



Changes to Government Shared Ownership Guidance *(Item 11)*

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Capital Funding Guide updates

- Capital Funding Guide - details the requirements housing providers delivering affordable housing using government funding **MUST** follow
- Updated guidance introduces changes to the affordability assessment to be applied to new applicants of shared ownership properties
- We **MUST** be compliant with the new requirements to receive Homes England grant funding

Key Implementation Dates:

- ▶ Changes to Affordability Guidance –
published 17th May 2024
- ▶ Transitional period for guidance to be implemented –
up to 31st July 2024
- ▶ Existing Affordability Guidance will be removed from Capital Funding Guide - **1st August 2024**

Fareham Housing Shared Ownership

- Shared ownership - an applicant purchases a percentage of the home and pays rent on the remaining share
- Recent Fareham Housing Shared Ownership completed development - **Capella Close**
- **Ophelia Court** - 9No. Shared ownership flats, under construction
 - Homes England grant funding £447,000
 - Marketing late summer 2024, for Winter 2024/5 completion

We **MUST** be compliant with the Capital Funding Guide updates **BEFORE** we market Ophelia Court to claim full grant funding



Policy updates required

The overarching principles **REMAIN THE SAME**

Key changes:

- New affordability methodology to be used by professional advisors - to align with mortgage lenders
- Improved clarification and transparency in respect of determining applicant eligibility, priority and affordability

To achieve compliance, the Council **MUST** update its Shared Ownership Policy and Processes with the following:



First Come First Served

- The Council is already implementing the 'First Come First Served' approach (note MoD priority)
- First Come First Served referenced in current policy



Monthly Minimum Surplus Income

(minimum amount of surplus income after all commitments)

- Guidance in Capital Funding guide
- Industry standard – to ensure Shared Ownership affordable
- Sign-off by professional advisors

Timeline

- Changes to Affordability Guidance – **published 17th May 2024**
- Housing Scrutiny Panel – **11th July 2024**
- Report to Executive seeking approval for delegated authority to update the Shared Ownership Policy and Processes to comply with updated government guidance – **15th July 2024**
- Equality Impact Assessment (EIA) for updated policy – **End July 2024**
- Updated policy and EIA approved and available on our website – **Summer 2024, prior to marketing Ophelia Court**



Any Questions

