
Eligibility & Allocations Policy (Shared Ownership)

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Property Services

Stroud District Council
Ebley Mill
Stroud
GL5 4UB

Email: customer.services@stroud.gov.uk
Website: <https://www.stroud.gov.uk/>
Telephone: 01453 766321

Document Responsibility		
Name	Document title	Service
Head of Property Services	Eligibility & Allocations Policy (Shared Ownership)	Property Services

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Policy Review			
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Document Review and Approvals		
Name	Action	Date
Housing Committee	Approved	9 th September 2025

1 INTRODUCTION

1.1 Purpose and scope

- (a) This Eligibility and Allocations Policy is intended to assist Stroud District Council and its officers with the allocation of a shared ownership home to a prospective customer.
- (b) The policy applies to all prospective customers, and we will ensure they are aware of our policy approach when offering them a shared ownership home. We will also ensure all prospective customers are aware of the process prior to expending any cost to themselves.
- (c) This policy makes sure that shared ownership properties are only available to people who need them most and who meet the criteria set out in the council's other Shared Ownership Policies

1.2 Terms and definitions

In this policy:

Applicant: any person who applies to buy a shared ownership property sold/part-owned by Stroud District Council.

Customer: any person who is interested in shared ownership properties sold/part-owned by Stroud District Council.

Eligibility: customers need to meet the criteria contained within the eligibility and allocations policy, adverse credit policy, surplus monthly income policy and pass the financial assessment.

Financial assessment: an independent review of applicant finances undertaken by a qualified Financial Advisor.

Plot to applicant ratio: the number of applicants who will be assessed at any one time against each plot.

Property: the individual plots being advertised for sale as shared ownership.

2 POLICY STATEMENT

Applications from customers will be prioritised in line with our First Come, First Served Policy. In line with the plot to applicant ratio, as outlined in that policy, one applicant for each plot will be assessed at any one time. The applicant must meet all the following criteria.

1. General Eligibility:

Eligibility for shared ownership is set out by Homes England within the Capital Funding Guide. In order to be eligible to purchase a shared ownership home applicants must:

- (a) have an annual gross household income of less than £80,000.
- (b) be otherwise unable to purchase a suitable property for their housing needs on the open market.
- (c) not already own a property at the point of purchasing the shared ownership property (there are specific exceptions to this as set out in the Capital Funding Guide, these exceptions are only granted on very rare occasions and with permission from Homes England/Head of Property Services).

If the applicant does not meet the general eligibility criteria, they will be notified in writing with the reasons clearly set out.

Provided customers meet the general eligibility criteria, they will then be assessed on the following.

2. Occupancy Criteria:

- (a) In order to allow for future family growth and to ensure the property is suitable in the longer term, we will allocate households one bedroom more than is currently needed. For example:
 - i. a two-bed house could be offered to:
 - a couple with no children
 - a couple with one child
 - a couple with two young children (under the age of 16 if same sex or under 10 if different sexes)
 - a single person
 - ii. a three-bed house could be offered to:
 - a couple with one or more children
 - a single person with one or more children
- (b) In order to assist in the property remaining suitable for a 5-year period Stroud District Council will assume the following:
 - different sex children over 10 to have their own bedroom
 - same sex children over 16 to have their own bedroom
- (c) Stroud District Council reserves the right to allocate properties outside of these occupancy criteria where it is considered appropriate. e.g. where immediate family members are in need of a care visit on a regular basis.

Provided applicants meet the occupancy criteria for the property they have applied for, they will then be referred to an Independent Financial Advisor for a full financial assessment.

If the applicant does not meet the occupancy criteria for the property, they will be notified in writing with the reasons clearly set out.

3. Financial Assessment:

- (a) The shared ownership applicant (whether a mortgage or cash buyer) will be directed to a Stroud District Council nominated financial advisor who is suitably qualified, experienced and is regulated to give mortgage advice (with specialist knowledge of shared ownership mortgages and lenders), for an affordability assessment which will be carried out at no cost to the applicant.
 - i. The applicant will then have 5 working days (which can be extended to 10 working days if required due to applicant vulnerability or exceptional circumstances) to submit the requested information to the financial advisor for assessment. They must also respond promptly to any follow up queries or requests for information. Failure to respond within these timescales will result in the assessment being terminated. Stroud District Council will then assess the next eligible applicant who has registered an interest.
 - ii. It should be noted that although Stroud District Council will direct the applicant to a nominated financial advisor, they are not required to take out their mortgage through this advisor.
- (b) It will be for the advisor to determine the information required and the method used to undertake the assessment, with assistance from Stroud District Council as necessary. During the assessment, the advisor will:
 - i. Undertake a detailed assessment of an applicant's income, expenditure and circumstances through the completion of a budget planner. The methodology for assessing applicants is set out in the Capital Funding Guide.
 - ii. Confirm the share purchase that is suitable for the applicant in terms of their affordability and sustainability (including any future or known changes) one which will not unduly overcommit them.
 - iii. Check that applicants meet Stroud District Council's requirements as set out in the Surplus Monthly Income Policy and Adverse Credit Policy.
- (c) Once an applicant's affordability has been determined, the financial advisor will complete a sign off sheet, summarising the outcome of the assessment. This will need to be signed by the financial advisor, the applicant and Stroud District Council. (Note: in cases where an applicant wishes to purchase a lower share than the financial advisor has recommended, they will need to evidence and justify why they wish to do so for consideration by Stroud District Council).

- (d) Stroud District Council will then contact the applicant to advise them that they have been successful in their assessment and invite them to pay the (non-refundable) reservation fee of £500.00 to secure the property. Should the purchase proceed, the reservation fee will be deducted from the overall purchase price.
- (e) If an applicant does not pass the financial assessment, Stroud District Council will contact them to advise them, clearly setting out the reasons why they have been unsuccessful. Stroud District Council will then assess the next eligible applicant who has registered an interest.

3 ROLES AND RESPONSIBILITIES

- Stroud District Council officers will be responsible for ensuring this policy is followed and applied to all prospective customers of shared ownership properties.
- This responsibility may also be outsourced to an external organisation who will need to ensure compliance with this policy.

4 RELATED DOCUMENTS

- First Come, First Served Policy (Shared Ownership)
- Adverse Credit Policy (Shared Ownership)
- Surplus Income Statement (Shared Ownership)

5 ACKNOWLEDGEMENTS

The [Shared Ownership Exchange](#) has been used to draft and formulate this policy to ensure compliance with the Homes England Capital Funding Guide.

6 APPENDICES

Please refer to the [Homes England Capital Funding Guide](#) for any further guidance required. (Note: this policy will need to be updated if any changes occur to the Homes England Capital Funding Guide.)