

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

### **INSTRUMENT OF DELEGATION**

#### **MAYORAL DELEGATION TO THE HOMES AND COMMUNITIES AGENCY'S ACCOUNTING OFFICER IN RESPECT OF THE 'Help to Buy equity loan scheme'**

##### **Background**

1. The Help to Buy equity loan scheme is a programme of equity loans for home-purchasers of new build property.
2. It has been agreed with HM Treasury, the Department for Communities and Local Government ("DCLG") and the HCA that the HCA will run this scheme in London until 31 March 2021. Due to the long-term nature of holding equity loans this element of the delegation will continue until 31 March 2046.
3. By virtue of the Localism Act 2011 from 1 April 2012 the HCA's powers to operate in Greater London have ended and the GLA is undertaking the HCA'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. The HCA and GLA have agreed that the HCA should deliver and operate the Programme in Greater London as described above. The HCA 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 the HCA for that purpose.

##### **Delegation**

5. Accordingly, under Section 38(1) of the GLA Act I authorise the HCA 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 Help to Buy in London;
  - to manage the Help to Buy equity loan scheme in London in accordance with the process agreed with the GLA;
  - working with DCLG, to ensure that the scheme best meets the unique circumstances of the London housing market (noting that high level policy development is a matter for DCLG not HCA);
  - to procure and contract with as many Help to Buy Agents as the HCA feels is necessary to provide a pre-sales administration service until 31 March 2022 and to renew and re-procure that/those contract(s) as and when the HCA feels appropriate;
  - to repay any fees and receipts back to DCLG;
  - to contract and manage with a Mortgage Administrator contractor to provide a post-sales administration service for all Help to Buy equity loans until 31 March 2021; and

- to procure and contract with a Mortgage Administrator contractor to provide a post-sales administration service post 31 March 2021 and to renew and re-procure that contract as and when the HCA feels appropriate.
6. The powers conferred by this Delegation are supplemental and without prejudice to any functions the HCA otherwise has at common law or under any relevant legislation.

## Conditions

7. The authorisation conferred by paragraph 5 above to the HCA is made subject to the following conditions:
- a) Insofar as it is permissible in law to do so, the HCA must arrange for its Accounting Officer to be responsible, under delegated authority from the HCA, for exercising all of the functions specified in and conferred by this Delegation;
  - b) That the HCA complies with the requirements of section 31 of the Housing and Regeneration Act 2008, in the circumstances prescribed by that section.
  - c) That the HCA will operate the scheme in a manner agreed with the GLA.
  - d) The HCA 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) The HCA will report progress on the scheme in London to the GLA on a monthly basis. To include:
    - i. Copies of all regular reports created in relation to the Help to Buy equity loan scheme provided internally to HCA programme board (or similar meetings).
    - ii. Copies of agendas and minutes of quarterly meetings with the Help to Buy agent covering London.
  - f) GLA will use published official statistics to monitor progress at local authority level e.g.  
<https://www.gov.uk/government/statistics/help-to-buy-equity-loan-scheme-and-help-to-buy-newbuy-statistics-april-2013-to-september-2015>  
<http://opendatacommunities.org/def/concept/folders/themes/housing-market>
  - g) The delegation relating to the operating of the programme will end on 31 March 2022, unless it is agreed by the Mayor to terminate the delegation at an earlier date or to extend it to a later date.
  - h) The delegation relating to the holding of Help to Buy equity loans will end on 31 March 2046, unless it is agreed by the Mayor to terminate the delegation at an earlier date or to extend it to a later date.
  - i) The HCA will ensure that all properties purchased through Help to Buy will be the only residence of purchasers and that Help to Buy does not assist buy-to-let investors or those who will own any property other than their Help to Buy property after completing their purchase. HCA 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, HCA and DCLG 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) The HCA 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



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Boris Johnson

Mayor of London

Date

31 MARCH 2016



## **INSTRUMENT OF DELEGATION**

### **MAYORAL DELEGATION TO THE HOMES AND COMMUNITIES AGENCY'S ACCOUNTING OFFICER IN RESPECT OF THE 'Administration of the equity loan post sales programme'**

#### **Background**

1. The equity loans in Greater London were provided to home buyers to enable them to access low cost home ownership in the capital. Each recipient of these loans is legally obliged to repay their loan when the property is sold or by the end of the loan agreement term, typically 25 years.
2. By virtue of the Localism Act 2011 from 1 April 2012 the HCA's powers to operate in Greater London have ended and the GLA is undertaking the HCA'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.
3. The Mayor and the HCA have agreed that the HCA should continue to undertake its activities in relation to the administration of these equity loans in Greater London.
4. The HCA 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 the HCA for that purpose. The delegation of powers itself is extended from 31 July 2016 until the 31 March 2046 under this decision.

#### **Delegation**

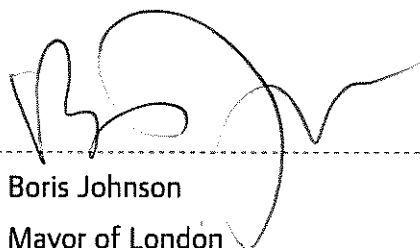
5. Accordingly, under Section 38(1) of the GLA Act I authorise the HCA to exercise such of the GLA's powers under sections 30 and 34 of the GLA Act as it considers necessary or expedient for the purpose of undertaking or continuing all or any of the activities required for the administration of the equity loan post sales programme in Greater London, including (without limitation):
  - to manage the administration in London in accordance with the process agreed with the GLA;
  - to procure and contract with as many agents as the HCA feels is necessary to provide a post sales administration service post 31 March 2014 and to renew and re-procure that/those contract(s) as and when the HCA feels appropriate;
  - to contract and manage with an agent to provide a post sales administration service for all equity loans in London until 31 July 2016;
  - to repay any eligible fees and receipts back to GLA in accordance with arrangements agreed with the DCLG.
6. The powers conferred by this Delegation are supplemental and without prejudice to any functions the HCA otherwise has at common law or under any relevant legislation.

#### **Conditions**

7. The authorisation conferred by paragraph 5 above to the HCA is made subject to the following conditions:
  - a) Insofar as it is permissible in law to do so, the HCA must arrange for its Accounting Officer to be responsible, under delegated authority from the HCA, for exercising all of the functions specified in and conferred by this Delegation;

- b) That the HCA complies with the requirements of section 31 of the Housing and Regeneration Act 2008, in the circumstances prescribed by that section.
- c) The HCA 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
- d) That the HCA will operate the administration in a manner agreed with the GLA and in accordance with HCA's Mortgage Administrator contract terms issued in HCA's 2015-16 procurement of its administrator contractor.
- e) The HCA will report on the performance of the portfolio of equity loans in London to the GLA on a quarterly basis.
- f) The delegation relating to the administration of the programme will end on 31 March 2046, unless it is agreed by the Mayor to terminate the delegation at an earlier date or to extend it to a later date.
- g) No costs incurred in the implementation of this Delegation shall be borne by the GLA, save for where the GLA is required to contribute its proportion of the costs of the HCA's national contract to administer the equity loans.
- h) The HCA will charge the GLA based upon the proportion of the annual fee agreed between the HCA and their appointed post Mortgage Administrator equivalent to the proportion of London properties within the administrator's management at the start of the financial year. The HCA will invoice GLA this fee each October.
- h) The HCA 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



Boris Johnson  
Mayor of London

Date

31 MARCH 2016