



Homes
England

Date: 9 March 2022

Our Ref: RFI3751

Tel: 0300 1234 500

Email: infogov@homesengland.gov.uk

Making homes happen

[REDACTED]
[REDACTED]
By Email only

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

Dear Sir/Madam

RE: Request for Information – RFI3751

Thank you for your request for information which was processed in accordance with the Freedom of Information Act 2000 (FOIA).

You requested the following information:

This is an information request relating to losses and special payments

Please include the information for each of the following periods; 2018-19, 2019-20 and 2020-21:

- . The total number of cases of losses in each year.*
- . The total cost of losses in each year.*
- . An itemisation of each loss including what it was for and how much it cost.*
- . The total number of special payments in each year.*
- . The total value of special payments in each year.*
- . An itemisation of each special payment including what it was for and how much it cost.*

Response

We can confirm that we do hold some of the information requested. We will address each of your questions in turn (our numbering added for ease).

- 1) The total number of cases of losses in each year.**
- 2) The total cost of losses in each year.**

We can inform you that we do hold the information that you have requested. However, we rely on section 21, exemption where information is available to the applicant elsewhere.

The full text of the legislation can be found on the following link and we have quoted section 21 below for ease.

<https://www.legislation.gov.uk/ukpga/2000/36/section/21>

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21 - Information accessible to applicant by other means.

(1) Information which is reasonably accessible to the applicant otherwise than under section 1 is exempt information.

(2) For the purposes of subsection (1)—

(a) information may be reasonably accessible to the applicant even though it is accessible only on payment, and

(b) information is to be taken to be reasonably accessible to the applicant if it is information which the public authority or any other person is obliged by or under any enactment to communicate (otherwise than by making the information available for inspection) to members of the public on request, whether free of charge or on payment.

(3) For the purposes of subsection (1), information which is held by a public authority and does not fall within subsection (2)(b) is not to be regarded as reasonably accessible to the applicant merely because the information is available from the public authority itself on request, unless the information is made available in accordance with the authority's publication scheme and any payment required is specified in, or determined in accordance with, the scheme.

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 losses and special payment information is published in our Annual Reports, which provide the total number and cost of losses in each financial year. The Annual reports for the time periods specified can all be found via the below link:

[A list of Homes England's Annual Reports & Financial Statements. - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/homes-england-annual-reports-and-financial-statements)

3) An itemisation of each loss including what it was for and how much it cost.

4) The total number of special payments in each year.

5) The total value of special payments in each year.

6) An itemisation of each special payment including what it was for and how much it cost.

We can confirm that we do hold information in this scope. The information requested in questions 3-6 of your request is contained in our Register of Losses and Special Payments. We hold a register for each of the financial years detailed in your request. Therefore, please find attached the following Annexes:

Annex A: Register of Losses and Special Payments; Financial Year 2018-2019

Annex B: Register of Losses and Special Payments; Financial Year 2019-2020

Annex C: Register of Losses and Special Payments; Financial Year 2020-2021



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Some of the information contained within each Register has been withheld from disclosure under the following FOIA exemptions:

Section 40 – Personal information

We have redacted information on the grounds that it constitutes third party personal data and therefore engages section 4(2) of the FOIA.

To disclose personal data, such as names, contact details, addresses, email addresses and personal opinions could lead to the identification of third parties and would breach one or more of the data protection principles.

Section 40 is an absolute exemption which means that we do not need to consider the public interest in disclosure. Once it is established that the information is personal data of a third party and release would breach one or more of the data protection principles, then the exemption is engaged.

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

<https://www.legislation.gov.uk/ukpga/2000/36/section/40>

Section 43 - Commercial interests

Under section 43(2) Homes England is not obliged to disclose information that would, or would be likely to, prejudice the commercial interests of any party.

Some of the information requested relating to financial losses and delegation amounts engages section 43(2) of the FOIA as it is commercial in nature and its release would be likely to prejudice the commercial interests of Homes England and other interested parties to the information.

Homes England has identified that the information requested, if released, would be likely to prejudice the effective operation of our funding programmes.

Section 43 is a qualified exemption. This means that once we have decided that the exemption is engaged, Homes England must carry out a public interest test to assess whether or not it is in the wider public interest for the information to be disclosed.

Arguments in favour of disclosure:

- Homes England acknowledges there is a general public interest in promoting accountability, transparency, public understanding and involvement in how Homes England undertakes its work and how it spends public money; and
- Homes England acknowledge there is a public interest in ensuring value for public money and that appropriate auditing of accounts takes place.



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Arguments in favour of withholding:

- Disclosure of information would reveal confidential financial information of third parties which would in turn directly affect their commercial interests;
- It would not be in the public interest to release information which would undermine Homes England's ability to achieve the best value for the public purse. We provide development finance to developers of all sizes, as well as investing in partnerships and joint ventures to increase the pace and scale of our partners' delivery and generate value for public money. To release this information would hinder our ability to negotiate the best possible deal for similar matters in the future as it would undermine confidence in Homes England by the wider industry, which would deter businesses from approaching us with proposals if they felt their sensitive commercial information would be released. Homes England needs to attract the developers who will apply the funding we have provided to deliver the homes that the market needs. Developers would be deterred from working with us and accessing our funding if they thought that their sensitive commercial and financial information would be disclosed. That would not be in the public interest;
- The interests of the third parties involved would also be affected by disclosure. If released, their interests would be adversely affected as it could be used against them in negotiations for similar matters as other parties would have this prior knowledge of their financial information. To release this information would undermine future negotiations for Homes England and for the impacted third party as it would reveal what has been agreed in these instances which could be used as a basis for obtaining an unfair advantage by other third parties. It is not in the public interest to hinder Homes England or a third party's ability to conduct business in a competitive market;
- Disclosure would reveal detail of active cases where Homes England is currently negotiating with our counterparties. If this detail were in the public domain it would compromise Homes England's ability to negotiate a best outcome regarding recovery, which would negatively affect the public purse; and
- Disclosure of delegation limits would prejudice the ability of Homes England to manage and control our risk appetite; balancing our legal obligations with the strategic plan outlined to us by Government. It would also be likely to prejudice the role of Homes England's accounting officer in fulfilling their statutory role to Government. This would not be in the public interest as it would prejudice the public purse.

Having considered the arguments for and against disclosure of the information, we have concluded that at this time, the balance of the public interest favours non-disclosure.

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

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

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. You can request an internal review by writing to Homes England via the details below, quoting the reference number at the top of this letter.

Email: infogov@homesengland.gov.uk



Homes
England

Making homes happen

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Email: infogov@homesengland.gov.uk

The Information Governance Team
Homes England – 6th Floor
Windsor House
50 Victoria Street
London
SW1H 0TL

Your request for review must be made in writing, explain why you wish to appeal, and be received within 40 working days of the date of this response. Failure to meet this criteria may lead to your request being refused.

Upon receipt, your request for review will be passed to an independent party not involved in your original request. We aim to issue a response within 20 working days.

You may also complain to the Information Commissioner's Office (ICO) 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,

The Information Governance Team
For Homes England

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Homes England
Register of losses and special payments
2018/19

Rounded:	11,810	107
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Transaction	Description	Type	Amount (£)	Number	Comments	Approval
Reportable losses - loans/receivables		Losses	11,749,275	7	See attached summary.	
Sales ledger bad debts		Receivable w/off	50,371	21	See attached list	
IRS loans	Write-offs of small balances, mainly due to correction of interest calculation in IRS	Receivable w/off	196	2	See attached list	
IT equipment losses		Loss	10,229	77	See attached list	
Totals:			11,810,071	107		

Reportable losses
2018/19

	Total	GBB	Kickstart	Custom Build	STF	Other	Notes	Disclose?	Amount
<div style="display: flex; justify-content: space-between;"> <div style="width: 40%; background-color: black; color: white; padding: 20px; font-size: 48px; font-weight: bold;">S. 43</div> <div style="width: 55%; background-color: black; color: white; padding: 20px; font-size: 48px; font-weight: bold;">S. 43</div> </div>									
	27,095,931	24,923,568	-	2,172,363	-	-			11,644,457

Possible losses

S. 43

This may lead to a bad debt provision but may not be an actual loss since there may be a prospect of recovery anyway given the value of the property attached.

Debtors write-offs
2017/18

Customer	Amount (£)
See table summary	

<i>Analysis for losses and special payments:</i>		<i>Items</i>	<i>£</i>
Totals		22	63,985
Trading debts		18	48,969
Season ticket loans		3	1,402
GBB		1	3,614
		22	63,985

Further detail included within --> [S. 43](#)

To be excluded as included with loan write-off disclosure

Final disclosure

Trading debts	18	48,969
Season ticket loans	3	1,402
	21	50,371

Blackberry	
1 =£50	50
iPHONE	
3 = £ 1000	1000
Windows phone	
5 = £ 1500	1500
iPAD	
1 = £1000	1000
Ironkey	
4 = £1000	1000
Keyfob	
41 = £2050	2050
Laptop	
3 =£3009	3009
Mobile broadband module	
3 £300	300
Wireless access point	
16 = £320	320
Grand Total	
77	10229

Extracts from HCA Revenue Delegations (revised 2016)

Losses

1. Please refer to Annex 4.10 from Managing Public Money for explanation. Losses is a term that covers (extract from delegations) Losses includes loss of cash or cash equivalents as a result of – fraud; physical loss; book keeping errors; overpayment of pay, allowances, superannuation benefits or grants; fluctuations in exchange rates or revaluation of currencies, loss of accountable stores as a result of fraud or any other cause, constructive losses arising from a lower demand for goods and/or services than assessed at the time they were ordered and paid for, claims that are not pursued when they could be or have been properly made and debt write off.

Special Payments

1. Please refer to Annex 4.13 of Managing Public Money. Special payments, as defined in the Agency's delegations: Special payments include extra-contractual, extra statutory, extra regulatory, compensation and ex gratia payments. These are exceptional in nature and DCLG should be consulted even where delegation exists especially where they concern important questions of principle, effectiveness of existing systems, lessons for wider interest, potential precedent and arise from obscure or ambiguous central instruction.

Delegation limits - losses

DCLG
Executive Director of Finance and Corporate Services or Chief Executive
General Manager, Finance & Performance
DCLG (specified circumstances¹)
Executive Director of Finance and Corporate Services or General Manager, Finance & Performance (specified circumstances¹)

£
s. 43

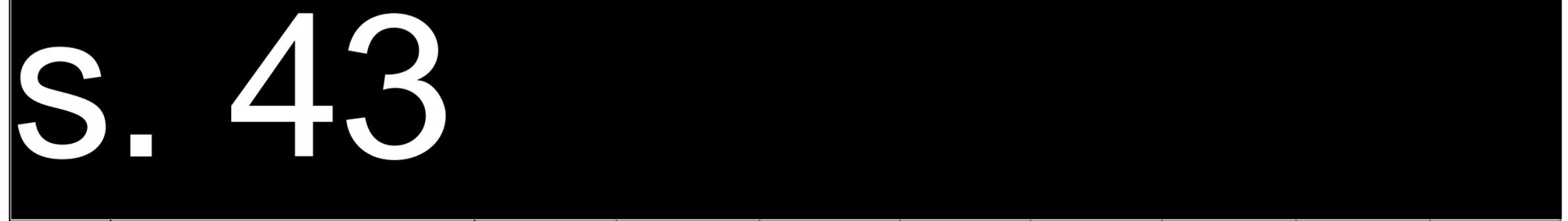
1. Losses arising from overpayment of grant subsidies arising from miscalculations, misinterpretations of Acts, regulations or scheme rules or the full facts not being known.
2. All losses, irrespective of size, must be recorded in the respective HCA's register of losses, special payments and gifts.

Delegation limits - special payments

DCLG
Chief Executive
Executive Director or Chief Operating Officer

£
s. 43

Investment No.	Investment Name	IAS 39 impairment - capital - after the event	IAS 39 impairment - interest - after the event	Total IAS 39 Impairment	Additional write-offs to adjust Opening Position	Modification loss	Total	Additional write-offs in 2018/19	Total
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- 24,127,129.33 - 89,710.02 - 24,216,839.35 - 563,614.19 - 500,402.80 - 25,280,856.34 - 1,815,074.31 - 27,095,930.65

Balance per note	26,492,203.35
Add modification loss	500,402.80
Add interest	103,324.50
Total	27,095,930.65
Variance	- 0.00

Adjustments made at 31 March 2019

PCS Number	Investment No.	Investment Name	Investment Status	Interest Rate at 31 March 2019	Balance at 31 March 2019	Variance - write-off / reversal required
S. 43						

1,351,392.99

Adjustments in year

S. 43						
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463,681.32

Final Summary

PCS Number	Investment No.	Investment Name	Investment Status	Interest Rate at 31 March 2019	Balance at 31 March 2019	Variance - write-off / reversal required
S. 43						

Total net	1,801,459.83
Total written off	2,194,635.39
Total reversed	- 393,175.56
	1,801,459.83
Plus interest	13,614.48
	1,815,074.31

Investment No.	Investment Name	IAS 39 impairment - capital - after the event	IAS 39 impairment - interest - after the event	Total IAS 39 Impairment	Additional write-offs to adjust Opening Position	Modification loss	Total
S. 43							
		-24,127,129.33	-89,710.02	-24,216,839.35	-563,614.19	-500,402.80	-25,280,856.34
							Balance per note - 24,690,743.52
							Add modification loss -500402.7957
							Add interest -89,710.02
							Total - 25,280,856.34
							Variance - 0.00

**Homes England
Register of losses and special payments
2019/20**

Rounded:	54,338	77
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Transaction	Description	Type	Amount (£)	Number	Comments
Reportable losses - loans/receivables	Accounting write-offs or impairments of Loan and receivable assets	Losses	54,049,250	12	See attached summary.
Sales ledger bad debts	Write-offs relating to debtors	Receivable w/off	266,784	14	See attached list
IRS loans (settlement)	Write-offs of small balances, mainly due to correction of interest calculation in IRS on settlement	Receivable w/off	445	6	See attached list
IT equipment losses	Loss of IT equipment	Loss	21,220	45	See attached list
		Totals:	54,337,699	77	

Reportable losses
2019/20

Total	GBB	Kickstart	Custom Build	STF	LTF	Other	Notes	Disclose?	Amount
S. 43									
54,049,250	777,470	-	25,130	21,231,180	32,015,470	-			53,447

Debtors write-offs
2017/18

266,783.98

14

Customer	Amount (£)
S. 43	

Further detail included within ---> S. 43

Final disclosure

Trading debts

266,783.98

14

266783.98

14

Write-offs and overpayments from settlement adjustments to disclose for 2019/20

Settlement Adjustment

6	Investments	Capital	Interest
(445.49)	Written off	(6.78)	(438.71)

Investment Status	Investment No.	PCS Number	Investment Name	Programme	Event Type	Effective Date	Event Created By	Event Recorded Date	Event amount	Write off - cumulative total	Write off - capital - cumulative total	Write off - interest - cumulative total	Outstanding capital balance - after the event	Event Description
s. 43						18/12/2019	s. 40(2)	18/Dec/19	(300.58)	(300.58)	-	(300.58)	-	Interest write off
						22/11/2019		22/Nov/19	(3.60)	(3.60)	-	(3.60)	-	Trivial - not investigated
						21/10/2019		23/Oct/19	£0.00	£0.00	£0.00	£0.00	£0.00	Settlement Adjustment
						24/06/2019		25/Jun/19	(130.37)	(130.37)	-	(130.37)	-	Bank withheld £800k repayment for 1 day for security
						28/05/2019		28/May/19	(4.16)	(4.16)	-	(4.16)	-	Settlement Adjustment
					01/04/2019		01/Apr/19	(6.78)	(6.78)	(6.78)	-	-	Settlement adjustment	
									(445.49)	(445.49)	(6.78)	(438.71)	-	

Blackberry	1	£155.00	£155
Canon Camera EOS80D	1	£500.00	£500
iPhone	9	£380.00	£3,420
iPad	2	£350.00	£700
Laptop	13	£900.00	£11,700
Samsung mobile	10	£260.00	£2,600
Samsung Tablet	1	£705.00	£705
Windows Phone	8	£180.00	£1,440
	45		£21,220

Extracts from HCA Revenue Delegations (revised 2016)

Losses

1. Please refer to Annex 4.10 from Managing Public Money for explanation. Losses is a term that covers (extract from delegations) Losses includes loss of cash or cash equivalents as a result of – fraud; physical loss; book keeping errors; overpayment of pay, allowances, superannuation benefits or grants; fluctuations in exchange rates or revaluation of currencies, loss of accountable stores as a result of fraud or any other cause, constructive losses arising from a lower demand for goods and/or services than assessed at the time they were ordered and paid for, claims that are not pursued when they could be or have been properly made and debt write off.

Special Payments

1. Please refer to Annex 4.13 of Managing Public Money. Special payments, as defined in the Agency's delegations: Special payments include extra-contractual, extra statutory, extra regulatory, compensation and ex gratia payments. These are exceptional in nature and DCLG should be consulted even where delegation exists especially where they concern important questions of principle, effectiveness of existing systems, lessons for wider interest, potential precedent and arise from obscure or ambiguous central instruction.

Delegation limits - losses

DCLG
Executive Director of Finance and Corporate Services or Chief Executive
General Manager, Finance & Performance
DCLG (specified circumstances¹)
Executive Director of Finance and Corporate Services or General Manager, Finance & Performance (specified circumstances¹)

£
s. 43

1. Losses arising from overpayment of grant subsidies arising from miscalculations, misinterpretations of Acts, regulations or scheme rules or the full facts not being known.
2. All losses, irrespective of size, must be recorded in the respective HCA's register of losses, special payments and gifts.

Delegation limits - special payments

DCLG
Chief Executive
Executive Director or Chief Operating Officer

£
s. 43

**Homes England
Register of losses and special payments
2020/21**

Rounded:	3,615	26
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Transaction	Description	Type	Amount (£)	Number	Comments
Reportable losses - loans/receivables	Accounting write-offs or impairments of Loan and receivable assets	Losses	3,458,908	12	See attached summary.
Sales ledger bad debts	Write-offs relating to debtors	Receivable w/off	33,732	5	See attached list
IRS loans (settlement)	Write-offs of small balances, mainly due to correction of interest calculation in IRS on settlement	Receivable w/off	164	4	See attached list
IT equipment losses	Loss of IT equipment	Losses	1,576	3	See attached list
Special Payments		SP	120,708	2	See attached list
		Totals:	3,615,087	26	

Reportable losses
2020/21

	Total	GBB	Kickstart	Custom Build	STF	LTF	Other	Notes	Disclose?	Amount
	3,458,908	157,378	4,232	157,809	335,187	2,550,845	253,457			2,517

There were total amounts written back in the year of £202,825.

2,516,740

Special Payments

First Buy Extra Contractual Payment	61,990
PILON Payment	58,718

Debtors write-offs
2020/21

33,731.72

5

Customer	Amount (£)
S. 43	

S. 43

Final disclosure

Trading debts

33,731.72

5

33731.72

5

Write-offs and overpayments from settlement adjustments to disclose for 2020/21

Investment Status	Investment No.	RCS Number	Investment Name	Programme	Event Type	Effective Date	Event Created By	Event Recorded Date	Event amount	Write off - cumulative total	Write off - capital - cumulative total	Write off - interest - cumulative total	Outstanding capital balance - after the event	Event Description
s. 43														
						11 May 2020	s. 40(2)	06/Sep/20	£(81.99)	£(81.99)	£(81.99)	£(0.00)	£(0.00)	HTB funds received 6 days late
						01 Apr 2020		18/Feb/21	£(53.53)	£(135.52)	£(135.52)	£(0.00)	£(0.00)	Settlement adjustment due to small under-payment
						08 Dec 2020		15/Feb/21	£(28.20)	£(163.72)	£(163.72)	£(0.68)	£(0.68)	LIBOR rates not updated correctly in IRS. IRS calculated residual interest due to this error which was incorrectly capitalised at quarter end following full repayment
						01 Apr 2020		18/Feb/21	£(0.00)	£(163.72)	£(163.72)	£(0.00)	£(0.00)	Settlement adjustment
									(163.72)	(163.72)	(122.56)	(0.68)	-	

4	Investments	Capital	Interest
(163.72)	Written off	(122.56)	(0.68)

1575.62

iPhone 7	£320	320		
Surface Laptop 3	£995.62	995.62		
Samsung phone	£260	260		

Extracts from Homes England Delegations (revised 2020)

DEFINITIONS

Losses

Losses is a term that covers (extract from delegations)

Losses includes loss of cash or cash equivalents as a result of – fraud; physical loss; book keeping errors; overpayment of pay, allowances, superannuation benefits or grants; fluctuations in exchange rates or revaluation of currencies, loss of accountable stores as a result of fraud or any other cause, constructive losses arising from a lower demand for goods and/or services than assessed at the time they were ordered and paid for, claims that are not pursued when they could be or have been properly made and debt write off.

Special Payments

Special payments, as defined in the Agency's delegations:

Special payments include extra-contractual, extra statutory, extra regulatory, compensation and ex gratia payments. Examples include arbitration settlement or proposal to settle litigation by mediation or otherwise or compensation damages (not ordered by court) or compensation for personal injury not covered by insurance, compensation for damage to property to staff or others not legally awarded or exceptional hardship. These are exceptional in nature and MHCLG should be consulted even where delegation exists especially where they concern important questions of principle, effectiveness of existing systems, lessons for wider interest, potential precedent and arise from obscure or ambiguous central instruction. Any settlement proposed regarding contractual obligations or arbitration should first be approved by General Counsel.

Waiver of claim

This category relates to where Homes England has a legitimate claim against a third party but for reasons such as reputation or other factors the Homes England decides to waive the option of pursuing the claim. The delegations for waive of claims are applied with reference to the estimated value of the claim.

DELEGATION LIMITS

Delegation limits - General Losses

MHCLG
Chief Finance Officer or Chief Executive
Director of Finance or General Counsel

£
S. 43

Delegation limits - Investment Loans Losses

Impairments must be agreed by Finance, Credit Risk and Distressed Investments and approved at Investments Projects Executive.

Write offs of investment loans must be approved by Credit Risk and Finance then Investment Projects Executive and finally ISC-I/HMT.

Delegation limits - Help to Buy Losses

Chief Finance Officer or Chief Executive
Director of Finance or General Counsel
Director of Help to Buy

£
S. 43

Losses arising from overpayment of grant subsidies arising from miscalculations, misinterpretations of Acts, regulations or scheme rules or the full facts not being known

MHCLG
Chief Finance Officer or Chief Executive

£
S. 43

Approval to waive claims

MHCLG
Chief Finance Officer or Chief Executive (subject to legal advice from General Counsel)

£
S. 43

Delegation limits - special payments

MHCLG
Chief Executive or CFO or General Counsel
Executive Director

£
S. 43

All special payments agreed by Executive Directors must be reported to the Chief Executive on a monthly basis.

1. All special payments must be recorded in the register of losses, special payments and gifts. Payments made as a result of adverse court judgements or in out-of-court settlements are not subject to the delegation levels above but must still be recorded in the register
2. Any settlement in respect of contractual requirements over the sum above will need a special report including counsels advice prepared by General Counsel for MHCLG legal and Treasury and must cover the balance of risk and chance of winning and repercussive nature of claim.