**Guidance notes on Affordability**

1. **17.45** Under section 210(2), the Secretary of State has made the [Homelessness (Suitability of Accommodation) Order 1996](http://www.legislation.gov.uk/uksi/1996/3204/contents/made). The 1996 Order specifies that in determining whether it would be, or would have been, reasonable for a person to occupy accommodation and in determining whether accommodation is suitable a housing authority must take into account whether the accommodation is affordable by them, and in particular must take account of:
	1. (a) the financial resources available to them (i.e. all forms of income), including, but not limited to:
		1. (i) salary, fees and other remuneration (from such sources as investments, grants, pensions, tax credits etc.);
		2. (ii) social security benefits
		3. (iii) payments due under a court order for the making of periodical payments to a spouse or a former spouse, or to, or for the benefit of, a child;
		4. (iv) payments of child support maintenance due under the [Child Support Act 1991](http://www.legislation.gov.uk/ukpga/1991/48);
		5. (v) pensions;
		6. (vi) contributions to the costs in respect of the accommodation which are or were made or which might reasonably be expected to be, or have been, made by other members of their household (most members can be assumed to contribute, but the amount depends on various factors including their age and income);
		7. (vii) financial assistance towards the costs in respect of the accommodation, including loans, provided by a local authority, voluntary organisation or other body;
		8. (viii) benefits derived from a policy of insurance (such as cover against unemployment or sickness);
	2. (b) savings and other capital sums which may be a source of income or might be available to meet accommodation expenses;
	3. (c) the costs in respect of the accommodation, including, but not limited to:
		1. (i) payments of, or by way of, rent (including rent default/property damage deposits);
		2. (ii) payments in respect of a licence or permission to occupy the accommodation;
		3. (iii) mortgage costs (including an assessment of entitlement to support for mortgage interest (SMI) in income support/income-based jobseeker’s allowance/income-related employment and support allowance/universal credit);
		4. (iv) payments of, or by way of, service charges (e.g. maintenance or other costs required as a condition of occupation of the accommodation);
		5. (v) mooring charges payable for a houseboat;
		6. (vi) where the accommodation is a caravan or a mobile home, payments in respect of the site on which it stands;
		7. (vii) the amount of council tax payable in respect of the accommodation;
		8. (viii) payments by way of deposit or security in respect of the accommodation;
		9. (ix) payments required by an accommodation agency;
	4. (d) payments which that person is required to make under a court order for the making of periodical payments to a spouse or former spouse, or to, or for the benefit of, a child and payments of child support maintenance required to be made under the Child Support Act 1991; and,
	5. (e) other reasonable living expenses

**17.46** Housing authorities will need to consider whether the applicant can afford the housing costs without being deprived of basic essentials such as food, clothing, heating, transport and other essentials specific to their circumstances. Housing costs should not be regarded as affordable if the applicant would be left with a residual income that is insufficient to meet these essential needs. Housing authorities may be guided by Universal Credit standard allowances when assessing the income that an applicant will require to meet essential needs aside from housing costs, but should ensure that the wishes, needs and circumstances of the applicant and their household are taken into account. The wider context of the applicant’s particular circumstances should be considered when considering their household expenditure especially when these are higher than might be expected. For example, an applicant with a disabled child may have higher travel costs to ensure that the child is able to access additional support or education that they require and so this should be taken into account when assessing their essential needs, and the income that they have available for accommodation costs.