

## Affordability Policy- Rented

Board Approved: 22/09/2025	Version: 1
Owner: Customer Experience	Next Scheduled Review: 22/09/2028

### 1. Scope

- 1.1 The Policy sets out Flint Housing’s approach to determining whether prospective customers can afford and sustain the nominated property, considering the income and expenditure of that household.
- 1.2 For the purposes of this policy, any reference to Flint Housing or “our” or “we” shall be relevant to all its associated entities and administered, if applicable, by its Management Provider(s).
- 1.3 This Policy applies to all rental properties offered by Flint Housing. This policy will be administered by our management provider(s), who will be assessing individual customers financial circumstances to achieve our aim to ensure all offers of accommodation are affordable for customers.

### 2. Aims and Objectives

- 2.1 The objective of this policy is to:
  - Ensure customers can afford the home being offered
  - Minimise financial risk to customers through an inability to meet direct housing costs and associated household expenditure
  - Define Flint Housing affordability thresholds
  - Provide clarity for Flint Housing’s management provider(s) with regards to the financial thresholds when delivering its onboarding process
  - Provide Local Authorities with evidenced based data should any nominations be refused based on affordability.

### 3. Responsibilities

The Director of Customer Experience is responsible for:

- The successful implementation of this Policy
- Ensuring our Management Provider(s) follow the Policy in full
- Ensuring the policy is understood by local authority partners
- Maintaining records for appeals and determinations where decisions have been reversed and the learning from those decisions

## 4. Definitions

- **Social Rent** - rent charged using a nationally set formula which is based on the relative value of the property, relative local income levels, and the size of the property.
- **Affordable Rent** - rent charged up to a maximum of 80% of the market rent, typically including service charge with the exception of London Affordable Rent. Flint Housing assesses a number of factors when setting Affordable Rent including local market conditions, property size and location, average income levels and Local Housing Allowance rates.
- **Household Income** – the amount of money, either through salaries and wages, retirement income and/or benefits, which a household receives on a weekly or monthly basis which is used to pay for bills and other items.
- **Household expenditure** – a weekly or monthly cost incurred by a household to meet their everyday needs, such as food, clothing, housing costs and energy.
- **Gross Income** – the sum of all wages, salaries, benefits and other forms of earnings before any deductions or taxes are made.
- **Net Income** – the amount of money remaining once tax, national insurance and pension contributions have been deducted from a household's wage or salary.
- **Debt** – an amount which is owed or due, usually to another party. For the context of this policy, this will be assessed against a household's total expenditure as part of an affordability review.
- **Rent** – an amount charged by a landlord, usually weekly or monthly, for the sole use and occupation of the property and can include the cost of delivering key services, such as repairs. The tenant has no legal ownership in the property and is rented using a periodic or fixed-term tenancy (either on a secure, assured or non-assured tenancy).
- **Service charge** - charge paid to landlords or, in the case of leaseholders to the owner of the freehold, in exchange for maintaining communal areas of a development.
- **Department for Levelling Up, Housing and Communities** – is a ministerial department with key responsibilities to drive housing supply, boost local growth through delegation of powers to local government departments and building strong communities supported through delivering public services.
- **Homes England** – an executive non-departmental public body, sponsored by the Department for Levelling Up, Housing and Communities, it aims to help increase the number of new homes that are built in England. It provides grant funding to Housing Providers to help stimulate housing growth.
- **Regulator of Social Housing (RSH)** – regulates Registered Providers of social housing to promote a viable, efficient and well-governed sector to help deliver homes that meets a range of needs. It is also sponsored by the Department for Levelling Up, Housing and Communities.
- **National Housing Federation (NHF)** – a national membership organisation which provides an arena for Registered Providers to help shape the sector and lobby government-wide policy in the affordable housing sector.
- **Office for National Statistics (ONS)** - the UK's largest independent producer of official statistics and the recognised national statistical institute of the UK. It is

responsible for collecting and publishing statistics related to the economy, population and society at national, regional and local levels.

## 5. Affordability Framework

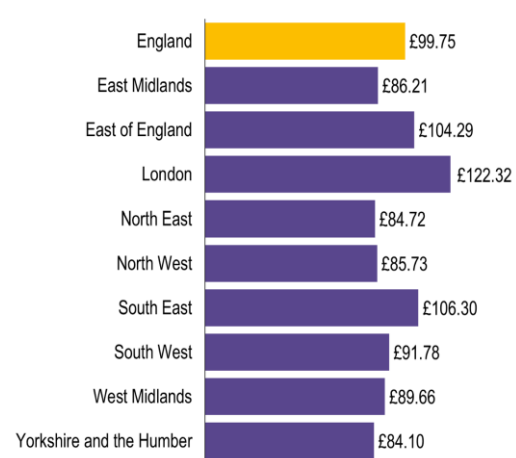
5.1 There are three key elements which Flint Housing has considered in forming a framework for assessing affordability. While our customer base is expected to have marginally different socio-economic demographic from the existing household base of the affordable housing sector, drawing analysis from the current circumstances provides some useful benchmarks.

- **Household expenditure** - The office of national statistics (ONS) estimate that for households renting from a registered provider, average total weekly expenditure was [£374.70](#) in the financial year ending 2023. Spending varies by region, with London and the South East spending about £200 more than the North East.
- **Household income** – Net disposable household income levels for registered provider customers for the same period was £642 per week which illustrates a 42% residual income once all expenditure has been considered.
- **Rent charges compared to household income** – when breaking down total weekly rent charges, the sector average across England for [2023/24](#) was £154.41 (affordable) and £99.75 (Social). London is notably higher at £221.65 and £122.32 respectively.

Affordable Rent general needs gross rent by region (£/ week)

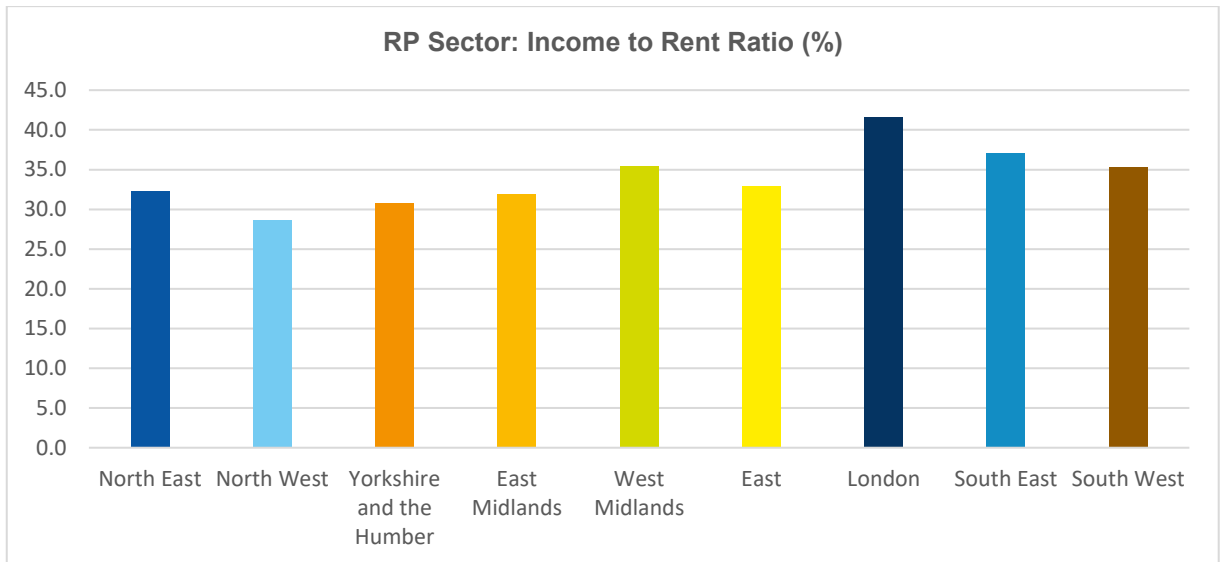


LARP general needs (social rent) net rents by region (£/ week)



(Source: [RSH Private registered provider rent profile](#) 2024)

5.2 This variance has an impact on overall affordability, with London seeing an increased stretch between income and rent costs, compared to the North East/West.



(Source: ONS weekly household expenditure compared to RSH rent profile)

5.3 Supported by the Joseph Rowntree Foundation, Housing Cost to Income Ratio (HCIR); which considers a ratio of 1:4 as a suitable measure, evidence above, and other research conducted by MHCLG and the National Housing Federation; Flint Housing has determined the following thresholds for affordability:

- **Social and Affordable Rent: Total gross housing costs (rent and associated service charges) should not exceed more than 50% of net income**

*(household defined as the main tenant, any joint tenants and their spouses, partners or civil partners)*

5.4 There may be some exceptional circumstances where a household's housing costs are likely to exceed the 50% threshold, especially across London schemes where the comparative rent levels to income is high. In these circumstances Flint Housing will consider local income percentiles and will conduct further discussions with the Local Authority to determine a level of affordability which continues to meet its policy objectives.

## 6. Income and Expenditure

6.1 In seeking to ensure customers can pay their housing costs, carrying out individual affordability assessments is essential to mitigate the risk of material hardship or financial stress. Reviewing overall income and expenditure is a key action before offering a new home to a customer - either at new build stage, re-let/resale or renewing a tenancy.

6.2 Analysing data from the annual English Housing Survey on letting of new homes, we expect that our customer base is more likely to be younger, working and leading active lifestyles. In addition, income levels will typically range from £16k-36k per annum with regional variances following the general pattern of income distribution and wealth nationally.

- 6.3 This will mean that when assessing affordability, it will be important to review both the current state of household income and expenditure, and the sustainability of income in the medium to long term. This will take account of:
- 6.4 Lead household members with multiple jobs and/or employed on a temporary, fixed-term or zero-hour employment contract.
- 6.5 Universal credit contributions and the impact on future claims based on fluctuations in income streams.
- 6.6 Outstanding debt through bank loan, hire purchase, credit card or other personal financial products. Review of the overall amount outstanding and repayment terms.
- 6.7 Short-term impact of moving into a new home – rent in advance, removals, purchasing new goods and set-up costs for new services.
- 6.8 Credit and fraud checks to confirm accuracy of information provided. This will provide further details of any material affordability concerns, history of making payments to creditors and ensure applicant details are accurate, and the customer is eligible for affordable housing.
- 6.9 In addition to the above it is important to review general expenditure of a household. We will require details of household expenditure as part of our onboarding process. This will include but not limited to weekly spending on:
- 6.10 Food and drink (including alcohol if relevant)
- Clothing and footwear
  - Utility bills including Council Tax
  - Household goods and services
  - Health
  - Transport
  - Communication
  - Entertainment (including Subscriptions)
  - Childcare and education costs
  - Holiday costs
  - Any other expenses
- 6.11 Where housing costs to income levels meet our threshold of 50% but the level of other household expenditure is high, resulting in concerns over affordability, a determination will be made on the suitability of the property being offered.

## **7. Appeals on Affordability**

- 7.1 Where a customer or Local Authority seeks to challenge an allocation decision based on affordability, this must be submitted to the management provider within 3 working days of receiving the allocation outcome decision. The appeal will be reviewed by the relevant manager for the allocation team. The relevant service manager will review all

documentation in relation to the decision made and the basis of the appeal made by the relevant party.

- 7.2 A determination will be made within 2 working days of receiving the appeal, taking into consideration the need to make a prompt decision to avoid any delays in lettings a vacant property. Any information provided by the customer or Local Authority should be supported by evidence if the management provider is required to reassess affordability.
- 7.3 Should a further appeal be made, this will be treated as a complaint and will follow Flint Housing's complaint policy which will be reviewed by a senior manager.

## **8. Legal Framework and External References**

- Office of National Statistics – [Family Spending to March 2023](#)
- Office of National Statistics – [Income and Wealth Survey 2023](#)
- Department for Levelling Up, Housing and Communities – [English Housing Survey](#)
- Department for Levelling Up, Housing and Communities – [Live tables on rent, lettings and tenancies](#)
- Department for Levelling Up, Housing and Communities – [Allocation of Accommodation](#)
- [Regulator of Social Housing – PRP housing stock – rents profile](#)
- Institute for Social Policy, Housing and Equalities Research - [Housing Supply requirements across Great Britain for low-income households and homeless people](#)
- [Affordable Housing Commission – Defining and measuring housing affordability](#)

## **9. Monitoring and continuous improvement**

- 9.1 This policy will be reviewed every three years as new data is published, unless legislation, business or sector developments require otherwise, to ensure that it continues to meet the stated objectives and take account of good practice developments.