

22 February 2017

Ref: FOI2017/01468

Freedom of Information Act 2000: Help to Buy

Thank you for your Freedom of Information enquiry of 25 January 2017.

You asked for the following information:

"...public expenditure cost of the above programme split between financial years and its different components."

I can confirm that HM Treasury holds some information within the scope of your request in relation to the Help to Buy: mortgage guarantee and ISA schemes. The Help to Buy: Equity Loan is the policy responsibility of the Department for Communities and Local Government.

The information you have requested is already routinely published (section 21 of the Freedom of Information Act). To be helpful we have included hyperlinks to this information below and summarised it for ease of access.

You may be interested to know that the Government does not provide funding for mortgages in the Help to Buy: mortgage guarantee scheme. Mortgages are funded in the standard way by the mortgage lender and the Government offers the lender the opportunity to purchase a guarantee on a portion of the loan. The scheme was designed to be self-financing. The cost of the scheme is covered by the commercial fee that lenders pay to the Government to use the guarantee. Further information on this is published on GOV.UK online at:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/221897/help_to_buy_mortgage_guarantee_scheme_outline.pdf

For the Help to Buy: mortgage guarantee scheme the total administrative expenditure was £2.5 million to 31 March 2016. This is published online as follows:

- page 171 of the Treasury's annual report and accounts 2013 to 2014:
www.gov.uk/government/uploads/system/uploads/attachment_data/file/330634/MT_annual_report_2014_online.pdf
- page 176 of the Treasury's annual report and accounts 2014 to 2015:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/446730/50601_HC_34_HMT_Annual_Report_WEB.pdf

- page 85 of the Treasury's annual report and accounts 2015 to 2016:
www.gov.uk/government/uploads/system/uploads/attachment_data/file/446730/50601_HC_34_HMT_Annual_Report_WEB.pdf

For the Help to Buy: ISA the total administrative expenditure was £3 million to 31 March 2016. This is published online on:

- page 84 of the Treasury's annual report and accounts 2015 to 2016
www.gov.uk/government/uploads/system/uploads/attachment_data/file/533615/annual_report_and_accounts_2016_-_web.pdf

Both the Help to Buy: ISA and mortgage guarantee schemes are administered by UK Asset Resolution (UKAR). The total fees paid by the Treasury to UKAR to perform this function was £10.4 million to 31 March 2016. This expenditure is shown as income within the UKAR annual account and reports, published online at:

- www.ukar.co.uk/~media/Files/U/Ukar-V2/Attachments/press-releases/ukar-annual-report-and-accounts-2014-report.pdf (page 43)
- www.ukar.co.uk/~media/Files/U/Ukar-V2/Attachments/press-releases/2016/ukar-annual-report-and-accounts-report-2016.pdf (page 62)

Should you wish to contact the Department for Communities and Local Government about the Help to Buy: Equity details of how to do so can be found online at:

<https://www.gov.uk/government/organisations/department-for-communities-and-local-government>

If you have any queries about this letter, please contact us. Please quote the reference number above in any future communications.

Information Rights Unit