

Date: 06/06/2019  
Our Ref: RFI2687  
Your Ref: FOI Request – Target Administration  
Tel: 0300 1234 500  
Email: [foi@homesengland.gov.uk](mailto:foi@homesengland.gov.uk)



Homes  
England

Windsor House  
Homes England – 6<sup>th</sup> Floor  
50 Victoria Street  
London  
SW1H 0TL

██████████  
By Email Only

Dear ██████████

**RE: Request for Information – RFI2687**

Thank you for your request for information, which was processed under the Freedom of Information Act 2000 (FOIA).

You requested the following information:

*Does the government pay Target for administering the Help to Buy scheme? If so, how much has it paid so far and what further payments have been agreed?*

*Why did the government replace the previous administrator, Metropolitan Housing, with Target in September 2016?*

*Was there a tendering process to appoint the administrator, and if so, how many applications were considered?*

*Of the people who are paying interest on their Help to Buy loans, how many are paying 1.75% and how many are paying 1.82%?*

*Of the 220,000 people who have used Help to Buy, according to Homes England, how many have purchased a leasehold property and how many have a freehold property?*

*What is the total value of the Help to buy loans up to May 22, 2019?*

**Response**

We will address each of your questions in turn.

- 1. Does the government pay Target for administering the Help to Buy scheme? If so, how much has it paid so far and what further payments have been agreed**

Section 43 - Commercial interests

We can confirm that we do hold information that falls within this part of your request. However, the information requested relating to the contract price for the service that Target provides to Homes England engages section 43(2) of the FOIA as its release would be likely to, prejudice the commercial interests of the Agency and of Target as a third party.

Section 43 is a qualified exemption. This means that to withhold information under this exemption, we must consider the public interest in disclosure.

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The full text of the section 43 exemption can be found using the following link:

<https://www.legislation.gov.uk/ukpga/2000/36/section/43>

Public Interest Test – Factors in favour of disclosure

Homes England is compliant with the government transparency agenda and recognises the benefit of publishing the information, particularly when it concerns how Homes England undertakes its work.

Public Interest Test – Factors in favour of non-disclosure

Homes England believes that it should not disclose information relating to the contract price for the service that Target provides to Homes England as this would be likely prejudice the commercial interest of the Agency and of Target.

To disclose the contractual value would be likely to have a detrimental effect to our ongoing and future commercial relationship and contractual obligations with this third party for the remainder of the contract. This would in turn, adversely affect the ability of Homes England to manage the contract effectively, causing financial prejudice to Homes England.

Prejudice would also arise when the contract is retendered, as bidders' awareness of the current contract prices would be used as a benchmark for their own bids, which would negatively impact on the Agency's ability to get value for money on the re-procurement.

Therefore, after careful consideration we have concluded that at this time, the balance of the public interest favours the non-disclosure of the value of the Target contract. However, Homes England also actively publishes information in relation to Help to Buy in order to inform the public. The information published includes financial and statistical information. In particular, we would draw your attention to the Agency's [Annual Report](#), which states (on page 81 under the heading "Programme Costs) the sums paid by the Agency for "Mortgage Administrator" services.

You may also be interested to see the tender documentation published online. Although this was not requested, we are happy to provide it in fulfilment of our duty to provide advice and assistance in accordance with section 16 of the FOIA: <https://www.contractsfinder.service.gov.uk/Notice/e4a99a4f-3ae6-4fc8-ad33-bbf62e112e4e?p=@FQxbIRRPTo=NjJNT08=U>

**2. Why did the government replace the previous administrator, Metropolitan Housing, with Target in September 2016?**

This is not a valid request for recorded information under the FOIA. However, we have voluntarily provided an answer to this question below outside of the FOIA. This appears at the end of this letter as a discretionary disclosure.

**3. Was there a tendering process to appoint the administrator, and if so, how many applications were considered?**

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We can confirm that we do hold information that falls within the scope of this part of your request. A public two-stage OJEU (Official Journal of the European Union) procurement process in line with Homes England's procurement policy took place and invited tender applications.

Six pre-qualification submissions were submitted. Of these, four organisations were invited to tender and two tenders were returned for consideration.

To comply with our duty to provide advice and assistance in accordance with section 16 of the FOIA please see the link below which will direct you to the full procurement policy:

<https://www.gov.uk/government/organisations/homes-and-communities-agency/about/procurement>

The link to the tender itself can be accessed here:

<https://www.contractsfinder.service.gov.uk/Notice/e4a99a4f-3ae6-4fc8-ad33-bbf62e112e4e?p=@FQxblRRPTo=NjJNT08=U>

**4. Of the people who are paying interest on their Help to Buy loans, how many are paying 1.75% and how many are paying 1.82%?**

Section 43 - Commercial interests

We can confirm that we do hold information that falls within this part of your request however the information requested relating to Help to Buy Interest figures engages section 43(2) of the FOIA as its release would be likely to, prejudice the commercial interests of the Agency.

Section 43 is a qualified exemption. This means that to withhold information under this exemption, we must consider the public interest in disclosure.

Public Interest Test – Factors in favour of disclosure

Homes England is compliant with the government agenda of transparency and recognises the benefit of publishing the information, particularly when it concerns how Homes England undertakes its work.

Public Interest Test – Factors in favour of non-disclosure

Homes England believes that it should not disclose information relating to interest figures as this would be likely to prejudice the commercial interest of the Agency.

To disclose this information to the wider public could have an adverse effect on the Help to Buy scheme's current and future customers if this data were in the public domain. There is potential for the data to be used to manipulate the market for Help to Buy loans if the wider public is provided with information that could be used to exploit the scheme. For example, other lenders in the domestic mortgage market could alter or change products or market them to specific areas. This could financially prejudice both the customer and the Agency which would not be an effective use of public money, and could result in mortgages becoming less affordable for the people for whose benefit Help to Buy was created.

Therefore, after careful consideration we have concluded that at this time, the balance of the public interest favours the non-disclosure.

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The full text of the exemption in the legislation can be found on the following link;  
<https://www.legislation.gov.uk/ukpga/2000/36/section/43>

**5. Of the 220,000 people who have used Help to Buy, according to Homes England, how many have purchased a leasehold property and how many have a freehold property?**

Section 21 - Information accessible to applicant by other means.

We can confirm that we do hold information that falls within this part of your request however the information requested section 21 of the FOIA as the information is accessible to the applicant by other means.

Section 21 is an absolute exemption. This means that we do not have to consider the public interest in disclosure.

The full text of the legislation can be found on the following link;  
<https://www.legislation.gov.uk/ukpga/2000/36/section/21>

To comply with our duty to provide advice and assistance in accordance with section 16 of the FOIA please see the link below;

[https://www.gov.uk/government/statistics?keywords=help+to+buy&taxons%5B%5D=all&departments%5B%5D=all&from\\_date=&to\\_date=](https://www.gov.uk/government/statistics?keywords=help+to+buy&taxons%5B%5D=all&departments%5B%5D=all&from_date=&to_date=)

**6. What is the total value of the Help to buy loans up to May 22, 2019?**

Section 44 – Prohibitions on disclosure

We can confirm that we do hold information that falls within this part of your request. This information forms part of National Statistics. Therefore it cannot be disclosed in advance of the publication of National Statistics. This is specifically provided for under section 44(1)(a) of the FOIA as the disclosure is prohibited under any enactment. The relevant enactment for this information is the Statistics and Registration Service Act 2007.

Section 44 is an absolute exemption. This means that we do not have to consider the public interest in disclosure. The full text of the exemption in the legislation can be found on the following link:  
<https://www.legislation.gov.uk/ukpga/2000/36/section/44>

To comply with our duty to provide advice and assistance in accordance with section 16 of the FOIA please see the link below which is where the information will be published once it has been formally ratified by government:

[https://www.gov.uk/government/statistics?keywords=help+to+buy&taxons%5B%5D=all&departments%5B%5D=all&from\\_date=&to\\_date=](https://www.gov.uk/government/statistics?keywords=help+to+buy&taxons%5B%5D=all&departments%5B%5D=all&from_date=&to_date=)

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### **Discretionary Disclosure (outside of FOIA)**

Discretionary Disclosure regarding the above:

- 2. Why did the government replace the previous administrator, Metropolitan Housing, with Target in September 2016?**

The contract was for an initial term of 2 years and was not extended after the two year period expired. A competitive tender process was therefore undertaken and Target was awarded the contract.

### **Right to Appeal**

If you are not happy with the information that has been provided or the way in which your request has been handled you may request an internal review by writing to;

The Information Access Team  
Homes England – 6<sup>th</sup> Floor  
Windsor House  
50 Victoria Street  
London  
SW1H 0TL

Or by email to [foi@homesengland.gov.uk](mailto:foi@homesengland.gov.uk)

You may also complain to the Information Commissioner however, the Information Commissioner does usually expect the internal review procedure to be exhausted in the first instance.

The Information Commissioner's details can be found via the following link

<https://ico.org.uk/>

Please note that the contents of your request and this response are also subject to the Freedom of Information Act 2000. Homes England may be required to disclose your request and our response accordingly.

Yours sincerely,  
**Information Access Team**  
For Homes England