



National Audit Office

Ministry of Housing, Communities & Local Government 2025-26

October 2026

OVERVIEW



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C&AG introduction

In 2025, we set out our [new five-year strategy](#). In delivering our statutory responsibilities, we aim to maximise our contribution to two outcomes – more productive and resilient public services and better financial management and reporting in government.

Our overviews summarise the key information and insights from our examinations of departments and from their annual report and accounts, and explore departments' progress against these crucial outcomes, highlighting positive examples and opportunities to improve.

If you would like more information about our work, or to arrange a briefing with me or one of my teams, please contact our Parliamentary Relations team at parliament@nao.org.uk.

Financial management	
Strategic priorities	The Ministry of Housing, Communities & Local Government's (MHCLG's) overall objective is to build good-quality homes, drive economic growth and facilitate strong communities where people can live, work and thrive. It has three core goals to help deliver this objective: ensuring everyone has a safe, secure, and affordable home; giving people greater control over their lives; and strengthening community resilience with restored pride in place.
Financial position in 2025-26	MHCLG incurred total net spend of £51.1 billion in 2025-26. Grant funding to other bodies was the most significant component of this net spend, with local government bodies receiving most of this support. MHCLG also holds assets with a total value of £18.9 billion. The largest assets were the Help to Buy home equity loans portfolio at £13.5 billion, other loans and investments (£2.7 billion), and Homes England's property assets (£1.0 billion).
Key achievements in 2025-26	- Announced £39 billion for the Social and Affordable Homes Programme - Devolved over £1 billion in funding through the first Integrated Settlements - Launched the National Housing Delivery Fund and National Housing Bank
Messages from our financial audit and value-for-money work	
Financial management	MHCLG continues to operate within its budget, reflecting a clear commitment to financial management and good forecasting. In 2025-26, MHCLG provided over £1 billion of devolved funding through Integrated Settlements. This is likely to continue to increase in future years as more Integrated Settlements are agreed. Housing and planning capital spend increased due to additional funding for building remediation and affordable homes, and an uplift on the Local Authority Housing Fund. An internal savings and efficiencies drive allowed MHCLG to free up funding for a new £300 million High Streets Fund.
Productivity	The Comptroller and Auditor General's (C&AG's) audit reports continue to highlight the potential for errors in the modelling used to value the Help to Buy equity loans portfolio. In 2026, for a third consecutive year, the C&AG disclaimed the Whole of Government Accounts, for reasons including a lack of audited accounts for English local authorities. More councils published accounts by the relevant deadline, but a large proportion of these continued to be disclaimed by the external auditors. MHCLG has linked its efficiency plans to workforce reform, digital transformation and funding simplification. It has simplified local government funding arrangements, reduced consultancy expenditure and is investing in digital services and artificial intelligence (AI) capability.
Risk and resilience	MHCLG identified 12 principal risks as of March 2026, including risks relating to housing supply, homelessness, building safety, local government financial pressures, and local government reform. Our recent work highlights challenges relating to limited capacity in the local government and housing sectors, incomplete performance information, fragmented funding arrangements and financial pressures in local authorities.
Looking ahead	Key developments likely to shape MHCLG's work in 2026-27 include: - Local government reorganisation - Local government financial sustainability - Delivery of the Social and Affordable Homes Programme - Delivering devolution commitments set out in <i>Rewiring the State</i> - Planning reform

MHCLG describes its role and purpose as supporting people, places and communities, helping to create the conditions for sustainable growth. In 2025-26 it had policy responsibility for housing and planning, fire and building safety, communities and local growth, local government, homelessness, and democracy and elections.

Figure 1 on page 5 summarises key highlights relating to MHCLG's nine priority outcomes for 2025-26, as set out in its 2025-26 Annual Report and Accounts. These outcomes are organised under its three core goals.

- **Goal I:** Ensuring everyone has a safe, secure and affordable home.
- **Goal II:** Giving people greater control over their lives.
- **Goal III:** Strengthening community resilience with restored pride in place.

MHCLG says it will continue to focus on these goals in 2026-27.

Figure 1 sets out MHCLG's goals against its priority outcomes and achievements, and **Figure 6** considers MHCLG's 12 key risks to delivering its goals.



Figure 1
The Ministry of Housing, Communities & Local Government’s (MHCLG’s) priority outcomes for 2025-26

MHCLG has nine priority outcomes, grouped under three goals; it has reported highlights in 2025-26 against each of its priority outcomes

Goal	Priority outcome	MHCLG’s key highlights in 2025-26 supporting its goals	
Goal 1: Ensuring everyone has a safe, secure and affordable home	Accelerating housing delivery to make progress towards the 1.5 million homes target, while ensuring new communities are supported by the infrastructure and public services they need to thrive	- Announced £39 billion for the Social and Affordable Homes Programme (2026–2036) - The Planning and Infrastructure Act became law	- Established the National Housing Bank, which will act as the government’s housing investment arm - Published a five-step plan to deliver a decade of renewal for social and affordable housing
	Reforming the leasehold and private rented sectors to give people more security in their homes	- The Renters Reform Act became law - Published a draft Commonhold and Leasehold Reform Bill	Implemented Awaab’s Law (relating to safety and accommodation standards in social housing)
	Tackling homelessness and rough sleeping	- Published the National Plan to End Homelessness, a cross-government strategy setting out a long-term vision to end homelessness and rough sleeping - Delivered a 54% reduction in the number of families with children in bed and breakfast accommodation for longer than six weeks	Provided over £1 billion funding for homelessness and rough sleeping
	Accelerating remediation and responding to the Grenfell tragedy	- Secured equal access to government remediation funding for social housing landlords - Published a Remediation Acceleration Plan, which included a commitment to introduce a Remediation Bill to drive progress - Commenced work to take down Grenfell Tower in 2025. Appointed a design team for the Grenfell Tower memorial	- Established the Building Safety Regulator (which provides a more singular focus on building safety) - Published the first annual report to Parliament on the implementation of the Grenfell Tower Inquiry’s Phase 2 recommendations

Figure 1 continued
The Ministry of Housing, Communities & Local Government’s (MHCLG’s) priority outcomes for 2025-26

Goal	Priority outcome	MHCLG’s key highlights in 2025-26 supporting its goals	
Goal II: Giving people greater control over their lives	Devolving more power, budgets and services to local leaders and mayors to strengthen local economic growth and drive up living standards	• The English Devolution and Community Empowerment Act 2026 received Royal Assent in April 2026 • Established three new Mayoral Strategic Authorities	• Devolved over £1 billion in funding to Greater Manchester and West Midlands Combined Authorities through the first Integrated Settlements
	Reforming locally delivered public services in local authorities and mayoral areas, so people have greater control over how decisions are made and greater trust in the democratic system	• Decision reached on reorganisation for Surrey County Council into two unitary authorities • Took forward new measures to tackle foreign interference in elections and strengthen protections against illegitimate and opaque money entering UK politics	• Announced the Local Government Finance Settlement for 2026-27 to 2028-29 in February 2026, at £78 billion
	Defending democracy by removing barriers to legitimate voters participating in our electoral system and upholding better standards in public life	• Introduced the Representation of the People Bill (relating to increasing participation in the electoral system)	• Published the elections white paper (relating to secure elections and restoring trust in the political system)
Goal III: Strengthening community resilience with restored pride in place	Creating visible change and tangible opportunities for growth in our most deprived areas, underpinned by increased investment	• Deployed the Pride in Place programme in almost 300 constituencies, with a funding commitment of £5.8 billion over a decade	• Worked towards the planned publication of the cross-government high streets strategy
	Strengthening social cohesion by working with partners to support integration and reduce the risk of future unrest	• Published a new Social Cohesion Action Plan (relating to actions government will take to create more cohesive and resilient communities)	• Announced the Common Ground Resilience Fund providing £3 million to local communities to tackle threats to social cohesion and resilience

Source: Ministry of Housing, Communities & Local Government, [Annual Report and Accounts 2025-26](#), HC 484, July 2026

MHCLG has five Director General portfolios overseeing its policy and operational areas.

In addition to its internal structure, MHCLG sponsors 15 public bodies that support its mission.¹ These include executive agencies, non-departmental public bodies, and other statutory and non-statutory organisations. Each body contributes to MHCLG’s overall objectives, whether through regulatory oversight, service delivery or advisory support. In total, 7,805 full-time equivalent (FTEs) staff are employed across MHCLG and the bodies it sponsors (3,982 core department).

Changes to responsibility

In January 2026, the Building Safety Regulator became an independent arm’s-length body sponsored by MHCLG, taking on responsibility for building safety regulation from the Health and Safety Executive. MHCLG stated that the new arrangements would provide a more singular focus on building safety and support implementation of the Grenfell Tower Inquiry’s recommendation for a Single Construction Regulator.

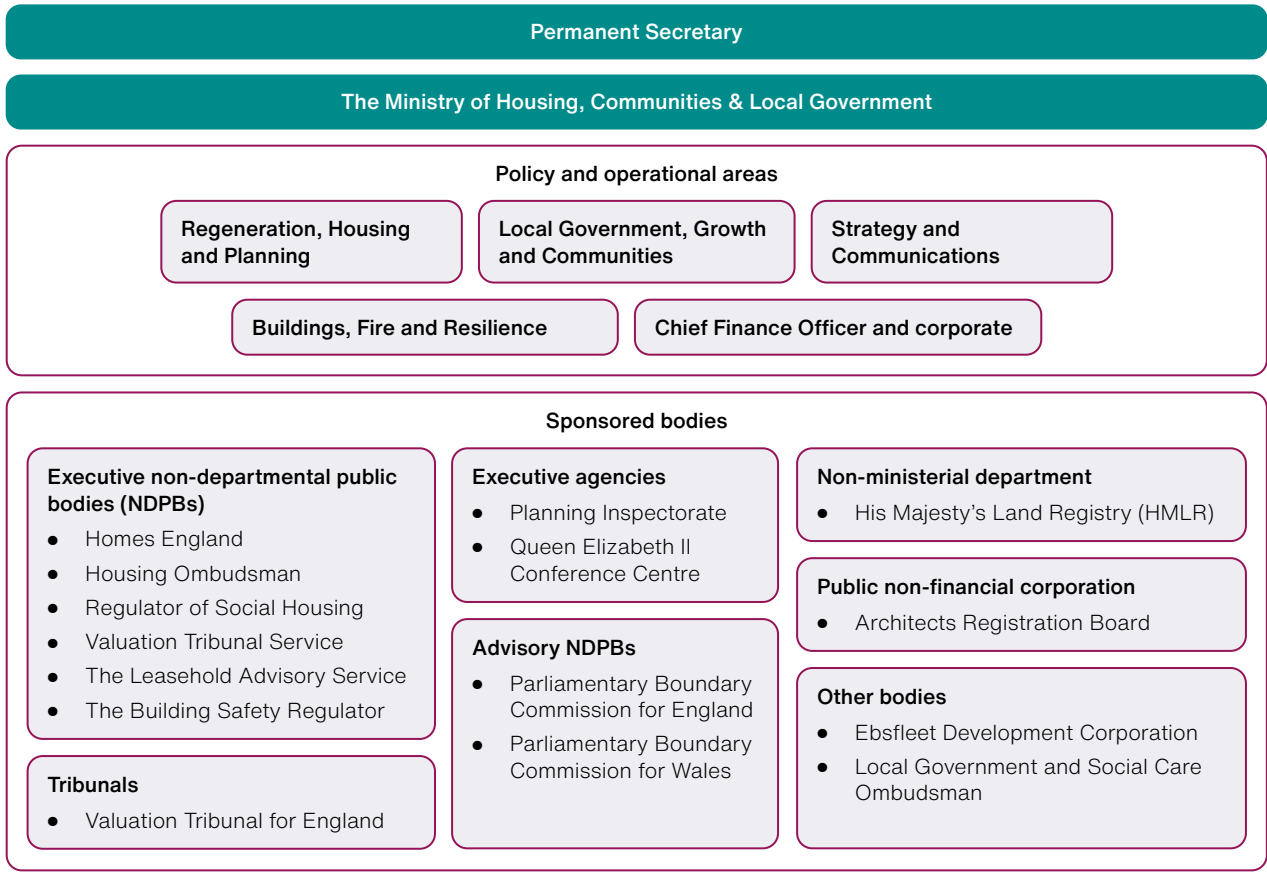
Machinery of government changes

- On 1 April 2025, responsibility for all fire-and-rescue-related policy and operational functions transferred from the Home Office to MHCLG.
- In July 2026 (after the 2025-26 year-end), the Prime Minister made several changes to how the government works. The structural impacts on MHCLG were as follows.
 - MHCLG’s strategic function for local economic growth and devolution strategy was moved to No10 North.
 - The Office for Equality and Opportunity (along with the bodies it sponsors) will move to MHCLG from the Cabinet Office.

1 The Local Audit Office (LAO) is not included in this number. The LAO was established by the English Devolution and Community Empowerment Act 2026, which received Royal Assent on 29 April 2026, after the end of the financial year. It is expected to be fully established in Spring 2027.

Figure 2
The Ministry of Housing, Communities & Local Government (MHCLG) structure, 31 March 2026

MHCLG has five Director General portfolios and sponsors 15 public bodies



Notes

- The Local Audit Office (LAO) is not shown in this figure. The LAO was established by the English Devolution and Community Empowerment Act 2026, which received Royal Assent on 29 April 2026, and is expected to be fully established in Spring 2027.
- The Greater Cambridge Development Corporation was established on 23 July 2026. This would fall under the designation of ‘Other bodies’.

Spending in 2025-26

In 2025-26, MHCLG reported total net expenditure of £51.1 billion. This comprised £18.2 billion spent against its Resource Departmental Expenditure Limit (RDEL) budget, which funds day-to-day spending, £24.4 billion spent against its Resource Annual Managed Expenditure (RAME) budget, which covers demand-led or otherwise uncertain spending, and £8.5 billion spent against its capital budget, which includes investments and capital grant funding to build or improve assets.

Figure 3 breaks down MHCLG's total net expenditure of £51.1 billion by service area. Funding for local government spending was MHCLG's largest area of expenditure, at £36.9 billion. In addition to the funding from MHCLG, local government receive funds from Council Tax and grants from other government departments, and they can also make payments out of their own resources, such as reserves.

Housing and Communities spending of £14.3 billion covers all other areas of spend within MHCLG's remit. The largest area of spend under this heading is housing and planning, which includes spend on

various central programmes aimed at stimulating the construction of new housing, supporting building safety and improving planning processes that are delivered by MHCLG and Homes England.

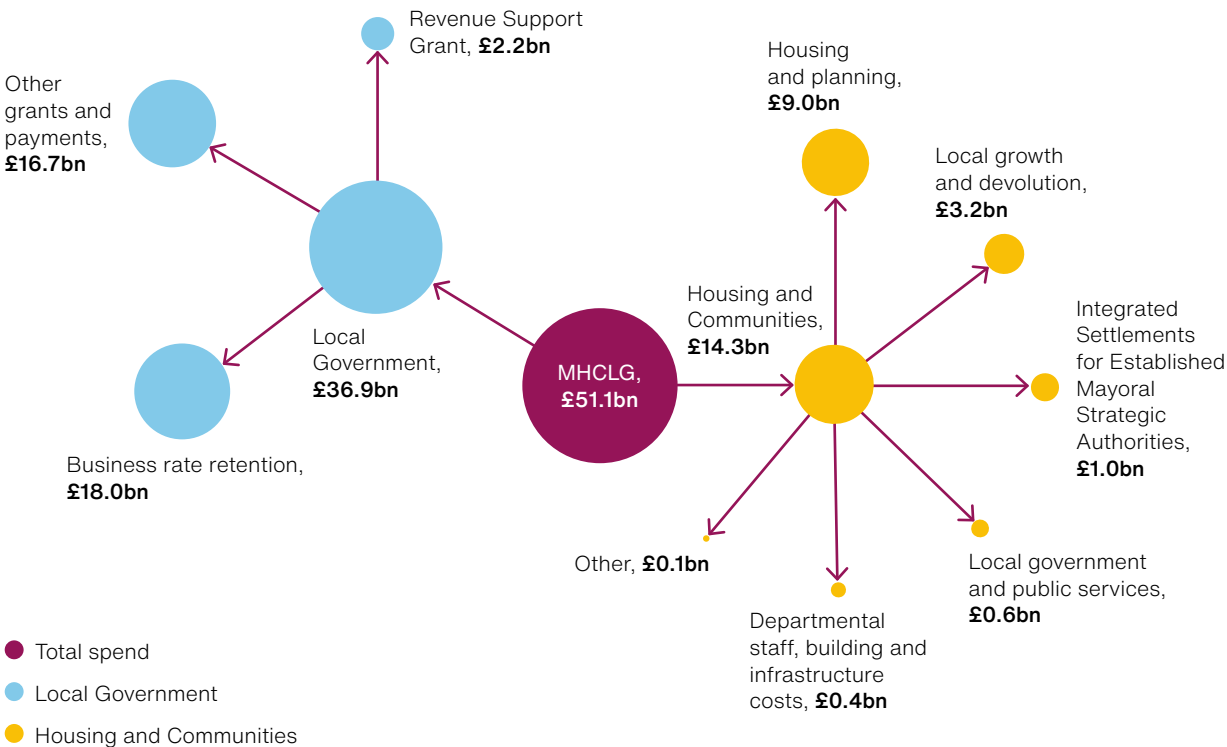
Changes in spending

Compared with 2024-25, total net spending increased by £4.9 billion (10.6%). Net RDEL spend increased by £3.1 billion (20.8%), net RAME spend increased by £1.5 billion (6.6%), and net capital spend increased by £0.3 billion (3.1%).

The increase was primarily driven by an additional £2.5 billion of RDEL funding to local government bodies and reflected continued pressure facing local government services including adult and children's social care. There was also a new funding stream of over £1.0 billion to support Mayoral Strategic Authorities (MSAs). The change in RAME spending reflects higher business rates retention costs of £0.4 billion, losses on the valuation of Homes England's financial assets due to less favourable market conditions than previous financial years, and the impact of funding the fire service pension schemes following the transfer of this responsibility from the Home Office on 1 April 2025.

Figure 3
Ministry of Housing, Communities & Local Government (MHCLG) spending broken down by service area, 2025-26

In 2025-26, MHCLG reported total net expenditure of £51.1 billion



- Notes**
- Figures may not sum due to rounding, and areas with low net spend have been amalgamated into the 'Other' category.
 - Figures include Resource Departmental Expenditure Limit (RDEL), Resource Annual Managed Expenditure (RAME) and capital spend.
 - Some expenditure reported within the 'Housing and Communities' category is delivered through local authorities, Mayoral Strategic Authorities and other local delivery bodies. The Local Government figure therefore should not be interpreted as showing the full extent of MHCLG's funding of local authority activity.

MHCLG

Spending Review 2025 (SR25) set the departmental funding settlements for 2025-26 to 2028-29 to support long-term decision-making. The multi-year settlement covered MHCLG's day-to-day (RDEL) and capital budgets (CDEL). SR25 confirmed an annual average real-terms growth rate for the period from 2023-24 to 2028-29 of 3.0% for RDEL, and an annual average real-terms growth rate for the same period in CDEL for capital investment of 3.2%. The funding for demand-led and uncertain spending budgets (RAME) continues to be agreed annually.

The National Audit Office (NAO) good practice guide [Financial management in government: strategic planning and budgeting](#) provides good practice guidance for departments on planning dynamically and dealing with risk and uncertainty, which is particularly relevant to managing annual budgets. The guide found examples of finance leaders reflecting on the importance of integrating scenario planning within annual budgets.

Local government

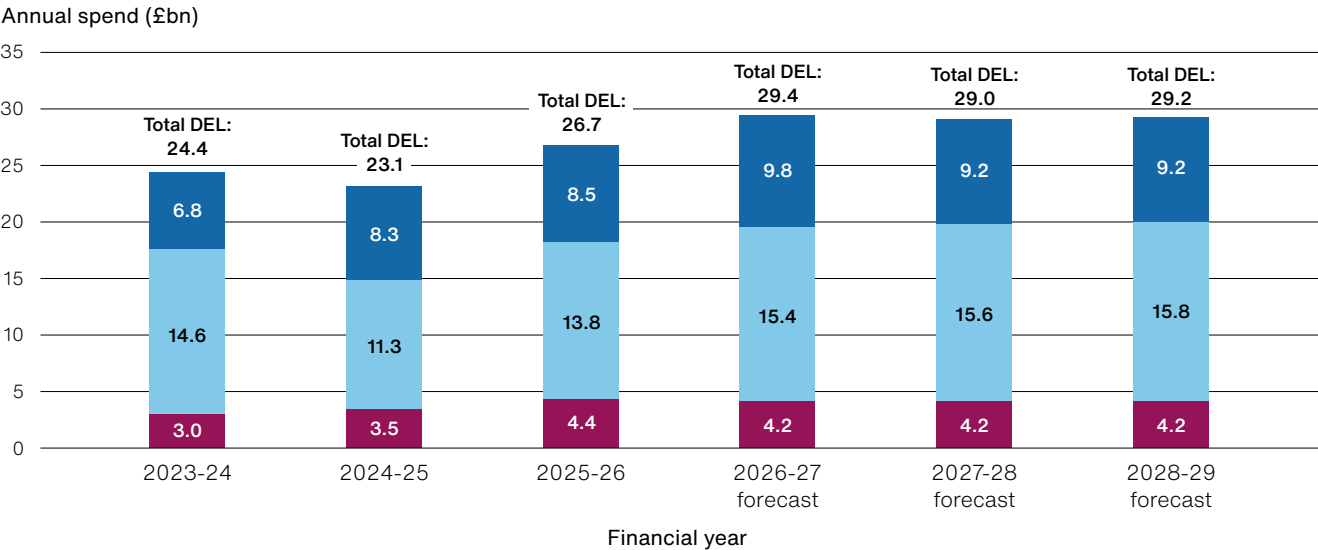
The local government finance settlement was published in February 2026, covering the three-year period from 2026-27 to 2028-29. This was the first multi-year settlement for local government in a decade. The settlement aims to provide local authorities with greater certainty over future funding to aid long-term planning and decision-making. Together with assumptions of the maximum (without a referendum) 3% Council Tax increase and a maximum 2% adult social care precept, the average overall real-terms increase in local authority core spending power between 2023-24 and 2028-29 is 3.1% per year.

Figure 4 shows MHCLG's actual expenditure from its 2025-26 annual report and accounts and planned expenditure agreed at SR25 until 2028-29.

Figure 4

The Ministry of Housing, Communities & Local Government's (MHCLG's) actual and planned day-to-day and capital spending in cash terms between 2023-24 and 2028-29

MHCLG's total Departmental Expenditure Limit is forecast to rise from £23.1 billion in 2024-25 to £29.4 billion in 2026-27 and remain around £29 billion thereafter



Notes

- Figures may not sum due to rounding.
- RDEL refers to Resource Departmental Expenditure Limit, CDEL refers to Capital Departmental Expenditure Limit, and DEL refers to Departmental Expenditure Limit.
- The figures include RDEL and capital spend but exclude Resource Annual Managed Expenditure (RAME) spend, which is managed on a year-to-year basis. Non-voted DEL spend for returning officer expenses are also excluded.
- 2023-24, 2024-25 and 2025-26 total spend figures are as reported in the respective annual report and accounts, with no adjustments applied for inflation.
- Figures from 2026-27 onward are taken from MHCLG's 2025-26 Annual Report and Accounts and have not been adjusted for inflation.
- Following a reclassification of Section 31 business rates relief grants starting from April 2024, these are now accounted for in Annually Managed Expenditure (AME) and not in MHCLG Local Government DEL. This shows as a drop in MHCLG Local Government DEL in 2024-25.

Source: National Audit Office analysis of financial data held in Ministry of Housing, Communities & Local Government, [Annual Report and Accounts 2025-26](#), HC 484, July 2026

MHCLG has taken steps to improve its financial management

Strong financial management is vital in providing the basis for government organisations to make better decisions about budgeting and allocating their financial resources so that public services provide good value for money. MHCLG has taken steps in several areas that align with themes identified in the NAO's financial management good practice guides, although risks and challenges remain.

Strategic planning and budgeting

Our 2023 [strategic planning and budgeting good practice guide](#) identifies long-term clarity on funding as a pre-requisite for effective planning and spending. MHCLG has taken steps to improve financial planning and funding certainty across the local government sector. In February 2026, it published the first multi-year Local Government Finance Settlement in more than a decade, intended to give local authorities greater certainty over future funding and support longer-term planning. However, local government continues to face significant financial pressure. In 2026-27, 36 local authorities are relying on £1.9 billion of Exceptional Financial Support.

Allocating resources

We have previously reported, in our 2024 [allocating resources good practice guide](#), that resource allocation decisions should support strategic objectives. MHCLG has introduced new approaches to local funding and investment, including Integrated Settlements for Established Mayoral Strategic Authorities (MSAs), the National Housing Delivery Fund and funding simplification for local authorities to give them greater flexibility to respond to local circumstances. These reforms provide examples of resource allocation decisions intended to support strategic outcomes. However, our report [Devolution in England: funding and accountability](#) found that strengthened local scrutiny arrangements will be vital in supporting effective local accountability, as MSAs take on greater funding and responsibility.

Reporting for decision makers

The quality of data and information impacts decision-making, and better decisions start with better quality data. Our 2025 [reporting for decision-making good practice guide](#) states that, without access to high-quality, well-managed data, even the best technologies or most advanced systems will fail to deliver meaningful insights. Our study on [unlocking land for housing](#) found that MHCLG did not set out to track how many homes have been built on land unlocked by all its programmes. But it is now working with Homes England to do so on these funds. This will help MHCLG better understand what works, and the value for money of its interventions.

Financial management

MHCLG met its statutory reporting deadline, publishing its accounts for the year ending 31 March 2026 on 15 July 2026. The C&AG's opinion is that the accounts present a true and fair view and, as such, he issued a clean (unqualified) audit opinion on MHCLG's 2025-26 financial statements.

The C&AG's report on the 2025-26 financial statements highlighted one key audit matter in relation to the Help to Buy home equity loans portfolio, which was valued at £13.5 billion. Its valuation depends heavily on house prices and involves complex calculations using internal and external data sources. This modelling is undertaken in a series of spreadsheets and involves significant manual intervention. No significant misstatements were identified in the valuation of the Help to Buy portfolio through the 2025-26 audit.

The NAO has identified in its [reporting for decision-making good practice guide](#) that manual reporting processes and fragmented systems can lead to inefficiency, duplication and increased risk of error. Moving towards integrated data and reporting solutions would support stronger data governance, improve the timeliness and reliability of management information and provide a more resilient basis for decision-making.

Fraud and error

Our July 2024 report [*Making public money work harder*](#) found that reducing fraud and error was an opportunity to spend public money more efficiently and effectively. Our March 2023 report [*Tackling fraud and corruption against government*](#) sets out insights from our work and engagement with experts on what more the government can do to better prevent fraud and corruption.

MHCLG recovered £9 million from fraud and error in 2025-26. This included a £6.7 million Building Safety Fund (BSF) error arising from weaknesses in an applicant's governance arrangements. MHCLG identified and recovered the money and reported that it had strengthened its assurance arrangements in response. Our 2025 report [*Dangerous cladding: the government's remediation portfolio*](#) found that aspects of the BSF's design increased the risks of fraud and poor value for money, although we reported that MHCLG had taken steps to increase its counter-fraud activity. In 2025-26, MHCLG reported that the BSF had been removed from the Public Sector Fraud Authority's High Fraud Risk Portfolio and moved to a reduced level of monitoring following improvements to its governance arrangements, control design and counter-fraud capability.

In 2025-26, Homes England reported preventing £18.1 million of fraud from entering its systems and detecting a further £2.5 million of fraud during 2025-26, against a joint MHCLG and Homes England fraud prevention and recovery target of £4.6 million set by the Public Sector Fraud Authority.

In 2024-25, the Public Sector Fraud Authority rated Homes England as 'in development' against the Government Counter Fraud Functional Standard. Homes England has reported that it has taken steps to strengthen its management of public funds. In 2025-26, it improved its control framework, governance arrangements, systems and processes and approved a new Economic Crime Risk Policy.



Overall approach to risk governance

Our good practice guide [Overcoming challenges to managing risks in government](#) highlights that robust and effective risk management is essential to achieving the government’s ambitions and objectives and securing long-term value for money. It can lead to better public service delivery and decision-making, more efficient use of resources, help to minimise waste and fraud, and promote innovation and opportunity taking.

MHCLG’s risk governance framework (see **Figure 5**) is based on the principle of its teams and staff taking responsibility for identifying, managing and reporting the risks caused by their team’s activities, encouraging a culture where consideration of risk is integral to delivery of the department’s activities.

MHCLG is implementing a Risk Improvement Initiative to enhance risk management and governance. Its workstreams have looked at:

- refining articulation of key risks;
- strengthening the linkage between risks and relevant departmental objectives;

- standardising risk scoring;
- identifying cross-cutting risk themes; and
- improving understanding of risk profiles across the department.

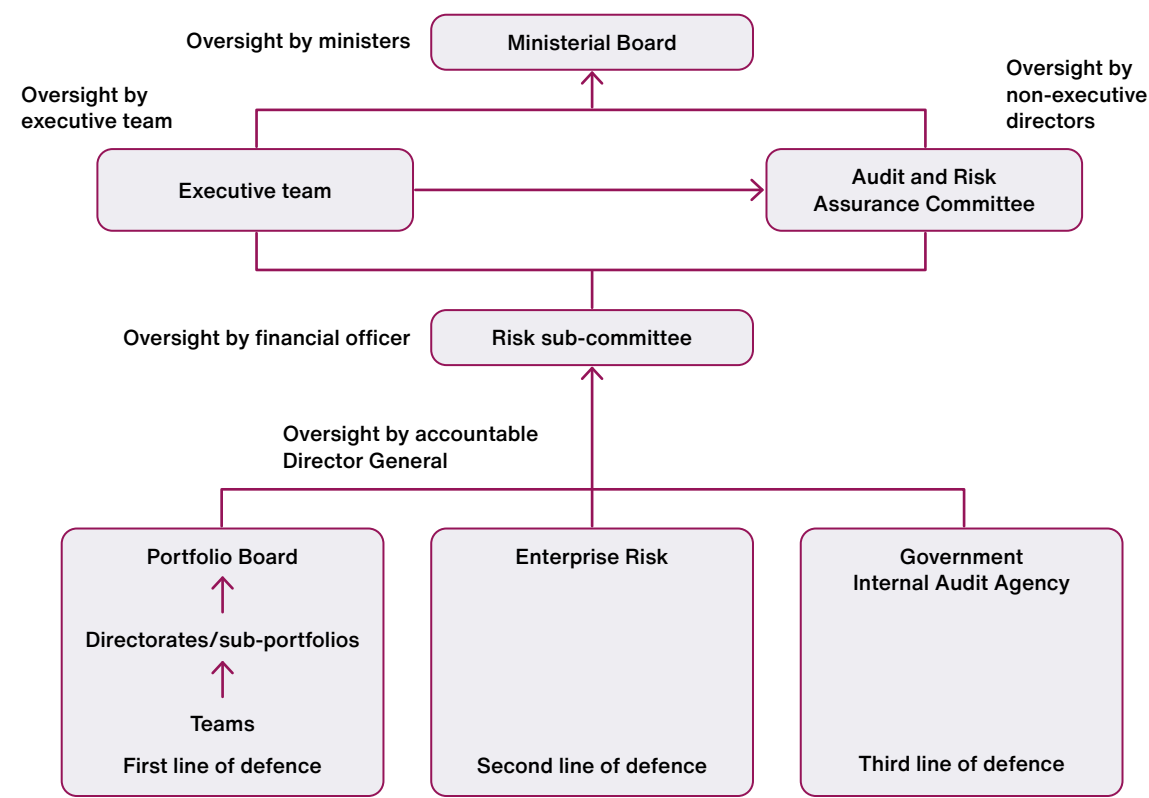
MHCLG says these improvements aim to support more robust decision-making and enable it to prepare for opportunities to meet its objectives.

In 2025-26 the Audit and Risk Assurance Committee (ARAC) has been implementing an improvement plan. This has included enhancing its capability and assurance in relation to cyber security, and improving visibility and escalation of risks arising from arm’s-length bodies, along with a focus on strategic risk discussions.

During 2025-26, MHCLG reviewed its approach to identifying and articulating key risks to ensure they accurately reflected the key challenges associated with delivering ministerial priorities.

Figure 5
The Ministry of Housing, Communities & Local Government’s (MHCLG’s) risks governance structure, 31 March 2026

MHCLG’s governance and assurance framework for managing risk



➔ Direction of reporting and oversight relationships

Source: Ministry of Housing, Communities & Local Government, [Annual Report and Accounts 2025-26](#), HC 484, July 2026

As at the March 2026 reporting date, MHCLG's departmental risk register contained 12 key risks assessed as being the most significant to delivery of its priority objectives at that time, and which reflected both the interconnected nature of some of its risks and its complex operating environment. The management or mitigation for many of these risks is partly reliant on the activities of local authorities or MHCLG's arm's-length bodies such as Homes England.



Figure 6

The Ministry of Housing, Communities & Local Government (MHCLG) principal risks and relevant National Audit Office (NAO) reports on each topic

NAO work provides insight into several of the risks identified in MHCLG's Annual Report and Accounts

Departmental objective	Risk title	NAO reports that cover issues raised by MHCLG's risks
Goal I: Safe, secure and affordable homes	Demand and cost pressures result in a shortage of temporary accommodation meeting suitable standards.	Work in progress: Resilience of the temporary accommodation system
	Local authorities' ability to prevent homelessness is undermined by increasing demand.	The effectiveness of government in tackling homelessness Local government financial sustainability
	A reduction in London housebuilding means new housing starts targets are missed.	Improving local areas through developer funding Increasing construction skills Unlocking land for housing
	Affordable 'Section 106' homes remain unsold, delaying housing delivery.	Improving local areas through developer funding
	The Building Safety Regulator failing to meet performance targets may slow the pace of new housebuilding and buildings remediation.	Dangerous cladding: the government's remediation portfolio The role of regulators in a changing world
	Funding pressures inhibit delivery of our public commitments towards building safety.	Good practice guide – Financial management in government: enablers of success Good practice guide – Financial management in government: allocating resources
	The complexity of MHCLG's remediation programme means Remediation Acceleration Plan targets are missed.	Dangerous cladding: the government's remediation portfolio
Goal II: Giving people greater control	Financial pressures on local government adversely affect their delivery of key services.	Local government financial sustainability Home to school transport
	The number of reforms in the local government sector adversely affects their delivery of key services.	Local government financial sustainability
Goal III: Strengthening community resilience	The department's capacity to respond to major emergencies may be undermined should there be multiple or sustained emergencies.	Government workforce planning – lessons learned
Other	Delivery of MHCLG's programmes may be undermined should the effectiveness of its assurance and risk management approaches be insufficient	Work in progress: Risk management in government improving capability and decision-making
	The deconstruction plan for the Grenfell Tower may be undermined if its structural condition is worse than expected.	Dangerous cladding: the government's remediation portfolio

NAO report: Improving local areas through developer funding

Key risk: Affordable ‘Section 106’ homes remain unsold, delaying housing delivery

Section 106 (S106) agreements, which set out developers’ contributions, are an important way to deliver affordable homes. Around 23,400 affordable homes (36% of all affordable homes delivered) were secured through this route in 2024-25 (Figure 7).

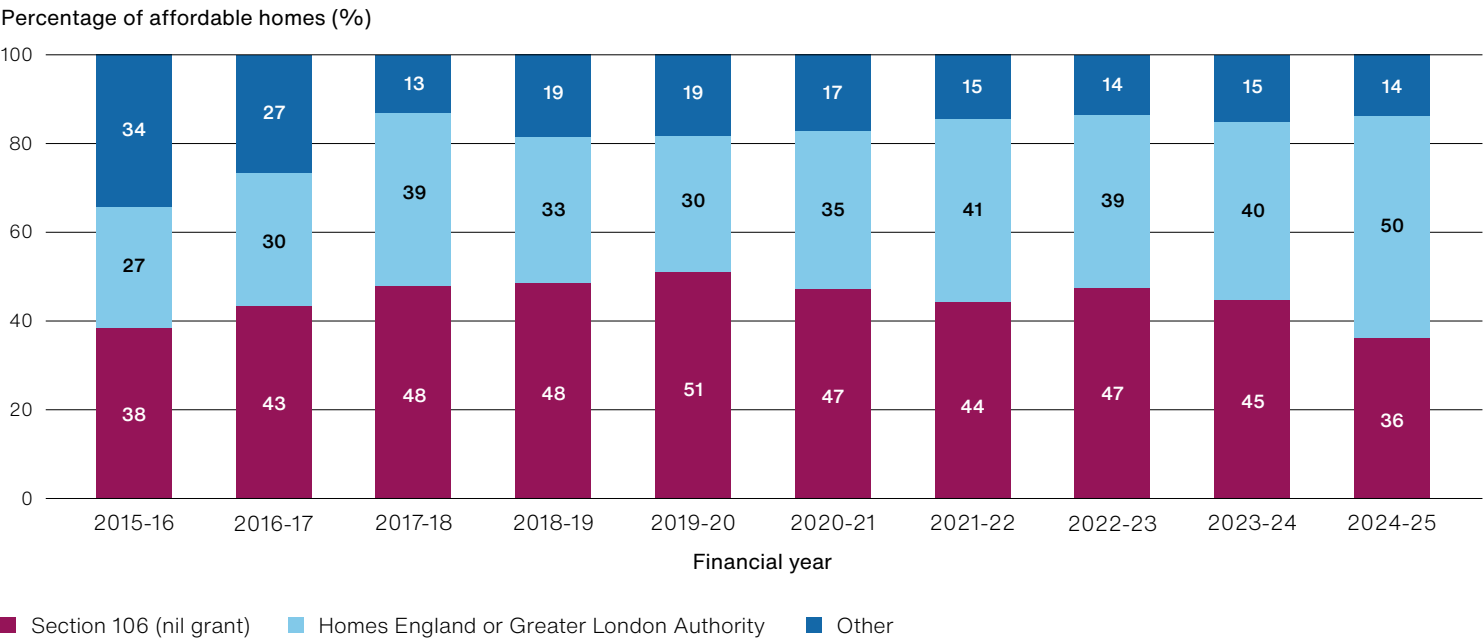
In our 2025 report *Improving local areas through developer funding*, we found a growing problem with registered providers of social housing not buying affordable homes from developers secured through S106 agreements. We reported several potential reasons for this, including rising costs affecting providers’ financial positions, concerns about housing quality, mismatched price expectations, and a lack of transparency about the availability of homes for sale. We also highlighted that unsold S106 homes can sometimes stall whole developments, creating risks for housing delivery.

MHCLG identified housing supply as a key delivery risk in its 2025-26 Annual Report and Accounts. It reported that some affordable homes secured through S106 planning obligations had been delayed because a complex range of factors had led to a drop-off in demand for S106 homes. To address these challenges, MHCLG has published a roadmap for S106 delivery and introduced measures intended to strengthen the capacity of registered providers, including a long-term rent settlement and a £2.5 billion package of low-interest loans for private registered

Figure 7

The funding sources for affordable homes delivered in England, 2015-16 to 2024-25

The proportion of affordable homes delivered through Section 106 agreements has fallen from 51% in 2019-20 to 36% in 2024-25



Notes

- 1 Section 106 agreements are bespoke arrangements negotiated between developers and local planning authorities through the planning system. Section 106 agreements have become an important way to deliver affordable homes.
- 2 The figure shows the number of affordable homes completed in each financial year.
- 3 The ‘Section 106’ category only includes affordable homes fully funded by Section 106 contributions. Cases where the government has provided grant funding alongside the Section 106 contribution are included in the ‘Homes England or Greater London Authority’ category. However, for 2016-17, all homes fully funded and partially funded via Section 106 agreements are counted in the Section 106 category due to limitations in the data.
- 4 ‘Other’ includes all other sources of funding such as the use of Right to Buy receipts by local authorities and the Affordable Homes Guarantee Scheme.
- 5 The 2023-24 percentages differ from those reported in our *Improving local areas through developer funding* report because MHCLG revised its 2023-24 affordable housing completions data. The revised figures include additional Affordable Homes Guarantee completions and amendments following local authorities’ review of their submitted data.

Source: Originally published in National Audit Office report *Improving local areas through developer funding*, June 2025; National Audit Office analysis of Ministry of Housing, Communities & Local Government data

The UK Government has a legal commitment to reach net zero greenhouse gas emissions by 2050 and to respond to the effects of climate change. [The Climate Change Committee's Fourth Climate Risk Assessment \(2026\)](#) identifies intensifying heat, drought and wildfire, and flooding as priority risks and recommends that the UK prepare for a 2°C warming scenario by 2050. It highlights risks from overheating and flooding in homes and offices, and the need to ensure new and existing developments are resilient to flooding and coastal erosion.

MHCLG's climate-related risks

Government departments are required to make (Task Force on) Climate-related Financial Disclosures (TCFD). MHCLG assessed climate-related financial risks and opportunities across its operations, policy responsibilities and delivery landscape. It concluded that climate-related financial risks do not currently meet the threshold for designation as a standalone principal risk and are not a material driver of any existing principal risk.

MHCLG recognised that climate-related factors affect policy areas including the built environment, resilience, and local government systems, but judged that they do not currently have a sufficiently significant or direct impact on its financial position or overall risk profile.

MHCLG's TCFD disclosures state that climate-related financial risks are owned and managed by the relevant arm's-length bodies (ALBs), where those risks are most material, particularly organisations with significant asset bases and delivery responsibilities, for example Homes England.

MHCLG noted that climate-related hazards, including flooding, heatwaves and wildfires, are becoming increasingly relevant to Fire and Rescue Services and wider resilience systems. However, responsibility for managing and responding to these risks sits mainly with local bodies, while MHCLG's role is to provide oversight, support and the national framework within which they operate.

MHCLG reviews ALB disclosures to identify risks that may require its intervention or additional funding. As at April 2026, it had not assessed any risks managed by ALBs as meeting the threshold for escalation to a principal risk.

Homes England

Since 2024-25, Homes England has considered sustainability (which includes climate change) as a principal risk. In its 2025-26 Annual Report and Accounts, it identifies five climate-related risks. Two are physical risks, relating to physical damage to development assets; and reduced land availability or value due to flooding or sea level rise. These risks could affect development activity and the delivery of Homes England's housing and regeneration objectives. Three are

transition risks, relating to skills shortages associated with achieving net zero; the impact of grid decarbonisation on housing delivery; and reputational and market risks arising from increasing sustainability expectations among partners and stakeholders. Our 2025 report [Implementation of climate-related reporting in central government annual reports](#) found that TCFD-aligned reporting can help organisations better understand climate-related risks, strengthen decision-making and identify potential cost efficiencies. Organisations making the greatest progress had invested time and resources in developing skills, data and disclosures over time.

Homes England's 2025-26 Annual Report and Accounts states that it has addressed mandatory TCFD disclosure requirements and established governance and risk management arrangements. The annual report includes Homes England's processes for identifying and managing climate-related risks and the Board's oversight of climate-related risks and opportunities. It identifies climate-related performance measures, signposting to key performance indicator (KPI) metrics, for example KPI 13, which reports that 97% of housing completions it supported achieved an EPC B rating or above. However, Homes England recognises it needs to do further work, including linking climate-related metrics and targets to risks, quantifying the implications of climate risks for its business and financial planning, and further assessing organisational resilience under different climate scenarios.

MHCLG efficiency gains

In June 2025, the government published Departmental Efficiency Plans to support the Spending Review 2025.

MHCLG worked with the Office for Value for Money to agree to deliver £50 million of efficiency gains per year by 2028-29 (**Figure 8**), equivalent to 1.2% of its day-to-day budget (RDEL) in 2025-26 after allowing for any investment necessary to meet the efficiencies.

These savings are expected to come from workforce and digital reform, alongside funding simplification for local government. Through these reforms, and other measures, MHCLG also anticipates delivering efficiencies in local government.

Workforce reform

The majority of MHCLG’s planned efficiency gains is expected to come from workforce and digital reform. At the 2025 Spending Review, MHCLG committed to becoming a “more slimline and agile workforce”. During the year, around 400 external appointments were made to support delivery of strategic objectives and priority outcomes. However, in 2025-26, MHCLG saw a net decrease in its workforce by 155 full-time equivalent (FTE) staff to 3,756 FTE. It did this, in part, through a voluntary exit scheme (VES) that resulted in

253 staff leaving the core department. The total cost of exit packages to support the VES was £15.3 million. MHCLG intends to further reduce its workforce to around 3,350 FTE by March 2030.

However, in its 2025-26 Annual Report and Accounts, MHCLG identifies workforce skills and capability as a key delivery risk. The department notes the challenge of retaining and developing the skills needed to deliver government priorities while reducing workforce numbers and meeting efficiency targets. To manage this risk, MHCLG is strengthening leadership capability and developing a longer-term workforce plan.

Effective workforce planning and reducing workforce costs

Our [Government workforce planning – lessons learned](#) report (July 2026) discusses how effective workforce planning supports more productive, resilient and affordable public services. This report is supported by our updated [Government workforce planning – audit framework](#), which provides practical guidance for departments on conducting workforce planning. Our related good practice guidance on [government exits and redundancies](#) (September 2025) sets out challenges that departments must address when making staff reductions. These include protecting organisational capability to deliver, retaining high performers and skilled staff, and ensuring staff reductions (and associated cost savings) are sustainable.

Figure 8

The Ministry of Housing, Communities & Local Government’s (MHCLG’s) expected efficiency gains as agreed at the 2025 Spending Review

At the 2025 Spending Review, MHCLG agreed to deliver £50 million of efficiency gains per year by 2028-29

Expected efficiency savings (£mn)	2026-27	2027-28	2028-29
Workforce and digital reform	37	40	45
Funding simplification	5	4	5
Total efficiencies net of investment	42	44	50

Notes

- 1 Data are taken from HM Treasury’s [Departmental Efficiency Plans](#) policy paper, which was published in June 2025. It details MHCLG’s efficiency plans between 2025-26 and 2028-29.
- 2 HM Treasury defines efficiency as delivering the same or greater outputs for lower cost, or greater outputs for the same cost. The figures show the estimated annual value of net efficiency gains relative to the 2025-26 baseline and are not cumulative savings.
- 3 Funding simplification is a programme of reform to simplify the grant funding landscape for local authorities in England.

Source: National Audit Office analysis of 2025 Departmental Efficiency Plans

Digital reform

Alongside workforce reform, MHCLG expects digital transformation and AI to play a significant role in delivering its planned efficiency savings. For example, the department estimates that AI-enabled changes could save around 500,000 staff hours a year through automating and improving processes such as routine administrative tasks.

Our 2023 report on [Digital transformation in government: addressing the barriers to efficiency](#) found that modernising services and data is instrumental to achieving efficiencies, but that departments also need the capability and expertise to deliver transformation successfully. Outdated systems and poor quality data can increase service costs and constrain improvement.

Building internal capability

MHCLG is investing in digital and AI capability to support its productivity ambitions. This includes training staff to use AI tools effectively and establishing Local AI, a team intended to support the responsible adoption of AI across local government while facilitating innovation.

The department has also sought to build capability internally rather than relying on external providers. MHCLG's expenditure on consultants decreased from £15.9 million in 2023-24 to £4.0 million in 2025-26, a reduction of 75%. The department told us this had been achieved through increased in-house delivery, consultancy spending limits, and replacing digital service contractors with permanent staff.

Our [Using consultants in government](#) report highlighted that reductions in consultancy spending are most sustainable when supported by effective workforce planning and investment in internal capability. The report also noted the importance of transferring knowledge from consultants and embedding learning within organisations to reduce future reliance on external support. In its 2025-26 Annual Report and Accounts, MHCLG reported targeted growth in its digital teams, alongside investment in AI and technology, to improve productivity, transform service delivery and reduce reliance on higher-cost external suppliers.

Our [Government workforce planning – lessons learned](#) report found that organisations face skills challenges in adapting their workforce to technological change. They need to identify where upskilling and reskilling are required and ensure they have the specialist digital and AI skills needed to deliver digital transformation. However, organisations often struggle to understand and/or meet these skills needs.

Delivering efficiencies through digital transformation

MHCLG is redesigning digital services and systems to reduce costs, increase resilience and improve usability. The following are examples of digital transformation undertaken by MHCLG in 2025-26.

- **Homes for Ukraine Scheme:** Our 2023 [investigation into the Homes for Ukraine scheme](#) found that, in responding quickly to the conflict in Ukraine, MHCLG relied on an external supplier to provide the digital platform that supported the scheme. MHCLG has since created its own in-house platform for the scheme and expects moving to this platform will save around £15 million over three years, while strengthening cyber resilience and providing it with greater control over its data.
- **Local government grants platform:** MHCLG has also sought to improve processes by simplifying how local authorities and other organisations access funding. In February 2026, it launched a new funding platform for local government grant funding as part of its aim to deliver grants faster, better and cheaper. MHCLG estimates that the platform saved £15 million in 2025-26 and says it improved the user experience of grant recipients. In addition, MHCLG used this transformation to link to its Local Outcomes Framework, which is intended to give local authorities' greater flexibility while maintaining accountability for the delivery of outcomes.

Supporting productivity across the local government and housing sectors

Our work shows that improving productivity often requires action across systems as well as within individual organisations. MHCLG has sought to do this across its wider departmental delivery chain by simplifying local government funding, strengthening incentives for prevention, reforming local government, and addressing skills shortages across local government and housing.

Local government funding simplification

MHCLG has simplified local government funding arrangements and introduced the first multi-year Local Government Finance Settlement in more than a decade. In its 2025-26 Annual Report and Accounts, MHCLG notes that it has simplified over 35 revenue streams, worth approximately £57 billion, into the Local Government Finance Settlement. Our 2024 report on [government's general grant schemes](#) found that the government had made progress in simplifying grants for local authorities. However, it noted that departments often ran multiple grants with similar objectives and that consolidating grants managed by multiple organisations is more challenging than consolidating grants managed by a single organisation.

Shifting towards prevention and earlier intervention

Our work highlights better management of demand, particularly through prevention and early intervention, as one way public bodies can strengthen productivity. In our 2025 report

on [local government financial sustainability](#), we recommended that MHCLG explore how preventative services can be evaluated and incentivised to deliver better outcomes and improved value for money. At the 2026 Local Government Finance Settlement, the government set out further details on new funding available to support and incentivise investment in preventative services, including in children's social care, and homelessness and rough sleeping. MHCLG has taken steps to incentivise investment in prevention and early intervention, for example through the government's [National Plan to End Homelessness](#), which places greater emphasis on homelessness prevention and early intervention. The plan sets out £3.5 billion for homelessness and rough sleeping services over three years, with more flexible multi-year funding arrangements intended to enable local authorities to invest more in prevention. Since then, in August 2026, the government set out a new national drive to end long-term rough sleeping at the earliest opportunity, backed by an additional £442 million in funding.

Increasing the workforce in the housing sector

The productivity of the local government and housing sector is constrained by significant workforce challenges. For example, our 2026 report on [increasing construction skills](#) identified a shortage of 317,000 construction workers needed for building the government's ambition of 1.5 million homes over this Parliament. Additionally, our 2025 report on [improving local areas through developer funding](#) found that, in the

period 2013–2020, around a quarter of planners left the public sector, and that recent changes, and additional requirements in the planning system, had added to the burden of working as a planner.

MHCLG and Homes England have taken steps to address these workforce pressures. These include a commitment to recruit 1,400 planners by the end of this Parliament; the award of £8.9 million to 44 councils by Homes England from the Council Housebuilding Support Fund to provide support for councils to increase the speed and size of bids into the Social and Affordable Homes Programme; and additional funding and support to strengthen capability within MSAs.

Local government reorganisation

MHCLG is pursuing a programme of local government reorganisation in a number of areas, arguing that larger unitary authorities will lead to better outcomes for residents, save significant money which can be reinvested in public services, and improve accountability. The government is also seeking to align key public service boundaries, such as regional police bodies, with MSAs. It argues this will ensure public services better meet people's needs and support local economic growth.

Rewiring the State

In July 2026, the government set out plans for further devolution in England in the Cabinet Office's statement [Rewiring the State](#). The statement committed to fiscal devolution by replacing certain grant funding with a share of local income tax for MSAs from 2028 and increasing local retention of business rates. The government also committed to devolving further funding and responsibilities from central government and to providing additional support to strengthen local capacity and capability.

The Cabinet statement also includes changes to accountability arrangements, including designating MSAs' Chief Executive Officers as Local Accounting Officers and streamlining the Integrated Settlement Outcomes Frameworks. It sets out an ambition for Strategic Authorities to be in place everywhere in England by the end of 2028.

Local audit

In 2026, for a third consecutive year, the Comptroller and Auditor General disclaimed the Whole of Government Accounts, for reasons including a lack of audited accounts for English local authorities. The local audit system has failed to provide timely assurance due to longstanding issues around the supply of qualified auditors and the need to audit increasingly complex accounts to higher regulatory standards. Compared with previous years, more local authorities have published accounts by the relevant audit deadline,

but a large proportion of these continued to be disclaimed by the external auditor because they ran out of time to obtain sufficient appropriate evidence to form an opinion on the financial statements. As a result, the auditor could not conclude whether the financial statements give a true and fair view.

Through the English Devolution and Community Empowerment Act, the government is implementing reforms to the local audit system, including creating the Local Audit Office, whose role will include appointing auditors, setting the Code of Audit Practice and monitoring audit quality.

NAO report on devolution in England

Our July 2026 report, [Devolution in England: funding and accountability](#), found the following.

- The government is making progress towards full coverage of Strategic Authorities across England. By June 2026, there were two Foundation Strategic Authorities and 18 MSAs, seven of which were designated as Established MSAs. Integrated Settlement funding totalled £15.9 billion between 2025-26 and 2029-30.²
- Newer and less mature MSAs may face capacity and capability challenges that limit their ability to maximise the benefits of Integrated Settlements. We recommended that MHCLG manage the risks associated with expanding the system and support MSAs to strengthen capability, particularly in relation to fiscal devolution.
- The Integrated Settlement model is generally well regarded by MSAs. Integrated Settlements provide Established MSAs with a single, flexible funding allocation drawn from multiple policy areas and departments. By combining funding from multiple departments into a single allocation, they provide greater flexibility and support longer-term, more coordinated decision-making.
- While accountability arrangements for central government funding are well established, tensions remain between departments' accountability responsibilities and ambitions for greater local autonomy. We concluded that these tensions would need to be resolved if devolved funding and accountability arrangements are to operate effectively.
- Agreeing Outcomes Frameworks has proved challenging because of differing expectations between MSAs and government departments regarding autonomy and accountability. We recommended that MHCLG work with departments and MSAs to ensure future frameworks focus more on outcomes and less on programme-level outputs.
- Our report found that strengthened local scrutiny arrangements will be vital in supporting effective local accountability, as MSAs take on greater funding and responsibility. Effective local scrutiny will require a significantly strengthened local audit system.

² Since our report published, the government granted Established Status to four additional Strategic Authorities: Cambridgeshire and Peterborough Combined Authority, East Midlands County Combined Authority, West of England Combined Authority, and York & North Yorkshire Combined Authority.

Homes England is the largest non-departmental public body sponsored by MHCLG. It is the government's housing and regeneration agency and supports the government's ambition to build 1.5 million homes during this Parliament.

In December 2025, Homes England published a new strategic plan for 2025 to 2030. It set out six strategic objectives that work together to deliver its mission and support the delivery of the government's housing, regeneration and economic growth priorities.

Change to delivery model

At the 2025 Spending Review, the government announced that Homes England's funding would be brought together through two new funds: the Social and Affordable Homes Programme (SAHP) and the National Housing Delivery Fund (NHDF). Homes England reported that these changes are intended to simplify its interventions, provide longer-term certainty and increase flexibility to support housing delivery.

Supporting place-based delivery

Homes England's 2025–2030 Strategic Plan sets out a more place-based approach to housing and regeneration. From 1 April 2026, Homes England began operating across five regions, each with a defined geographic focus and close alignment to national teams and programmes. Strategic Place Partnerships (SPPs) are a key mechanism through which Homes England intends to support place-based delivery. Through SPPs, Homes England and MSAs agree strategic outcomes and opportunities, aligning funding, technical expertise and delivery support around locally led housing and regeneration priorities. As at 31 March 2026, Homes England had agreed 10 SPPs.

Risks and challenges

Homes England identified several strategic and operational risks in 2025–26. At year end, business continuity, cyber resilience, data management and third-party supplier disruption remained outside its risk appetite.

Homes England also highlighted risks arising from economic conditions, housing market performance and the capability and resilience of local and regional partners.

The C&AG's audit report for MHCLG highlighted one key audit matter in relation to the Help to Buy home equity loans portfolio. Homes England manages this loan portfolio and, as at 31 March 2026, it covered over 173,000 households and was valued at £13.5 billion. The risk is related to the valuation of this portfolio of loans, which depends heavily on house prices and involves complex calculations using internal and external data sources.

Housing delivery

In 2025–26, Homes England exceeded its targets for housing starts and land unlocked but fell short of its target for housing completions.

- **Housing starts:** Homes England helped start construction on 42,433 homes, exceeding its target of 37,141 and increasing delivery by 4,289 homes compared with 2024–25.
- **Housing completions:** It also oversaw the completion of 40,332 homes, which was below its target of 41,521 homes but was within its 'target ranges'. This compares with 36,956 completions in 2024–25.
- **Land unlocked:** Homes England unlocked land capable of supporting 61,744 homes, exceeding its target of 53,727 but below the 79,011 homes supported by unlocked land in 2024–25.

Unlocking land for housing

A key barrier to housebuilding is 'locked' land – sites suitable for housing but not developed because they are not currently commercially viable for developers. Land can become locked for several reasons, including contamination requiring remediation, inadequate infrastructure, or fragmented ownership across multiple parties.

Since 2016, MHCLG has used a range of programmes to unlock land, providing support through grants, recoverable loans, land acquisition, and capacity-building assistance.

Our February 2026 report [Unlocking land for housing](#) found that £10.5 billion had been allocated to its unlocking land programmes between 2016-17 and 2025-26, with £8.4 billion allocated to projects, and £5.7 billion spent by September 2025.

MHCLG currently expects 713,000 homes will be built on sites prepared by its unlocking land programmes, with contracts signed to prepare land for 630,000 of these homes. As at the end of December 2025, MHCLG has data to show 57,671 homes had been built on land it helped unlock.³ House building on these sites is expected to continue until 2050.

In April 2026, MHCLG launched the National Housing Delivery Fund (NHDF) with up to £21 billion to continue unlocking land while also delivering other objectives including economic growth and supporting small housebuilders.

Our report found that, to be able to demonstrate value for money and for the NHDF to be successful, MHCLG will need to swiftly build on the work it has started to understand what works and monitor the number of homes built, set out its long-term ambitions, provide clarity about its investment priorities to the market and decision-makers in local authorities, and to have a clear articulation and management of risk.

Investigation into shared ownership

MHCLG is also responsible for schemes to support home ownership. Shared ownership is the largest affordable home ownership scheme for new owners in England and receives grant funding through the Affordable Homes Programme.⁴ Homes England (or the Greater London Authority in London) is the delivery partner for new shared ownership properties in England delivered through the Affordable Homes Programme.

Under shared ownership, buyers purchase an initial share of a property and pay rent on the remaining share to a shared ownership provider. Over time, they can buy a bigger share through a process known as 'staircasing'.

Our March 2026 [investigation into shared ownership](#) found the following.

- Shared ownership is a complex part-buy, part-rent model, and shared owners have all the legal obligations of being a leaseholder.
- Annual delivery of new shared ownership homes has increased in number over the last decade from 11,128 homes in 2014-15 to 20,353 homes in 2024-25.
- Longer-term financial risks, including from increasing service charges, may not have been obvious to past shared ownership customers at the time of initial purchase.
- Limited data on outcomes and staircasing mean it is difficult to assess the schemes' overall performance.
- Recent housing legislation, including the Leasehold and Freehold Reform Act 2024 and the Renters' Rights Act 2025, have strengthened leaseholders' rights and increased the security of tenure(s) for shared owners, with measures to be introduced in phases during this Parliament.

³ At the time of our report, MHCLG had data to show 33,000 homes have been built on land it helped unlock as at the end of September 2025.

⁴ The Affordable Homes Programme ran from 2021 to 2026. This has been superseded by the new Social and Affordable Homes Programme 2026-2036.

Local government reorganisation

The government is implementing a programme of local government reorganisation for two-tier areas and neighbouring unitary authorities. The reforms aim to simplify local government structures and support the government's wider devolution ambitions. However, in September 2026, following new legal advice, the Secretary of State for Housing, Communities and Local Government announced a rapid review of the programme and withdrew the decisions to establish single-tier unitary authorities in Essex, Hampshire and the Solent, Norfolk, and Suffolk. The decisions for a further 14 areas taken in July and the further two areas where decisions have yet to be taken have been paused and would also be reviewed. MHCLG confirmed that local elections would still go ahead in May 2027 on existing local authority boundaries in these areas. The pause does not affect the reorganisation in Surrey where the two new unitary authorities – East and West Surrey – will go live in April 2027.

Look out for: an update to Parliament on the review of local government reorganisation.

Social and affordable housing delivery

The government has committed long-term funding for a new Social and Affordable Homes Programme (SAHP) and aims to increase the supply of social and affordable housing. In August 2026, the government announced the first tranche of SAHP funding, allocating £9.58 billion to providers across England, outside of London. It also confirmed that the Greater London Authority intends to offer allocations of at least £6 billion in the first tranche. The success

of the programme will depend on the capacity of housing providers, construction sector conditions and the viability of development schemes.

Look out for: the number of homes delivered along with type of tenure and whether delivery remains on track to meet government housing ambitions, future funding announcements, and how the government works with Established MSAs.

National Housing Delivery Fund and National Housing Bank

On 1 April 2026, the National Housing Delivery Fund (NHDF) was launched, and the National Housing Bank (the Bank) was formed as a subsidiary of Homes England. The NHDF consists of approximately £5 billion of grant, and the Bank has up to £16 billion of total financial capacity (across the NHDF and the low interest loans programme for social and affordable housing). The government intends the Bank to increase investment in housing and regeneration by providing development finance, equity investment and guarantees, while attracting additional private capital into the sector. Homes England is also implementing wider organisational changes to support the Bank and its expanded role.

Look out for: how the Bank deploys its funding, the level of private investment it attracts, and how Homes England manages the associated financial and delivery risks.

Local government financial sustainability

The government has committed to reforming local government funding and has introduced multi-year funding settlements. These changes

come as many councils continue to face pressures from rising demand and increasing costs for local services. As in previous years, many councils are relying on Exceptional Financial Support to help manage financial pressures. The effectiveness of funding reforms will be important in determining whether councils can strengthen their financial resilience over the longer term.

Look out for: changes to local government funding arrangements, trends in councils' financial positions, and whether reforms improve the long-term sustainability of local services.

Planning reform

The government has introduced planning reforms intended to support economic growth and increase housing delivery. Alongside wider housing initiatives, the reforms aim to reduce delays in the planning system and support the government's ambition to increase the number of homes built across England. Delivering these ambitions will depend on the effectiveness of planning reforms and the capacity of local planning authorities.

Look out for: the implementation of planning reforms, changes in planning approval rates and housing delivery, and whether local authorities have sufficient capacity to support growth.

Other issues

Alongside local government reorganisation there are other reforms in place or under consideration which will impact on local services, including adult social care, waste reforms, and Special Educational Needs Reform.

Look out for: Further details on these reforms.

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About this report

This report has been produced to provide an overview of the NAO's examination of the spending and performance of the Ministry of Housing, Communities & Local Government (MHCLG).

It is intended to support the Ministry of Housing, Communities & Local Government Committee and members across the House in their examination of MHCLG.

This report updates our previous report, [An Overview of the MHCLG 2024-25](#) published on 25 November 2025.

How we have prepared this report

The information in this report draws on the findings and recommendations from our financial audit and value-for-money work, including the annual report and accounts of MHCLG and its partner organisations. In some cases, to provide the most up-to-date information, we have drawn on information from publicly available documents. We have cited these sources throughout the guide to enable readers to seek further information if required.

Where analysis has been taken directly from our value-for-money or other reports, details of our audit approach can be found in the Appendix of each report, including any evaluative criteria and the evidence base used. Other analysis in the guide has been directly drawn from publicly available data and includes the relevant source as well as any appropriate notes to help the reader understand our analysis.