



# AFFORDABLE HOUSING: KEY WORKER LIVING SCHEME

1. The Key Worker Living (KWL) scheme was launched in 2004 to help certain public sector employees to buy a home, upgrade to a family home or rent a home at an affordable price. By helping key workers to buy or rent a home the Government hopes to keep them in the jobs they have training for, retaining the essential skills needed in our public services. The scheme is targeted at key worker groups in London, the South East and East of England<sup>1</sup> where there are problems with recruitment and retention.

2. KWL status was expanded on 20 Sep 06 to include Armed Forces personnel (including MPGS) and MOD civilians employed in key worker categories such as MOD Police, Defence Fire Service and clinical staff in MOD medical establishments of all personal status categories. Under this extension, these MOD personnel now have access to the following elements of the KWL scheme:

a. 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. They will pay a mortgage on their percentage of the property and a subsidised rent on the remainder. The rental payments will be calculated as a small percentage (initially less than 3%) of the providers share of the property. The purchaser can, if they wish, increase their share of the property as and when they can afford it, all the way up to 100%, this is known as staircasing. When the purchaser wishes to sell, they can sell their share to another household nominated by their landlord (normally a housing association) or they can staircase to 100% and sell it in the normal fashion. However, the landlord may want to buy the property back to offer to other households who want to enjoy low-cost home ownership. The property is sold at market value and the shared owner will benefit from any equity which has built up on the share they own.

b. Intermediate Rent Scheme. This is where the 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. The tenant is likely to pay between 75% to 80% of the local market rent for the type of property that they live in. They would have an assured shorthold tenancy whilst they remain a key worker. FTRS(FC) personnel are eligible for this scheme only under the KWL programme.

3. 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

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<sup>1</sup> Bedfordshire, Berkshire, Buckinghamshire, Cambridgeshire, Essex, Hampshire, Hertfordshire, Kent, London, Norfolk, Oxfordshire, Suffolk, Surrey and Sussex.

Initiative (FTBI). FTBI aims to give more people the opportunity to own their own homes by increasing the supply of affordable housing for sale. It is being delivered through [English Partnerships](#), the national regeneration agency and is available to key workers across all English regions. They have a target of providing up to 15,000 homes by 2010 with at least 50% of these being available to those with Key Worker status. It aims to help eligible first time buyers to buy a new home with an affordable mortgage. They must take out a mortgage for at least 50% of the property purchase price, and English Partnerships will provide a contribution up to the full purchase price. After living in the home for three years, buyers will pay a fee to English Partnerships based on a small percentage of its contribution. English Partnerships is starting to make homes available through some early pilot projects and is seeking to develop homes in most regions by 2010. FTBI homes will not immediately be available in all regions but applicants can check on availability through their HomeBuy Agents.

4. Eligibility.

a. New Build Homebuy. Personnel wishing to be considered for Key Worker status under this scheme must fulfil the following eligibility criteria:

- i. 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.
- ii. Must have completed Phase 1 training.
- iii. Must have at least 5 years to serve before discharge/retirement date.
- iv. Household income must be below £60k per annum.
- v. Applicant's permanent duty station must be located within London, the South East or East of England.
- vi. The prospective property must be within "reasonable travelling distance" to their permanent place of duty, as a guide this would normally be within 50 miles or 90 minutes travelling time.
- vii. 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).

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

- i. In addition to the listed roles Full Time Reserve Service (Full Commitment) also get access to the Intermediate Rent Scheme.
- ii. Individuals need not have completed their Phase 1 Training.
- iii. There is no requirement to have 5 years Service remaining.

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

- i. 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.
- ii. Must have completed Phase 1 training.
- iii. Must have at least 5 years to serve before discharge/retirement date.
- iv. The limit on household income varies from region to region, for precise details contact the local Homebuy Agent.
- v. Applicant's permanent duty station must be located in England.
- vi. The prospective property must be within "reasonable travelling distance" to their permanent place of duty, as a guide this would normally be within 50 miles or 90 minutes travelling time.
- vii. 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).

5. Clawback. This is the term used to describe the requirement to repay any assistance received in the event of the leaseholder losing their KWL status. The leaseholder has a period of 5 years from the loss of KWL status in which to either sell the property and divide the proceeds in accordance with the percentage split, or "staircase" their share of the property up to 100%. If the leaseholder is discharged other than at a natural exit point ie. PVR or notice prior to completing their engagement, clawback is triggered.

6. 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.

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

8. 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. Interested personnel should contact the "Homebuy Agent" who covers the location of your permanent duty unit, as shown below:

<b>London</b>	<p>tel: 08452 308 099</p> <p>email: via website</p> <p>web: <a href="http://www.housingoptions.co.uk">www.housingoptions.co.uk</a></p>
<b>Kent, Sussex and Essex</b>	<p>tel: 07002 662 846</p> <p>email: <a href="mailto:marketing@moat.co.uk">marketing@moat.co.uk</a></p> <p>web: <a href="http://www.homebuy.co.uk">www.homebuy.co.uk</a></p>
<b>Hampshire</b>	<p>tel: 02380 628 000</p> <p>email: <a href="mailto:homesinhants@swayhs.org.uk">homesinhants@swayhs.org.uk</a></p> <p>web: <a href="http://www.homesinhants.co.uk">www.homesinhants.co.uk</a></p>
<b>Surrey</b>	<p>tel: 0845 600 6699</p> <p>email: <a href="mailto:homebuy@tvha.co.uk">homebuy@tvha.co.uk</a></p> <p>web: <a href="http://www.homebuy.co.uk">www.homebuy.co.uk</a></p>
<b>Berkshire, Buckinghamshire and Oxfordshire</b>	<p>tel: 0845 601 7729</p> <p>email: <a href="mailto:homebuy@chg.org.uk">homebuy@chg.org.uk</a></p> <p>web: <a href="http://www.homebuy.co.uk">www.homebuy.co.uk</a></p>
<b>Hertfordshire</b>	<p>tel: 01582 869 440</p> <p>email: <a href="mailto:leavalleyhomes@aldwyck.co.uk">leavalleyhomes@aldwyck.co.uk</a></p> <p>web: <a href="http://www.leavalleyhomes.co.uk">www.leavalleyhomes.co.uk</a></p>
<b>Bedfordshire and Cambridgeshire</b> (including Fenland and Peterborough, Forest Heath and St Edmundsbury)	<p>tel: 0845 456 6757</p> <p>email: <a href="mailto:info@keyhomes-east.org.uk">info@keyhomes-east.org.uk</a></p> <p>web: <a href="http://www.keyhomes-east.org.uk">www.keyhomes-east.org.uk</a></p>
<b>Norfolk and Suffolk</b> (except Forest Heath and St Edmundsbury)	<p>tel: 0845 850 2050</p> <p>email: <a href="mailto:ofs@orbit.org.uk">ofs@orbit.org.uk</a></p> <p>web: <a href="http://www.orbithomebuyagents.co.uk">www.orbithomebuyagents.co.uk</a></p>
<b>South West North Zone</b> (Bath & NE Somerset, Bristol, Cheltenham, Cotswold, Forest of Dean, Gloucester, Kennet, Mendip, North Somerset, South Gloucestershire, Stroud, Swindon, Tewkesbury North Wiltshire and West Wiltshire)	<p>tel: 0800 073 1315</p> <p>email: via website</p> <p>web: <a href="http://www.homebuy-southwest.co.uk">www.homebuy-southwest.co.uk</a></p>

<b>South West South East Zone</b> (Bournemouth, Dorset, Salisbury and South Somerset)	tel: 0800 707 6 707 email: <a href="mailto:info@search4myplace.co.uk">info@search4myplace.co.uk</a> web: <a href="http://www.search4myplace.co.uk">www.search4myplace.co.uk</a>
<b>South West Peninsula Zone</b> (Cornwall, Devon, Taunton & Sedgemoor and West Somerset)	tel: 01803 217 600 email: <a href="mailto:info@home2own.org.uk">info@home2own.org.uk</a> web: <a href="http://www.home2own.org.uk">www.home2own.org.uk</a>
<b>Northamptonshire</b>	tel: 0845 456 6757 email: <a href="mailto:info@keyhomes-east.org.uk">info@keyhomes-east.org.uk</a> web: <a href="http://www.keyhomes-east.org.uk">www.keyhomes-east.org.uk</a>
<b>Leicestershire, Nottinghamshire and Derbyshire</b>	tel: 0844 892 0112 email: <a href="mailto:sales&amp;marketing@emha.org">sales&amp;marketing@emha.org</a> web: <a href="http://www.emhomebuy.org.uk">www.emhomebuy.org.uk</a>
<b>Lincolnshire</b>	tel: 0845 845 0800 email: <a href="mailto:homebuy@eshagroup.co.uk">homebuy@eshagroup.co.uk</a> web: <a href="http://www.home2you.co.uk/">www.home2you.co.uk/</a>
<b>Staffordshire, Shropshire, Wolverhampton, Walsall, Dudley, Birmingham, Sandwell, Solihull, Coventry and Warwickshire</b>	tel: 0845 607 6726 email: <a href="mailto:lwoodall@mercian.org.uk">lwoodall@mercian.org.uk</a> web: <a href="http://www.homebuyagents.org.uk">www.homebuyagents.org.uk</a>
<b>Herefordshire &amp; Worcestershire</b>	tel: 0845 658 5420 email: <a href="mailto:home2own@wmhousing.co.uk">home2own@wmhousing.co.uk</a> web: <a href="http://www.home2own.uk.com">www.home2own.uk.com</a>
<b>Tyne &amp; Wear, Northumberland, Tees Valley and County Durham</b>	tel: 0191 229 7333 email: <a href="mailto:homebuy@nomad-homes.co.uk">homebuy@nomad-homes.co.uk</a> web: <a href="http://www.nomad-homes.co.uk">www.nomad-homes.co.uk</a>
<b>Merseyside</b>	tel: 0845 603 4559 email: via website. web: <a href="http://www.homeshub.co.uk">www.homeshub.co.uk</a>

<b>Greater Manchester and Lancashire</b>	tel: 0161 447 5108 email: <a href="mailto:helen@plumlife.co.uk">helen@plumlife.co.uk</a> web: <a href="http://www.plumlife.co.uk">www.plumlife.co.uk</a>
<b>Cumbria</b>	tel: 0800 358 1400 email: <a href="mailto:enquiries@affordable-homes.co.uk">enquiries@affordable-homes.co.uk</a> web: <a href="http://www.affordable-homes.co.uk">www.affordable-homes.co.uk</a>
<b>Cheshire</b>	tel: 0845 112 8800 email: <a href="mailto:sales@riverside.org.uk">sales@riverside.org.uk</a> web: <a href="http://www.cheshirehomebuy.org.uk">www.cheshirehomebuy.org.uk</a>
<b>North Yorkshire and Humberside</b>	tel: 0800 633 5670 email: <a href="mailto:homebuy@jrht.org.uk">homebuy@jrht.org.uk</a> web: <a href="http://www.jrht.org.uk">www.jrht.org.uk</a>
<b>West and South Yorkshire</b>	tel: 0113 243 6893 email: <a href="mailto:enquiries@my4walls.co.uk">enquiries@my4walls.co.uk</a> web: <a href="http://www.my4walls.org.uk">www.my4walls.org.uk</a>

9. Summary. Inclusion in the KWL programme has given Service personnel a hitherto unavailable method of gaining access to affordable housing across all English regions and even more so in London, the South East and the East of England. This factsheet is designed to give an overview of the scheme and outline the main eligibility criteria. Any particular queries on KWL or a possible application should be directed to either the relevant Homebuy Agent or the Joint Service Housing Advice Office.

### **Frequently asked Questions**

**Q: Will members of the Reserve Forces/Territorial Army be eligible?**

A: No because the MoD is not their main employer.

**Q: Why are Service personnel being included in the KWL programme?**

A: Large numbers of Armed Forces personnel are required to live in the South East, East and London in order to fulfil their operational commitments and access to the KWL programme will enable them to do so without forfeiting the chance to get onto the housing ladder.

**Q: Will Service personnel be able to apply for assistance from the KWL programme if they are deployed overseas?**

A: Providing that their home base is within the eligible regions then there is no reason why they cannot apply for assistance from the programme.

**Q: What happens if a Service person in receipt of assistance dies whilst on duty?**

A: Death in service is one of the circumstances that does not trigger clawback. In such cases, sale of the property or transfer of ownership only would trigger repayment.

**Q: What size house am I entitled to?**

A: The Homebuy Agent must determine the current needs of the applicant's household, taking into account the number of people in the household, their age and gender and other family circumstances e.g. where the applicant has divorced or separated and children visit on a regular basis, there may be need for an additional bedroom. As a guide, applicants are allowed one bedroom more than required based on their current household composition.

**Q: Can my partner live with me?**

A: Yes.

**Q: What if any of my circumstances change?**

A: You are obliged to inform the Homebuy Agent of any changes in your circumstances such as leaving the Service or you are posted away from the area in which the property is located within 7 days of the change.

**Q: Can I use this scheme to upgrade my current home?**

A: You will not be able to do this when your current housing needs are met by your existing property.

**Q. What happens if I get divorced?**

A. If, under the terms of a divorce settlement, the property is the subject to a transfer of ownership, the court will advise the Homebuy Agent (as one of the mortgagees) of this order. The Homebuy Agent will then ask to see the financial statement and agree with the Housing Corporation whether clawback should be triggered or be deferred.

**Q. What if I leave the Services and move to another Key Worker profession?**

A. Repayment of the loan will not be required as long as the new employment qualifies for Key Worker status under the scheme.

**Q. How does the Housing Association ensure that they get their money back on sale of the property?**

A. Their interest is secured through the lease.

**Q: As I only own a percentage of the property do I only have to pay a percentage of the council tax?**

A. No. You will be liable to the whole of all charges and bills associated with the property. This includes any legal fees and stamp duty land tax associated with the purchase.

**Q. What happens if I leave the Service at the end of my engagement ie. Not through PVR or by giving notice?**

A. Clawback will not be triggered and repayment of any assistance will only be required upon the sale of the property.

**Q. What happens if I am posted outside the Key Worker Living area, including overseas?**

A. The KWL scheme recognises the fact that military personnel are sometimes compelled to move to another part of the country for Service reasons. As a result of this, clawback will not be triggered as a result of a posting to another area. If you decide to sell the property as a result of the posting any assistance received will have to be repaid on a percentage basis. 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.

**For information & advice on housing matters, contact:**

**THE JOINT SERVICE HOUSING ADVICE OFFICE**

**HQ LAND**

**ERSKINE BARRACKS**

**WILTON**

**SALISBURY SP2 OAG**

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