Title:	Shared Ownership Allocations Policy
Person responsible:	Director of Assets and Development
Customer consultation arrangement:	Consultation required? Yes☐ No☒ If no, please explain why: Structured against existing statutory requirements and regulations
EIA required:	Yes- see here
EIA completed (date):	June 2026
Approved by:	PAWG
Business Strategy Theme	Quality Services
Approval date:	July 2026
Links to other key policies:	Shared Ownership Aftersales Policy, Shared Ownership Management Policy, Complaints Policy, Anti-Money Laundering Policy, Data Protection and Data Privacy Policy
Review date:	July 2029

Document management		
Version	**Date amended**	**Amendments**
1	11/07/2023	Updates in line with current regs and process
2	03/10/23	Revisions on affordability
3	23/07/2024	Revisions on allocation (first come first served) and affordability (minimum surplus requirement, adverse credit), in line with updated Capital Funding Guide requirements
4	18/11/2024	Updates in line with Homes England guidance on mortgage representing 30% of net income
5	06/08/2026	Refined and updated wording and content for accuracy and compliance

1. Purpose and Scope

1.1 This policy sets South Lakes Housing's (SLH) approach to allocating shared ownership homes.

1.2 SLH is committed to equality, diversity and inclusion, and we will ensure that all customers and residents are treated fairly and can access our shared ownership services without disadvantage.

2. Regulatory and Legislative Requirements

2.1 Relevant legislation and guidance includes, but is not limited to:

- Homes England Capital Funding Guide
- Equality Act 2010
- Data Protection Act 2018
- Money Laundering Regulations 2017
- Housing and Regeneration Act 2008

3. S106 Agreements and Homes England Lease Requirements

3.1 Where a Section 106 (S106) agreement applies, this policy must be read in conjunction with it.

3.2 Lease terms will comply with Homes England requirements. Any exceptions to these requirements must be clearly evidenced and documented in accordance with Homes England guidance.

4. Marketing Lists and Advertising

4.1 SLH maintains a marketing list of customers interested in shared ownership homes. Customers on the marketing list are notified when new homes become available.

4.2 SLH utilises a range of marketing channels to advertise homes, including appointed agents and its own communication platforms.

5. Applications and Assessment Process

5.1 Applications will be assessed against Homes England criteria and applicable S106 obligations.

5.2 All prospective purchasers will be provided access to the online application form. Alternative application methods will be made available upon request.

5.3 Applications are subject to an independent financial assessment carried out by an authorised and regulated organisation appointed by SLH. Metro Finance currently undertakes affordability assessments and maintains auditable records for SLH.

6. Eligibility

6.1 As per Homes England Capital Funding Guidance, applicants must meet the minimum eligibility criteria, including:

- Being unable to afford a suitable home on the open market
- Having a household income below £80,000
- Meeting one of the following conditions:

    - First-time buyer
    - Previous homeowner unable to purchase currently
    - Existing shared ownership leaseholder

6.2 Applicants who currently own a home must have an agreed sale in place before reserving a shared ownership property.

6.3 Where a S106 agreement applies, applicants must meet any additional eligibility criteria set out within the agreement.

7. Affordability

7.1 As per section 5.2, all applicants will undergo an affordability assessment.

7.2 Affordability will be assessed against the following criteria:

- A minimum deposit requirement of 5%, 100% mortgages are not accepted
- The proportion of income required to meet housing costs, ensuring these remain affordable alongside rent and service charges
- A minimum surplus income of 10%, to ensure applicants retain sufficient residual income after essential expenditure
- The sustainability and reliability of all income used within the assessment. Projected or anticipated income will not be accepted
- The applicant's credit history and any adverse credit indicators, which may impact affordability and overall financial risk

7.3 SLH reserves the right to decline any application where the financial position is considered unsustainable or presents an unacceptable level of risk.

8. Mortgage Providers and Adverse Credit

8.1 SLH accepts mortgage lenders that are authorised and regulated by the Financial Conduct Authority (FCA).

8.2 Applicants may choose their own mortgage provider; however, SLH must be satisfied that any proposed funding arrangement is affordable and sustainable. SLH reserves the right to refuse an application where this is not demonstrated.

8.3 SLH does not automatically exclude applicants with a history of adverse credit. All applications will be assessed in line with SLH's financial risk criteria, and SLH reserves the right to decline applications where the level of risk is considered unacceptable. The following criteria apply when assessing adverse credit:

- Applicants should not have unsatisfied County Court Judgements (CCJs) or defaults recorded within the previous two years, excluding minor communication defaults
- Applicants should not have CCJs or defaults within the previous two years, whether satisfied or unsatisfied, exceeding £300

- Applicants should not have any unsatisfied CCJs or defaults exceeding £1,000 at any time
- Individual Voluntary Arrangements (IVAs) or bankruptcy must have been discharged for a minimum of three years, or where registered over six years ago, must be satisfied with no subsequent adverse credit
- Repaid debt management plans may be considered acceptable
- Applicants should have no mortgage arrears within the previous 12 months
- Applicants with a repossession more than three years ago may be considered, provided there is no outstanding debt and no additional adverse credit within the last three years

9. Allocation of Shared Ownership Property

9.1 Properties will be allocated to applicants who meet the eligibility and affordability criteria.

9.2 Where there is more than one eligible applicant for a property, allocation will be made on a first come, first served basis following full sign off by Metro Finance and in line with Homes England requirements. This is further subject to SLH achieving the sale of shares across the site as per 9.3 below.

9.3 In line with Homes England guidance, SLH will make at least 25% of homes on each shared ownership site available across the permitted initial share percentages. SLH may be selective with the remaining 75%, taking account of affordability, viability, demand and sales risk, to support an average first tranche sale of 35%.

10. Reservation Fee

10.1 Reservations are secured via payment of a reservation fee. The reservation fee will remain refundable for a period of 30 days should the purchaser wish to withdraw their reservation, after 30 days the fee will be nonrefundable.

11. Conflict of Interest

11.1 SLH will ensure that any application with a conflict of interest is managed in a fair and transparent way including independent oversight and declaration of interests.

12. Data

12.1 All personal data will be handled in accordance with SLH's Data Protection and Data Privacy policies.