

# Sales - Minimum Monthly Surplus Income Policy

Riverside Home Ownership

GENERAL - EXTERNAL

Policy Approval Date:		Date of next review:	
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## 1. Purpose

- 1.1 Riverside (TRG) offers a range of ways for tenants and customers to purchase their home.
- 1.2 The purpose of this policy is to provide guidance and clarity in relation to a monthly minimum surplus income for applicants.
- 1.3 This policy applies when customers are seeking flexible tenure options specifically for shared ownership homes. This relates to the minimum amount of surplus income (expressed in percentage terms) that an applicant should have available per month after accounting for all their housing costs, other commitments and expenditure as established by a budget planner.
- 1.4 This policy sets out our methodology in arriving at an applicant's monthly surplus income in line with Homes England guidance for assessing the share that an applicant can afford.
- 1.5 Riverside will not adopt a maximum surplus income in order to be able to account for the individual circumstances of applicants.

## 2. Scope

- 2.1 This Policy applies to both the sale of new shared ownership homes as well as re-sale homes and is relevant to all homes regardless of delivery routes I.e. grant funding, Section 106 Agreements, or stock acquisition.
- 2.2 This policy applies to all purchasers who apply to the Riverside Group who are eligible to purchase a home, in conjunction with our Shared Ownership and Tenanted Sales policy and Home England guidance. The policy also applies to all Riverside employees/customers.

## 3. Principles

- 3.1 We will:
- Ensure all cases meet Homes England affordability guidance as detailed in the Capital Funding Guide. Ensuring all purchases are affordable and sustainable.

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- Ensure that the customer has a minimum of 10% of their net mortgagable income remaining after all deductions and a stress tested rent.
- In addition to the Homes England guidance, we would expect customers to have a minimum of 10% of their total net income remaining on the relevant internal budget planner.
- We have chosen to adopt a minimum of 10% protect customers against possible increased costs or unforeseen circumstances that have not been budgeted for in their initial assessment.
- It is expected that the expenditure will be realistic for the household composition.
- All income used for the assessments must be considered sustainable.
- Our agreed Mortgage Advisors have an agreed list of acceptable income, if an income falls outside of these categories, and would not be considered acceptable by mainstream lenders, the income may be excluded from the assessment.
- Ensure we comply with Homes England guidance as the basis for assessing applicants who can afford and sustain a home.

#### 4. Further Information & Support

- Home England Capital Funding Guide
- Affordable Housing Programme 2016-21 and 2021-26 Funding Agreements
- Regulator of Social Housing's regulatory standards
- Shared Ownership Sales Policy
- Tenancy Policy
- Leasehold Management Policy
- Rent Setting Policy
- Repairs Policy
- First Come, First Serve Policy

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## 5. Roles and Responsibilities

### Executive Director of Customer Service

- Responsible for the overall policy implementation
- Ensure adequate resources are available to enable the objectives to be met

### Director of Riverside Home Ownership

- Responsible for the delivery of the key policy objectives as set out in the policy, including designing and implementing procedures.

### Head of Sales

- Responsible for the implementation and monitoring of the operational effectiveness of the policy.
- Ensure all appointed individuals within the Sales and Resales teams have the appropriate level of skills, knowledge and training.

## 6. Risk Thresholds

- N/A

## 7. Equality, Diversity and Inclusion

Riverside is committed to Equality, Diversity & Inclusion. We strive to be fair in our dealings with all people, communities, and organisations, taking into account the diverse nature of their culture and background and actively promoting inclusion.

This policy aligns with Riverside's [Equality, Diversity and Inclusion Policy](#) and has been subject to an Equality Impact Assessment.

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**Document Control (Internal Use ONLY)**

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Policy Author	Hannah Yule
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Knowledge Tags	

**Change Category (Internal Use ONLY)**

Category of Change	Tick Box
Minor Changes (Non-Strategic)	✓
Major Changes (Re-Write)	
Summary of Changes Made: New Policy Valuation validity period revised to 3 months as per CFG	

**Quality Assurance and Approval (Internal Use ONLY)**

Consultation and Approval	Tick Box	Date
Associated Documents Reviewed		
Consultees: <i>i.e. RCVE, GAC, relevant colleagues (specify teams)</i>	RCVE	
EIA complete and submitted with policy for approval	✓	
DPIA complete submitted with policy for approval (if necessary)	✓	

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