

Ministry of Housing, Communities and Local Government

EXPLANATORY MEMORANDUM

Supplementary Estimate 2017/18

Introduction

1. The Supplementary Estimate is the annual process through which the Ministry of Housing, Communities and Local Government (MHCLG) agrees budget changes with HM Treasury before Parliament is asked to agree changes for this financial year.
2. This memorandum provides the Select Committee with an explanation of how the changes to the Department's resources and cash will be applied to achieve the Department's objectives, and why those changes have been made. This document sets out the strategic overview of the Department, an overview of the key budget exchanges and the changes of powers and responsibilities for the Department. Further detail on all changes is described in the Annexes.

Strategic Overview

3. As set out in our Single Departmental Plan¹, the Department aims to help create great places to live and work right across the country and to back communities to come together and thrive.
4. We have six strategic objectives to:
 1. Fix the broken housing market
 2. Grow local economies
 3. Build integrated communities
 4. Support effective local government
 5. Ensure an effective response to the Grenfell Tower fire
 6. Support local government, local economies and the housing sector to get ready for EU Exit, so that the department can continue to deliver its policies.

This section summarises progress against these strategic objectives.

Strategic Objective 1: Fix the broken housing market

5. We will increase the supply of homes and implement policies that will help people accessing the housing market, whether they are renting or looking to buy. We have:
 - Helped 315 local authorities publish a Local Plan;

¹ <https://www.gov.uk/government/publications/department-for-communities-and-local-government-single-departmental-plan/department-for-communities-and-local-government-single-departmental-plan>

- Overseen delivery of 217,350 net additional dwellings in England in 2016-17;
- Enabled 144,826 sales helped by the Help to Buy equity loan scheme since Spring 2010;
- Protected tenants in the Private Rented Sector by cracking down on rogue landlords and introducing draft legislation to ban unfair letting agent fees;
- Established a Rough Sleeping and Homelessness Reduction Taskforce that will drive forward the implementation of a cross-Government strategy on rough sleeping to halve rough sleeping by 2022 and eliminate it by 2027.

Strategic Objective 2: Grow local economies

6. We will support local economies across the country to boost productivity and deliver inclusive growth for all our communities. We will make sure that local areas are ready to take advantage of opportunities presented by our exit from the EU. We have:
- Agreed 8 devolution deals since 2015, leading to 6 mayoral elections in May 2017; with Sheffield City Region mayoral election scheduled for May 2018;
 - Continued investment in business-led Local Enterprise Partnerships to support their work driving growth and productivity in their area. Since 2015 £9.1 billion has been awarded to LEPs through three rounds of competitive Growth Deals;
 - Established cross-Government programmes to coordinate policy and drive growth across the Northern Powerhouse, Midlands Engine, Oxford-Milton Keynes-Cambridge corridor and the Thames Estuary.

Strategic Objective 3: Build integrated communities

7. We will work to bring people and communities together. We will implement policies seeking to support integration, and we will work with Cabinet Office and other Government Departments to tackle the inequalities revealed by the Prime Minister's Race Disparity Audit. We have:
- Committed to develop, publish and consult on a new integrated communities strategy;
 - Allocated £73.5m from the Controlling Migration Fund to help ease the pressures facing local public services following recent immigration. We have funded local schemes to support a range of programmes, including teaching migrants English and how to navigate local services. We're also supporting local authorities with the pressures of looking after Unaccompanied Asylum Seeking Children and granted asylum seekers, and to support victims of Modern Day Slavery;
 - Commissioned the design of a world-class Holocaust Memorial and Learning Centre at Victoria Tower Gardens in Westminster.

Strategic Objective 4: Support effective local government

8. We will support local government to deliver public services to local people. We will help local authorities become more efficient and will promote the use of best practice across the sector. The Department has responsibility for maintaining an overview of the financial sustainability of the local authority sector. We have :

- Engaged 272,100 families with the Troubled Families programme as of September 2017;
- Announced our criteria for deciding locally led proposals for merging district councils and that subject to Parliamentary approval, the Government is minded to implement the locally led proposal to establish two new unitary councils across Dorset;
- Announced that subject to Parliamentary approval, we will implement the two locally led proposals to merge and form new district councils in Suffolk, with two new councils - East Suffolk and West Suffolk.

Strategic Objective 5: Ensure an effective response to the Grenfell Tower Fire

9. Our response to the Grenfell Tower fire, including the Building Safety Programme, will ensure that those affected get the support they need and that residents of high rise buildings are safe and feel safe from fire, now and in the future. We have:
 - Set up a building safety programme in June 2017 to identify high rise buildings with unsafe cladding and support the remediation of these and other significant risks identified; and to identify and implement changes necessary to the building and fire safety regulatory system to ensure that buildings are safe in future;
 - Identified 299 high rise buildings (as at January 2018) with unsafe Aluminium Composite Material cladding, interim safety measures have been put in place in all of these buildings and 3 have been fully remediated. An independent review of the building and fire safety regulatory system was announced in July 2017, with an interim report received in December and a final report due in Spring 2018;
 - Provided support and challenge to the Royal Borough of Kensington and Chelsea (RBKC) in re-housing victims as swiftly as possible, taking into account individuals' needs. We are also supporting RBKC to build capacity and rebuild local trust. The independent Taskforce is monitoring progress. Grenfell recovery remains a complex and challenging task. Our highest priority remains making sure survivors receive all the support they need now and in the future.

Strategic Objective 6: Prepare for our exit from the European Union

10. The Department is working to support the UK's smooth exit from the European Union. We will support local government, local economies and the housing sector to get ready for EU Exit.

Overview of Budget Changes

11. Table 1 below outlines the changes we have made at the 2017/18 Supplementary Estimate to MHCLG budgets.

Table 1 - MHCLG Communities DEL and AME

| Budgetary control £m | Main Estimate | Changes | | | | | Supplementary Estimate |
|-------------------------------|---------------|------------------|-------------|------------|-----------------|---------------|------------------------|
| | | Budget Exchanges | Surrenders | BCT & MOGS | Budget Switches | Other Changes | |
| Admin | 266 | | | | 6 | | 272 |
| RDEL | 2,644 | -349 | -75 | -20 | -33 | | 2,167 |
| Resource AME | 542 | | | | | | 542 |
| CDEL – of which: | 6,512 | -478 | -742 | -12 | 26 | 1,690 | 6,996 |
| Grant | 3,836 | -331 | -573 | -12 | 26 | 42 | 2,988 |
| Financial Transactions | 2,676 | -147 | -169 | | | 1,648 | 4,008 |
| Total | 9,964 | -827 | -817 | -32 | 0 | 1,687 | 9,978 |

12. For MHCLG Departmental Expenditure Limit (DEL) budgets, there is a slight net increase of £14m, principally due to the following elements.

13. We have made changes to the Department's 2017/18 budgets to enable us to deliver the outcomes we agreed at the 2015 Spending Review and subsequent Budget announcements. The Department has been required to re-profile some spending - £827m - until later in the Spending Review period to reflect changes in the timing of agreed announcements and programme delivery:

- £478m of Capital DEL budget re-profiles to support key housing programmes including Affordable Housing, Land, and Accelerated Construction.
- £349m of Resource DEL budget re-profiles, including Troubled Families, Controlling Migration Fund and Preventing Homelessness.

14. The Government's Help to Buy programme has had another strong year, with demand far exceeding expectations. Treasury provided additional funding of £1,598m to enable us to meet the demand for the programme. The Department, to support the Government's overall fiscal position, has reviewed its programmes and surrendered £817m in 2017/18 at Budget to reduce the claim on the Treasury's reserve.

15. Table 2 below outlines the changes we have made at the 2017/18 Supplementary Estimate to the Local Government budget:

Table 2 – MHCLG Local Government DEL and AME

| Budgetary control | Main Estimate | Supplementary Estimate Changes | | | Supplementary Estimate |
|-------------------------------|---------------|--------------------------------|----------------|------------|------------------------|
| £m | | Budget Exchanges | Reserve Claims | Surrenders | |
| Resource Programme DEL | 6,728 | - | - | -10 | 6,718 |
| Resource AME | 15,038 | - | 778 | - | 15,816 |
| Total | 21,766 | 0 | 778 | -10 | 22,534 |

16. Local Government DEL and Annually Managed Expenditure AME budgets have increased by £768m.

- £618m relates to funding to provide transitional relief from business rate increases following the 2017 revaluation.
- The remaining £160m AME increase is in respect of business rate retention outturn adjustments.
- £10m surrender of RDEL budget. This surrender is in exchange for an increase in AME cover to fund the City of London Offset.

17. The next two sections (Technical Budget Changes and Changes in Powers) provide more detail on the technical changes we have made at the 2017/18 Supplementary Estimate. The annexes contain further detail of all budget changes at programme level. Annex B contains detailed tables of all budget changes by programme, and Annex C provides an explanation for the significant programme movements in the 2017/18 Supplementary Estimate.

Technical Budget Changes

18. The Supplementary Estimate allows the Department to make budget changes to the 2017/18 budgets under the following categories:

- **Budget Exchange**
Re-profiles budget from 2017/18 to 2018/19 to support multi-year programme delivery.
- **Reserve claim**
New funding allocated to the Department by HM Treasury through the Supplementary Estimates after agreement from the Chief Secretary to the Treasury.
- **Surrenders**
The Department returns money that is no longer required to HM Treasury.
- **Switches**
Moving budgets between control totals (RDEL, CDEL and Admin).
- **Net Cash Requirement**
The Department's net cash allocation for the year.

Budget Exchanges

19. Below are tables of Budget Exchanges the Department has completed to support the delivery of key Government programmes. Annex B and C provide a full breakdown of all changes to the Department's budgets at the 2017/18 Supplementary Estimate.

Table 3 – Budget Exchanges

MHCLG Communities Resource DEL

| Programme | Budget 2017/18 (£m) | Comments |
|-------------------------------------|---------------------|--|
| Voluntary Right to Buy Pilot | -125 | As agreed at Budget, £80m will be used to fund Voluntary Right to Buy pilots in future years (£80m in 2019/20). £45m is required to help support the Department's response to the Grenfell tragedy. |
| Community Housing Fund | -43 | Funding was reprofiled to increase value for money from delivery. |
| Troubled Families | -41 | The Troubled Families spending allocation profile was originally spread evenly over the Spending Review period. This amends the budget profile to more accurately match expenditure with delivery. |
| Single Land Programme | -32 | As agreed with HMT in the SR 2015 settlement letter, we are looking to reprofile land receipts to help mitigate potential pressures in 2018/19, including the smaller starter homes programme. |
| Controlling Migration Fund | -15 | The majority of bids from Local Authorities span over a two year period and therefore we have to manage resource allocation to match the profile of demand. |
| Integration and Faith | -10 | The Department is producing a new strategy across our integration programmes. This is still being formulated but the proposals of the programme require a reprofile of £10.2m to supplement existing funding for 2018/19 (£14m) and use the envelope to support new local and national integration strategy interventions. |
| Flexible Homelessness Support Grant | -9 | The work required to set up a new procurement strategy and vehicle mean that the funding cannot be spent this year but will be required in 2018/19. |
| Housing Infrastructure Fund (NPIF) | -3 | The assessment and selection of projects has slipped back. |
| Depreciation | -71 | To ensure there is adequate cover for cost of impairments should a land asset lose value as a consequence of the starter homes policy this has been moved into 2018/19. |
| Total | -349 | |

MHCLG Communities Capital DEL

| Programme | Budget 2017/18 (£m) | Comments |
|-------------------------------------|---------------------|--|
| Manchester Housing Investment Fund | -95 | A reprofile is required to cover contractual commitments of which the Department has provided funding assurance to Manchester. |
| Build to Rent | -52 | The nature of the drawdown programme, which the Department cannot directly control, means that contractual commitments have moved from this year into 2018/19 |
| Financial Transactions Total | -147 | |
| Accelerated Construction | -74 | To bring the budget in line with the expected expenditure profile for the programme. |
| Affordable Housing (NPIF) | -60 | We require a reprofile of £60m into 2018/19 for the Oxfordshire housing deal announced at the Budget. |
| Brent Cross | -46 | Funding for Brent Cross helps the regeneration of the Cricklewood area and the re-profile is to meet the London Borough of Barnet's drawdown schedule. |
| Housing Infrastructure Fund (NPIF) | -43 | The budget exchange will allow the Department to spend the budget early in the new financial year based on decisions from the Investment Panel for the Housing Infrastructure Fund. |
| Ebbsfleet | -36 | As agreed with HMT in 2016 we require a reprofile of £28m to fund Housing White Paper implementation costs in future years. Additional £7m is to be used by Ebbsfleet in future years to allow them to fund investment that is projected to increase towards the end of the SR period. |
| Single Land Programme | -25 | This budget exchange will allow the Department to meet arising pressures and will also provide an opportunity to complete more Other Government Department transfers. |
| London Settlement | -22 | A Budget exchange is required to fund the programme for Cultural and Education District (Olympicopolis) beginning a year later than anticipated in 2018/19. |
| Move on Fund | -16 | Over Parliament the programme Move on Fund will invest £100 million to deliver low-cost 'second stage' accommodation for rough sleepers leaving hostel accommodation and domestic abuse victims and their families moving on from refuges. To match the programme's operational requirements we need to reprofile £15.6m into 2018/19. |
| Right to Buy Receipts | -10 | This reprofile is required to supplement the Affordable Homes Programme budget in 2018/19. |
| Grant Total | -331 | |

Surrenders

20. The Department has surrendered £817m of budget that is no longer required in 2017/18 (£742m Capital DEL, and £75m Resource DEL). As agreed with HMT, this will be utilised to offset the budget requirement for the Help to Buy programme.

Table 4 – MHCLG Communities Surrenders

| Programme | Financial Transactions (£m) | General Capital (£m) | Resource (£m) | Comments |
|---------------------------------|-----------------------------|----------------------|---------------|---|
| London Settlement | 65 | | | London Housing Bank funding that will not be utilised in 2017/18. |
| Build to Rent | 52 | | | The programme has over-achieved on its receipts profile for 2017/18. |
| Estate Regeneration | 52 | | | Reflects demand for the FT programme. |
| Affordable Housing (NPIF) | | 48 | | Part of the funding allocation for the Affordable Housing programme has not been required in 2017/18. |
| Accelerated Construction (NPIF) | | 166 | | Part of the budget for the Accelerated Construction programme was surrendered as agreed with HMT to contribute to the higher Affordable Housing investment in future years. |
| Starter Homes | | 329 | | Starter Homes budget was surrendered as agreed with HMT to contribute to the higher Affordable Housing investment in future years. |
| Brent Cross | | 6 | | The Department has reprofiled the required budget to 2018/19, with the remaining budget surrendered. |
| Affordable Homes Programme | | 24 | | Underspend against the existing programme was surrendered. |
| Devolution Deals | | | 75 | Funding that has not been required in 2017/18 due to some devolution deals not proceeding. |
| Total | 169 | 573 | 75 | |

Net Cash Requirement

21. The table below outlines the corresponding changes to the Department's 2017/18 cash position which we have made at the Supplementary Estimate as a result of the budgets changes.

Table 5 – Net Cash Requirement

| | Main Estimates £m | Changes £m | Supplementary Estimates £m |
|------------------------------|------------------------------|-----------------------|---|
| Net Resource Requirement | 25,219 | 297 | 25,516 |
| Net Capital Requirement | 6,512 | 484 | 6,997 |
| Accruals to cash adjustments | -13,142 | 837 | -12,305 |
| Total | 18,589 | 1,618 | 20,207 |

22. The Department's revised Net Cash Requirement is estimated at £20.2bn and includes contingency of £3,300m to mitigate the risk of any unforeseen cash payments in 2017/18. The main reason for the increase in NCR is the increase in capital budget due to the additional funding for Help to Buy.

Change in Powers

23. The Supplementary Estimate provides opportunity for the Department to revise the scope of responsibilities and powers.

- **Machinery of Government changes (MOGs) and Budget Cover Transfers (BCT)** - Machinery of Government changes are the process which enables a programme or team to move from one Department to another. There should be no impact on our budget position. A Budget Cover Transfer is where cash is transferred from one Department to another to fund (or contribute to) a programme.
- **Ambit** - A formal summary of the Department's scope, responsibilities and powers.

Machinery of Government changes and Budget Cover Transfers

24. Two Machinery of Government changes and 12 Budget Cover Transfers have taken place at the 2017/18 Supplementary Estimate:

Table 6 – MHCLG Communities Machinery of Government changes

| Reason | To | From | Budget | 2017-18 (£k) |
|-------------------------|-----------|-------------|----------------|-------------------------|
| Common Hold | MHCLG | MoJ | Resource Admin | 14 |
| Estate Agent Regulation | MHCLG | BEIS | Resource Admin | 91 |

Table 7 – MHCLG Communities Budget Cover Transfers

| Reason | To | From | Budget | 2017-18 (£m) |
|---|-----------|-------------------------|--------------------|---------------------|
| South Tees Site Company - Site safety transfer | BEIS | MHCLG | Resource Programme | -17.9 |
| South Tees Site Company - Site assessment and operational costs | BEIS | MHCLG | Resource Programme | -1.6 |
| Housing Act Training | MoJ | MHCLG | Resource | -0.6 |
| Cyber Resilience programme | MHCLG | Cabinet Office | Resource Programme | 0.4 |
| CloS Financial Instrument Contribution | BEIS | MHCLG | Resource Programme | -0.3 |
| Litter Innovation Fund | DEFRA | MHCLG | Resource Programme | -0.3 |
| Northern Power House Campaign | MHCLG | BEIS | Resource Programme | 0.2 |
| Northern Power House Campaign | MHCLG | DfT | Resource Programme | 0.2 |
| HCA Asset Transfers | MoJ | MHCLG Communities (HCA) | Capital Programme | -10.7 |
| South Tees Site Company - Site safety transfer | BEIS | MHCLG | Capital Programme | -0.1 |
| HCA Asset Transfers | BEIS | MHCLG Communities (HCA) | Capital Programme | -0.4 |
| HCA Asset Transfers | DfE | MHCLG Communities (HCA) | Capital Programme | -0.4 |

Ambit

25. We have updated the Ambit to include the Department's response to the Grenfell Tragedy and the Building Safety Programme. The full changes to the Department's Ambit are attached as Annex D.

Approval of Memorandum

26. This Memorandum has been prepared in accordance with guidance in the Estimates Manual provided by HM Treasury and that found on the House of Commons website. I approved all changes to Department's budgets as Principal Accounting Officer.

Melanie Dawes

Accounting Officer

Permanent Secretary of Ministry of Housing, Communities and Local Government

Annex A – Summary Table of Breakdown of Increases and Decreases

MHCLG Communities Administration Resource DEL

| | £m |
|--|------------|
| | 2017/18 |
| Budget at Main Estimate | 266 |
| <i>Budget Switches</i> | |
| Building Safety Prog and Grenfell Response teams | 6 |
| Total Budget Switches | 6 |
| | |
| Supplementary Estimate 2017/18 | 272 |

Total figures include administration depreciation

MHCLG Communities Programme Resource DEL

| | £m |
|---|--------------|
| | 2017/18 |
| Budget at Main Estimate 2017/18 | 2,644 |
| <i>Budget Exchanges</i> | |
| Voluntary Right to Buy Pilot | -125 |
| Community Housing Fund | -43 |
| Troubled Families | -41 |
| Single Land Programme | -32 |
| Controlling Migration Fund | -15 |
| Integration and Faith | -10 |
| Flexible Homelessness Support Grant | -9 |
| Housing Infrastructure Fund (NPIF) | -3 |
| Depreciation | -71 |
| Total Budget Exchanges | -349 |
| <i>Surrenders</i> | |
| Devolution Deals | -75 |
| Total Surrenders | -75 |
| <i>Budget Switches</i> | |
| Devolution Deals Gainshare | -13 |
| Housing Infrastructure Fund | 1 |
| Due Diligence budget (Accelerated Construction) | 8 |
| Building Safety Prog and Grenfell Response teams | -6 |
| RDEL Land Programme receipts | -26 |
| Move on Fund | 3 |
| Total Budget Switches | -33 |
| <i>Machine of Government Change in</i> | |
| Estate Agent Regulation | 0.2 |
| Total Machinery of Government Change | 0.2 |
| <i>Budget Cover Transfers- in</i> | |
| Northern Power House Campaign | 0.2 |
| Northern Power House Campaign | 0.2 |
| Cyber Resilience programme | 0.4 |
| <i>Budget Cover Transfers- out</i> | |
| Financial Instrument Contribution | -0.3 |
| Litter Innovation Fund | -0.3 |
| South Tees Site Company - Site safety transfer | -17.9 |
| South Tees Site Company - Site assessment and operational costs | -1.6 |
| Housing Act Training | -0.6 |
| Total Budget Cover Transfers | -19.9 |
| | |
| Supplementary Estimate 2017/18 Budget | 2,167 |

MHCLG Communities Capital DEL

| | £m |
|---|--------------|
| | 2017/18 |
| Budget at Main Estimate | 6,512 |
| <i>Budget Exchanges</i> | |
| Manchester Housing Investment Fund | -95 |
| Build to Rent | -52 |
| Accelerated Construction | -74 |
| Affordable Housing (NPIF) | -60 |
| Brent Cross | -46 |
| Housing Infrastructure Fund (NPIF) | -43 |
| Ebbsfleet | -36 |
| Single Land Programme | -24 |
| London Settlement | -22 |
| Move on Fund | -16 |
| Right to Buy Replacement | -10 |
| Total Budget Exchanges | -478 |
| <i>Surrenders</i> | |
| London Settlement | -65 |
| Build to Rent | -52 |
| Estate Regeneration | -52 |
| Affordable Housing (NPIF) | -48 |
| Accelerated Construction | -166 |
| Starter Homes | -329 |
| Brent Cross | -6 |
| Affordable Homes Programme | -24 |
| Total Surrenders | -742 |
| <i>Budget Switches</i> | |
| Devolution Deals Gainshare | 13 |
| Housing Infrastructure Fund | -1 |
| Due Diligence budget (Accelerated Construction) | -8 |
| RDEL Land Programme receipts | 25 |
| Move on Fund | -3 |
| Total Budget Switches | 26 |
| <i>Budget Cover Transfers- out</i> | |
| HCA Asset Transfers | -10.7 |
| South Tees Site Company - Site safety transfer | -0.1 |
| HCA Asset Transfers | -0.4 |
| HCA Asset Transfers | -0.4 |
| Total Budget Cover Transfers | -11.6 |
| Help to Buy | 1,598 |
| Home Building Fund Short Term | 50 |
| Disabled Facilities Grant | 42 |
| Total Other Changes | 1,690 |
| Supplementary Estimate 2017/18 | 6,996 |

MHCLG Local Government Programme Resource DEL

| | £m |
|--|--------------|
| | 2017/18 |
| Budget at Main Estimate 2017/18 | 6,728 |
| <i>Surrender</i> | |
| City of London Offset | -10 |
| Supplementary Estimate 2017/18 | 6,718 |

MHCLG Local Government Resource AME

| | £m |
|--|---------------|
| | 2017/8 |
| Budget at Main Estimate 2017/18 | 15,038 |
| Accrual for Tariff Up adjustments | 1 |
| Deficit on Collection Fund 16-17 Outturn accrual | 158 |
| Transitional Relief | 619 |
| Supplementary Estimate 2017/18 | 15,816 |

Annex B – Summary Table of Programme Changes by Estimate Line

MHCLG Communities Administration Resource DEL

| Estimate Line (£m) | Programmes | Main Estimate 2017/18 | Change | Supplementary Estimate 2017/18 | Notes |
|--|---|-----------------------|-------------|--------------------------------|-------|
| Housing & Planning | Planning Inspectorate (Admin) | 35.0 | 0.9 | 36.0 | |
| | Sub-total | 35.0 | 0.9 | 36.0 | |
| MHCLG Staff, Building and Infrastructure Costs | Administration | 155.4 | 14.3 | 169.7 | 1 |
| | Sub-total | 155.4 | 14.3 | 169.7 | |
| Local Government & Public Services (ALB)(Net) | Local Govt & Public Services (ALB) Administration | 17.3 | -0.1 | 17.2 | |
| | Sub-total | 17.3 | -0.1 | 17.2 | |
| Housing & Planning (ALB)(Net) | Other Housing (N) | 0.0 | 0.0 | 0.0 | |
| | Housing & Planning (ALB) Administration | 34.7 | -3.0 | 31.7 | |
| | Ebbsfleet | 3.7 | 0.2 | 3.9 | |
| | HCA Regulator Income | 0.0 | -5.7 | -5.7 | 2 |
| | Sub-total | 38.4 | -8.5 | 29.9 | |
| | | | | | |
| | TOTAL | 246.2 | 6.5 | 252.7 | |

Table above only includes non-ringfenced budgets (excludes depreciation)

MHCLG Communities Administration Resource DEL Depreciation

| Estimate Line (£m) | Programmes | Main Estimate 2017/18 | Change | Supplementary Estimate 2017/18 | Notes |
|--|---|-----------------------|-------------|--------------------------------|-------|
| Housing & Planning | Planning Inspectorate (Admin) | 1.0 | -0.6 | 0.4 | |
| | Sub-total | 1.0 | -0.6 | 0.4 | |
| MHCLG Staff, Building and Infrastructure Costs | Administration | 14.9 | 0.0 | 14.9 | |
| | Sub-total | 14.9 | 0.0 | 14.9 | |
| Local Government & Public Services (ALB)(Net) | Local Govt & Public Services (ALB) Administration | 0.5 | 0.0 | 0.5 | |
| | Sub-total | 0.5 | 0.0 | 0.5 | |
| Housing & Planning (ALB)(Net) | Housing & Planning (ALB) Administration | 3.2 | 0.1 | 3.3 | |
| | Ebbsfleet | 0.3 | -0.2 | 0.1 | |
| | Sub-total | 3.5 | -0.2 | 3.4 | |
| | | | | | |
| | TOTAL | 20.0 | -0.8 | 19.1 | |

MHCLG Communities Programme Resource DEL

| Estimate Line (£m) | Programmes | Main Estimate 2017/18 | Change | Supplementary Estimate 2017/18 | Notes |
|---|--|-----------------------|---------------|--------------------------------|-------|
| Local Government & Public Services | Community Rights and Integration | 20.2 | -5.4 | 14.8 | 3 |
| | Flooding Support / Bellwin | 3.7 | 0.0 | 3.7 | |
| | GLA Settlement | 0.4 | 3.5 | 3.9 | 4 |
| | Grenfell Response | 0.0 | 18.9 | 18.9 | 5 |
| | UK Holocaust Memorial Foundation | 0.0 | 1.3 | 1.3 | 6 |
| | Other Local Govt and Public Services | 52.6 | -5.0 | 47.7 | 7 |
| | Sub-total | 77.0 | 13.3 | 90.3 | |
| Housing & Planning | Housing Strategy | 67.8 | -67.5 | 0.3 | 8 |
| | New Homes Bonus | 1,227.4 | 0.0 | 1,227.4 | |
| | Other Housing (N) | 173.4 | -160.3 | 13.2 | 9 |
| | Planning | 38.0 | -1.8 | 36.2 | |
| | Preventing Homelessness | 265.8 | -2.2 | 263.6 | 10 |
| | Private Housing Initiative - Housing | 192.1 | 0.0 | 192.1 | |
| | Sub-total | 1,964.6 | -231.7 | 1,732.8 | |
| Decentralisation & Local Growth | Coastal Communities - Expenditure | 0.0 | 1.6 | 1.6 | 11 |
| | INTERREG | 2.1 | 0.0 | 2.1 | |
| | Local Enterprise Partnerships | 20.0 | -0.9 | 19.1 | |
| | Local Growth Fund & Cities | 195.3 | -87.9 | 107.4 | 12 |
| | Other (Decentralisation & Local Growth) | 0.7 | 1.6 | 2.3 | |
| | Regional Growth Fund | 0.0 | -4.7 | -4.7 | 13 |
| | Sub-total | 218.1 | -90.3 | 127.8 | |
| Research, Data & Trading Funds | ERDF contingency | 28.0 | 0.0 | 28.0 | |
| | Queen Elizabeth II Conference Centre | -1.0 | 0.0 | -1.0 | |
| | Research and Data | 9.9 | 1.1 | 11.0 | |
| | Sub-total | 36.9 | 1.1 | 38.0 | |
| MHCLG Staff, Building and Infrastructure Costs | MHCLG Other | 2.5 | 0.4 | 2.9 | |
| | Sub-total | 2.5 | 0.4 | 2.9 | |
| Departmental Unallocated Provision | Departmental Unallocated Provision | 10.8 | -10.8 | 0.0 | |
| | Sub-total | 10.8 | -10.8 | 0.0 | |
| Housing & Planning (ALB)(Net) | HCA: Housing Strategy | 9.2 | 10.1 | 19.3 | 14 |
| | Other (ALB) | -10.9 | -55.4 | -66.3 | 15 |
| | Housing & Planning (ALB)(Net) - Depreciation | 97.0 | -71.0 | 26.0 | 16 |
| | Sub-total | 95.3 | -116.3 | -21.0 | |
| Troubled Families | Troubled Families | 239.0 | -42.0 | 197.0 | 17 |
| | Sub-total | 239.0 | -42.0 | 197.0 | |
| | | | | | |
| | TOTAL | 2,644.2 | -476.4 | 2,167.8 | |

MHCLG Communities Capital DEL

| Estimate Line (£m) | Programmes | Main Estimate 2017/18 | Change | Supplementary Estimate 2017/18 | Notes |
|--|--|-----------------------|---------------|--------------------------------|-------|
| Local Government & Public Services | GLA Settlement | 372.3 | 70.0 | 442.3 | 18 |
| | Sustainability Funding to Loc.Auth. | 0.0 | 1.2 | 1.2 | |
| | Sub-total | 372.3 | 71.1 | 443.4 | |
| Housing & Planning | Accelerated Construction | 240.0 | -240.0 | 0.0 | 19 |
| | Affordable Housing (NPIF) | 455.0 | -198.0 | 257.0 | 20 |
| | Housing Infrastructure Fund | 50.0 | -43.0 | 7.0 | 21 |
| | Manchester Housing Fund | 100.0 | -94.8 | 5.3 | 22 |
| | Preventing Homelessness | 25.0 | -25.0 | 0.0 | 23 |
| | Planning Inspectorate | 0.5 | 0.2 | 0.7 | |
| | Other Housing & Planning | 20.5 | 47.5 | 68.0 | 24 |
| | Sub-total | 891.0 | -553.0 | 338.0 | |
| Decentralisation & Local Growth | Regional Growth Fund | 0.0 | -12.2 | -12.2 | |
| | Coastal Communities - Expenditure | 0.0 | 19.0 | 19.0 | 25 |
| | Local Growth Fund & Cities | 1,423.5 | 20.6 | 1,444.1 | 26 |
| | Sub-total | 1,423.5 | 27.3 | 1,450.9 | |
| Research, Data & Trading Funds | Research and Data | 6.0 | -1.2 | 4.8 | |
| | Sub-total | 6.0 | -1.2 | 4.8 | |
| MHCLG Staff, Buildand Infrastructure Costs | Capital | 13.2 | 0.0 | 13.2 | |
| | Sub-total | 13.2 | 0.0 | 13.2 | |
| Dept Unallocated Provision | Departmental Unallocated Provision | 17.4 | -17.4 | 0.0 | |
| | Sub-total | 17.4 | -17.4 | 0.0 | |
| Local Government & Public Services (ALB)(Net) | Local Govt & Public Services (ALB) Other | 0.6 | 0.0 | 0.6 | |
| | Sub-total | 0.6 | 0.0 | 0.6 | |
| Housing & Planning (ALB)(Net) | Ebbsfleet Development Corporation | 70.1 | -35.7 | 34.4 | 27 |
| | HCA - Affordable Homes Programme | 835.4 | -265.6 | 569.8 | 28 |
| | HCA- Build to Rent | 209.7 | -171.9 | 37.8 | 29 |
| | HCA- Direct Commission Fund | 36.8 | 0.0 | 36.8 | |
| | HCA- Help to Buy (including First Buy) | 1,691.0 | 1,598.0 | 3,289.0 | 30 |
| | HCA- Long Term Investment | 286.2 | -26.3 | 259.9 | 31 |
| | HCA- Short Term Investment | 154.7 | 87.6 | 242.3 | 32 |
| | HCA- Property & Regeneration | -15.1 | 0.0 | -15.1 | |
| | HCA- Rent to Buy | 0.0 | 1.5 | 1.5 | |
| | HCA -Other | 14.5 | 0.0 | 14.5 | |
| | HCA-Public Sector Land & Starter Homes | 431.5 | -234.4 | 197.1 | 33 |
| | Other Housing & Planning (ALB) | 0.6 | -0.2 | 0.3 | |
| | HCA- Estate Regeneration | 73.1 | 3.7 | 76.8 | |
| | Sub-total | 3,788.4 | 956.6 | 4,745.1 | |
| Troubled Families | Troubled Families | 0.0 | 0.8 | 0.8 | |
| | Sub-total | 0.0 | 0.8 | 0.8 | |
| TOTAL | | 6,512.3 | 484.4 | 6,996.7 | |

MHCLG Local Government Programme Resource DEL

| Estimate Line | Programmes | Main Estimates 2017/18 | Change | Supplementary Estimates 2017/18 | Notes |
|----------------------------------|--------------------------------------|-------------------------------|---------------|--|--------------|
| | | | | | |
| Revenue Support Grant | Revenue Support Grant | 3,820.5 | - 21.0 | 3,799.5 | 34 |
| | Sub-total | 3,820.5 | - 21.0 | 3,799.5 | |
| | | | | | |
| Other Grants and Payments | Specified Bodies | - | 21.0 | 21.0 | 35 |
| | New Homes Adjustment Grant | 24.5 | - | 24.5 | |
| | PFI Joint Services Centres | 27.8 | - 1.7 | 26.1 | |
| | Business Rate Reliefs | 1,007.1 | 22.9 | 1,029.9 | 36 |
| | LG DEL Contingency | 19.8 | - 15.5 | 4.3 | 37 |
| | Better Care Fund | 1,106.5 | - 0.4 | 1,106.1 | |
| | Adult Social Care | 241.1 | - | 241.1 | |
| | Rural Services Delivery Grant | 61.8 | - | 61.8 | |
| | Transitional Grant | 150.0 | - | 150.0 | |
| | Independent Living Fund | 171.0 | 0.0 | 171.0 | |
| | Localising Council Tax Admin Subsidy | 73.0 | - | 73.0 | |
| | Sub-total | 2,882.6 | 26.3 | 2,908.9 | |
| | | | | | |
| Business Rate Retention | Safety Net | 25.0 | - 15.7 | 9.3 | 38 |
| | Sub-total | 25.0 | - 15.7 | 9.3 | |
| | | | | | |
| | TOTAL | 6,728.1 | - 10.5 | 6,717.6 | |

MHCLG Local Government Resource AME

| Estimate Line | Programmes | Main Estimates 2017/18 | Change | Supplementary Estimates 2017/18 | Notes |
|---|------------------------------------|------------------------------|----------------|---------------------------------------|-------|
| | | | | | |
| Business Rates Retention | Local Share | 14,499.0 | 100.0 | 14,599.0 | 39 |
| | BRR Top Ups | 2,989.1 | 23.6 | 3,012.8 | 39 |
| | BRR Tariffs | - 2,989.1 | 29.2 | - 2,959.9 | 39 |
| | Deficit on Collection | 239.3 | - | 239.3 | |
| | Final NNDR3 Deficit on Collection | - | 158.8 | 158.8 | 39 |
| | Safety Net Outturn | - | 5.8 | 5.8 | 39 |
| | Transitional Protection Outturn | - | 623.5 | 623.5 | 40 |
| | Disregarded Amounts Reconciliation | - | 4.1 | 4.1 | 39 |
| | 100% Pilot Retention | - | 28.6 | 28.6 | 39 |
| | | | | | |
| | Sub-total | 14,738.3 | 973.6 | 15,711.9 | |
| | | | | | |
| NNDR Outturns | NNDR Outturn Adjustments | 300.0 | - 218.9 | 81.1 | 41 |
| | S31 BR Reconciliation Payments | - | 23.3 | 23.3 | |
| | Sub-total | 300.0 | - 195.6 | 104.4 | |
| | | | | | |
| | TOTAL | 15,038.3 | 778.1 | 15,816.4 | |

Annex C – Narrative of Programme Changes by Estimate Line (reference notes)

This Annex provides an explanation for the significant programme movements in the 2017/18 Supplementary Estimate, set out in the tables in Annex A. Following the tables in Annex A, this Annex presents MHCLG spend and then Local Government spend in the following order:

- MHCLG Communities
 - Resource Administration DEL
 - Resource Programme DEL
 - Capital Programme DEL
- MHCLG Local Government
 - Resource Programme DEL
 - Resource AME

MHCLG Communities DEL

MHCLG Communities Resource Administration DEL

Estimate Line - MHCLG Staff, Buildings & Infrastructure Costs

- 1 Administration** – There have been limited changes to the MHCLG administration budgets. Due to the Grenfell Tragedy we have repurposed funding to cover funding requirements for the Department’s response. We have also achieved higher than anticipated receipts from interest and fees relating to our Financial Transaction programmes.

Further information on the Grenfell Tragedy can be found at:

<https://www.gov.uk/government/collections/grenfell-tower>

- 2** To support the regulation of social housing, there has been allocation of regulator income budget of £5.7m received from fees. To support accountability on fees, the regulator has set up a Fees and Resources Advisory Panel (FRAP) to engage with stakeholders in relation to the fees we charge and the quality of the regulation that we deliver.

Further information on the Regulation of Social Housing can be found at:

<https://www.gov.uk/guidance/about-the-regulator-of-social-housing>

MHCLG Communities Resource Programme DEL

Estimate Line – Local Government & Public Services

- 3 Community Rights and Integration** – To support new local and national integration strategies, we have re-profiled £10m into 2017/18 to help support this and the response of the Casey Review

Further information on the Casey Review can be found at:

<https://www.gov.uk/government/news/casey-calls-for-integration-plan-to-bind-communities-together>

The Department has supported the Government's commitment to the English Language programme (£4.6m) for women with little or no English.

Further information on the English Language programme funding can be found at:

<https://www.gov.uk/government/news/passive-tolerance-of-separate-communities-must-end-says-pm>

- 4 GLA Settlement** – Over Parliament the programme Move on Fund will invest £100 million to deliver low-cost 'second stage' accommodation for rough sleepers leaving hostel accommodation and domestic abuse victims and their families moving on from refuges. The Department has allocated £3.6m funding to the Greater London Authority (GLA) for tenancy support requirements. This is part of the overall aim to reduce homelessness.

Further information on the Homelessness reduction programme funding can be found at:

<https://www.gov.uk/government/publications/homelessness-reduction-bill-policy-factsheets>

- 5 Grenfell Response** –Owing to the recent events surrounding Grenfell tower the Department is actively involved in the cross-Government response and remedial measures. We have repurposed programme budget to help support this response.

Further information on the Grenfell Tragedy can be found at:

<https://www.gov.uk/government/collections/grenfell-tower>

- 6 UK Holocaust Memorial Fund** – The UK Holocaust Memorial Foundation, funded by the Department, was created to implement the recommendations of the Prime Minister's Holocaust Commission report - Britain's Promise to Remember - in 2015, including the delivery of the new Memorial and Learning Centre and the recording of British Holocaust testimony.

Further information on the UK Holocaust Memorial Fund can be found at:

<https://www.gov.uk/government/organisations/uk-holocaust-memorial-foundation>

- 7 Other Local Govt and Public Services** - The Controlling Migration Fund was announced late in 2016, committing £25m per year to ease pressures on public services resulting from recent migration. The majority of bids from Local Authorities span over a two year period and therefore we have to manage resource allocation to match the profile of demand. This, alongside the delays to the scheme launch, required a reprofile into 2018/19.

Further information can be found at:

<https://www.gov.uk/government/publications/controlling-migration-fund-prospectus>

Estimate Line – Housing and Planning

- 8 Housing Strategy** - The Community Housing Fund was announced in December 2016 and was top sliced from LG DEL housing receipts, with a bid based approach for the remainder of Parliament. There have been programme delays and we have agreed to reprofile £43m into 2018/19. We have also repurposed £17m from this budget to cover the reserve claim funding that was not approved by HMT.

Further information on the Community Housing Fund can be found at:

<https://www.gov.uk/government/news/60-million-boost-for-communities-affected-by-second-homeownership>

The Housing Infrastructure Fund

- 9 Other Housing (N)** – The Voluntary Right to Buy Pilot funding was not required for 2017/18 as programme structure was yet to be agreed. We repurposed £28m from this budget to help support the Department's response to the Grenfell tragedy, supporting the community as well as the building safety programme. £125m is required to fund Grenfell related community support costs in future years (£26m in 18/19 and £19m in 19/20) as well as to fund Voluntary Right to Buy pilots in future years (£80m in 2019/20).

Further information about Right to Buy can be found at:

<https://www.gov.uk/right-to-acquire-buying-housing-association-home>

- 10 Preventing Homelessness** – The Flexible Homelessness Support Grant, which was top-sliced from the grant paid to local authorities and which will be used to enable pan-London procurement of temporary accommodation. The work required to set up a new procurement strategy and vehicle mean that the funding cannot be spent this year but will be required in 2018/19. We have reprofiled £9.1m into 2018/19

Further information on the Department's Flexible Homelessness Support Grant can be found at:

<https://www.gov.uk/government/publications/flexible-homelessness-support-grant-2017-18-to-2018-19>

The Department has also increased the budget to support the Rough Sleepers programme (£7m) as the Chancellor announced at the 2016 Autumn Statement.

Further information on the Department's approach to Homelessness can be found at:

<https://www.gov.uk/government/news/new-government-backed-advisory-panel-commits-to-help-eradicate-rough-sleeping>

Estimate Line – Decentralisation & Local Growth

11 Coastal Communities Expenditure –The Coastal Communities Fund is financed from the Marine Assets Reserve. The Department has however internally funded the £1.6m budget in 2017/18 to support projects across the UK.

Further information on the Coastal Communities Fund can be found at:

<https://www.gov.uk/government/news/coastal-communities-set-to-boost-local-economies-with-over-100-plans>

12 Local Growth Fund and Cities – The Department has not required all the resources allocated for devolution in 2017/18. We have therefore surrendered £75m of this budget. We have also reallocated £13.8m of funding to Capital DEL to support Gainshare funding.

We have transferred, as part of a budget cover transfer, to BEIS £1.6m for the site assessment work at SSI Steelworks.

13 Regional Growth Fund - The Regional Growth Fund (RGF) has supported eligible projects and programmes raising private sector investment to create economic growth and lasting employment. The Department has increased the income budget due to receiving funding back due to contract irregularities.

Further information on the Regional Growth Fund can be found at:

<https://www.gov.uk/guidance/understanding-the-regional-growth-fund>

Estimate Line - Housing & Planning (ALB)(Net)

14 HCA: Housing Strategy – Funding, as part of the National Productivity and Infrastructure Fund, for Accelerated Construction was announced at Autumn Statement 2016. This is a scheme to support local authorities develop surplus lands at pace. The Department has repurposed £7.6m to support due diligence work.

Further information on the Accelerated Construction scheme can be found at:

<https://www.gov.uk/government/publications/accelerated-construction-local-authorities-expressions-of-interest>

The £2.3 billion Housing Infrastructure Fund offers funding to local authorities on a competitive basis, for infrastructure to support up to 100,000 new homes. This is Capital DEL Funding, however to mitigate Resource DEL pressures to support the programme the Department has allocated £0.6m to the programme.

Further information about the Housing Infrastructure Fund can be found at:

<https://www.gov.uk/government/publications/housing-infrastructure-fund>

15 Other ALB - In line with Consolidated Budget Guidance and as agreed with HMT in the SR 2015 settlement letter, the Department has repurposed £24.5 of land budgets

to Capital DEL and we have also budget exchanged £31.5m land budgets to help mitigate potential pressures in 2018/19, including the smaller starter homes programme.

- 16 Housing & Planning (ALB)(Net) – Depreciation** – To ensure there is adequate cover for cost of impairments should a land asset lose value as a consequence of the starter homes policy, The Department has reprofiled £71m into 2018/19.

Estimate Line – Troubled Families

- 17 Troubled Families** – To match the projected profile delivery; allowing the Department to meet the programme’s overall delivery targets of 400,000 families, we have reprofiled £41m into 2018/19.

Further information about the Troubled Families programme can be found at:

<https://www.gov.uk/government/news/troubled-families-programme-transforming-the-lives-of-thousands-of-families>

MHCLG Communities Capital DEL

Estimate Line – Local Government and Public Services

- 18 GLA Settlement** – The devolved Financial Transaction programme, London Settlement, did not require £65m of funding originally allocated for the London Housing Bank in 2017/18, which we have surrendered to HM Treasury. There have been a number of internal movements including allocating £221m from the Affordable Homes Programme whilst also transferring out £80m for Brent Cross to large sites.

Further information on the Affordable Homes Programme can be found at:

<https://www.gov.uk/government/collections/affordable-homes-programme-2015-to-2018-guidance-and-allocations>

Estimate Line – Housing and Planning

- 19 Accelerated Construction** – The Department agreed with HM Treasury in October that we would deliver £1.1bn savings in the Accelerated Construction programme over the remainder of Parliament, including underspends identified this year. We have surrendered £166m of the budget this year. We also required funding to be reprofiled to support delivery in future years, therefore we have also reprofiled £75m into 2018/19.

Further information on the Accelerated Construction scheme can be found at:

<https://www.gov.uk/government/publications/accelerated-construction-local-authorities-expressions-of-interest>

- 20 Affordable Housing (NPIF)** – As announced at Autumn Budget 2016, the Department secured funding as part of the National Productivity and Infrastructure

Fund. We have reprofiled £60m into 2018/19 for the pressure arising from the Oxfordshire housing deal announced at the Budget. Additionally we have surrendered £48m to HM Treasury as was agreed in October and repurposed £70m into the Starter Homes fund on the basis that this funding will be returned to the Affordable Housing (NPIF) programme in 2018/19.

- 21 Housing Infrastructure Fund** – The Investment Panel for the Housing Infrastructure fund will meet at the start of 2018, meaning that there was significant risk that funding would not be spent before 31 March. We are therefore reprofiling £43m, which we expect to spend early in the new financial year.

Further information on the Housing Infrastructure Fund can be found at:

<https://www.gov.uk/government/publications/housing-infrastructure-fund>

- 22 Manchester Housing Fund** – The Department has a legal commitment to Manchester regarding the Housing Investment Fund. Due to the long lead-in time between making a deal and a contractor drawing down funds, Manchester needed multi-year funding certainty before it could enter into deals. We have reprofiled £95m to ensure the Department can meet these commitments.

- 23 Preventing Homelessness** - The Department has reinforced its commitment to tackle Homelessness in line with the Government's ambition to halve rough sleeping by 2022 and eliminate it altogether by 2027.

Over Parliament the programme Move on Fund will invest £100 million to deliver low-cost 'second stage' accommodation for rough sleepers leaving hostel accommodation and domestic abuse victims and their families moving on from refuges. Part of the Move on Fund budget was allocated to the GLA however to match the programme operational requirements the Department has reprofiled £15.6m into 2018/19.

Further information on the Department's approach to Homelessness can be found at:

<https://www.gov.uk/government/news/new-government-backed-advisory-panel-commits-to-help-eradicate-rough-sleeping>

- 24 Other Housing & Planning** – At Autumn Budget the Department received an extra £42m in 2017/18 for home adaptations delivered through the Disabled Facilities Grant. Funding will be paid directly to lower tier authorities (district, borough or city councils, and unitary authorities).

Further information about the Disabled Facilities Grant can be found at:

<https://www.gov.uk/disabled-facilities-grants>

The Department has also moved across funding for Brent Cross (as mentioned in note 18). However, not all of this is required in 2017/18 and therefore the Department has reprofiled £46m into future years to support the regeneration of the Cricklewood area as well as surrendering £6m of this budget.

Estimate Line – Decentralisation & Local Growth

- 25 Coastal Communities Expenditure** – As discussed in note 11 above, the Coastal Communities Fund is funded from the Marine Assets Reserve, however the Department has funded £17.9m from within existing budgets in 2017/18.
- 26 Local Growth Fund and Cities** – As per the agreement with HM Treasury we switch funding relating to Gainshare at Supplementary Estimates from Resource DEL. We have switched £13.8m of funding to Capital DEL. Furthermore we have allocated funding for the Ashford Junction (£4m) and Oxfordshire Lodge Hill (£0.4m).

Estimate Line – Housing and Planning (ALB)

- 27 Ebbsfleet** – The Ebbsfleet Development Corporation require £28m to cover the costs of Housing White Paper implementation in future years, as agreed with HMT in 2016. Additionally £7m is to be used by Ebbsfleet in future years to allow them to fund investment that is projected to increase towards the end of the SR period.

Further information about the Ebbsfleet Development Corporation can be found at:
<https://www.gov.uk/government/organisations/ebbsfleet-development-corporation>

- 28 Affordable Homes Programme** – The Department has re-profiled £24m of the existing Affordable Housing financial commitments from 2017/18 into 2018/19. This relates to the slower than expected delivery of supported housing schemes. The programme is managed by both Homes England and the GLA. We transferred £221m to the GLA for their portion of the programme.
- 29 Build to Rent** – The Build to Rent Financial Transactions programme is a scheme to attract major investment in housing. The nature of the drawdown programme, which the Department cannot directly control, has contractual commitments that have moved from this year into 2018/19 and we have reprofiled £52m to ensure these commitments are met. The programme has also overachieved on its budgeted receipts, of which we have surrendered £52m to HM Treasury.
- 30 HCA – Help to Buy** – The Government's Help to Buy programme has had another strong year, with demand far exceeding expectations. The demand in 2017/18 has resulted in the need for additional funding. The Department from the start of the year had communicated this pressure to HM Treasury and had closely monitored the forecast.
- 31 HCA-Long Term Investment Fund** – The Home Building Fund has a flexible approach to structuring loans which enables us to provide finance on both a short and long term basis. As well as helping larger builders and developers, the Home Building Fund is also open to small builders, community builders, custom builders and regeneration specialists. In 2017/18 the short term element had a particularly

successful year therefore we repurposed £50m to the short term from the long term fund.

Further information about the Home Building Fund can be found at:

<https://www.gov.uk/government/publications/home-building-fund>

32 HCA-Short Term Investment Fund – The Home Building Fund has had a successful year, particularly the short term fund. This has led to a requirement of an additional £50m. At Budget, we have agreed with HMT that we can bring forward funding from 2020/21. We will manage the programme within the original budget allocation over Parliament whilst maintaining our ability to meet the demand for this popular programme in this financial year. To further manage this pressure, we repurposed budget from the long term fund

33 HCA-Public Sector Land & HCA Starter Homes Land – Land receipts are forecast to achieve £30m more than the 2017/18 Main Estimate budget. These additional land receipts have been re-profiled into 2018/19 to enable the Department to re-invest in the Land programme.

We agreed in early October with HM Treasury would deliver savings totalling £1,038m from the Starter Homes Land Fund. This includes previously known underspends in 2017-18. We have surrendered £329m from the Starter Homes land fund which will be reinvested in future years into Affordable Housing.

Further information on the Starter Homes programme can be found at:

<https://www.gov.uk/government/news/pm-the-government-will-directly-build-affordable-homes>

MHCLG Local Government DEL

Estimate Line – Revenue Support Grant

34 Specified Bodies – Transfer of £21m to estimate line Other Grants and Payments. This is an administrative switch only.

Estimate Line – Other Grants and Payments

35 Specified Bodies – Transfer of £21m from estimate line Revenue Support Grant. This is an administrative switch only.

36 Business Rate Reliefs – Increase in the budget of £22.9, agreed with HM Treasury earlier in the year to fully fund the relief measures granted by the Chancellor at previous Autumn and Spring budgets.

37 LG DEL Contingency – Surrender to HM Treasury of £10.5m. This surrender is in exchange for an increase in AME cover to fund the City of London Offset. In addition, £4.3m was used to offset pressures on the Estimate Line.

Estimate Line – Business Rate Retention

38 Safety Net – a net decrease of budget requirement of £15.7 million, transferred to estimate line Other Grants and Payments to offset spending pressures

MHCLG Local Government AME

Estimate Line – Business Rates Retention

39 Business Rates Retention Outturn Adjustment Payments – A transfer of £195.6m from the National Non-Domestic Rates Outturn (see 41, below), to fund the final adjustments to local authority Business Rate Retention outturns for 2016/17. HM Treasury have also provided an additional £158.6m of AME cover for this purpose.

40 Transitional Relief Payments - £618.8m increase in AME cover agreed by HM Treasury at Main Estimates. Transitional Relief is a scheme to help business ratepayers who face large increases in business rates bills at revaluation by moderating increases in bills. This is done through the phasing in of significant increases and decreases.

Estimate Line – National Non-Domestic Rates Outturns

41 Business Rates Outturn Adjustments – A net decrease of budget requirement of £195.6 million, which has been transferred to the Business Rates Retention Line (as above, 39).

Annex D – All changes to the MHCLG Ambit

Changes to the ambit have been made to add the following responsibilities, which you can see listed with an asterisk below in the Department's latest Ambit:

Departmental Expenditure Limit - MHCLG Communities:

Expenditure arising from:

Responsibility for housing to buy and rent; preventing homelessness, rough sleepers and supporting people to stay in their homes; Local Authority housing provision in relation to domestic abuse; building standards; provision for additional borrowing by local authorities to fund new housing; planning; Right to Buy, including pilots; support for home owners and home ownership; Planning Inspectorate; encouraging action at neighbourhood level; tenant empowerment; promoting local environmental improvement including architecture; support for and set up of Urban Development Corporations.

Responsibility for regeneration commercial property, Enterprise Zones, and economic growth at the local level; Regional Growth Fund; European Structural Funds including the European Regional Development Fund and Interregional assistance (INTERREG), including provision for recognition of ineligible expenditure, write-offs, foreign exchange movements (or foreign exchange contracts) and financial corrections as part of a consequence of running the programme; Olympic Park legacy; land stabilisation; zero carbon and climate change; Local Growth Fund, paid to an accountable body for each Local Enterprise Partnership; LEP core funding.

*acquisition and disposal of land.

Responsibility for support for Local Authorities; new burdens; controlling migration; funding related to devolution deals; transitional relief; emergency assistance; financial support in response to flooding and for flood recovery; improvement, transformation and efficiency; intervention action and capacity building in local authorities; local government reviews and revisions to administrative and electoral boundaries; payments to specified bodies, including the Valuation Office Agency and the Greater London Authority; Private Finance Initiative Special Grant; the closure of the Audit Commission. Encouraging race, gender and faith equality; tackling extremism and promoting cohesive communities; memorials and remembrance.

Supporting Troubled Families; preventing child sexual exploitation; legacy issues around Fire Regional Control Centres and the Fire Service College trading fund.

Analytical services; the Queen Elizabeth II Conference Centre trading fund; personal injury compensation claims by ex-employees (including those employed by predecessor departments); subscriptions and contributions to international organisations; shared service providers to the Department; legacy programmes.

Administration of the Ministry of Housing, Communities and Local Government , its Arm's Length Bodies (ALBs) and associated offices; publicity, promotion and publications;

communications; purchase, acquisition, hire, lease and rent of land, buildings, plant, equipment, machinery, vehicles and capital assets; special payments; closure of these organisations.

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 funding through endowments as laid out in Managing Public Money; purchase and management of exchange rate contracts to hedge exposure risk; Financial Transactions devolved to and delivered by local authorities.

*Supporting Grenfell Tower residents; supporting victims of the Grenfell Fire; and supporting charities working with Grenfell victims.

*Following the identification of defective Aluminium Composite Material cladding in a number of high rise buildings across the country MHCLG will lead on behalf of Government in identifying and monitoring the rectification of safety issues. Activities will include; identifying buildings which are of concern; provide recommendations on any immediate action needed to address concerns and supporting Local Authority landlords experiencing financial difficulties. The Department will also be responsible for leading on the implementation of any findings, where relevant to building safety and the overall control environment from the independent review of Building Regulation led by Dame Judith Hackitt, the judge led public inquiry into the Grenfell Tower Fire or the police investigation into the Grenfell Tower Fire.

* Administration of the Ministry of Housing, Communities and Local Government, it's ALBSs and associated offices.

Income arising from:

Responsibility for housing to buy and rent; preventing homelessness, rough sleepers and supporting people to stay in their homes; Local Authority housing provision in relation to domestic abuse; building standards; provision for additional borrowing by local authorities to fund new housing; planning; Right to Buy, including pilots; support for home owners and home ownership; Planning Inspectorate; encouraging action at neighbourhood level; tenant empowerment; promoting local environmental improvement including architecture; support for and set up of Urban Development Corporations.

Responsibility for regeneration, commercial property, Enterprise Zones, and economic growth at the local level; Regional Growth Fund; European Structural Funds including the European Regional Development Fund and Interregional assistance (INTERREG), including provision for recognition of ineligible expenditure, write-offs, foreign exchange movements (or foreign exchange contracts) and financial corrections as part of a consequence of running the programme; Olympic Park legacy; land stabilisation; zero carbon and climate change; Local Growth Fund, paid to an accountable body for each Local Enterprise Partnership; LEP core funding.

*acquisition and disposal of land

Responsibility for support for Local Authorities; new burdens; controlling migration; funding related to devolution deals; transitional relief; emergency assistance; financial support in response to flooding and for flood recovery; improvement, transformation and efficiency; intervention action and capacity building in local authorities; local government reviews and revisions to administrative and electoral boundaries; payments to specified bodies including the Valuation Office Agency and the Greater London Authority; Private Finance Initiative Special Grant; the closure of the Audit Commission. Responsibility for decentralising power to citizens and communities; promoting race, gender and faith equality; tackling extremism and promoting cohesive communities; memorials and remembrance; Troubled Families; child sexual exploitation; legacy issues around Fire Regional Control Centres; the Fire Service College trading fund.

Analytical services; the Queen Elizabeth II Conference Centre trading fund; personal injury compensation claims by ex-employees (including those employed by predecessor departments); subscriptions and contributions to international organisations; shared service providers to the Department; legacy programmes.

Administration of the Ministry of Housing, Communities and Local Government , its Arm's Length Bodies (ALBs) and associated offices; publicity, promotion and publications; communications; purchase, acquisition, hire, lease and rent of land, buildings, plant, equipment, machinery, vehicles and capital assets; special payments.

Income arising from local authorities, housing associations, ALBs and other government departments.

Income arising from 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 income related to a financial guarantee or similar financial instrument given by the department; providing funding through endowments as laid out in Managing Public Money; 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, it's ALBSs and associated offices.

Departmental Expenditure Limit - MHCLG Local Government

Expenditure arising from:

Financial support to local authorities; including Revenue Support Grant, Business Rates Retention including Transitional Relief; Business Rate Relief Measures; Localising Council Tax Support; Emergency Assistance; Elected Mayors; New Homes Bonus Adjustment grant; payments to Specified Bodies; Private Finance Initiative Special grant; Adult Social Care Implementation grant; Independent Living Fund grant; payments relating to the Better Care Fund and Adult Social Care; Rural Services Delivery grant; Devolution Funding; Transitional Funding.

Income arising from:

Business Rate Relief Measures

Annually Managed Expenditure

Expenditure arising from:

Overhanging debt payments on disposal of Local Authority housing stock; loan charges; repayments of excess contributions made by Local Authorities in respect of non-domestic rates; Planning Inspectorate; business rates retention; provisions and impairments; exchange rate movements; hedging; operation of financial instruments (including guarantees); movements arising from pension schemes of ALBs; other public bodies not classified as ALBs and setting up of new Development Corporations.

Income arising from:

Business rates retention.