

Affordability Policy

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Author (Leadership Team member):	Director of Customer Services					
Which Strategy does this support?	Landlord Resident Strategy					
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IMPACT ASSESSMENTS						
Equality Impact Assessment						
STAGE 1 completed?	STAGE 2 required?	No	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>		If not required, state reason:				
Customer Impact Assessment						
1) Is this one of the agreed policies requiring resident consultation? Please refer to: Our policies - Settle		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	
2) If yes, please confirm resident consultation has taken place		<input type="checkbox"/>	Briefly detail changes arising from resident feedback:			
			Reviewed by Settle Voice in March 2024			
APPROVAL						
Approval journey:	Executive Team	Committee				Board
		ARC	DAC	Ops	NRC	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Date approved:	25/07/2025					
Which Regulatory Standard does this Policy support?	Economic					
	Governance & Viability		Rent		Value for Money	
	<input type="checkbox"/>		<input checked="" type="checkbox"/>		<input type="checkbox"/>	
	Consumer					
	Neighbourhood & Community	Safety & Quality	Tenancy		Transparency, Influence & Accountability	
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
Associated legislation	Common Housing Allocation Policy Data Protection Act 1998. Equality Act 2010. Homelessness Prevention Act 2002					

	Human Rights Act 1998. Local Authority legislation for Housing Allocations and Nominations Rent arrears Policy and Procedure
Associated procedures	Mutual exchange procedure Money Advice procedure Tenancy Ready procedure
Does this policy contain delegated authority?	

Affordability Policy

Introduction

Our purpose is to give residents a firm foundation on which to build their lives. Our vision is a safe, comfortable, and affordable home for every household.

This Policy sets out Settle's approach to ensuring that the homes we provide are affordable for all residents and applicants. It aims to provide a stable foundation by mitigating the financial barriers that could affect tenancy sustainability and so that residents can live comfortably in their homes.

Purpose

To ensure that every applicant secures a home that is financially viable and to support existing residents experiencing financial hardship.

Carrying out affordability checks when allocating a home gives residents and housing associations confidence that all relevant housing cost can be paid for, enabling the best possible start to a tenancy.

Rent and service charges form the largest proportion of our income. We need to maximise this income so that we can continue to provide good quality landlord services to all our residents.

Scope

This Policy sets out Settle's responsibilities for ensuring homes are affordable and to ensure all colleagues and residents are clear on our approach.

This Policy applies to all colleagues but predominately those in the Customer Services Directorate including the money advice and lettings team.

Section 2 – Policy

2.1 Policy Principles

- Ensure an offer of a Settle home is financially viable, seeking to maximise income.
- Minimise arrears by ensuring payment plans are affordable.
- Identify vulnerability early so appropriate support and advice can be provided.
- Take a fair and consistent approach when refusing applicants based on affordability.
- Applicants must have sufficient income remaining after housing costs to meet all reasonable living expenses, including financial responsibilities for dependent children.
- Applicants can contest the result of an affordability check via a review or our complaints process.

2.2 Policy Detail and Outcome

This Policy aims to ensure that prospective residents secure a home that is affordable for them, avoiding the difficulties that financial hardship brings to their quality of life and ability to sustain their tenancy. We are committed to ensuring that our residents have the best possible start when they move into their home and our money advice team will support them to achieve this.

This Policy includes affordability assessments for all new residents moving to an affordable rented home and any resident mutually exchanging to an affordable rented home or where they will be under occupying.

We use a benefit and budgeting affordability calculator to assess prospective residents' income and expenditure for the home they are bidding on. We consider any opportunities to maximise the applicant's income or address debt and make our decisions based on housing needs and the applicant's ability to manage financially. We expect that in most instances, rent and other charges will not exceed 40% of household income.

Applicants have the right to request a review if the property is deemed financially unaffordable. This is where the surplus income goes into a negative balance.

Applicants may seek a review regarding the relevant details of their assessment, which have already been considered in the evaluation of the offer made. This includes decisions about any change of circumstances that the landlord was not aware of.

Desired outcomes:

- Residents feel supported and are confident that their views and needs are fully considered throughout the decant process.
- All colleagues are confident in completing an affordability assessment and understand the importance of supporting residents from day one of their new tenancy.
- Residents have a clear understanding of their income and expenditure, which empowers them to make informed financial decisions and effectively manage their budget, helping them sustain rent payments and meet other priority household bills.
- Our approach is fair, clear and transparent to all.

Section 3 – Roles and responsibilities

3.1 Key Roles and Responsibilities

- The Executive Director of Customer Services has strategic oversight of this Policy and is responsible for ensuring it is reviewed in line with review requirements.
- Colleagues at manager level from the Customer Service directorate are responsible for completing any reviews of decisions made not to offer a property deemed unaffordable.
- All frontline housing colleagues are responsible for carrying out affordability assessment and offering appropriate support.

Section 4 – Compliance and Enforcement

4.1 Compliance

- Compliance with this Policy will be monitored and enforced through regular case reviews conducted by appropriate managers. They will ensure that decisions are fair and that we have been transparent in our decision making.
- We will also monitor feedback from residents, including complaints ensuring that we are continuing to improve the services and support we offer to all residents.
- All colleagues responsible for reviewing affordability assessments will receive appropriate training and guidance. During their probation period, they will have more frequent case reviews to support development

Section 5 – Related Policies, Procedures and Key Documents

Related Policies

Income Recovery and Arrears Policy

Lettings Policy

Rent Setting Policy

Tenancy Policy

Vulnerable Residents Policy

Related Procedures

Arrears Procedure

Money Advice procedure

Mutual Exchange Procedure

Tenancy ready procedure

Key Documents

Benefit and Budgeting calculator

Home Standard

Landlord Resident Strategy

Section 6 – Review, Approval, Publication

6.1 Review and Approval

This Policy will be reviewed every 3 years, or sooner should there be a material change or a change in legislation.

Section 7 – Document Control

Document Name	Affordability Policy
Approval Date	25/07/2025
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IMPACT ASSESSMENT EVIDENCE					
EQUALITY IMPACT ASSESSMENT ATTACHED		Stage 1		Stage 2	
		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
CUSTOMER IMPACT ASSESSMENT Resident feedback		Attached <input type="checkbox"/>		N/A <input checked="" type="checkbox"/>	
PUBLISHING REQUIREMENTS					
INTERNALLY	<input checked="" type="checkbox"/>	WEBSITE	<input checked="" type="checkbox"/>	SETTLE CONNECT	<input type="checkbox"/>

OFFICE USE ONLY	
RELEVANT 'APPROVAL LOGO' ADDED TO COVER	<input type="checkbox"/>
Keywords for search function	