

# Department for Communities and Local Government

## EXPLANATORY MEMORANDUM

### Main Estimate 2017/18

#### Introduction

1. The Main Estimate 2017/18 is the annual process through which the **Department of Communities and Local Government (DCLG)** agrees with HM Treasury the resource and cash requirements to support the functions of both its main programmes and the Department's **Local Government (LG)** programmes, before Parliament is asked to formally ratify changes for this financial year.
2. This memorandum provides the Select Committee with an explanation of how the resources and cash sought in the Main Estimate will be applied to achieve the Department's objectives. This document sets out the strategic overview of the Department, an overview of the key budget changes for 2017/18 and the changes of powers and responsibilities for the Department. Further detail on all changes is described in the Annexes.

#### Strategic Overview

3. The Department is responsible for delivering the Government's priorities on housing, devolution and local growth and transforming local government and public services.
4. We have four strategic priorities that are designed to deliver the Government commitments, including those set out in the Plan for Britain, and all of our policies and programmes aim to deliver one or more of these strategic priorities below:
  1. Fixing our broken housing market
  2. Growing our local economies
  3. Building more integrated communities
  4. Supporting more effective public services.

This section summarises progress against these strategic objectives.

#### **Strategic Objective 1: Fixing our broken housing market**

5. The Government is determined to fix the broken housing market so that housing is more affordable and people have the security they need to plan for the future. We have:
  - Delivered 162,880 Housing starts in the year to March 2017 (up 15% compared to the year to March 2016), with completions up from the previous year by 6% at 147,960.
  - Helped 303 local authorities to publish a Local Plan (as of February 2017).
  - Delivered 100,284 completions on the Help to Buy equity loan scheme at the end of September 2016.

## **Strategic Objective 2: Growing our local economies**

6. The Government will help places throughout the country to address their unique economic challenges and opportunities, bringing together leadership, investment, innovation and devolving powers to build an economy that benefits everyone. We have:
  - Continued investment in business-led Local Enterprise Partnerships to support their work driving growth and productivity in their areas.
  - Agreed 8 devolution deals since 2015, leading to 6 mayoral elections.
  - Established 36 enterprise zones since 2012 with a further 12 new zones going live in April 2017.

## **Strategic Objective 3: Building more integrated communities**

7. The Government will actively work to bring people and communities together by promoting policies that support integration and social cohesion. We have:
  - Engaged 185,420 families with the Troubled Families programme as of 31st January 2017.

## **Strategic Objective 4: Supporting more effective public services**

8. The Government will focus on improving the capacity and capability of local government and public services so that they are able to deliver vital support for local people in the face of increasing demand and with reduced resources. We have:
  - Investment of £150m over the Spending Review period on Homelessness.
  - Committed to support the outcome of the recently published Casey Review
9. The department is also working with partners in and outside of Government to support the Government's objectives for the United Kingdom's exit from the European Union.

## **Overview of Budget Changes**

10. We have made changes to the Department's 2017/18 Main Estimate budgets to reflect additional resources for the Department to continue to deliver the outcomes we agreed at the 2015 Spending Review. This includes new funding received at Autumn Statement 2016 and Budget 2017, budget re-profiles agreed at Supplementary Estimates 2016/17 and budget transfers with other Government Departments, all of which has allowed funding of key programmes for the Department to be protected.

## **Machinery of Government changes (MOGs) and Budget Cover Transfers (BCT)**

11. This document captures formal changes made during the Estimates process which includes Machinery of Government changes and Budget Cover Transfers. 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 the Department's budget position. A Budget Cover Transfer is where cash is transferred from one Department to another to fund (or contribute to) a programme.

12. The table below outlines the budget changes made to arrive at the Main Estimate 2017/18 budgets.

**Table 1 – Changes to Control Totals (DCLG Main – DEL)**

Budgetary control £m	Original SR 17/18 Budget	Pre Main Estimate Changes		Pre Main Estimate Budget 2017/18	Main Estimate Changes		Main Estimate Budget 2017/18
		Supplementary Estimate Changes 16/17	Autumn Statement 2016 funding		Budget Switches	BCTs & MOGs	
Admin	265	1	-	266	-	-	266
RDEL	2,712	114	150	2,976	10	-342	2,644
Resource AME	542	-	-	542	-	-	542
CDEL – of which:	5,148	354	745	6,247	-10	275	6,512
<i>Grant</i>	2,472	354	745	3,571	-10	275	3,836
<i>Financial Transactions</i>	2,676	-	-	2,676	-	-	2,676
<b>Total</b>	<b>8,667</b>	<b>469</b>	<b>895</b>	<b>10,031</b>	<b>0</b>	<b>-67</b>	<b>9,964</b>

13. The Department had a number of movements into 2017/18 budgets before the Main Estimates process. This included Budget changes as part of the Supplementary Estimate 2016/17 process, details of which can be found in the 2016/17 Supplementary Estimates Explanatory Memorandum. Furthermore the Department also received funding as part of Autumn Statement 2016, with the breakdown below.

Budgetary Control	Programme	Autumn Statement Budget 2017/18 (£m)	Comments
RDEL	Expanded Right to Buy Pilot	150	After the successful Right to Buy Pilot, the Department received new funding of £150m to support an expanded regional programme for Right to Buy in 2017/18.
CDEL	Affordable Housing	455	This is ring-fenced budget which will enable the Department to deliver on 40,000 more homes for affordable rent and low-cost homeownership as a result of this additional investment
CDEL	Housing Infrastructure fund	50	This funding will help provide infrastructure to unlock new private house building in the areas where housing is in greatest demand, with the overall aim to deliver up to 100,000 new homes
CDEL	Accelerated Construction	240	The Department aims to deliver up to 15,000 homes on surplus public sector land
	<b>Total</b>	<b>895</b>	

14. The key changes to DCLG DEL budgets at Main Estimate 2017/18 are described below. A breakdown of the changes is attached in Annex A.

- £342m of Resource DEL Budget Cover Transfers, including Valuation Office Agency budget being moved to HMRC and Adult Social Care funding from DCLG Main DEL moving into Local Government DEL.
- £275m of Capital DEL Budget Cover Transfers, including Local Growth Fund payments from the Department for Education and Department for Transport.
- £10m of Capital/Resource switches, moving funding to Resource DEL to support the Housing White Paper recommendations.

**Table 2 – Change to Control Totals (Local Government – DEL)**

Budgetary control £m	Original SR 17/18 Budget	Main Estimate Changes			Main Estimate Budget 2017/18
		Reserve Claims	BCT & MOGS	Surrenders	
Resource Programme DEL	6,593	1,123	206	-1,194	6,728
Resource AME	12,628	2,410	-	-	15,038
<b>Total</b>	<b>19,221</b>	<b>3,533</b>	<b>206</b>	<b>-1,194</b>	<b>21,766</b>

15. The key changes to Local Government DEL budgets at Main Estimate 2017/18 relate to routine technical adjustments, additional funding announced at Budget 2017 and are described below. A breakdown of the changes is attached in Annex A.

- Surrender of £1,182m from Revenue Support Grant to Treasury. This surrender is in relation to the Business Rates pilots and is offset by an increase in the Local Share in LG AME.
- £1,010m of new funding from Treasury, announced at the Budget (March 2017) for Adult Social Care
- £113m of new funding from Treasury, announced at the Budget (March 2017) for new Business Rate reliefs
- £241m for Adult Social Care in 2017-18 from DCLG DEL, following changes to the New Homes Bonus.

16. Annex B provides the full breakdown of the changes set out in **Table 1** and **Table 2** between the original SR budget for 2017/18 at Main Estimates in 2016/17 and the budget agreed at Main Estimates 2017/18 with Annex C providing further explanations behind the significant movements in the changes.

## Help to Buy

17. In the financial year 2016/17 the Department's Help to Buy programme exceeded expectations and required additional funding. The Department managed this additional pressure internally by flexibly utilising proposed surrenders and budget exchanges at Supplementary Estimates to mitigate this additional demand. The Department has not requested additional funding in

2017/18 as part of this Estimate process, although the programme is anticipated to exceed its target again. The Department is reviewing the scale and robustness of the forecast and will work with HM Treasury to review the budget for the programme.

### **Net Cash Requirement**

18. The net cash requirement is the Department's net cash allocation for the year. The Department's revised Net Cash Requirement for 2017/18 is £18,589m and includes contingency of £2,491m to mitigate the risk of any unforeseen cash payments in 2017/18.

### **Machinery of Government changes and Budget Cover Transfers**

19. The Department has not had any MOGs however there were a number of BCTs with other Government Departments which have taken place at the 2017/18 Main Estimate. A breakdown of the BCTs, including Local Government transfers, is attached in Annex D.

### **Ambit**

20. The Ambit is a formal summary of the Department's scope, responsibilities and powers. The Ambit for the Department is attached in Annex E.

### **Approval of Memorandum**

21. 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. This has been approved by the Department's Principal Accounting Officer, Melanie Dawes.

### **Melanie Dawes**

Accounting Officer

Permanent Secretary of Department for Communities and Local Government

## Annex A – Summary Table of Breakdown of Increases and Decreases

### DCLG Programme Resource DEL

	£m
	2017/18
<b>Budget Switches</b>	
Housing White Paper Funding	10
<b>Total Budget Switches</b>	<b>10</b>
<b>Budget Cover Transfers- in</b>	
Gainshare	5
Local Growth Fund	10
Community Housing Fund	60
<b>Budget Cover Transfers- out</b>	
Valuation Office Agency	-151
LA New Homes Adjustment Grant	-25
Adult Social Care	-241
<b>Total Budget Cover Transfers</b>	<b>-342</b>
<b>Total</b>	<b>-332</b>

### DCLG Capital DEL

	£m
	2017/18
<b>Budget Switches</b>	
Housing White Paper Funding	-10
<b>Total Budget Switches</b>	<b>-10</b>
<b>Budget Cover Transfers- in</b>	
Local Growth Fund	136
Local Growth Fund - Skills programme	130
Public Sector Land Investment Fund	9
<b>Total Budget Cover Transfers</b>	<b>275</b>
<b>Total</b>	<b>265</b>

## Local Government Resource DEL

	£m
	2017/18
<b>Reserve claims</b>	
Improved Better Care Fund – Additional funding announced at Budget 2017	1,010
Business Rate Reliefs – Additional funding announced at Budget 2017	113
<b>Total Reserve claims</b>	<b>1,123</b>
<b>Budget Cover Transfers- in</b>	
LA New Homes Adjustment Grant	25
Adult Social Care	241
<b>Budget Cover Transfers- out</b>	
Stamp duty Land Tax	-60
<b>Total Budget Cover Transfers</b>	<b>206</b>
<b>Surrender</b>	
Revenue Support Grant	-1,182
Improved Better Care Fund	-9
Rural Services Grant	-3
<b>Total Surrenders</b>	<b>-1,194</b>
<b>Total</b>	<b>135</b>

## Annex B - Summary Table of Programme Changes by Estimate Line

### DCLG Main

### DCLG DEL – Resource Admin

Estimate Line (£m)	Programmes	17/18 Original Budget	Change	Main Estimate 2017/18	Notes
Housing & Planning	Planning Inspectorate (Admin)	35.0	0.0	35.0	
	<b>Sub total</b>	<b>35.0</b>	<b>0.0</b>	<b>35.0</b>	
DCLG Staff, Buildings & Infrastructure Costs	Administration	184.6	-29.2	155.4	1
	<b>Sub total</b>	<b>184.6</b>	<b>-29.2</b>	<b>155.4</b>	
Local Government & Public Services (ALB)	Local Gov't & Public Services (ALB) Administration	14.4	2.9	17.3	
	<b>Sub total</b>	<b>14.4</b>	<b>2.9</b>	<b>17.3</b>	
Housing & Planning (ALB)	Housing & Planning (ALB) Administration	7.6	27.1	34.7	
	Ebbsfleet	3.7	0.0	3.7	
	<b>Sub total</b>	<b>11.2</b>	<b>27.1</b>	<b>38.4</b>	
<b>TOTAL</b>		<b>245.3</b>	<b>0.9</b>	<b>246.2</b>	

### DCLG DEL - Admin Depreciation

Estimate Line (£m)	Programmes	17/18 Original Budget	Change	Main Estimate 2017/18	Notes
Housing & Planning	Housing & Planning Depreciation	1.0	0.0	1.0	
DCLG Staff, Buildings & Infrastructure Cost	Central Depreciation	14.8	0.1	14.9	
Local Government & Public Services (ALB)	Local Government & Public Services (ALB) Depreciation	0.6	-0.1	0.5	
Housing & Planning (ALB)	Housing & Planning (ALB) Depreciation	3.6	0.0	3.5	
<b>TOTAL</b>		<b>20.0</b>	<b>0.0</b>	<b>20.0</b>	



## DCLG DEL - Resource Programme Changes

Estimate Line (£m)	Programmes	17/18 Original Budget	Change	Main Estimate 2017/18	Notes
<b>Local Government &amp; Public Services</b>	Community Rights, Integration and Big Society	16	5	20	
	Valuation Office Agency	151	-151	0	2
	Flooding Support / Bellwin	9	-5	4	
	Other Local Gov't and Public Services	34	19	53	3
	<b>Sub-total</b>	<b>210</b>	<b>-132</b>	<b>77</b>	
<b>Housing &amp; Planning</b>	New Homes Bonus	1,493	-266	1,227	4
	Housing Strategy	1	67	68	5
	Preventing Homelessness	240	26	266	6
	Private Housing Initiative - Housing	192	0	192	
	Other Housing (N)	19	154	173	7
	Planning	27	11	38	
	<b>Sub-total</b>	<b>1,972</b>	<b>-8</b>	<b>1,965</b>	
<b>Troubled Families</b>	Troubled Families	180	59	239	8
	<b>Sub-total</b>	<b>180</b>	<b>59</b>	<b>239</b>	
<b>Decentralisation &amp; Local Growth</b>	INTERREG	2	0	2	
	Other (Decentralisation & Local Growth)	0	1	1	
	Local Growth Fund & Cities	148	47	195	9
	Local Enterprise Partnerships	0	20	20	10
	<b>Sub-total</b>	<b>150</b>	<b>68</b>	<b>218</b>	

Estimate Line (£m)	Programmes	17/18 Original Budget	Change	Main Estimate 2017/18	Notes
<b>Research, Data &amp; Trading Funds</b>					
	Queen Elizabeth II Conference Centre	-2	1	-1	
	ERDF Contingency	28	0	28	
	Research and Data	10	0	10	
	<b>Sub-total</b>	<b>36</b>	<b>1</b>	<b>37</b>	
<b>DCLG Staff, Buildings &amp; Infrastructure Costs</b>					
	DCLG Other	3	0	3	
	<b>Sub-total</b>	<b>3</b>	<b>0</b>	<b>3</b>	
<b>Departmental Unallocated Provision</b>					
	Departmental Unallocated Provision	86	-75	11	11
	<b>Sub-total</b>	<b>86</b>	<b>-75</b>	<b>11</b>	
<b>Housing &amp; Planning (ALB)</b>					
	HCA: Housing Strategy	7	2	9	
	Other (ALB)	-29	18	-11	
	Housing & Planning (ALB) Depreciation	97	0	97	
	<b>Sub-total</b>	<b>76</b>	<b>20</b>	<b>95</b>	
<b>TOTAL</b>		<b>2,712</b>	<b>-67</b>	<b>2,644</b>	

## DCLG DEL - Capital Programme Changes

Estimate Line (£m)	Programmes	17/18 Original Budget	Change	Main Estimate 2017/18	Notes
Local Government & Public Services					
	GLA Settlement	372	0	372	
	<b>Sub-total</b>	<b>372</b>	<b>0</b>	<b>372</b>	
Housing & Planning					
	Buildings for the Future	0	1	1	
	Preventing Homelessness	25	0	25	
	Manchester Housing Fund	100	0	100	
	Planning Inspectorate	1	0	1	
	Other Housing & Planning	18	746	764	12
	<b>Sub-total</b>	<b>144</b>	<b>747</b>	<b>891</b>	
Decentralisation & Local Growth					
	Local Growth Fund & Cities	1197.5	226	1423.5	13
	<b>Sub-total</b>	<b>1,197.6</b>	<b>226</b>	<b>1,423.5</b>	
Research, Data & Trading Funds					
	Research and Data	6	0	6	
	<b>Sub-total</b>	<b>6</b>	<b>0</b>	<b>6</b>	
DCLG Staff, Buildings & Infrastructure Costs					
	Capital	13.2	0	13.2	
	<b>Sub-total</b>	<b>13.2</b>	<b>0</b>	<b>13.2</b>	
Departmental Unallocated Provision					
	Departmental Unallocated Provision	-28	46	17	
	<b>Sub-total</b>	<b>-28</b>	<b>46</b>	<b>17</b>	
Housing & Planning (ALB)					
	HCA - Affordable Housing Programme, of which;				14
	<i>HCA - Affordable Housing (Commitments) &amp; Shared Ownership</i>	609	216	825	
	<i>HCA - Affordable Housing Guarantee</i>	0	10	10	

Estimate Line (£m)	Programmes	17/18 Original Budget	Change	Main Estimate 2017/18	Notes
<b>Housing &amp; Planning (ALB)</b>	HCA - Short Term Housing Fund, of which;				15
	HCA- Short Term Investment	0	209	209	
	<i>HCA- Builder's Finance Fund</i>	200	-214	-13	
	<i>HCA - Custom Build</i>	0	0	0	
	<i>HCA - Get Britain Building</i>	-43	2	-41	
	HCA - Long Term Housing Fund, of which;				15
	HCA- Long Term Investment	0	311	311	
	<i>HCA- Local Infrastructure Fund</i>	288	-313	-24	
	HCA -Other	4	10	14	
	HCA- Help to Buy (including First Buy)	1,691	0	1,691	16
	HCA- Build to Rent	212	-3	210	
	HCA-Public Sector Land & HCA Starter Homes Land	323	89	412	17
	HCA- Estate Regeneration	73	0	73	
	HCA- Housing Zones	0	0	0	
	HCA-City Deals	15	5	20	
	HCA- Direct Commission Fund	37	0	37	
	HCA- Property & Regeneration	-13	-2	-15	
	Ebbsfleet Development Corporation	46	24	70	18
	Other Housing & Planning (ALB)	1	0	1	
		<b>Sub-total</b>	<b>3,443</b>	<b>345</b>	<b>3,788</b>
<b>Local Government &amp; Public Services (ALB)</b>					
	Local Govt & Public Services (ALB) Other	1	0	1	
	<b>Sub-total</b>	<b>1</b>	<b>0</b>	<b>1</b>	

<b>TOTAL</b>	<b>5,148</b>	<b>1,364</b>	<b>6,512</b>
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## Local Government DEL - Resource Programme Changes

Estimate Line (£m)	Programmes	17/18 Original Budget	Change	Main Estimate 2017/18	Note
<b>Revenue Support Grant</b>					
	Revenue Support Grant	5,002.8	-1,203.3	3,799.5	19
	<b>Sub-total</b>	<b>5,002.8</b>	<b>-1,203.3</b>	<b>3,799.5</b>	
<b>Other Grants and Payments</b>					
	Specified Bodies	0	21.0	21	
	PFI Joint Services Centres	27.8	0.0	27.8	
	Business Rate Reliefs	894.1	113.0	1,007.1	20
	New Homes Bonus Adjustment	0	24.5	24.5	21
	City of London Offset	11.2	0.0	11.2	
	Improved Better Care Fund	105	1,001.5	1,106.5	22 & 25
	Adult Social Care	0	241.1	241.1	23
	SDLT	60	-60.0	0	24
	Rural Fund	65	-3.2	61.8	25
	Transitional Grant	150	0.0	150	
	Independent Living Fund	171	0.0	171	
	Localising Council Tax Admin Subsidy	73	0.0	73	
	<b>Sub-total</b>	<b>1,557.1</b>	<b>1,337.9</b>	<b>2,895.0</b>	
<b>Business Rate Retention</b>					
	Safety Net	33.6	0.0	33.6	
	<b>Sub-total</b>	<b>33.6</b>	<b>0</b>	<b>33.6</b>	

<b>TOTAL</b>	<b>6,593.5</b>	<b>134.6</b>	<b>6,728.1</b>
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## DCLG & LG AME - Resource

Estimate Line (£m)	Programmes	17/18 Original Budget	Change	Main Estimate 2017/18	Notes
Housing & Planning	Planning Inspectorate	0.2	0.6	0.8	
	<b>Sub-total</b>	<b>0.2</b>	<b>0.6</b>	<b>0.8</b>	
DCLG Staff, Buildings & Infrastructure Costs	Central Administration Provisions	-2.3	0.1	-2.3	
	<b>Sub-total</b>	<b>-2.3</b>	<b>0.1</b>	<b>-2.3</b>	
Research, Data & Trading Funds	ERDF write offs and losses	8.1	0.0	8.1	
	<b>Sub-total</b>	<b>8.1</b>	<b>0.0</b>	<b>8.1</b>	
Housing & Planning (ALB)	HCA Get Britain Building	200.6	0.0	200.6	
	HCA: Other	13.6	0.0	13.6	
	HCA: Help to Buy	219.7	0.0	219.7	
	HCA: Single Land Programme	99.0	0.0	99.0	
	<b>Sub-total</b>	<b>532.9</b>	<b>0.0</b>	<b>532.9</b>	
Local Government & Public Services (ALB)	The Valuation Tribunal Service	0.7	0.0	0.7	
	The Commission for Local Administration in England	1.7	-0.1	1.6	
	<b>Sub-total</b>	<b>2.4</b>	<b>-0.1</b>	<b>2.3</b>	
	Local Share	12,628.0	2,110.3	14,738.3	25
	<b>Sub-total</b>	<b>12,628.0</b>	<b>2,110.3</b>	<b>14,738.3</b>	
NNDR Outturns	NNDR Outturn Adjustments	0.0	300.0	300.0	26
	<b>Sub-total</b>	<b>0.0</b>	<b>300.0</b>	<b>300.0</b>	
<b>TOTAL</b>		<b>13,169.2</b>	<b>2,410.9</b>	<b>15,580.1</b>	

## 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 Main Estimate, described in the tables in Annex B. Following the tables in Annex B, this Annex presents DCLG spend and then Local Government spend in the following order:

- **DCLG**
  - Resource Administration DEL
  - Resource Programme DEL
  - Capital Programme DEL
- **Local Government**
  - Resource Programme DEL
- **DCLG & Local Government**
  - Resource AME

### DCLG Main DEL

#### Resource Administration DEL

##### *Estimate Line - DCLG Staff, Buildings & Infrastructure Costs*

- 1 **Administration** – The Department has looked to drive efficiencies across the organisation over the remainder of Parliament.

#### Resource Programme DEL

##### *Estimate Line – Local Government & Public Services*

- 2 **Valuation Office Agency** – HMRC, DCLG, Valuation Office Agency (VOA) and HMT recently concluded a review of the operational delivery of business rates to help ensure the organisations within the system work together as effectively as possible. The review recommended rationalising the funding to the VOA, reducing the complexity of the model. The budget cover transfer from DCLG of £151m to HMRC in 2017/18 helps achieve this.

Further information on the Valuation Office Agency can be found at:

<https://www.gov.uk/government/organisations/valuation-office-agency>

- 3 **Other Local Govt and Public Services** – The Controlling Migration Fund was launched in the autumn, later than expected. This resulted in a re-profile of funding of £16m Resource DEL into 2017/18.

Further information can be found at:

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

##### *Estimate Line – Housing and Planning*

- 4 **New Homes Bonus** – New Homes Bonus funding is transferred from local government DEL at the start of the Spending Review period. Any New Homes Bonus funding not utilised is transferred back to Local government DEL. The budget cover transfer from DCLG Main DEL New Homes Bonus to local government DEL is for Adult Social Care funding.

- 5 Housing Strategy** – Community led housing has received a new annual £60m fund which will aim to help Councils tackle the problem of high-levels of second homeownership.

Further information can be found at:

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

- 6 Preventing Homelessness** – This line includes expenditure on Homelessness and Preventing Domestic Violence. The budget for Preventing Homelessness in 2017/18 includes £196m of funding in relation to the new flexible homelessness support grant which will give councils greater flexibility to prioritise homelessness prevention.

Further information on the new grant can found at:

<https://www.gov.uk/government/news/new-grant-for-council-homelessness-services>

Renewed clarity on the expected costs of the Homelessness Private Members Bill, £17.5m of funding was re-profiled into 2017/18.

Further information on the Department's approach to Homelessness can be found at: <https://www.gov.uk/government/news/40-million-homelessness-prevention-programme-announced>

The launch of the Domestic Violence programme was announced by the Secretary of State on the 3<sup>rd</sup> November 2016 as part of the Government's £80m Violence Against Women and Girls Strategy. The later than expected announcement has resulted in a budget re-profile of £7.5m into 2017/18.

Further information on the Domestic Violence programme can be found at:

<https://www.gov.uk/government/news/new-20-million-fund-now-open-to-help-victims-of-domestic-abuse>

- 7 Other Housing** – The Expanded Voluntary Right to Buy scheme received funding of £150m for 2017/18 which was announced as part of the Autumn Statement 2016. Initially The Voluntary Right to Buy scheme was launched in pilot areas in 2016 with £5m re-profiled into 2017/18 in order to deliver 600 units for the pilot.

Further information on the Voluntary Right to Buy scheme can be found at:

<https://www.gov.uk/government/news/housing-association-tenants-take-first-step-to-homeownership>

<b>Programme</b>	<b>Autumn Statement Budget 2017/18 (£m)</b>	<b>Comments</b>
Expanded Right to Buy Pilot	150	After the successful Right to Buy Pilot, the Department received new funding of £150m to support an expanded regional programme for Right to Buy in 2017/18.
<b>Total</b>	<b>150</b>	

Further information about the Autumn Statement 2016 can be found at:

<https://www.gov.uk/government/publications/autumn-statement-2016-documents>



### ***Estimate Line – Troubled Families***

- 8 Troubled Families** – The £59m re-profile into 2017/18 at Supplementary Estimates 2016/17 for the Troubled Families programme amended the budget profile to match expenditure with delivery.

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>

### ***Estimate Line – Decentralisation & Local Growth***

- 9 Local Growth Fund and Cities** – The Department received budget transfers from other Department's to support the Local Growth Fund, furthermore to protect Gainshare funding the Department reprofiled £41m into 2017/18.

- 10 Local Enterprise Partnerships** – The Department has received budget transfer from BEIS to support core funding for Local Enterprise Partnerships, between local authorities and businesses.

Further information on Local Enterprise Partnerships can be found at:  
<https://www.gov.uk/government/policies/local-enterprise-partnerships-leps-and-enterprise-zones>

### ***Estimate Line – Department Unallocated Provision***

- 11 Department Unallocated Provision** – The Department, in line with HMT guidance, is committed to reduce unallocated provision budget to less than 0.5% of the total RDEL programme budget (excluding depreciation). This includes funding for programmes awaiting Ministerial confirmation at the time of the Main Estimate.

## **Capital DEL**

### ***Estimate Line – Housing and Planning***

- 12 Other Housing & Planning** – The Department received funding as part of the Autumn Statement 2016 to support key housing initiatives of the Government, including the newly announced National Productivity and Infrastructure Fund (NPIF).

<b>Programme</b>	<b>Autumn Statement Budget 2017/18 (£m)</b>	<b>Comments</b>
Affordable Housing	455	This is ring-fenced budget which will enable the Department to deliver 40,000 more homes for affordable rent and low-cost homeownership as a result of this additional investment
Housing Infrastructure fund	50	This funding will help provide infrastructure to unlock new private house building in the areas where housing is in greatest demand, with the overall aim to deliver up to 100,000 new homes
Accelerated Construction	240	The Department aims to deliver up to 15,000 homes on surplus public sector land
<b>Total</b>	<b>745</b>	

Further information about the Autumn Statement 2016 can be found at:  
<https://www.gov.uk/government/publications/autumn-statement-2016-documents>

### ***Estimate Line – Decentralisation & Local Growth***

**13 Local Growth Fund and Cities** – The Department received budget transfers from other Department's to support the Local Growth Fund with further funding to be transferred in subsequent years.

Further information about the Local Growth Fund can be found at:  
<https://www.gov.uk/government/publications/local-growth-fund-accountability-system-statement>

### ***Estimate Line – Housing and Planning (ALB)***

**14 Affordable Homes Programme** – The Department re-profiled £220m of the existing Affordable Housing financial commitments into 2017/18 as part of Supplementary Estimates 2016/17. This related to the slower than expected delivery of supported housing schemes.

**15 HCA – Short & Long Term Investment Fund** – These lines are a consolidation of previous portfolios including Get Britain Building and the Local Infrastructure fund. The credit numbers reflect income generated from the previous schemes.

**16 HCA – Help to Buy** – The Help to Buy programme had a successful year in 2016/17, with demand far exceeding expectations. The Department managed this pressure internally, utilising available budget surrenders and flexibly re-profiling between the Department's other Financial Transaction programmes across the remaining years of the Parliament. The Department has not requested additional funding in 2017/18 as part of the Main Estimates process. The Department is reviewing the scale and robustness of the forecast and will work with HM Treasury to review the budget.

**17 HCA-Public Sector Land & HCA Starter Homes Land** – Land receipts achieved £50m more than the 2016/17 Main Estimate budget. These additional land receipts were re-profiled into 2017/18 to enable the Department to re-invest in the Land programme.

The Starter Homes programme was announced later than expected, and so £50m was re-profiled into 2017/18 to match the revised plan of delivery.

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>

**18 Ebbsfleet** – The Department and the Ebbsfleet Development Corporation revised the Ebbsfleet Delivery Plan in 2016/17 and re-profiled £24m of budget into 2017/18.

## Local Government DEL

### *Estimate Line – Other Grants and Payments*

- 19 Revenue Support Grant** – We have surrendered £1,182m to Treasury, this is due to the Business Rate pilot schemes and is offset by an increase in LG AME.
- 20 Business Rate reliefs** - £113m of new funding from Treasury, announced at the budget for new Business Rate reliefs
- 21 New Homes Bonus Adjustment Grant** – Return of £24.5m from DCLG DEL previously top sliced from Revenue Support Grant. Distributed to local authorities as section 31 funding.
- 22 Improved Better Care Fund** - £1,010m of new funding from Treasury, was announced at The Budget in March 2017 for Adult Social Care
- 23 Adult Social Care** – Return of £241m from DCLG DEL previously top sliced from Revenue Support Grant. Distributed to local authorities as section 31 funding in addition to the £1,010m of new funding.
- 24 Stamp Duty Land Tax** – Transfer of £60m to DCLG DEL. This is an administrative switch only reflecting that payments will be made from DCLG DEL.
- 25 Other Changes** – Surrender of £8.9m Better Care Fund and £3.2m Rural Services Grant to Treasury, this is due to the Business Rate pilot schemes and is offset by an increase in LG AME.

## Local Government AME

### *Estimate Line – Business Rates Retention*

- 26 Business Rates Retention Outturn Adjustment Payments** – An increase of £1,871 million for the Local Share, this is in part due to the Business Rate pilot schemes. There is also £239.3m of budget requirement for Deficit on Collection Fund payments following the final NNDR3.

### *Estimate Line – National Non-Domestic Rates Outturns*

- 27 Business Rates Outturn Adjustments** – An increase of budget requirement of £300m

## Annex D

### Budget Cover Transfers 2016/17

Reason	To	From	Budget	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
<b>Capital Programme consisting of:</b>				<b>275</b>	<b>213.6</b>	<b>-91.1</b>	<b>27.9</b>
DfT will take on the funding for one of DCLG's Local Growth project	DfT	DCLG	Capital Programme	0	16.6	31.9	43.9
Skills programme funding for the Local Growth Fund	DCLG	DfE	Capital Programme	130	130	130	130
Repayment of the Public Sector Land Investment Fund (PLIF)	DCLG	DoH	Capital Programme	9	1	0	0
Local Growth Fund payment in future years.	DfT	DCLG	Capital Programme	0	0	-253	-146
Local Growth Fund payment from DfT in 2017/18.	DCLG	DfT	Capital Programme	136	66	0	0
<b>Resource Programme consisting of:</b>				<b>-342</b>	<b>-75</b>	<b>-44</b>	<b>10</b>
Gainshare funding for Manchester provided on an annual basis from BEIS	DCLG	BEIS	Resource Programme	5	6	8	0
Local Growth Fund core budget received on an annual basis	DCLG	BEIS	Resource Programme	10	10	10	10
Valuation Office Agency	HMT	DCLG Main	Resource Programme	-151	-151	-122	0
LA New Homes Adjustment Grant & Adult Social Care	DCLG	LG	Resource Programme	-266	0	0	0
Community Housing Fund	LG	DCLG	Resource Programme	60	60	60	0
<b>Total</b>				<b>-66</b>	<b>138.6</b>	<b>-135.1</b>	<b>37.9</b>

## **Annex E –DCLG Ambit**

### **DCLG Main**

#### Expenditure arising from:

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 Department for 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.

#### 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.

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 Department for 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.

#### **Departmental Expenditure Limit - DCLG Local Govt:**

##### Expenditure arising from:

Financial support to local authorities; including Revenue Support Grant and Business Rates Retention; Autumn Statement 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.

#### **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

**Department for Communities and Local Government will account for this Estimate.**