

KEY WORKER LIVING (KWL) SCHEME

Key Worker Living Scheme is a government led initiative designed to assist frontline key workers, particularly in the health and education sectors, whose services are essential to local communities and who need to live within a reasonable “travel to work” distance of those communities.

Key Worker Status was expanded on 20 Sep 06 to include Regular Armed Forces personnel (including MPGS), MOD Police, Defence Fire Service and clinical staff in MOD medical establishments of all personal status categories. Inclusion in the KWL programme has given Service personnel a hitherto unavailable method of gaining access to affordable housing across all English regions.

The following shared equity products are available under this scheme. It should be noted that when any property purchased with one of these products is sold the equity loan provider will be entitled to a percentage share of any increase in the value of the property.

New Build Homebuy. Under this scheme purchasers can buy between 25% and 75% of a new build property (depending on what they can afford) on a leasehold basis.

Open Market Homebuy. This scheme enables key workers and other priority first time buyers to buy a property of their choice on the open market with the help of an equity loan. On 1 April 2008 the options available under Open Market Homebuy were changed and below are the details of the 2 current Open Market Homebuy products:

Ownhome. This is a partnership between the Co-operative Bank and Places for People, a property management and development company, and is available across the whole of England. The product consists of 2 parts – a loan and a mortgage.

MyChoiceHomebuy. This enables applicants to apply for a mortgage with any lender they choose. The scheme would provide them with up to 50% of the value of the property as an equity loan. The remainder would be funded through a conventional mortgage with a Financial Services Authority regulated lender.

Intermediate Rent Scheme. As well as being eligible for the shared equity schemes, Key Workers are also eligible for the Intermediate Rent Scheme. This is where accommodation is provided by a registered social landlord and the rent for a property is set at a level between that charged by social and private landlords.

First Time Buyers Initiative (FTBI). Individuals that are eligible for home ownership options under KWL can also get priority access to a new scheme called the First Time Buyers Initiative (FTBI). FTBI aims to give more people the opportunity to own their own homes by increasing the supply of affordable housing for sale.

Eligibility.

Open Market Homebuy and New Build Homebuy. Personnel wishing to be considered for Key Worker status under these schemes must fulfil the following eligibility criteria:

Must be a member one of the following; Regular Service, MPGS, MOD Clinical Staff (excluding doctors and dentists), MOD Police, Uniformed staff in Defence Fire Service.

Must have completed Phase 1 training.

Household income must be below £60k per annum.

Applicant's permanent duty station must be located in England.

The prospective property must be within "reasonable travelling distance" of their permanent place of duty, as a guide this would normally be within 50 miles or 90 minutes travelling time.

Must be a first time buyer or have a requirement to move home to meet their household needs (the existing property would have to be sold).

Intermediate Rent Scheme. The above criteria applies with the following variations:

In addition to the listed roles Full Time Reserve Service (Full Commitment) also get access to the Intermediate Rent Scheme.

Individuals need not have completed their Phase 1 Training.

First Time Buyers Initiative. Personnel wishing to be considered for Key Worker status under this scheme must fulfil the following eligibility criteria:

Must be a member one of the following; Regular Service, MPGS, MOD Clinical Staff (excluding doctors and dentists), MOD Police, Uniformed staff in Defence Fire Service.

Must have completed Phase 1 training.

The limit on household income varies from region to region, for precise details contact the local Homebuy Agent.

Applicant's permanent duty station must be located in England.

The prospective property must be within "reasonable travelling distance" of their permanent place of duty, as a guide this would normally be within 50 miles or 90 minutes travelling time.

Must be a first time buyer or have a requirement to move home to meet their household needs (the existing property would have to be sold).

Other factors are:

Repayment of the Equity Loan. It is necessary to repay the equity loan if the property is sold or if a mortgage secured on it is redeemed.

Sub-letting. Shared ownership leases must prohibit sub-letting by the leaseholder to protect public funds and ensure applicants are not entering shared ownership for commercial gain. However the housing association may consider, on a case-by-case basis, requests to sub-let in certain controlled circumstances. It is the housing association's decision as to whether they agree to the request and permit sub-letting.

Long Service Advance of Pay (LSAP). LSAP can be used in conjunction with the KWL programme.

Applications. The KWL programme is run on behalf of the Government by "Homebuy Agents", these are housing associations (otherwise known as Registered Social Landlords or RSLs) who run the KWL programme in their area of the country. "HomeBuy Agents" can register your interest, assess your eligibility and provide details of schemes in your area.

The information given above does not convey any entitlement and is intended to give a brief synopsis of the scheme. A more detailed fact-sheet is available from your UWO or from:

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