



Cash Incentive Scheme

Information for tenants

What is the Cash Incentive Scheme?

The Cash Incentive Scheme is only available to Lewisham Council tenants who are just short of the money they need to buy a home in the private sector. If your application is successful, we will give you a cash grant to help you to buy a property anywhere in the United Kingdom. By helping you to become a homeowner, we also help another family, as your empty Council home will be used for a family in priority housing need.

The grant must be used to purchase a property and the payment of the grant is made on the day that the purchase is completed.

For instance, the grant cannot be used for carrying out repairs or improvements, solicitor's fee or surveys.

How much is the Cash Incentive Grant?

Property Size	Grant for Releasing a Flat or Maisonette	Grant if releasing a house
4, 5 & 6 bed properties	£40,000	£44,000
3 bed properties	£35,000	£40,000
2 bed properties	£30,000	£35,000
1 bed properties	£25,000	30,000

DECANTS – If you are included in a decant programme you can apply for the Cash Incentive Scheme. The grant you receive will be based on the size of property that you are registered for and not the size of property that you currently occupy.

Why is the Council running the scheme?

- To help tenants who are just short of the money they need to buy a home to become homeowners.
- To help other families as your empty Council home will be re-let to a family in priority housing need.

Who can apply for the Cash Incentive Scheme?

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- You must be a secure tenant of the London Borough of Lewisham.
- Your current home must have one bedroom or more.
- You or any other person that you are jointly purchasing with must not own or part own any other property.

If you owe money to the Council such as rent arrears, overpaid housing benefit, rent from a previous tenancy, council tax or court costs then you will need to pay the outstanding amounts before a Cash Incentive Grant can be paid.

If my application is successful, what property can I buy?

You can buy a property anywhere in the United Kingdom. This does not include the Channel Islands or the Isle of Man.

What property can't I buy?

You cannot use the Cash Incentive Grant to buy the following types of property:

- a mobile home or houseboat
- a property sold at auction
- a business or part business property
- your existing Council property under the Right to Buy Scheme
- a property abroad.
- To build an extension
- To buy a share of a property already owned by someone else
- To reduce someone's mortgage
- A property that has not yet been built

The Cash Incentive Grant cannot be combined with Homebuy or any similar scheme. You cannot buy into an existing mortgage.

When will the grant be paid?

We will arrange for the money to be with your solicitor by the date that you complete the purchase of your new home. Your solicitor will not be permitted to release the money until the day you complete the purchase of your new home and have met the following conditions:

- you leave your Council home in a good re-lettable condition
- your Council home is vacant and all your personal possession removed
- you do not owe the Council any rent, or other amounts such as overpaid Housing Benefit.

What other expenses will I have to pay?

There are a number of expenses involved in buying your own home, and you will need to make sure that you have enough money to pay for them. The Cash Incentive Grant **cannot** be used to cover these expenses. These expenses include:

- the deposit for the property you are buying
- your solicitor's fees
- valuation and survey fees
- stamp duty
- removal costs
- disconnection and reconnection of appliances and services

How do I apply?

If you wish to apply for the Cash Incentive Scheme then you must complete and return the application form with the mortgage in principal certificate. If you require a

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receipt for your application form, then you must enclose a stamped addressed envelope.

If your completed application is received after the grant has been fully allocated and you meet the criteria, your application will be held on a reserve list

Please remember: we receive a high level of interest for the Cash Incentive Scheme. Whilst there is considerable funding for this scheme, we will not be able to assist everyone who applies and some tenants will be disappointed.

You will be notified by letter if you are allocated a grant. Do not assume that because you have made an application that you will receive a grant.

We will contact you if we require further information to assess your application or if we require access to inspect your home. It is essential that you provide daytime and/or mobile telephone numbers and an email address as requested on the application form so that we can contact you quickly.

How does the Council decide who will receive a grant?

- All applications received are checked to ensure that the applicant meets the criteria.
- Grants are allocated, giving priority to tenants releasing properties most needed by the Council for families in priority housing need. Generally, the Council has most need for family sized properties. However, in previous years tenants in one bedroom properties have been successful with their applications.

When will I be told if my application has been successful?

- If your application is successful you will be contacted to attend a compulsory information session with our Assessment & Initiatives Officers.

Important points to note

- It is your responsibility to ensure that the property is vacated by all the residents on the day that you complete the purchase and all your personal possessions are removed, including all floor coverings.
- The property that you vacate must be in a good, re-lettable condition.
- If these conditions are not met the grant will not be released.
- If you are purchasing jointly with a partner or relative who will also be releasing a Council property, we will count the combined number of bedrooms when prioritising your application. However, we will only pay a grant for the larger of the two properties.

Please note: the Council will not be liable for any costs you incur in connection with this scheme, even if, for some reason, completion does not take place.

Mortgages

Most people need a mortgage to purchase a property. If you need a mortgage, you must check with a mortgage lender to establish how much you will be able to borrow. You may find it useful to approach several mortgage lenders to compare the different mortgages offered.

A mortgage in principal certificate is issued by a mortgage provider to confirm the amount they are prepared to lend to you based on your income. Asking for this information does not tie you to the lender giving the certificate. Obtaining a mortgage in principal certificate will confirm how much you will be able to afford to pay for a

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property. It will also let the Council know that you are in a position to obtain a loan to purchase a property.

If you intend to use a mortgage to purchase your new property you will need to send a mortgage in principle certificate with the Cash Incentive Scheme application form. Most mortgage lenders are willing to provide these.

What property can you afford?

When deciding the likely purchase price of a property you will need to take the following into account:

- the amount you can borrow as a mortgage
- the amount of savings you intend to use
- the Cash Incentive Grant that you hope to obtain
- money from any other source.

Can you afford to buy?

It is important to remember that once you have bought a property you will be paying a number of regular and occasional bills. You need to take these into account when working out how much you can afford to pay for the property.

For example, bills you will have to pay include:

- council tax
- water rates
- electricity and gas
- repairs and maintenance for your home
- mortgage
- building insurance.

Examples of other bills you may have to pay

- permanent health insurance
- contents insurance
- any increase in mortgage cost due to interest rate increases.

Once you have worked out how much you can afford to pay for your home it is worthwhile checking property prices for the type of property and the area that you wish to buy. This may avoid disappointment later.

General

Over the past few years the Council has helped a number of tenants to purchase their own home with a Cash Incentive Scheme grant. It does require determination on your part to find the right property and ensure that you complete the purchase within the timescales. However, the feedback we receive is that it is a worthwhile and rewarding scheme

If you have any queries regarding the Cash Incentive Scheme, require any assistance to complete the application form or require this information in other formats or languages, please contact our Allocations and Lettings Officer from Assessment & Initiatives on 020 8314 7538 or email initiatives@lewisham.gov.uk