer to Environment, Food and Rural Affairs for Cambridge - NBS and Agricultural Inventions		-203,000	
(Section B) Budget Cover Transfer to Department for Transport for the New Homes Accelerator		-75,000	
(Section A) Budget Cover Transfer to Department of Health to align in-year funding with delivery responsibility		-9,000	
(Section B) Budget Cover Transfer to HM Land Registry for the Home Buying and Selling - Open Data LA Pilot		-631,000	
(Section B) Budget Cover Transfer to Department for Work and Pensions for the Building Safety Regulator		-11,374,000	
(Section A) Budget Cover Transfer to Department for Work and Pensions for the Building Safety Regulator		-2,471,000	
(Section G) Budget Cover Transfer to Ministry of Justice for PRS & Leasehold Reform Court Costs		-640,000	
(Section C) Budget Cover Transfer to Northern Ireland for the UK Shared Prosperity Fund		-3,423,000	
(Section A) Budget Cover Transfer to Northern Ireland for Homes for Ukraine		-1,267,000	
(Section A) Budget Cover Transfer to Northern Ireland for the Strategic Migration Partnership		-171,000	
(Section C) Budget Cover Transfer to the Scottish Government for Investment Zones		-7,353,000	
(Section A) Budget Cover Transfer to the Scottish Government for Homes for Ukraine		-423,000	
(Section C) Budget Cover Transfer to the Scottish Government for Industrial Strategy Zones (Freeports)		-394,000	

Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
			£
(Section E) Budget Cover Transfer to the Welsh Assembly Government for Port Talbot		-1,259,000	
(Section E) Budget Cover Transfer to the Wales Office for Port Talbot		-80,000	
(Section C) Budget Cover Transfer to the Welsh Assembly Government for Investment Zones		-8,700,000	
(Section A) Budget Cover Transfer to the Welsh Assembly Government for Homes for Ukraine		-834,000	
(Section C) Budget Cover Transfer to the Welsh Assembly Government for Industrial Strategy Zones (Freeports)		-535,000	
(Section A) Budget Cover Transfer to the National Crime Agency for Homes for Ukraine		-50,000	
(Section D) Budget Cover Transfer from the Department for Education for Integrated Settlement	3,762,000		
(Section D) Budget Cover Transfer from the Department for Transport for Integrated Settlement - EV Pavement Channels grant	337,000		
(Section B) Budget Cover Transfer from the Foreign, Commonwealth and Development Office for the UK Integrated Security Fund	109,000		
(Section C) Budget Cover Transfer from the Department for Science, Innovation and Technology for the Innovation Fund	830,000		
(Section B) Budget Cover Transfer from the Ministry of Justice for court reforms relating to the Renters Right Act	15,418,000		
(Section G) Budget Cover Transfer from LG DEL for LG Cyber and Digital Transformation	18,000,000		
Budget Neutral Changes			
(Section A) Decrease for Local Government & Public Services		-58,488,000	
(Section B) Decrease for Housing & Planning		-56,058,000	
(Section C) Increase for Local Growth & Devolution	58,523,000		
(Section E) Increase for Elections, Union and Constitution	20,500,000		
(Section F) Increase for Research, Data & Trading Funds	1,251,000		
(Section G) Increase for MHCLG Staff, Building and Infrastructure Costs	24,951,000		
(Section H) Decrease for Local Government & Public Services (ALB)(Net)		-1,670,000	
(Section I) Increase for Housing & Planning (ALB)(Net)	41,965,000		
Decrease for Departmental Unallocated Provision	-30,974,000		
Cash Management Adjustments			
(Section G) Reserve Claim adjustment from HM Treasury for Cash Forecasting Charge		-694,000	

£

Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
Machinery of Government (MoG) Changes			
(Section G) MoG from Home Office for Fire	6,042,000		
(Section B) MoG from Home Office for Fire	202,743,000		
Other Changes			
(Section G) Spending review allocation -change in depreciation	3,152,000		
Increase for Departmental Unallocated Provision (Transformation Fund)	650,000		
(Section I) Surrender in respect of Expected Credit Losses Resource Budget		-14,200,000	
(Section I) Public Sector Land Switch		-15,000,000	
Reserve Claims			
(Section G) Reduction in depreciation		-56,232,000	
Total change in Resource DEL (voted) - Housing and Communities	**367,259,000**	**-246,315,000**	**120,944,000**
Budget Cover Transfers			
(Section L) Budget Cover Transfer to Housing and Communities DEL for LG Cyber and Digital Transformation		-18,000,000	
Other Changes			
(Section L) Families First Partnership, post SR addition	18,000,000		
(Section L) Token increase in RDEL to enable Parliament to vote Supplementary Estimate	1,000		
Total change in Resource DEL (voted) - Local Government	**18,001,000**	**-18,000,000**	**1,000**
AME Expenditure Changes			
(Section O) Changes to AME budgets for provisions		-7,150,000	
(Section P) Changes to AME budgets for Current Grants to Local Government	9,994,000		
(Section P) Changes to AME budgets for impairments		-13,002,000	
(Section P) Changes to AME budgets for goods and services	500,000		
(Section P) Changes to AME budgets for income		-974,000	
(Section Q) Changes to AME budgets for provisions	9,041,000		
(Section S) Changes to AME budgets for pensions		-976,000	
(Section T) Changes to AME budgets for corporation tax		-3,026,000	
(Section T) Changes to AME budgets for impairments	68,300,000		
(Section T) Changes to AME budgets for pensions		-7,554,000	
(Section R) Changes to AME budgets for NNDR Outturn Adjustments	210,000,000		
(Section U) Changes to AME budgets for Business Rates Retention		-239,404,000	

£

Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
(Section U) Changes to AME budgets for Business Rates Income		-53,645,000	
Machinery of Government (MoG) Changes			
(Section P) MoG from Home Office for Fire	810,900,000		
Total change in Resource AME (voted)	**1,108,735,000**	**-325,731,000**	**783,004,000**
Budget Cover Transfers (BCTs)			
(Section C) Budget Cover Transfer to Culture, Media and Sport for the Levelling Up Fund Culture payments		-11,512,000	
(Section A) Budget Cover Transfer to Environment, Food and Rural Affairs for Cambridge - NBS and Agricultural Invensions		-600,000	
(Section B) Budget Cover Transfer to Department for Work and Pensions for the Building Safety Regulator		-242,000	
(Section B) Budget Cover Transfer to the Ministry of Justice for court reforms relating to the implementation of the Renters Right Act		-804,000	
(Section B) Budget Cover Transfer to the Ministry of Justice for Leasehold Reform		-344,000	
(Section C) Budget Cover Transfer to Northern Ireland for the UK Shared Prosperity Fund		-9,500,000	
(Section B) Budget Cover Transfer to Northern Ireland for the Affordable Homes Programme		-3,373,000	
(Section C) Budget Cover Transfer to Northern Ireland for the Local Growth Fund		-3,750,000	
(Section C) Budget Cover Transfer to the Scottish Government for Investment Zones		-7,092,000	
(Section B) Budget Cover Transfer to the Scottish Government for the Affordable Homes Programme		-7,977,000	
(Section C) Budget Cover Transfer to the Scottish Government for Industrial Strategy Zones (Freeports)		-306,000	
(Section C) Budget Cover Transfer to the Welsh Assembly Government for Investment Zones		-10,800,000	
(Section B) Budget Cover Transfer to the Welsh Assembly Government for the Affordable Homes Programme		-4,828,000	
(Section C) Budget Cover Transfer to the Welsh Assembly Government for Industrial Strategy Zones (Freeports)		-265,000	
(Section g) Budget Cover Transfer from the Department for Education for Supporting families	151,000		
(Section D) Budget Cover Transfer from the Department for Transport for Integrated Settlement - EV Pavement Channels grant	3,033,000		
(Section B) Budget Cover Transfer from Northern Ireland for unused CSS funds	8,554,000		
(Section C) Budget Cover Transfer from the Scottish Government for Green Freeports Seed Capital	4,300,000		

Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
			£
(Section B) Budget Cover Transfer from the Ministry of Justice for court reforms relating to the Renters Right Act	1,037,000		
(Section B) Budget Cover Transfer from the Ministry of Justice for Leasehold Reform	445,000		
(Section F) Budget Cover Transfer from the Department for Energy Security and Net Zero for the English Housing Survey	1,000,000		
(Section A) Budget Cover Transfer from the Ministry of Defence for tops ups for Afghan housing adaptations	7,000,000		
Budget Exchange (BX)			
(Section B) Budget Exchange for Housing & Planning		-173,000,000	
Budget Neutral Changes			
(Section A) Decrease for Local Government & Public Services		-17,236,000	
(Section B) Decrease for Housing & Planning		-600,717,000	
(Section C) Increase for Local Growth & Devolution	224,429,000		
(Section E) Increase for Elections, Union and Constitution	5,282,000		
(Section F) Decrease for Research, Data & Trading		-915,000	
(Section G) Decrease for MHCLG Staff, Building and Infrastructure Costs		-6,115,000	
(Section H) Increase for Local Government & Public Services (ALB)(Net)	200,000		
(Section I) Increase for Housing & Planning	403,239,000		
Decrease for Departmental Unallocated Provision		-8,167,000	
Machinery of Government (MoG) Changes			
(Section B) MoG from Home Office for Fire	3,859,000		
Other Changes			
(Section E) Budget Measure for Port Talbot Land Remediation	900,000		
(Section I) Surrender of CDEL FT		-102,474,000	
(Section I) Public Sector Land Switch	15,000,000		
Reserve Claims			
(Section E) Reserve Claim for Port Talbot Transition	14,000,000		
Total change in Capital DEL (voted)	**692,429,000**	**-970,017,000**	**-277,588,000**
Revisions to the Net Cash Requirement reflect changes to resources and capital as set out above. It also takes account of movements in stock, debtors and creditors.		-1,916,473,000	
Total change in Net Cash Requirement		**-1,916,473,000**	**-1,916,473,000**

PART I: EXPENDITURE AND AMBIT

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit - Housing and Communities			
Resource †	**120,944,000**	-	120,944,000
Capital †	**-277,588,000**	-	-277,588,000
Departmental Expenditure Limit - Local Government			
Resource	**1,000**	-	1,000
Capital	**-**	-	-
Annually Managed Expenditure			
Resource †	**783,004,000**	-	783,004,000
Capital	**-**	-	-
Total Net Budget			
Resource	**903,949,000**	-	903,949,000
Capital	**-277,588,000**	-	-277,588,000
Non-Budget Expenditure	**-**		
Net Cash Requirement †	**-1,916,473,000**		

Supplementary amounts required in the year ending 31 March 2026 for expenditure by Ministry of Housing, Communities and Local Government 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 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.

PART I: EXPENDITURE AND AMBIT (CONTINUED)

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.

Responsibility for fire and rescue services and associated costs.

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 Ministry of Housing, Communities and Local Government, 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.

<u>Income arising from:</u>
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.

PART I: EXPENDITURE AND AMBIT (CONTINUED)

Administration of the Ministry of Housing, Communities and Local Government, 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 and support for social care business rates retention including safety net on account and; support for local government devolved powers. Support for 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.

Ministry of Housing, Communities and Local Government will account for this Estimate.

† Policy and operational responsibility for fire functions transferred to the Ministry for Housing, Communities and Local Government from the Home Office on 1 April 2025. Within the overall changes sought in this Estimate, the specific changes relating to this Machinery of Government change are:
(a) Departmental Expenditure Limit (Housing and Communities) - Resource (voted) is increased by £208,785,000;
(b) Departmental Expenditure Limit (Housing and Communities) - Capital (voted) is increased by £3,859,000;
(c) Annually Managed Expenditure - Resource (voted) in increased by £810,900,000; and
(d) the net cash requirement is increased by £1,023,544,000.

PART II: CHANGES PROPOSED

£'000

	Net Resources						Net Capital		
	Present		Changes		Revised		Present	Changes	Revised
	Admin	Prog	Admin	Prog	Admin	Prog			
	1	2	3	4	5	6	7	8	9
Departmental Expenditure Limit (DEL) - Housing and Communities									
Voted expenditure									
A Local Government & Public Services	-	630,364	-	-63,916	-	566,448	48,786	-10,836	37,950
B Housing & Planning	-	1,749,402	-	145,899	-	1,895,301	3,213,602	-777,390	2,436,212
C Local Growth & Devolution	-	970,775	-	38,948	-	1,009,723	2,017,647	185,504	2,203,151
D Integrated Settlements for Established Mayoral Strategic Authorities	-	530,927	-	4,099	-	535,026	438,060	3,033	441,093
E Elections, Union and Constitution	-	21,450	-	19,161	-	40,611	26,000	20,182	46,182
F Research, Data & Trading Funds	-	5,750	-	751	-	6,501	15,080	85	15,165
G MHCLG Staff, Building and Infrastructure Costs	295,951	8,474	-33,779	37,730	262,172	46,204	65,346	-5,964	59,382
Departmental Unallocated Provision	-	*30,324*	-	*-30,324*	-	-	*8,167*	*-8,167*	-
H Local Government & Public Services (ALB)(Net)	6,667	16,900	-786	-1,010	5,881	15,890	1,050	200	1,250
I Housing & Planning (ALB)(Net)	56,107	297,344	-1,285	5,456	54,822	302,800	3,220,942	315,765	3,536,707
Total voted DEL	**358,725**	**4,261,710**	**-35,850**	**156,794**	**322,875**	**4,418,504**	**9,054,680**	**-277,588**	**8,777,092**
Total DEL - Housing and Communities			**-35,850**	**156,794**				**-277,588**	
Department Expenditure Limit (DEL) - Local Government									
Voted expenditure									
L Other Grants and Payments	-	11,557,600	-	1	-	11,557,601	-	-	-
Total voted DEL	**-**	**11,557,600**	**-**	**1**	**-**	**11,557,601**	**-**	**-**	**-**
Total DEL - Local Government			**-**	**1**				**-**	

PART II: CHANGES PROPOSED (CONTINUED)

£'000

	Net Resources						Net Capital		
	Present		Changes		Revised		Present	Changes	Revised
	Admin	Prog	Admin	Prog	Admin	Prog			
	1	2	3	4	5	6	7	8	9
Annually Managed Expenditure (AME)									
Voted expenditure									
O Local Government & Public Services	-	50,393	-	-7,150	-	43,243	-	-	-
P Housing & Planning	-	41,259	-	807,418	-	848,677	-	-	-
Q MHCLG Staff, Building and Infrastructure Costs	-	-1,842	-	9,041	-	7,199	-	-	-
R Non-Domestic Rates Outturn Adjustments	-	350,000	-	-128,173	-	221,827	-	-	-
S Local Government & Public Services (ALB)(Net)	-	601	-	-976	-	-375	-	-	-
T Housing & Planning (ALB)(Net)	-	897,363	-	57,720	-	955,083	-	-	-
U Business Rates Retention	-	17,900,837	-	45,124	-	17,945,961	-	-	-
Total voted AME	**-**	**19,238,611**	**-**	**783,004**	**-**	**20,021,615**	**-**	**-**	**-**
Total AME			**-**	**783,004**				**-**	
Voted expenditure			**-35,850**	**939,799**				**-277,588**	
Non-voted expenditure			**-**	**-**				**-**	
Total for Estimate			**-35,850**	**939,799**				**-277,588**	

£'000

	Present Plans	Changes	Revised Plans
Net Cash Requirement	**36,630,980**	**-1,916,473**	**34,714,507**

PART II: REVISED SUBHEAD DETAIL INCLUDING ADDITIONAL PROVISION

£'000

	Revised Plans									
	Resources							Capital		
	Administration			Programme			Total			
	Gross	Income	Net	Gross	Income	Net	Net	Gross	Income	Net
	1	2	3	4	5	6	7	8	9	10
Departmental Expenditure Limits (DEL) - Housing and Communities										
Voted expenditure										
A Local Government & Public Services	-	-	-	566,448	-	566,448	566,448	37,950	-	37,950
B Housing & Planning	-	-	-	1,923,750	-28,449	1,895,301	1,895,301	3,248,386	-812,174	2,436,212
C Local Growth & Devolution	-	-	-	1,009,777	-54	1,009,723	1,009,723	2,203,151	-	2,203,151
D Integrated Settlements for Established Mayoral Strategic Authorities	-	-	-	535,026	-	535,026	535,026	441,093	-	441,093
E Elections, Union and Constitution	-	-	-	40,762	-151	40,611	40,611	46,182	-	46,182
F Research, Data & Trading Funds	-	-	-	6,501	-	6,501	6,501	15,165	-	15,165
G MHCLG Staff, Building and Infrastructure Costs	325,422	-63,250	262,172	46,204	-	46,204	308,376	59,382	-	59,382
Departmental Unallocated Provision	-	-	-	-	-	-	-	-	-	-
H Local Government & Public Services (ALB)(Net)	5,881	-	5,881	15,890	-	15,890	21,771	1,250	-	1,250
I Housing & Planning (ALB)(Net)	54,822	-	54,822	302,800	-	302,800	357,622	3,536,707	-	3,536,707
Total voted DEL	**386,125**	**-63,250**	**322,875**	**4,447,158**	**-28,654**	**4,418,504**	**4,741,379**	**9,589,266**	**-812,174**	**8,777,092**
Non-voted expenditure	-	-	-	-	-	-	-	-	-	-
J Elections	-	-	-	8,870	-	8,870	8,870	-	-	-
Total non-voted DEL	**-**	**-**	**-**	**8,870**	**-**	**8,870**	**8,870**	**-**	**-**	**-**
Total DEL - Housing and Communities	**386,125**	**-63,250**	**322,875**	**4,456,028**	**-28,654**	**4,427,374**	**4,750,249**	**9,589,266**	**-812,174**	**8,777,092**
Departmental Expenditure Limit (DEL) - Local Government										
Voted expenditure										
K Revenue Support Grant	-	-	-	2,217,355	-	2,217,355	2,217,355	-	-	-
L Other Grants and Payments	-	-	-	11,557,601	-	11,557,601	11,557,601	-	-	-
M Business Rates Retention	-	-	-	74,482	-	74,482	74,482	-	-	-
Total voted DEL	**-**	**-**	**-**	**13,849,438**	**-**	**13,849,438**	**13,849,438**	**-**	**-**	**-**
Total DEL - Local Government	**-**	**-**	**-**	**13,849,438**	**-**	**13,849,438**	**13,849,438**	**-**	**-**	**-**

PART II: REVISED SUBHEAD DETAIL INCLUDING ADDITIONAL PROVISION (CONTINUED)

£'000

	Revised Plans									
	Resources							Capital		
	Administration			Programme			Total			
	Gross	Income	Net	Gross	Income	Net	Net	Gross	Income	Net
	1	2	3	4	5	6	7	8	9	10
Annually Managed Expenditure (AME)										
Voted expenditure										
N Other Grants and Payments	-	-	-	5,128,690	-	5,128,690	5,128,690	-	-	-
O Local Government & Public Services	-	-	-	43,243	-	43,243	43,243	-	-	-
P Housing & Planning	-	-	-	851,277	-2,600	848,677	848,677	-	-	-
Q MHCLG Staff, Building and Infrastructure Costs	-	-	-	7,199	-	7,199	7,199	-	-	-
R Non-Domestic Rates Outturn Adjustments	-	-	-	221,827	-	221,827	221,827	-	-	-
S Local Government & Public Services (ALB)(Net)	-	-	-	-375	-	-375	-375	-	-	-
T Housing & Planning (ALB)(Net)	-	-	-	955,083	-	955,083	955,083	-	-	-
U Business Rates Retention	-	-	-	20,749,536	-2,803,575	17,945,961	17,945,961	-	-	-
Total voted AME	**-**	**-**	**-**	**27,956,480**	**-2,806,175**	**25,150,305**	**25,150,305**	**-**	**-**	**-**
Total AME	**-**	**-**	**-**	**27,956,480**	**-2,806,175**	**25,150,305**	**25,150,305**	**-**	**-**	**-**
Voted expenditure	**386,125**	**-63,250**	**322,875**	**46,253,076**	**-2,834,829**	**43,418,247**	**43,741,122**	**9,589,266**	**-812,174**	**8,777,092**
Non-voted expenditure	**-**	**-**	**-**	**8,870**	**-**	**8,870**	**8,870**	**-**	**-**	**-**
Total for Estimate	**386,125**	**-63,250**	**322,875**	**46,261,946**	**-2,834,829**	**43,427,117**	**43,749,992**	**9,589,266**	**-812,174**	**8,777,092**

PART II: RESOURCE TO CASH RECONCILIATION

			£'000
	Present Plans	**Changes**	**Revised Plans**
Net Resource Requirement	**42,846,043**	**903,949**	**43,749,992**
Net Capital Requirement	**9,054,680**	**-277,588**	**8,777,092**
Accruals to cash adjustments	**-15,260,873**	**-2,542,834**	**-17,803,707**
Of which:			
Adjustment for ALBs:			
Remove voted resource and capital	-4,496,974	-375,084	-4,872,058
Add cash grant-in-aid	2,142,599	-298,757	1,843,842
Adjustments to remove non-cash items:			
Depreciation	-119,771	57,362	-62,409
New provisions and adjustments to previous provisions	-60,225	-9,500	-69,725
Departmental Unallocated Provision	-38,491	38,491	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-17,543,229	-17,382	-17,560,611
Adjustments to reflect movements in working balances:			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	4,843,744	-1,945,573	2,898,171
Use of provisions	11,474	7,609	19,083
Removal of non-voted budget items	**-8,870**	**-**	**-8,870**
Of which:			
Consolidated Fund Standing Services	-8,870	-	-8,870
Other adjustments	-	-	-
Net Cash Requirement	**36,630,980**	**-1,916,473**	**34,714,507**

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

	£'000
	Revised Plans
Gross Administration Costs	358,202
Less:	
Administration DEL (Housing and Communities) Income	-63,250
Administration DEL (Local Government) Income	-
Net Administration Costs	**294,952**
Gross Programme Costs	52,978,990
Less:	
Programme DEL (Housing and Communities) Income	-840,828
Programme DEL (Local Government) Income	-
Programme AME Income	-2,806,175
Non-budget income	-2,000
Net Programme Costs	**49,329,987**
Total Net Operating Costs	**49,624,939**
Of which:	
Resource DEL (Housing and Communities)	4,717,551
Resource DEL (Local Government)	13,849,438
Capital DEL (Housing and Communities)	8,052,835
Capital DEL (Local Government)	-
Resource AME	25,196,574
Capital AME	-
Non-budget	-2,191,459
Adjustments to include:	
Departmental Unallocated Provision (resource)	-
Consolidated Fund Extra Receipts in the budget but not in the SoCNE	-
Adjustments to remove:	
Capital in the SoCNE	-5,862,876
Grants to devolved administrations	-
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	2,191,459
Other adjustments	-2,203,530
Total Resource Budget	**43,749,992**
Of which:	
Resource DEL (Housing and Communities)	4,750,249
Resource DEL (Local Government)	13,849,438
Resource AME	25,150,305
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)	**43,749,992**

PART III: NOTE B - ANALYSIS OF DEPARTMENTAL INCOME

	£'000
	Revised Plans
Voted Resource DEL - Housing and Communities	
Administration	
G MHCLG Staff, Building and Infrastructure Costs	
Interest and Dividends	-56,000
Other Income	-7,250
Total Interest and Dividends	**-56,000**
Total Other Income	**-7,250**
Total Administration	**-63,250**
Programme	
B Housing & Planning	
Sales of Goods and Services	-25,844
Interest and Dividends	-1,790
Other Income	-815
C Local Growth & Devolution	
Sales of Goods and Services	-54
E Elections, Union and Constitution	
Sales of Goods and Services	-151
Total Sales of Goods and Services	**-26,049**
Total Interest and Dividends	**-1,790**
Total Other Income	**-815**
Total Programme	**-28,654**
Total Voted Resource DEL- Housing and Communities	**-91,904**
Voted Resource AME	
Programme	
P Housing & Planning	
Other Income	-2,600
U Business Rates Retention	
Other Grants	-2,803,575
Total Other Grants	**-2,803,575**
Total Other Income	**-2,600**
Total Programme	**-2,806,175**
Total Voted Resource AME	**-2,806,175**
Total Voted Resource Income	**-2,898,079**
Voted Capital DEL- Housing & Communities	
Programme	
B Housing & Planning	
Other Grants	-812,174
Total Other Grants	**-812,174**
Total Programme	**-812,174**
Total Voted Capital DEL- Housing and Communities	**-812,174**
Total Voted Capital Income	**-812,174**

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

	Present Plans		Changes		Revised Plans	
	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)	-1,912,106	*-1,912,106*	-279,353	*-279,353*	-2,191,459	*-2,191,459*
Total	**-1,912,106**	***-1,912,106***	**-279,353**	***-279,353***	**-2,191,459**	***-2,191,459***

DETAILED DESCRIPTION OF CFER SOURCES

£'000

	Present Plans		Changes		Revised Plans	
	Income	***Receipts***	**Income**	***Receipts***	**Income**	***Receipts***
Non-Budget						
Capital Pooled Housing Receipts	-500	*-500*	-	-	-500	*-500*
HCA Housing Supply: Help to Buy	-1,906,920	*-1,906,920*	-278,670	*-278,670*	-2,185,590	*-2,185,590*
HCA Housing Supply: First Buy	-3,660	*-3,660*	-209	*-209*	*-3,869*	*-3,869*
Guarantees	-1,026	*-1,026*	-474	*-474*	-1,500	*-1,500*
Total	**-1,912,106**	***-1,912,106***	**-279,353**	***-279,353***	**-2,191,459**	***-2,191,459***

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 of Main Estimates 2025-26 for further details of Accounting Officer responsibilities.

Accounting Officer:	Sarah Healey
Executive Agency Accounting Officers:	
Graham Stallwood	Planning Inspectorate
ALB Accounting Officers:	
Amy Rees	Homes England
Julie Odams	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
Fiona MacGregor	Regulator of Social Housing
Charlie Pugsley	Building Safety Regulator

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	15,890	1,000	16,900
H	Valuation Tribunal Service	5,881	250	5,931
I	Building Safety Regulator	10,800	835	-
I	Homes England	348,240	3,532,872	1,800,000
I	The Leasehold Advisory Service	3,168	1,800	4,823
I	Regulator of Social Housing	-55	1,000	1,000
I	The Housing Ombudsman	-4,531	200	15,188
S	Commission for Local Administration in England	-505	-	-
S	Valuation Tribunal Service	130	-	-
T	Homes England	962,072	-	-
T	Regulator of Social Housing	200	-	-
T	The Housing Ombudsman	-7,189	-	-
Total		**1,334,101**	**3,537,957**	**1,843,842**

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	Grenfell Memorial Design	954

PART III: NOTE J - STAFF BENEFITS

The Exceptional Performance Scheme is open to all MHCLG employees below the Senior Civil Service. The scheme awards exceptional performance and includes non-consolidated bonuses and a smaller scale instant reward voucher element. The guidelines suggest a maximum of £1,000 for non-consolidated bonuses and £100 for instant voucher awards. All awards are taxable, reckon for national insurance purposes, are non-consolidated and non-pensionable. For voucher awards, MHCLG meets the tax and national insurance costs. The total cost of the exceptional performance scheme for delegated grades is limited to 0.65% of delegated paybill. There are separate arrangements for the performance management of the Senior Civil Service (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.	630
Potential losses/liabilities arising from inability to recover any ineligible expenditure from individual projects in the 2014-20 programme/arising from current European Liabilities.	Unquantifiable
The Grenfell Home Ownership Scheme enables residents to purchase a share of their current home that is equivalent to the value of their Grenfell home. Estimated uptake is 20% of eligible residents, with most expected within 4–5 years.	48,000
Homes England: At 31 March 2025, the West Sussex Pension Scheme had 11 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: Potential liability 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.	195
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.	370
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:	
Claim for repair or repurchase of defective Right to Buy homes sold by local authorities between 1980 and 1985.	250 to 750k per house
Potential future years liabilities for civil claims relating to the Grenfell Tower fire. At this time, we cannot reliably forecast the estimated costs as we cannot definitively say how many future claims there might be.	Unquantifiable
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
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 Professional Indemnity Insurance (PII) 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.	70,000
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

PART III: NOTE K - CONTINGENT LIABILITIES (CONTINUED)

Nature of liability	£'000
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 £17 million.	17,072
A second scheme was launched in 2020, and further expanded in 2024, guaranteeing debt of no more than £6 billion. As of 30 September 2025, £3.2 billion of borrowing had been approved, with £2.4 billion drawn down. The financial guarantee in the Statement of Financial Position has a value of £2.9 million.	2,911
The department has provided a guarantee scheme for the private rented sector (PRS), guaranteeing debt of no more than £3.5 billion. At 30 September 2025, the department has approved borrowing of circa £1.9 billion of which £1.46 billion has been drawn down, a further £109 million had been repaid and a further £61m approved yet to be funded, all of which is covered by the guarantee scheme. The guarantees have been valued in accordance with IFRS 9 and been recognised as a financial guarantee in the Statement of Financial Position with a value of £2.6 million.	2,584
In May 2019, the department launched the ENABLE Build guarantee scheme, guaranteeing debt of no more than £1 billion. At 30 September 2025, £514 million 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 with a value of £124,000.	124
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 2 May 2029.	Unquantifiable
An indemnity to Police Area Returning Officers and Local Returning Officers for the Police and Crime Commissioner elections held on 2 May 2024. 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 certificate 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 2028.	Unquantifiable

PART III: NOTE K - CONTINGENT LIABILITIES (CONTINUED)

Nature of liability	£'000
An indemnity to Petition Officers for any Recall Petition that may be held between the date the indemnity came into force, 5 February 2024, and 2 May 2029. 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