

## **Appendix A – Instrument of delegation – Help to Buy equity loan scheme programme**

### **INSTRUMENT OF DELEGATION**

#### **MAYORAL DELEGATION TO HOMES ENGLAND'S ACCOUNTING OFFICER IN RESPECT OF THE 'Help to Buy equity loan scheme 2021-23'**

##### **Background**

1. The Help to Buy equity loan scheme 2021-23 is a programme of equity loans for home-purchasers of new build property "(the Programme)". It succeeds the 2013-21 Help to Buy scheme, which is governed by a separate previous delegation).
2. It has been agreed with HM Treasury, the Ministry of Housing Communities and Local Government (MHCLG) and Homes England that Homes England will run the Programme in London until 31 March 2024. Due to the long-term nature of holding equity loans this will also involve Homes England being able to hold such loans until 31 March 2055 (the related post-sales administration of which is governed by a separate delegation).
3. By virtue of the Localism Act 2011 Homes England's powers to operate in Greater London have ended and the GLA is undertaking Homes England's former role in the Capital using its general and subsidiary powers under sections 30 and 34 of the Greater London Authority Act 1999 ("the GLA Act", as amended), which are exercisable by the Mayor.
4. Homes England and GLA have agreed that Homes England should deliver and operate the Programme in Greater London as described above. Homes England is a body to whom the Mayor may authorise to exercise the GLA's powers under section 38 of the GLA Act and so the Mayor has agreed to delegate his legal powers to Homes England for that purpose.

##### **Delegation**

5. Accordingly, under Section 38(1) of the GLA Act I authorise Homes England to exercise such of the GLA's powers under sections 30 and 34 of the GLA Act as it considers necessary or expedient for the purpose of undertaking or continuing all or any of the activities required for the delivery of the Programme in Greater London, including (without limitation):
  - to hold, and administer equity loans for the purposes of the Programme in London;
  - to manage the Programme in London in accordance with the Homes England's standard agreements, contracts and guides etc used for the national (England) programme save for the product-specific differences for London e.g. 40% loan for Help to Buy and the £600,000 price cap;
  - working with MHCLG, to ensure that the Programme best meets the unique circumstances of the London housing market (noting that high level policy development is a matter for MHCLG not Homes England;
  - to procure and contract with as many Help to Buy Agents as the Homes England feels is necessary to provide a pre-sales administration service until 31 March 2024 and to renew and re-procure that/those contract(s) as and when Homes England feels appropriate;

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- to repay any fees and receipts back to MHCLG;
  - to contract and manage with a Mortgage Administrator contractor to provide a post-sales administration service for all Programme equity loans until 31 March 2025; and
  - to procure and contract with a Mortgage Administrator contractor to provide a post-sales administration service post 31 March 2025 and to renew and re-procure that contract as and when Homes England feels appropriate.
6. The powers conferred by this Delegation are supplemental and without prejudice to any functions the Homes England otherwise has at common law or under any relevant legislation.

### Conditions

7. The authorisation conferred by paragraph 5 above to Homes England is made subject to the following conditions:
- a) Insofar as it is permissible in law to do so, Homes England must arrange for its Accounting Officer to be responsible for exercising all of the functions specified in and conferred by this Delegation.
  - b) That Homes England complies with the requirements of section 31 of the Housing and Regeneration Act 2008, in the circumstances prescribed by that section.
  - c) That Homes England will operate the scheme in a manner agreed with the GLA.
  - d) Homes England will carry out its activities under this delegation in compliance with the Public Sector Equality Duty, contained in section 149 of the Equality Act 2010.
  - e) Homes England will report progress on the scheme in London to the GLA on a monthly basis. To include:
    - i. Copies of the standard Management Information pack produced at least quarterly by Homes England showing progress in (as applicable) new loan sales, redemptions and interest recovery.
  - f) GLA will use published official statistics to monitor progress at local authority level e.g. <https://www.gov.uk/government/collections/help-to-buy-equity-loan-and-newbuy-statistics>
  - g) The delegation relating to the operating of the Programme will end on 31 March 2024, unless it is agreed by the Mayor to terminate the delegation at an earlier date or to extend it to a later date.

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- h) The delegation relating to the holding of Help to Buy equity loans will end on 31 March 2055, unless it is agreed by the Mayor to terminate the delegation at an earlier date or to extend it to a later date.
- i) Homes England will ensure that Help to Buy 2021-23 will only be sold to first time buyers meeting the published criteria. Homes England will do this by way of securing the signed legal declaration from applicant purchasers on the Property Information Form and the undertakings from purchasers' conveyancers.
  - i. As part of the London Help to Buy product GLA, Homes England and MHCLG will work together to identify other changes that could be made to ensure the product is best suited to the specific circumstances of the London housing market. It is acknowledged that any changes will need the support of main mortgage lenders and house builders, and have due regard for protection of home purchasers, before they can be considered for implementation.
- j) No costs incurred in the implementation of this Delegation shall be borne by the GLA.
- k) Homes England shall at all times afford the member of staff designated from time to time as the GLA's Monitoring Officer all reasonable co-operation and access to documents and facilities as may be required from time to time in respect of that person's duties as Monitoring Officer under section 5(2) of the Local Government and Housing Act 1989 (as substituted by section 73(6) of the GLA Act).

Signed



Mayor of London

Date

2/3/24

