

Date: 04/09/2019
Our Ref: RFI2751
Your Ref: FOI Request – Help to Buy Redemptions
Tel: 0300 1234 500
Email: foi@homesengland.gov.uk



Homes
England

██████████
By Email Only

Windsor House
Homes England – 6th Floor
50 Victoria Street
London
SW1H 0TL

Dear ██████████

RE: Request for Information – RFI2751

Thank you for your recent email, which was processed under the Freedom of Information Act 2000 (FOIA). For clarification, you requested the following information:

I am currently looking into the effect of Help To Buy redemptions on the future stability of the housing market and wondered if you have following statistics available;

- 1. The number of Help To Buy Loans not being redeemed before to the end of the five year interest free period (i.e. the number of people having to pay interest on their Help To Buy Loan).*
- 2. The geographical areas where people are having to pay the interest on Help To Buy loans once they have gone over the five year interest free period.*
- 3. The number of Help To Buy Loans made on a developer/development basis.*
- 4. The percentage of Help To Buy loans on a development (i.e. what is the percentage of Help To Buy purchases on a given new development vs people buying without Help To Buy assistance).*

Response

We can confirm that we do hold some of the requested information. We will address each of your points in turn.

- 1. The number of Help To Buy Loans not being redeemed before to the end of the five year interest free period (i.e. the number of people having to pay interest on their Help To Buy Loan).***

We are able to inform you that we do hold the information that you have requested. However, we rely on section 22 of the FOIA, which provides an exemption where information is intended for future publication.

The full text of the legislation can be found on the following link and we have quoted section 22 below for ease of reference.

<https://www.legislation.gov.uk/ukpga/2000/36/section/22>

Section 22 - Information intended for future publication.

(1) Information is exempt information if:

- (a) the information is held by the public authority with a view to its publication, by the authority or any other person, at some future date (whether determined or not),
- (b) the information was already held with a view to such publication at the time when the request for information was made, and
- (c) it is reasonable in all the circumstances that the information should be withheld from disclosure until the date referred to in paragraph (a).

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(2) The duty to confirm or deny does not arise if, or to the extent that, compliance with section 1(1)(a) would involve the disclosure of any information (whether or not already recorded) which falls within subsection (1).

Section 22 is a qualified exemption. This means that in order 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 can confirm that the information requested will be published. Help to Buy: Equity Loan redemptions data has not been published to date, so it is proposed that there will be an initial one-off publication that will cover data from April 2013 to March 2019.

It is reasonable in the circumstances that this information is withheld from disclosure until the date of the initial one-off publication, which will take place in the short-term future once the data to be disclosed has been checked and verified for accuracy. It would not be in the public interest if the data were to be disclosed before it has been formally approved and ratified for publication, as this would undermine public credibility in the Government statistics and announcements.

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

2. *The geographical areas where people are having to pay the interest on Help To Buy loans once they have gone over the five year interest free period.*

As at the end of July 2019 there were 13,614 Help to Buy loans that had not been redeemed and had reached their fifth anniversary, meaning that those borrowers had to pay interest. The geographical areas are as follows:

Help to Buy Scheme

Region	Number of Live Accounts >60 Months
East Midlands	1521
East of England	1539
London	681
North East	1132
North West	2014
South East	1974

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South West	1607
West Midlands	1619
Yorkshire and The Humber	1527
Grand Total	13614

3. *The number of Help To Buy Loans made on a developer/development basis*

Section 43 - Commercial interests

The information requested relating to individual developers/developments 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 in order 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 to release this information would prejudice both Homes England and the third parties concerned. If the information were in the public domain, house builders could gain advantage by using the published data to make inaccurate forecast requests to Homes England. This would lead to Homes England making sub-optimal decisions regarding builder forecasts approvals. This would be an inefficient and wasteful allocation of taxpayer funding. There would be a high and direct likelihood of this impacting Homes England, the taxpayer and potential Help to Buy purchasers.

Disclosing builder-specific developer legal completion data would allow house builders to distort the forecast submission procedure. The effect of this would be detrimental to genuine allocations of resources and funding. For example, a builder could be given a higher forecast than local demand conditions justify. This would mean that in other higher demand areas there may be builders with insufficient forecast because forecast is tied up inefficiently with others. Homes England's commercial ability to operate in the market would be severely compromised by the release of this data. Homes England's forecast approval procedures would not operate efficiently damaging the interests of the public purse and potential purchasers of homes under Help to Buy.

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

The full text of in the legislation can be found on the following link:

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

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Separately, we consider there is a real risk that this data may be market sensitive and impact on the share price of housebuilder companies and developers where these are listed on the Stock Exchange. The disclosure of market sensitive information would be contrary to Article 14(c) of the Market Abuse Regulation, which prohibits a person from unlawfully disclosing inside information. Section 44(1) FOIA exempts from disclosure information whose disclosure is prohibited under any enactment. This is an absolute exemption and there is no requirement to apply the public interest test.

4. *The percentage of Help To Buy loans on a development (i.e. what is the percentage of Help To Buy purchases on a given new development vs [percentage of] people buying without Help To Buy assistance).*

I am able to confirm, following enquires made of our Help to Buy team that Homes England does not hold the information detailed in your request.

The FOIA does not oblige a public authority to create information to answer a request if the requested information is not held. The duty under section 1(1) is only to provide the recorded information held.

The full text of section 1 in the legislation can be found here:

<https://www.legislation.gov.uk/ukpga/2000/36/section/1>

Advice and Assistance

We have a duty to provide advice and assistance in accordance with Section 16 of the FOIA. As such, we can advise that we do not hold this information because we do not record the total market sale of homes. Help to Buy properties are a proportion of these. Further data regarding the Help to Buy scheme which may be useful can be found in the following publication:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751359/Evaluation_of_the_Help_to_Buy_equity_loan_scheme_2017.pdf

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 – 6th Floor
Windsor House
50 Victoria Street
London
SW1H 0TL

Or by email to 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.

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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