



Orbit Homes – Sales and Marketing

Surplus Income Policy for Shared Ownership

Regulation and Legislation	This policy links to Homes England Capital Funding guide, The Money Laundering and Terrorist Financing (Amendment) Regulations 2019, Local authority planning conditions, Section 106 agreements, Regulator of Social Housing Framework
Supporting documents	<ul style="list-style-type: none">• Orbit Homes sales terms and conditions• First Come First Served Policy• Complaints and Customer Care policy
Scope	<p>This policy applies to all prospective buyers seeking to purchase a home through the shared ownership scheme managed by Orbit Homes. It is designed to ensure that every prospective buyer undergoes a thorough and equitable financial assessment, supporting the principle that shared ownership should be accessible and sustainable for a diverse range of potential homeowners.</p> <p>In exceptional circumstances, the standard application of the policy might not adequately reflect a potential buyer's financial situation. In these rare cases, policy waivers or modifications may be granted to accommodate unique customer situations, subject to a rigorous review process and the approval of the Sales and Marketing Directors.</p>
Reference to "Orbit" means Orbit Group which consists of Orbit Group Limited, Orbit Housing Association Limited, Orbit Homes (2020) Limited, Orbit Treasury Limited and Orbit Capital Plc.	

1. Introduction

- 1.1 This policy defines the criteria and methodology for assessing the surplus income of prospective buyers to Orbit Homes Shared Ownership program. The minimum surplus amount was derived from the input of mortgage brokers and in line with mortgage lenders' best practices. The purpose of this policy is to ensure that:
- 1.2 Prospective buyers maintain a minimum of 5% surplus income after all housing costs and financial commitments. (Applicants will be individually assessed)
- 1.3 Financial assessments prevent overcommitment and promote long-term financial sustainability in homeownership.

- 1.4 All assessments and decisions are made transparently and consistently, with a clear explanation provided to applicants regarding the outcome.
- 1.5 An Orbit policy is a set of principles to guide decisions and achieve agreed outcomes. It defines the rules or boundaries within which staff must operate ensuring we operate within the law, regulatory requirements and is consistent with our values and mission. It is a statement of intent and is implemented through our procedures. Orbit requires a policy to be in place where required to meet legal or regulatory requirements, professional standards or to meet a clear business need.

2. Policy Statement

- 2.1 Orbit Homes expects most potential buyers to have a minimum of 5% surplus household income after all the shared ownership rent, mortgage, service charge costs and known and essential commitments. In some circumstances, this may be more due to e.g., the applicant's age or deposit size. Orbit Homes will use discretion in such instances, looking at the reasons why it appears the potential buyer is not purchasing an optimum share but will rely on the mortgage advisor's commentary. For potential buyers who fall within the required age range to obtain a mortgage, Orbit Homes will seek written confirmation from the mortgage advisor that the potential buyer is purchasing the optimum share.
 - Potential buyer's gross income and financial commitments are assessed to determine their disposable income.
 - Net income minus all known commitments in most cases leave a minimum surplus of 5%. (please see the formula later in this policy)
 - The policy accommodates fluctuations in financial circumstances, ensuring potential buyers are not stretched beyond their financial capacity, considering future foreseeable changes.
 - There is no set maximum surplus income limit to allow flexibility for potential buyers with varying financial circumstances.
 - Ensure that the assessment process remains adaptable to different individual financial situations.
 - Document all decisions and the justifications for each case to ensure transparency and accountability.
 - Maintain records of the financial assessment, mortgage advisor's recommendations, and any special considerations.
 - Regularly review and update the assessment process to align with changes in the Homes England Capital Funding Guide and other relevant regulations.
 - Use feedback from potential buyers and mortgage advisors to improve the process continuously.
 - The mortgage advisor will prepare the financial assessment using the documentation collected from the potential buyer, ensuring alignment with Orbit Homes published policies and affordability methodology.
 - The sales manager will review and sign off the final assessment. Then, a formal offer is made to the applicant with details of the share purchase agreement.

2.2 Assessing the customer's Net Surplus Income

2.3 Detailed Formula to Calculate Surplus Income:

(A) Gross income (including guaranteed overtime)

(B) Less gross deductions (tax, National Insurance, student loan, etc)

(C) Less-known commitments (loans, credit cards, childcare, etc)

(D) Less housing costs of the Shared Ownership purchase (rent and service charges)

(A – B – C – D) = income available to support a mortgage, other essential expenditures (identified through a budget planner) and to meet Orbit Homes 5% minimum surplus income policy

Self-employed potential buyers can apply for Shared Ownership provided they satisfy the certification requirements regarding their income as required by providers, mortgage advisors, and lenders (as appropriate).

This process ensures a thorough and fair assessment of each potential buyer's net surplus, aligning with regulatory guidelines, Homes England audit requirements and Orbit Homes commitment to providing sustainable housing opportunities.

2.4 Appeals and complaints

Orbit Homes is committed to handling complaints and appeals about shared ownership applications and allocations fairly and transparently.

By adhering to these complaints and appeals procedures, Orbit Homes ensures that all potential buyers and residents have a clear and fair process for addressing their concerns and seeking resolution. Potential buyers may appeal against our decision not to offer them a home if they feel we have not considered all relevant information or have made the decision unfairly.

Appeals must be made in writing within five working days from the date of notification of the decision not to accept a potential buyer or a decision not to make an offer. Orbit Homes will not hold any homes while the appeal is being considered. However, if the appeal is successful, we will seek to offer a suitable alternative property if it is available.

The Sales and Marketing Director will consider all appeals. Customers will be notified of the outcome in writing within 15 working days or a mutually agreed time. If the customer remains unhappy with the outcome of the appeal, then they should advise Orbit Homes in writing of the reasons, and this will be considered under Orbit Complaints and Customer Care Policy. Recourse available to the customer, post complaint, is a complaint to the Housing Ombudsman 8 weeks after outcome and within six months or an application for a judicial review on a point of law.

3. Data retention

In line with best practice data will be retained for and destroyed as follows:

- If the sale does not proceed then the records will be deleted from the database immediately by the Sales Consultants or Sales Co-ordinator
- 2 weeks after completion the financial records are deleted by the Sales Consultant and they complete a data destruction form which is filed for auditing purposes
- 6 months of no activity the records will be closed down and deleted on our database (D365)
- 6 years from the last legal completion on the development, all applicant files are deleted in line with GDPR and Homes England guidelines.

We may need to review these arrangements in the event of any updated guidance, best practice or relevant legislative changes being introduced.

4. Roles and Responsibilities

- 4.1 The Sales and Marketing Director is responsible for preparing this policy, overseeing its implementation, and maintaining supporting risk management and internal control systems and processes.
- 4.2 Sales Managers are responsible for ensuring the process adheres to this policy.
- 4.3 Potential buyers are responsible for submitting complete and accurate information promptly.
- 4.4 All colleagues are responsible for acting in accordance with the principles of this policy and its associated methodology, tools, and systems.

5. Performance Controls and Business Risk

- 5.1 Each month, the Sales Directors, Sales Managers and Regional Managing Directors will monitor trends on site through CRM/SDS sequel. This is to ensure the progression of the site at the milestones are on target to ensure 40% target.
- 5.2 The schemes are subject to Homes England audits to meet contract and compliance obligations.
- 5.3 Performance in the delivery of the service will be assessed by Internal Audit
- 5.4 Orbit will carry out a fundamental review of this policy every three years subject to legal, regulatory changes or in accordance with the agreed Policy Review programme.

6. Essential information

- 6.1 All Orbit policies and procedures are developed in line with our approach to the following, data protection statement, equality diversity and inclusion (EDI) approach, complaints policy and customer care policy and our regulatory and legal obligations to ensure we deliver

services in a lawful manner and treat people equally and fairly. Orbit's privacy policy can be accessed on our website www.orbitcustomerhub.org.uk/publications/policies/

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