

60653 Risk Management Budget Housing Strategy

I request a transparent breakdown of the 'Risk Management' budget for the housing strategy.

The proposed investment of £1.6bn is a high-level estimate based on the Council's significant experience of both constructing and purchasing affordable homes. However, detailed business cases for individual projects are still to be developed, which will incorporate appropriate allowances for risk and optimism bias on a site-by-site basis.

While the detailed risk budget is still to be developed it should be noted that the existing budget is based on per unit costs that are in line with existing developments and have an element of contingency included. They have also been indexed to allow for construction cost inflation. The Council also plans to purchase homes "off-the-shelf" from developers as well as building internally which will reduce the risk of over-run. Moreover, investment in homes is more scalable than one-off infrastructure projects, and number of units can be reduced if required to meet budgetary requirements.

The £1.6bn of additional investment should be considered in context of the Council's wider management of financial risk. The investment in housing and homelessness services is included in the annual budgets approved by the Council. Investment in settled accommodation is reflected in both the General Fund and Housing Revenue Account budgets, whilst investment in temporary accommodation is reflected in the General Fund budget only. Risks and Reserves reports are produced for both the General Fund and Housing Revenue Account. The relevant budget reports for 2026/27 are:

[Budget Strategy and Medium Term Financial Plan 2025-2030 - progress update](#)

[Capital Budget 2026-2036](#)

[Housing Revenue Account Budget Strategy 2026/27 - 2035/36](#)

[Revenue Budget 2026/27 - Risks and Reserves](#)

[Housing Revenue Account Budget Strategy 2026/27 - 2035/36 Risks and Reserves](#)

The Risks and Reserves reports advise members of the main risks inherent in the General Fund and Housing Revenue Account revenue and capital budget frameworks, and the range of measures and provisions established to mitigate these. The reports also outline the level of reserves held and the purpose for which they are maintained, including consideration of the adequacy of the balances held to mitigate against known risks.