



Homes
England

Date: 17 May 2022

Our Ref: RFI3848

Tel: 0300 1234 500

Email: infogov@homesengland.gov.uk

Making homes happen

By Email Only

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

Dear [REDACTED]

RE: Request for Information – RFI3848

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:

1) *I previously received a response from Homes England stating that of the Help to Buy homes affected by ACM cladding, 184 had seen their loans redeemed. I understand that of these 38 equity loans were redeemed where less was received than the equity originally lent (the amount lost was £476,410.89, and the remaining 135 loans were redeemed where the amount was equal to or more than the equity amount (gains of £1,011,215.63).*

Could you please provide me with the exact dates for when all of these loans were redeemed? Or if not days, could you provide me with the months?

2) *On 4th August Help to Buy (HTB) guidance moved from being hosted on a separate website to being hosted on the [gov.uk](https://www.gov.uk). In this guidance it stated that surveyors should now take into account the impact dangerous cladding will have on the value of the property before a leaseholder sells or redeems their flat. Before this, Homes England's position to leaseholders was that they could only sell their homes at "unaffected market value", which means at a value that doesn't take into account the impact the cladding will have on the building's overall value.*

*Could you **A)** provide me with the exact date for when that policy changed? **B)** provide me with any internal/external documentation explaining the reason behind the decision?*

3) *Homes England contract Target Servicing Ltd as its mortgage administrator to manage the redemption process and other post-sales administrative processes relating to its equity loan portfolio. Could you provide the following **a)** The total number of staff members working for Target under this contract? **B)** How much Target is paid annually for these services? **C)** Any policy documents or reports outlining Target's performance under this contract?*

4) *Speaking in front of a select committee last year, Homes England chief executive said the following:*

Peter Denton: *The normal process to redeem a Help to Buy loan usually occurs through one of two situations: you sell the home or you redeem the actual Help to Buy loan itself. We have sought to be considerate of the situation with*

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regard to homes that may be impacted by the cladding issues at the moment. If you are selling your home, we have taken the approach that, as long as we are comfortable that it was an arm's length sale, for example, the actual sales prices would be indicative of value as a result of that.

To the specific question you asked about redemption, our view and advice has been that, first of all, we would ideally like to get a RICS valuer for that. We put online specific guidance if you were in a situation of redemption where you had a cladding issue as well and required specialist advice and a valuation approach. We appreciate it is more costly, because you are typically asking for a surveyor who has more specialism in valuation of this type. We have sought to be compassionate with regard to situations like that such as subletting for those people. It is, at the moment, the requirement of the owner of the home to procure that valuation.

We did go out to see if we could put a framework together from our existing valuation framework of valuers that might be prepared to get involved in these situations. Given the continuing issue, as I am sure you know, with regard to professional indemnity insurance, it is proving quite hard here to persuade enough valuers to be on board. Peter and I have asked the team to start looking at what we might be able to do with regard to a full procured framework for specialist valuers that can assist people in these regards.

In the situation where someone is wishing to redeem, when we first started having these situations, certainly before March this year, Target, which manages a lot of the administrative work for us, recognised that it needed to move towards implementing new processes around cladding situations and give specialist training. We believe that, since we introduced that training in March, there have been no material issues in the circa 80 clients that, as we understand it, have been caught up in that process since March 2021.

Could you A) Provide me with any information on whether work has started to procure a full framework and if so, any details on its progress?

B) Provide me with any documentation outlining Target's new processes?

C) Provide me with the number of Target staff that have gone through the training and any documentation outlining what the training involves?

D) Explain what is meant when Mr Denton says clients caught up in that process? I.e) does this mean customers living in cladding affected blocks?

C) What is the latest estimate for people caught up in the process up to the latest date the figure was recorded?

Response

We can inform you that we do hold the information that you have requested. However, to comply with your request would exceed the appropriate limit for the cost of compliance. We therefore rely on section 12, exemption where the cost of compliance exceeds the appropriate limit under the FOIA.

The full text of the legislation can be found on the following link and we have quoted section 12 below for ease.

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

Section 12 - Exemption where cost of compliance exceeds appropriate limit

(1) Section 1(1) does not oblige a public authority to comply with a request for information if the authority estimates that the cost of complying with the request would exceed the appropriate limit.



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(2) Subsection (1) does not exempt the public authority from its obligation to comply with paragraph (a) of section 1(1) unless the estimated cost of complying with that paragraph alone would exceed the appropriate limit.

(3) In subsections (1) and (2) "the appropriate limit" means such amount as may be prescribed, and different amounts may be prescribed in relation to different cases.

(4) The Minister for the Cabinet Office may by regulations provide that, in such circumstances as may be prescribed, where two or more requests for information are made to a public authority:

(a) by one person, or

(b) by different persons who appear to the public authority to be acting in concert or in pursuance of a campaign, the estimated cost of complying with any of the requests is to be taken to be the estimated total cost of complying with all of them.

(5) The Minister for the Cabinet Office may by regulations make provision for the purposes of this section as to the costs to be estimated and as to the manner in which they are to be estimated.

We have considered the current wording of your request and in its current scope we have determined that to establish where all elements of the information is held, to locate the information, retrieving the information and extracting the information would exceed the appropriate limit in terms of timeframes.

Under the terms of the Act we are not obliged to provide any information compiled in the course of our searches prior to concluding section 12 is engaged.

Advice and Assistance

In compliance with the Section 45 Code of Practice (Paragraph 2.10) and to offer advice and assistance under section 16 of the Freedom of Information Act 2000, you may wish to consider narrowing the scope of your request.

We can advise that the cost limit is reached as the information in relation to redemption applications in properties affected by cladding issues is not already collated as part of our engagement with Help to Buy (HTB) customers. Therefore, to collate the information you are seeking we would have to individually examine each property identified as having ACM cladding over the entirety of the HTB scheme and manually confirm each question you have asked in relation to redemption status of that property. You could refine your request to be under the cost limit by requesting information for specific geographical areas or properties or specifying a smaller time period for the information.

Please note that due to the broad scope of your request we cannot confirm that any further request would not also exceed the section 12 cost limit at this time.

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.



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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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