



Shared Ownership Minimum Surplus Income Policy

Version 1

August 2024

Lead officer	Sarah Smaller
Author	Sarah Smaller
Version number	1
Date agreed	Draft version, subject to approval, October 24
Agreed by	Finance & Development Committee
Review date	October 2027
Diversity compliant	Yes
Equality Impact Assessment required	Review Pending
Data Protection compliant	Yes
Health and Safety compliant	N/A

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1. What this policy is about and why we need it

The aim of the policy is to confirm the approach for assessing the affordability element for those applying for the shared ownership scheme ('the scheme'). In particular, to detail the minimum surplus income an applicant must have to ensure the share being purchased under the scheme is affordable and sustainable. As per Homes England guidance, we will not adopt a maximum surplus income policy.

This policy is a requirement detailed in an update in the Homes England Capital Funding Guide ('CFG') for customer affordability assessments from 1 August 2024. The Policy will ensure no customer is disadvantaged by our interpretation of the guidance.

2. Who does this policy apply to?

This Policy applies to

- The sale of all new build shared ownership homes and also those offered for sale on a resale basis.
- All Acis people involved in the development, marketing, sale, resale and management of our shared ownership properties and products.
- All affordability assessments carried out with an applicant at assessment stage.
- Mortgage advisors.
- Prospective home ownership customers.
- Acis shared ownership customers.
- Our strategic partners.

3. Availability of the Policy

The Policy will be made available on our website and made easily available to customers upon request.

4. Surplus Income Policy Detail

- (a) It is Acis policy that customers retain a minimum monthly surplus income of 10%. The minimum surplus income is the minimum amount of the gross income that a customer has remaining after all monthly financial commitments are paid.
- (b) The Monthly Surplus Income calculations as specified by Homes England is shown below:

(A) Gross income	Gross monthly pay to include the relevant amount of any overtime, commission or bonus as determined by an Advisor. Any Universal Credit or benefit income Any guaranteed maintenance payments
(B) Less gross deductions	Tax National Insurance Student loan Pension Contribution Other payslip deductions
(C) Less known commitments	Credit commitments, personal loan, PCP, HP etc Credit card and store cards Childcare costs Care costs
(D) Less housing costs of the Shared Ownership purchase	Rent Service charges
(E) Net Income for Mortgage Purposes	E is the remaining income once B, C and D have been deducted from A.
(F) Mortgage Payment	F should be no greater than 30% of E
(G) Essential Expenditure	Utilities Council Tax Food Fuel Insurances Mobile Phone Broadband Travel Clothing Reasonable amount of savings
(H) Surplus Income	The figure remaining once F & G have been deducted

	from E. This figure should be a minimum of 10% of the original figure A.
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5. Resale

In line with Homes England guidance, Acis will follow the general principles set out in the CFG and in this Policy when assessing applicants' affordability but with a degree of flexibility to ensure that there are no barriers to our existing shared ownership customers wishing to sell their homes,

6. Links to Other Policies

Home Ownership Policy V2
First Come First Served Policy

7. When will this Policy be Reviewed

A desk top review of the Policy will be completed annually, and a full review will be undertaken 3 years from adoption of the policy.