



# Ministry of Housing, Communities & Local Government

## Social housing allocation

## Evidence collection exercise

### Final Report

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November 2020

Ministry of Housing, Communities and Local Government



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# Executive summary

The overall objective of this research was to contribute to the evidence base on how homes in the social rented sector in England are being allocated. It forms part of an evidence collection exercise announced by the Ministry of Housing, Communities and Local Government in the social housing green paper published in August 2018. The research involved consultation with key stakeholders and rapid review of the literature, followed by 10 in-depth case studies of local authority allocation schemes, and 9 focus groups held throughout England and attended by local authority officers, housing associations, organisations working with housing applicants, and other experts.

## Context

There is a consensus that need for social housing exceeds supply in many areas in England. Social housing allocation schemes determine who gets priority for both housing association and local authority housing. Under the 1996 Housing Act, local authorities are required to devise housing allocation schemes that give 'reasonable preference' to certain categories of applicant, including those who are homeless or overcrowded. The 2011 Localism Act sought to increase the freedoms of local authorities to allocate housing in line with local priorities. The government has since published statutory guidance encouraging local authorities to make use of these new freedoms, as well as their existing flexibilities.

This research brings together evidence on how and why local authorities are using their flexibilities on qualification and prioritisation, how they work with housing associations, how they support people in the lettings process and whether allocation schemes are meeting their key aims – particularly around homelessness, equalities, working households and integration and cohesion. It also draws on a survey of local housing authorities issued by the Ministry of Housing, Communities and Local Government in June-July 2019 as part of the evidence collection exercise announced in the social housing green paper.

## Key findings:

### Literature review

- There were 1.16 million households on local authority waiting lists on 31 March 2019, and 314,000 lettings during the year 2018/19.
- There is concern about a declining number of lets to homeless households, despite an increase in homelessness in the last 10 years. Local authority officers believe this is in part due to the power to apply more stringent qualification criteria introduced under the Localism Act.
- Social renting has become less affordable to households reliant on benefits, including many homeless households, due to benefit policy changes.
- Allocation schemes aim to ensure equal and fair access to social housing. However, there are concerns relating to people with mobility problems who are unable to access suitable housing, and those who need support in the lettings process.

- There are concerns among some local authorities that some housing associations have become more selective about who they will house, though there is a lack of firm evidence on how common the practice of pre-tenancy assessments is, or the numbers of applicants that fail them.

## **Sub-regional working**

- Responses to the MHCLG survey and online research found that around half of local housing authorities in England are part of a sub-regional allocation scheme.
- There was a total of 38 sub-regional schemes found to be in existence in September 2019.
- Thirteen of the schemes involved just 2 authorities working together, whilst the others had between 3 and 13.
- The extent of joint working in schemes varies. Some allow applicants equal access to housing across the entire sub-region, whilst other local authorities share only an IT interface and maintain their own allocation priorities within the sub-regional scheme.

## **Setting qualification criteria**

- The MHCLG survey found that most local authorities had set qualification criteria to limit access to the housing register for people who lacked a local connection. Authorities that did not set qualification criteria nevertheless placed non-local people in a lower priority band. The case studies and focus groups found that disqualifying applicants without local connection from the register reduced administrative costs in areas where they would have no chance of being housed, whilst putting them in a lower band was more useful in lower demand areas to ensure adequate demand for less popular housing.
- The survey found that some authorities disqualified people who had committed ASB (anti-social behaviour) or had rent arrears, though the case studies suggested that it was common for such bars to be temporary and reviewed if people improved their behaviour or started paying their arrears. The survey also found that the majority of authorities make exceptions to qualification criteria for certain groups, such as those fleeing violence.
- The case studies found that authorities in higher demand areas have restricted access to the housing register to those who are either trying to downsize or are in housing need (with 'need' generally defined in ways that broadly match the reasonable preference groups defined in the 1996 Housing Act). This was reported to be the main reason for the large reduction in the size of the housing register in the case study areas that had restricted access in this way.
- The case studies explored the extent to which some authorities also disqualify people with incomes or assets above certain levels, in order to ensure that social housing goes to those who would be least able to afford suitable housing in the open market. Some lower demand areas do not take this approach because they need to ensure there is adequate demand for less popular housing. One case study in a high-demand area chose not to do this because they judged it to be administratively costly for little gain, as the large majority of applicants were believed to be below the income threshold that would be needed to afford private housing.

- Focus groups and case studies found that in some lower demand areas, housing associations were concerned that more restrictive housing registers had made it harder to let some of their stock, especially where they had expensive affordable rented homes or rural homes with additional planning conditions on who they could be let to.
- There were concerns expressed by stakeholders and at focus groups that disqualifying people with a history of ASB or rent arrears disproportionately affected young people and some vulnerable groups, as well as homeless people.

## Setting priorities for allocating housing

- The case studies found that 'management moves', such as tenants being required to move for demolition, and people with urgent medical needs to move, such as those awaiting hospital discharge, were generally the highest priority in allocation schemes.
- Existing tenants looking to downsize were a high priority in most of the case study allocation schemes, though local authorities reported that support with moving, and identifying housing that was attractive for them to move to, remained as barriers in efforts to increase downsizing.
- Case studies reported that overcrowded households form a large part of the housing register, and of lettings in many areas. The level of priority given to them in allocation schemes varied, with some high-pressured areas giving priority only for certain severely overcrowded households.
- The MHCLG survey found that working households were prioritised in only a minority of areas, and this practice was found in only 2 of the 10 case studies. Local authority officers in the other areas, and in focus groups generally felt that this conflicted with other objectives (around equalities and addressing homelessness). There were also reports that this was difficult to monitor in practice if people moved in and out of work. There was limited focus on prioritising social tenants moving for a job, and a widespread belief that there was little demand for this from existing tenants.
- There was concern amongst some stakeholders that allocation schemes are failing to prioritise homeless people. The case studies suggested that lower demand areas did give very high priority to homeless people. However, in higher demand areas, there was a diversity of views on whether this prioritisation was the best approach in terms of avoiding people feeling that being accepted as homeless was the only viable route into social housing.
- Case studies revealed that the extent of partnership working with housing associations varied between areas. In some areas, housing associations were fully involved partners in setting priorities for social housing, while in others, their involvement was limited to what was required of them via their nomination agreements.

## Letting social housing

- Choice-based letting (CBL) is widely used across England. The case studies and focus groups found that in lower demand areas it appears to be successful in offering applicants meaningful choice over where to live.
- Most areas using a CBL scheme also used direct lets for some people in order to ensure that homeless households, people in need of adapted properties, and other

high-priority groups are housed quickly and appropriately. Some homeless households struggle to bid effectively and are therefore subject to computer-placed 'auto-bids' or staff-placed bids.

- Applicants in most case study areas were restricted in terms of the number of properties they may bid for, in order to make the administration of the scheme more manageable.
- Housing associations are obliged under their nomination agreements to offer a proportion of their lets to the local authority to allocate under its own scheme – this is typically between 50% and 100%. The case study research found that many housing associations in fact allocate more than they are obliged to, because it is an efficient means of letting housing or because they share the local authority's priorities in terms of lettings.
- There was widespread concern among stakeholders and at focus groups that housing associations were increasingly rejecting people who had been shortlisted for a property because of concerns over affordability or their ability to sustain a tenancy. This practice does appear to be a major issue in some areas, though there is a real lack of monitoring of the extent of the issue. Refusing applicants on the grounds of affordability included a wide range of approaches. Some associations refused people because their earnings were too low to meet rent-to-earnings ratios. Some refused to let one bedroom properties to under 25s on jobseekers allowance, because their benefits were insufficient to pay bills and other living expenses. Others refused nominations for specific properties where their housing benefit would not cover the rent in full (for instance because it was larger than they were deemed to need). Applicants were also refused because they were considered to have unmet support needs.
- There were widespread concerns expressed by local authority staff in case studies and at focus groups that homeless people were particularly likely to be turned down for properties through pre-tenancy screening, because they often had support needs and rarely had well paid jobs. The lack of data on who is turned down or why makes it difficult to explore this issue further.
- There can be difficulties letting homes in rural areas where planning conditions impose additional criteria on who should be prioritised. The IT systems used in allocation schemes are not currently able to match properties with additional criteria to those who would meet them, meaning that manual checks are required, and many bidders are turned down. Some rural homes can be hard to let to people who meet both the conditions of planning permission (around having a very local connection) and the priorities of the housing allocation scheme. Others are let to people who would not normally be a high priority for housing.
- Some housing is allocated outside of normal allocation rules via local letting schemes. The extent of these varies considerably between areas, with some authorities using them quite extensively, or imposing blanket quotas on a proportion of lets to go to certain groups of people, and others not using them at all. Local letting schemes are used to ensure a 'balance' of people in a new development or problematic estate, and avoid high concentrations of tenants with more acute needs. Some areas avoided this approach due to concerns around discrimination and disadvantaging vulnerable groups in the lettings process.

# Glossary

AI	Artificial Intelligence
ASB	Anti-Social Behaviour
BME	Black and Minority Ethnic
CAB	Citizens' Advice Bureau
CBL	Choice-Based Lettings
CIH	Chartered Institute of Housing
CORE	Continuous Recording of social housing lettings and sales system (dataset)
DCLG	Department for Communities and Local Government
DETR	Department of Environment, Transport and the Regions
DSS	Department of Social Security
EHRC	Equality and Human Rights Commission
HMO	Houses in Multiple Occupation
HRA	Homelessness Reduction Act
IT	Information Technology
LAHS	Local Authority Housing Statistics
LGA	Local Government Association
LGBT+	Lesbian, Gay, Bisexual and Transsexual+
LHA	Local Housing Allowance
LSVT	Large Scale Voluntary Transfer
MAPPA	Multi-Agency Public Protection Arrangements
MHCLG	Ministry for Housing Communities and Local Government
NASS	National Asylum Support Service
NHF	National Housing Federation
ODPM	Office of the Deputy Prime Minister
ONS	Office for National Statistics
PRS	Private Rented Sector
SDR	Statistical Data Returns
TPAS	Tenant Participatory Advisory Service
VOA	Valuation Office Agency

# Introduction

In the 2018 social housing green paper 'A new deal for social housing', MHCLG announced an evidence collection exercise to improve understanding of how the national framework for allocating social housing is playing out in local areas in England. RSM Economic Consulting was appointed by MHCLG to support this exercise by producing an independent report drawing on qualitative research. The primary research questions set for this work were:

- how are local authorities using their flexibilities on qualification and prioritisation to set their allocation schemes and why have they adopted these?
- how are housing associations working with local authorities in allocating accommodation to meet housing need?
- what methods are local authorities using to help people participate in the allocations and lettings process?
- are schemes meeting intended outcomes and addressing locally identified need or are they producing any unintended outcomes, and how are local authorities assessing these?

The exercise was informed by insights and concerns shared with MHCLG by key stakeholders. The areas of interest included:

- homelessness – how local authorities are using their allocation schemes to discharge their statutory homelessness duties (alongside alternative housing options) and how this is tensioned against the needs of non-priority homeless applicants and other households in housing need
- the impact of allocation schemes on equalities – whether there are any groups with protected characteristics that are being disadvantaged or unfairly excluded in the allocations process
- working households – whether allocation schemes are supporting working households and those seeking paid employment and career progression, including those who need to move to a new area for a job
- integration and cohesion – how local authorities are designing allocation schemes and working with housing associations to create mixed and stable communities

These issues have been the focus of this report.

## Methodology

MHCLG issued a survey to all local housing authorities in England in June-July 2019, comprising over 30 questions. The survey received a 69% response rate. RSM was appointed to conduct further research to supplement the survey findings, comprised of the following methods.

## Consultation with key stakeholders

As mentioned above, MHCLG had engaged with several stakeholders prior to this study being commissioned, to inform the scope. Further in-depth interviews were then undertaken by the study authors with a number of these and other organisations to build on this early activity. The list of stakeholders was constructed by the project steering group and built up by suggestions from other interviewees. Telephone interviews were undertaken with the following organisations:

- Arawak – a housing association working in the north of England
- BME National
- the Chartered Institute of Housing (CIH) – the membership body for housing professionals
- Communities that Work – a national body of social landlords focused on employment opportunities for tenants
- Crisis – a national organisation providing advice and support to homeless people
- the Equality and Human Rights Commission (EHRC)
- Habinteg Housing Association – a housing association that has developed a useful toolkit for disabled tenants, which includes for allocating housing with adaptations
- the Local Government Association (LGA) – the group representing local government
- Mind – a charity focused on the needs of people with mental health difficulties
- the National Housing Federation (NHF) – the umbrella body for housing associations
- Shelter – a national homelessness and housing charity
- Stonewall – an organisation campaigning on behalf of LGBT+ (Lesbian, Gay, Bisexual and Trans+) people
- TAROE Trust – an organisation representing tenants and resident organisations
- TPAS – a tenant participation advisory service.

## Rapid review of the literature

An initial examination of the literature had been undertaken by MHCLG and the list of sources identified was supplied for this research. The list was filtered down to those which were either directly about social housing allocations or published within the last ten years. This was supplemented by further literature found via online searches for key terms including 'housing allocation', 'choice-based lettings' and combination terms such as 'BME' 'housing allocation'; 'disability' 'housing allocation' and 'localism act' 'housing allocation'. The list of literature to review was further supplemented with suggestions made by stakeholders who were interviewed.

The literature was analysed to a framework focusing on the key areas of interest: homelessness, equalities, working households/mobility, integration and cohesion, and working with housing associations.

## Understanding the configuration of local authority allocation schemes

Some local authorities work with their neighbouring authorities using a joint sub-regional scheme to allocate homes. The allocations survey issued by MHCLG included a question

on whether the local authority used a CBL scheme, and if so whether this was part of a sub-regional scheme. RSM supplemented this with analysis of information on local authorities' website and in published documents, and followed up with telephone calls to clarify any apparent contradictions between the survey and online information.

## **Case studies**

MHCLG selected 10 local authorities to be case studies from those who replied to the survey, comprising one in each region of the country and 2 in London. Areas were selected to ensure a mix across a range of variables including urban/rural, stock-owning/non-stock owning, levels of deprivation (using the Index of Multiple Deprivation) and annual turnover of stock. Interviews with case study local authority staff, local housing associations and wider partners were undertaken between November 2019 and February 2020. The contextual information in the case study write ups (see Annex 2) has been sourced from MHCLG live tables and the ONS. Precise figures have not been given, in order to help anonymise the case studies.

## **Focus groups**

Nine focus groups at different locations around England were undertaken in January and February 2020. Invitations were sent to an initial list of organisations agreed with MHCLG including all district and unitary local authorities across the country, and housing associations contacted via the National Housing Federation. A total of 107 people attended the 9 focus groups comprising 60 housing associations, 27 local authorities, 2 arms-length management organisations (ALMOs) and 18 other organisations including those who worked with tenants or housing applicants and other organisations and academics with an interest in social housing allocations.

## **Analysis**

The qualitative findings were analysed using NVivo software for qualitative data analysis, using a mixture of deductive and inductive analysis. Deductive analysis involves devising a coding framework initially around the key research questions. The interview and focus group transcripts were then 'coded up' to this framework, linking content from each transcript to each element of the framework, based on the key research questions. The coding framework was then developed inductively through the analysis of the interviews. This approach involves developing and enhancing the coding framework to incorporate themes that have emerged from the research itself. Inductive analysis therefore facilitates an exploratory approach to the analysis, identifying any issues in social housing allocation that were not necessarily anticipated at the start.

A mixed approach to analysis, using deductive and inductive analysis, is common for this type of work as it allows investigation into the issues that are initially set as research questions, but also identification and analysis of those that arise during the course of the qualitative research. This coding framework was used to analyse all the qualitative evidence collected, including from case studies and focus groups, enabling an integrated approach to analysis and the drawing of conclusions from across all strands of work.

# Chapter 1: Social housing allocations in context

## Policy context

There is a consensus that need for social housing exceeds supply in many areas in England. Social housing allocation schemes determine who gets priority for both local authority housing and much of the housing association social rented sector. For over 40 years, *housing need* has been a key factor in determining who has priority for social housing, following legislation introduced in the 1977 Housing Act.<sup>1</sup>

The current legal framework within which local authorities in England allocate their housing stock is contained in Part 6 of the Housing Act 1996 (as amended). Local authorities are required to devise housing allocation schemes that give “reasonable preference” to certain categories of applicant. These comprise:

- people who are homeless (within the meaning of Part 7 of the 1996 Act)
- people who are owed a duty by any local housing authority under the Housing Act 1985 or who are occupying temporary accommodation secured by any such authority under this Act
- people occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions
- people who need to move on medical or welfare grounds, including any grounds relating to a disability
- people who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship to themselves or to others

The government also sets out restrictions on eligibility, affecting certain categories of migrants. Beyond that, local authorities have always had a good deal of discretion over how they allocate their housing stock. The House of Commons Library briefing paper from April 2018 gives a detailed overview of the legal framework for allocating social housing in England (Wilson et al, 2018).

Most local authorities in England use a choice-based-letting (CBL) system to allocate housing. This requires applicants to 'bid' for properties that are available. The housing is then offered to the highest-ranked bidder, based on the local authority's scheme for ranking applicants. People in the most urgent need are generally ranked higher than those

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<sup>1</sup> See Hills 2007

[http://eprints.lse.ac.uk/5568/1/Ends\\_and\\_Means\\_The\\_future\\_roles\\_of\\_social\\_housing\\_in\\_England\\_1.pdf](http://eprints.lse.ac.uk/5568/1/Ends_and_Means_The_future_roles_of_social_housing_in_England_1.pdf) for more on the history of allocations.

in less urgent need. CBL schemes were introduced in most authorities in the 2000s following government promotion of choice within social housing allocation (DETR and DSS, 2000).

The 1996 Act also includes a broad duty for housing associations to co-operate with local authorities.<sup>2</sup> Local authorities have a long tradition of working closely with local housing associations to allocate social housing across their area. Most housing associations are obliged to offer a proportion of their lettings to local authorities to allocate – the housing association then offers the tenancy to the applicant that the local authority nominates (known as a *nomination*). In practice, with CBL schemes, the associations themselves place their adverts on the CBL scheme, and people bid for it, just as they bid for local authority housing on the CBL scheme. Some housing associations choose to allocate all of their housing stock via local authority schemes, even if they do not have to, because it is an efficient means of letting or because they share their local authority's commitment to helping those in housing need and wish to work closely together. Others, however, allocate some (or occasionally all) of their vacant stock via their own allocation scheme. They may use companies who provide the web-based functionality of the letting service for them. Housing associations are usually not-for-profit organisations and have a social mission but are otherwise relatively free to allocate housing not covered by nomination agreements as they wish. Housing associations' own allocation policies can therefore also have an impact on social housing allocations.

## The 2011 Localism Act

The 2011 Localism Act<sup>3</sup> increased the element of discretion for local authorities, giving them new powers to shape the way they approach allocations, manage waiting lists, and make use of tenancies. The consultation that was undertaken in 2010/11 asked consultees whether there should be any changes to the reasonable preference categories, but none were made. Local authorities are still required to give priority to households in a reasonable preference category but were given greater control of who they admit to the waiting list. These freedoms were intended to allow councils to 'reward achievement and encourage housing mobility – so scarce and precious social homes go to people who genuinely need and deserve them the most such as hard-working families and ex-servicemen and women'.<sup>4</sup>

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<sup>2</sup> This is also set out in the Tenancy Standard, see [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/725828/Tenancy Standard 2015.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/725828/Tenancy%20Standard%202015.pdf)

<sup>3</sup> [www.legislation.gov.uk/ukpga/2011/20/contents/enacted](http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted) Date accessed 31 December 2019

<sup>4</sup> [www.gov.uk/government/news/councils-given-the-freedom-to-stop-people-playing-the-social-housing-system](http://www.gov.uk/government/news/councils-given-the-freedom-to-stop-people-playing-the-social-housing-system). Date accessed 31 December 2019.

The Act restored the power that local authorities had between 1997 and 2003 to exclude, by class, certain applicants they designate as 'non-qualifying persons' – though they still need to comply with the Equality Act 2010. Subject to the centrally-determined eligibility criteria and any regulations made by the Secretary of State, authorities became free to decide what classes of person are and are not 'qualifying persons' for the purposes of their allocation schemes (Housing Act 1996). People who lacked a local connection, and those in low levels of housing need were often deemed to no longer qualify to join housing registers.

## **Qualifying for social housing**

Prior to the 2011 Localism Act, local authorities were not able to exclude people without a local connection from being considered, though they were able to give them lower priority, which most did (Pawson et al, 2009). After the 2011 Localism Act, they were able to define people without a local connection as not qualifying to join the register. New supplementary guidance was issued in 2013 which strongly encouraged authorities to include a residency requirement of at least two years but also to consider including those with family connections or employment in the district. The guidance emphasised the need for residency requirements to include exceptions in special circumstances, such as homeless households placed out of borough and people fleeing violence.

## **Changes to who is given priority for social housing**

### **DISQUALIFYING PEOPLE ON THE BASIS OF PAST BEHAVIOUR**

Prior to the 2011 Localism Act, local authorities were allowed to treat someone as not qualifying to join the housing register because of their past behaviour – and the types of behaviour that could be considered were set out in the 1996 Housing Act. These were defined as behaviour that would have been sufficiently poor to have entitled the local authority to obtain a possession order, had they been a local authority tenant, such as rent arrears or a breach of tenancy. The 2011 Localism Act removed these provisions because they were no longer needed now that local authorities could set their own criteria. Local authorities can now form their own policies on who should not qualify based on past behaviour.

### **TRANSFERRING TENANTS**

Social tenants moving to a smaller home ('downsizers') were already given priority by many local authorities prior to the 2011 Localism Act (CIH, 2011; Clarke et al 2011). This was because there is an acute shortage of larger homes in many areas and encouraging downsizing can therefore help overcrowded families who need the larger homes that downsizers vacate. However, downsizers are not explicitly a reasonable preference group under the 1996 Housing Act, meaning that local authorities had to ensure they were not prioritised overall in the allocation scheme at the expense of the reasonable preference groups.

The 2011 Localism Act amended Section 159 of the 1996 Act so that transfer applications from existing tenants in social housing who did not fall into the reasonable preference categories no longer have to be assessed on the same basis as applications from households applying on the housing register. The 2012 guidance encouraged local authorities to consider prioritising downsizers, particularly those who might be affected by the measure in the Welfare Reform Act 2012 that reduced housing benefit entitlement for

working age social sector tenants who under-occupy their property, which was due to come into effect in 2013 (DCLG, 2012).

Other than downsizers, the other type of local authority tenant that may be considered for increased priority is those who need to move to a new location for work. The DCLG Right to Move guidance issued in 2015 (DCLG 2015a) simply recommended that tenants who need to move for work reasons should be given 'appropriate priority' under allocation schemes, for instance if the inability to move for work causes hardship. The guidance encouraged authorities to use the existing hardship reasonable preference category to prioritise tenants seeking to move for work. It also advised authorities to set a quota for the proportion of lettings that they would expect to allocate each year to social tenants moving for work and suggests that an "appropriate quota" would be 1%.

### **MEMBERS OF THE ARMED FORCES**

As discussed above, regulations and guidance stipulated that members of the armed forces should not be disqualified for social housing for lacking a local connection (DCLG, 2012). Further regulations went beyond this and stipulated that 'additional preference' must be given to certain serving and ex-members of the armed forces (DCLG, 2012). Further consultation was recently undertaken on improving access to social housing for the armed forces, veterans, and families (MHCLG, 2019).

### **THOSE IN WORK OR MAKING A 'COMMUNITY CONTRIBUTION'**

Local authorities already had the power to give increased priority to people who were in work or making a 'community contribution' prior to the 2011 Localism Act and were encouraged to consider this in guidance from 2009 (DCLG, 2009). The 2012 guidance urged local authorities to consider how to use their flexibilities in this area (DCLG, 2012). This is an area that has been controversial at times and there have been successful legal challenges over some local authorities' policies that favour people in work, on the grounds that they indirectly discriminate against women and disabled people (Wilson et al, 2018).

## **Homelessness legislation**

The 1996 Housing Act set out that 'reasonable preference' must be given to certain categories of applicant – including those who are homeless within the meaning of Part 7 of the 1996 Act and those owed certain duties (ie 'statutory homeless' households). This was not changed by the 2011 Localism Act. Homelessness legislation and the code of guidance still requires local authorities to assist people with a local connection – which is granted to those with only six months' residency (as well as those who have no local connection to any authority in England). This means that some households will be owed the main homelessness duty and accommodated in temporary accommodation but would not meet the residency requirements normally needed to qualify for social housing. However, case law has held that housing authorities should not apply qualification criteria

which would exclude altogether from their allocation schemes those entitled to reasonable preference including homeless households.<sup>5</sup>

The 2011 Localism Act also gave local authorities the power to discharge their homelessness duties via an offer of private rented sector accommodation more easily (without requiring the agreement of the applicant). This meant that it became possible to create greater separation between homelessness duties and routes into social housing. However, caps and restrictions on Local Housing Allowance have in many areas made it very challenging for local authorities to find accommodation affordable to low income households within the private rented sector (Basran 2019; Clarke et al, 2017). There are also some local authorities that are opposed politically to discharging homelessness duties by offers of private rented tenancies, meaning that systems helping homeless households into the private rented sector are not well evolved in all areas. Data from 2018/19 shows that of the 198 authorities in England who were able to provide the data in full, 48 did not discharge duties to any homeless households via an offer of private rented housing. In contrast, 5 authorities discharged more than half their homelessness duties in this manner.<sup>6</sup> Overall 11% of households owed the main homelessness duty had this duty discharged by accepting an offer in the private rented sector.<sup>7</sup> The social rented sector therefore remains the main source of 'settled accommodation' for those owed a main homelessness duty.<sup>8</sup>

## The Homelessness Reduction Act

In April 2018 the Homelessness Reduction Act came into effect.<sup>9</sup> This extended the period in which a duty is owed to people threatened with homelessness from 28 to 56 days. It introduced new duties to prevent and relieve homelessness for all eligible applicants threatened with homelessness regardless of priority need. It also introduced a new 'duty to refer' for certain public services, requiring them to refer service users who are homeless or threatened with homelessness (where they consent) to a local authority. Local authorities were given additional funding to help meet the requirements of this Act, though there remained concerns that the increased duties it placed on them would increase pressure on social housing allocations, from a finite housing supply. A key implication for housing

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<sup>5</sup> See for instance [www.bailii.org/ew/cases/EWHC/Admin/2015/2375.html](http://www.bailii.org/ew/cases/EWHC/Admin/2015/2375.html).

<sup>6</sup> These were Merton, Leicester, Broxbourne, Hart and Teignbridge. Source: [www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness](http://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness). Date accessed: 31 December 2019.

<sup>7</sup> [www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness](http://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness)

<sup>8</sup> MHCLG (2019) Statutory homelessness live tables.

<sup>9</sup> [www.legislation.gov.uk/ukpga/2017/13/contents/enacted](http://www.legislation.gov.uk/ukpga/2017/13/contents/enacted). Date accessed: 31 December 2019.

allocation schemes was that local authorities are required to include people owed a prevention or relief duty as a reasonable preference group in their allocation schemes. Statistics collected for these show that around 40-45% of prevention and relief duties owed to households are met by the offer of a social rented tenancy.<sup>10</sup>

## Timeline

The timeline below summarises the main legislative changes that have occurred since the 1996 Housing Act.

Year	Change	Main impact on allocations
1997	Housing Act (1996) comes into force	<p>Local authorities required to give 'reasonable preference' to certain groups of applicants, including those who are homeless or overcrowded. They may also consider other factors such as local connection when prioritising between people.</p> <p>Local authorities no longer obliged to maintain a housing register, but must have an allocation scheme for prioritising applicants.</p> <p>Local authorities are not permitted to allocate to <i>non-eligible</i> people (certain classes of migrant).</p> <p>Local authorities free to exclude by class certain groups of non-qualifying people.</p>
2003	Homelessness Act (2002) comes into force	<p>Local authorities required to treat transfer applicants and new applicants on the same basis.</p> <p>Local authority freedoms to set their own criteria for non-qualifying people curtailed.</p> <p>Amended the reasonable preference categories in the Housing Act (1996).</p>
2005	Reasonable preference category in Housing Act amended to include grounds related to a disability	Clarifies that a disability may give rise to a need to move on medical or welfare grounds.
2009	Fair and flexible: statutory guidance on social housing allocations for local authorities in England, published	Local authorities encouraged to consider how to use allocation policies to support those in work or seeking work.
2010	Equality Act (2010) comes into force	Local authorities must ensure that their allocation schemes do not directly or indirectly discriminate against groups protected by the Act.

<sup>10</sup> MHCLG (2019) Prevention and relief live tables, own analysis

2011	Introduction of Affordable Rent	Most newbuild social rented homes and a proportion of housing association relets now offered at 'Affordable Rent', which is up to 80% of market rent.
2012	Localism Act (2011) comes into force	<p>New freedoms introduced for local authorities.</p> <p>Local authorities no longer required to treat transfer applicants and new applicants on the same basis unless they are in a reasonable preference group.</p> <p>Local authority freedoms to set their own criteria for non-qualifying people reinstated and expanded, including the right to exclude on the basis of past behaviour (such as non-payment of rent), and to set their own local connection criteria.</p> <p>Rules around eligibility still set by central government. Secretary of State also retained powers to prescribe classes of people who are or are not qualifying persons, and to prescribe criteria which authorities cannot use to determine who is a qualifying person.</p>
2012	Allocation of accommodation: guidance for local housing authorities in England statutory guidance issued.	<p>Local authorities advised on how to define "qualifying persons".</p> <p>Local authorities required to prioritise people with urgent housing needs, within the reasonable preference groups.</p> <p>Local authorities encouraged to prioritise:</p> <ul style="list-style-type: none"> <li>• those in work or making a 'community contribution' such as voluntary work</li> <li>• members of the armed forces and their families</li> <li>• foster carers and adopters who require an extra bedroom in order to foster or adopt</li> </ul> <p>Local authorities encouraged to have regard to the forthcoming (2013) social sector size criteria that will affect housing benefit payments for tenants with spare bedrooms when determining the size of homes allocated to different households.</p>
2012	Allocation of Housing (Qualification Criteria for Armed Forces Personnel) Regulations (2012) issued	Local authorities not allowed to disqualify certain members and ex-members of the armed forces for lacking a local connection.
2012	Additional Preference for Armed Forces regulations issued	Requires that local authorities give 'additional preference' to certain members and ex-members of the armed forces if they are also in a reasonable preference group and have urgent housing needs.
2013	Welfare Reform Act (2012) comes into force	Social sector size criteria introduces housing benefit reductions for social tenants deemed to have spare bedrooms – which caused many social landlords to give greater priority to downsizers and bring their own allocation schemes into line with the size criteria in terms of the size of property different households are eligible for.

2013	Supplementary guidance 'Providing social housing for local people' issued	A residency period of at least two years recommended. Local authorities advised to consider exceptions for those without a local connection such as family or employment within the district. Local authorities are required to make exceptions for certain members of the armed forces.
2015	The Allocation of Housing (Qualification Criteria for Right to Move) Regulations 2015 comes into force	Local authorities not permitted to exclude social tenants who have reasonable preference to move to the district to avoid hardship and need to move for work on the grounds of lacking a local connection. Local authorities advised to set a quota for such moves of around 1% of lettings.
2018	Improving Access to Social Housing for Victims of Domestic Abuse in Refuges or Other Types of Temporary Accommodation guidance published	Local authorities encouraged to exempt victims of domestic abuse living in refuges or other temporary accommodation from local connection criteria.
2018	Homelessness Reduction Act (2017) comes into force	Local authority duties to people who are homeless or at risk of homelessness extended for non-priority groups. Authorities required to include people owed the new prevention or relief duty as a group to be given reasonable preference in their allocation schemes.
2019	Consultation on improving access to social housing for members of the armed forces	Government consultation setting out proposals for new statutory guidance for local authorities to assist members of the armed forces, veterans, and their families, to access social housing.

# Chapter 2: Rapid review of the literature

Social housing allocations and the impact of changes in lettings practice on the housing options of different groups has been the subject of research for academics, lobby groups, and sector bodies over the last 10 years and more. This chapter discusses the main findings from this literature in relation to homeless households, equalities, working households, joint working with housing associations, and creating mixed communities.

## Allocations – key facts

There were 1.16 million households on local authority waiting lists on 1 April 2019, and 314,000 lettings during the year 2018/19 (MHCLG, 2020a).

Turnover rates in social housing are low relative to the private rented sector. Only 8% of the 4.1 million social properties in England were let to new tenants during the year 2018/19. The number of new lets in 2018/19 was just 1,000 more than the previous year. This flattening in the trend ends the continued fall from the peak of 396,000 new social housing lettings in 2013/14 (a 21% decrease). This is despite little change in the size of the social sector during this period (MHCLG, 2020a). Turnover rates are generally higher in northern England than in the south. The proportion of social housing stock re-let in London during the year was 2%, compared to 7% in the north and midlands (MHCLG, 2020a). This may be related to greater mobility between the social and private rented sectors in areas where rent levels are similar.

There is evidence that pressure on social housing is increasing; in 2018/19, 8% of social renters lived in overcrowded accommodation, up from 5% in 1998-99. Over the same period, the proportion of private renters living in overcrowded accommodation increased from 3% to 6% (MHCLG, 2020b). Also, the number of private renters more than doubled during this 20-year period, meaning that the number of overcrowded private renters – a key group who apply for social housing – increased more than four-fold.

A third of new social housing lettings in 2018/19 were to existing tenants, and the remaining two thirds to tenants not living in social housing immediately previously (MHCLG, 2020a).

## Addressing homelessness

Homelessness legislation requires local authorities to consider statutory homeless households (and those owed a prevention or relief duty) as a reasonable preference group. However, the literature has identified several ways in which homeless households may increasingly be losing out to other groups in the allocation of social housing.

## Rising homelessness

Statutory homeless acceptances rose by 42% between 2010/11 and 2017/18. This was widely attributed to private rented tenants becoming homeless because Local Housing Allowance had been capped and they could no longer afford private rents (Clarke et al,

2017; Fitzpatrick et al., 2019). Overall, 18% of new lettings in 2018/19 were deemed to be ‘statutorily homeless’, of which 15% were owed a main homelessness duty to be allocated a settled home, with the other 3% not owed a duty (MHCLG, 2020a). The overall number of social lets declined over the 10 years from 2008-18. The number of lets to homeless people has also fallen (MHCLG, 2020a), despite rises in the rates of homelessness.

## **The impact of the Localism Act on homelessness**

In 2017 the annual Homelessness Monitor included a one-off exercise (not repeated in subsequent years) looking into the impact of the 2011 Localism Act, and argued that the impact of the Act on homeless households has been largely negative. The 2017 Monitor surveyed local authority officers and found that none reported the localism agenda to be entirely positive, and 15% of respondents felt it had been wholly negative. The main concerns related to the more stringent residency rules increasing the numbers of homeless households stuck in temporary accommodation (Fitzpatrick et al, 2017).<sup>11</sup>

Increased restrictions on qualification for social housing registers for those with a recent history of serious and unacceptable behaviour (such as rent arrears, criminal convictions, anti-social behaviour, or leaving a property in a poor condition) have also been found by Crisis to act as a consistent barrier faced by many hostel residents in accessing permanent accommodation, and single homeless people more widely (Crisis, 2018; Crisis 2017). Residency requirements may also indirectly disadvantage people at risk of homelessness, for example because of unsettled housing histories (Brown, 2018; Crisis, 2017). Research for the Joseph Rowntree Foundation found that some vulnerable people in the process of eviction did not qualify for social housing because they lacked a local connection with the location where they were currently living (Clarke et al, 2017).

## **Benefit changes and homelessness**

Another key area of concern relates to benefit changes. Research by Crisis found that some homeless households (who are commonly reliant on benefits) cannot afford social tenancies (Crisis, 2017; CIH, 2019a). Some benefits were frozen between 2016 and 2020, with below-inflation increases before this time to some benefits. This affects the benefits intended to cover living costs of all benefit-dependent households – both in and out of work – and their capacity to pay bills and service charges which are ineligible for housing costs support associated with a tenancy. Housing benefit (or the housing element of Universal Credit) does generally cover up to the full costs of both social and Affordable Rents. However, there are two significant situations where it does not: Firstly, the benefit cap limits the total amount of benefit that working-age out-of-work households can get, including housing benefit (or the housing element of Universal Credit). This generally

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<sup>11</sup> The Homelessness Monitor has not repeated these questions in more recent surveys, so it is not possible to know whether views may have changed following more recent caselaw or the Homelessness Reduction Act.

affects very large families in social housing in all locations, and those with 2 children in high-rent areas if they are paying Affordable Rents, which without further assistance may leave them without sufficient benefit income to cover the rent<sup>12</sup>. The second situation where housing benefit, on its own, may not cover all the rent arises from the housing benefit restrictions for tenants with spare bedrooms (the 'removal of the spare room subsidy') has also meant that social landlords are reluctant to accommodate tenants in properties deemed too large for them – such as a two-bedroom flat for a couple without children (CIH, 2019a). A recent survey by Inside Housing found that the majority of local authorities said that it is difficult to house large families (who are the group most likely to be affected by the benefit cap) and homeless young people. Young people were thought to be struggling because they had been particularly hit by the benefit freeze on their already-low benefit rates and are no longer considered suitable for two-bedroom properties, even in areas of lower demand (Brown, 2018; Fraser et al 2017). The need to prioritise downsizers (who need to move to avoid having their housing benefit reduced), may also be affecting the profile of housing available for new applicants, as there are fewer new lets available to smaller households (Brown, 2018).

Competing priorities in allocating social housing may also play a part in the reducing lets to homeless households. Research in 2017 by the Chartered Institute for Housing (CIH, 2017) found that while some local authorities were looking to try to reduce the numbers of homeless households in temporary accommodation by prioritising them for their own accommodation, the majority were limiting the priority afforded to homeless households in order to focus on meeting the needs of other groups, and building balanced communities (Fraser et al, 2017). More recent research by the CIH found that two thirds of authorities rated 'tackling homelessness' as a very important factor in their approach to allocation, a lower proportion than 4 of the other options offered, and only 6% said that tackling homelessness was the most important factor (Crisis 2019b).

Research by Crisis has indicated that the biggest falls in social housing lets have been to single homeless people (Crisis, 2017). This may be related to the housing benefit restrictions for households with spare bedrooms (a reluctance to house single people in two bedroom properties, even in areas where there is very little else), or may be related to increased local connection criteria, which young single people are particularly likely to fail to meet due to disrupted housing histories and having had to move around to find somewhere to stay.

The fall in lets to homeless households may also be related to a deliberate design of some local allocation policies to reduce priority given to homeless households (relative to other groups in the *reasonable preference* categories) in order to incentivise households to solve their own housing difficulties or accept offers of PRS (private rented sector) tenancies. The LGA's 2017 report notes that prioritising homeless households for social housing has the

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<sup>12</sup> Discretionary Housing Payments are available from local authorities to those who need additional financial support

potential to create "perverse incentive for households moving from one house to another to declare themselves statutorily homeless in order to get access to social housing" (LGA, 2017). This report cites the example of Camden, where reducing priority in the allocation scheme for statutory homeless households (compared with the priority given to those who have accepted an offer of a PRS tenancy) was believed by the local authority to have helped reduce the numbers in temporary accommodation. Research for the Joseph Rowntree Foundation also suggested that one possible barrier to helping more homeless people into the private rented sector was a reluctance of applicants to accept such offers because they worry that they will lose priority for social housing (Clarke et al, 2017).

The 2011 Localism Act also introduced new rights for local authorities to discharge duties to homeless households by offering accommodation in the private rented sector. Not all local authorities were quick to embrace these new rights – sometimes due to political objections and a belief that the private rented sector is inherently insecure and not a stable or cost-effective long-term solution to homelessness (CIH, 2018). However, the main barrier to helping homeless people into the private rented sector is generally agreed to be that most homeless people depend on benefits to pay their rent (including many in low-paid work), and local housing allowance rates are no longer sufficient to cover rents in the private rented sector throughout most of the country (Clarke et al, 2017; Fitzpatrick et al., 2019; McClenaghan et al 2019).

One recent policy initiative to combat homelessness is the Housing First Initiative (Blood et al, 2018). This aims to tackle entrenched rough sleeping by helping people directly into a secure tenancy, with support provided to tackle the wider difficulties in their lives, rather than going via hostels or supported housing. Recent research by Crisis on implementing Housing First has called for allocation policies to be reviewed in order to "challenge and remove punitive blanket bans on those with past records of substance misuse, offending, rent arrears, etc" in order to improve access to social housing for homeless people (Blood et al, 2018).

## The impact of allocation schemes on equalities

Social housing allocation policies generally seek to ensure equal and fair access to social housing. However, a variety of issues are raised in the literature suggesting that they may not always achieve this in practice. The lack of clear evidence or monitoring of outcomes in relation to equalities has been highlighted in the literature as a concern, particularly since the dissolution of the Tenant Services Authority, which took a role in monitoring allocation practices (Preece and Bimpson, 2019).

One other issue of general concern raised by the literature is on the potential for social landlords to use algorithms or artificial intelligence (AI) to assess applicants' risk. This has the potential to embed discrimination against specific groups of people (Preece and Bimpson, 2019), though there is no evidence in the literature of algorithms in widespread use at present.

The key groups where there are concerns around equality of access are discussed below.

## **People who need adapted housing**

One issue raised was the difficulties in accessing housing suitable for those with disabilities. Analysis of the English Housing Survey found that just under a quarter of social tenants whose households included someone with a long-term limiting disability stated that their accommodation was unsuitable – a lower proportion than private rented tenants with disabilities, but a higher rate than amongst owner-occupiers (DCLG, 2016). In part, the difficulties relate to the lack of supply (Adams et al., 2018; Aspire, 2014). However, allocation schemes do not always ensure that the adapted housing available is allocated to those who need it. The Equality and Human Rights Commission expressed concern that housing providers are also often not aware of the particular needs of disabled people: “they find it hard to fully understand what physical accessibility means for disabled people, meaning that they offer properties that are inaccessible” (EHRC, 2018). There is no specific breakdown or data for the needs of wheelchair users on local authority waiting lists (Aspire, 2014).

In other areas good practice does exist, such as social landlords who hold separate waiting lists, typically for fully wheelchair-accessible homes, and put forward nominations for these based on who they believe to be in the greatest need for the specific features of each adapted property (EHRC, 2018). Accessible housing registers are another way of ensuring that disabled people get access to acceptable homes. These registers provide a list of appropriate homes for disabled people who have particular access needs, and/or a list of the applicants with disabilities, helping to match disabled people with the homes that are right for them. Research by Heriot-Watt University demonstrated that it is cost-effective in the long term to set up a full accessible housing register despite the high initial set-up costs. This is because of the savings made in the reduced need for adaptations in the early years of a new tenancy (Jones, 2013). However, research found that only 22% of councils currently operate an accessible housing register (EHRC, 2018).

## **People with mental ill-health, learning difficulties and other vulnerable households**

'Vulnerable' people are highlighted in the literature as a group who may need additional support if they are to have fair and equal access to social housing. This may include people with mental ill-health, learning difficulties, or people who are vulnerable as a result of other factors such as poverty or past experiences of homelessness or violence.

It is argued that without support they may struggle to find their way through the allocation system. Mind's review of mental health and housing 'Brick by Brick' highlights that stigma, discrimination, and poverty among those with mental health problems means that this group faces barriers in accessing appropriate accommodation (Diggle et al, 2017). The EHRC found similarly that “there is evidence that housing providers do not fully understand the requirements that people with learning disabilities or people with mental health conditions might have, and as a result they prioritise applicants with physical impairments over others” (EHRC, 2018).

This stigma is exacerbated by lack of knowledge among housing staff about mental health problems or learning difficulties, and the housing required for those who face such challenges. Mind's written submission to the consultation on 'A new deal for social housing' calls for government to produce guidance to standardise mental health policies in

social housing (Mind, 2018). Mind's research found that people with mental health difficulties reported that their needs were assessed by homelessness teams and those responsible for allocating social housing with no mental health expertise (Diggle et al, 2017). This makes it difficult for those who should get priority to be correctly identified, and further reduces the likelihood of them accessing appropriate housing. There was also reported to be a reliance on those with mental health problems to self-report these problems, which for many could be difficult and meant that housing officers were not always aware of the difficulties some applicants may have (Mind, 2019). This process of applying for housing can be stressful for those with mental health problems and can exacerbate their problems (Diggle et al, 2017).

Research has emphasised the need for information and advice for vulnerable households on allocations and lettings, as well as highlighting concerns that housing associations' policies may exclude some vulnerable households (discussed further below) (Brown, 2015; Brown 2018; Heywood, 2015). Mind's research did however yield some examples of good practice in relation to applicants with mental health difficulties, such as:

- having trained mental health workers within housing allocation teams
- close working arrangements with local mental health services
- training for local authority staff by Mind or local mental health services (Mind, 2019)

## **Black and ethnic minority people and immigrants**

Recent research drawing on CORE data commissioned by MHCLG explored the issue of BME access to social housing in more detail. It found that some BME groups (Black and most Mixed, Chinese, and 'Other' BME groups) were over-represented in social housing, largely because they were geographically concentrated in areas such as London and Birmingham, where social renting is more common (Kowalewska, 2018). Asian ethnic groups, however, remained under-represented in social housing lettings, despite also living in the areas where social renting is more common. A variety of explanations have been offered to explain the under-representation of Asian groups in social housing, including cultural stereotypes held by housing officers (Robinson, 2008), negative attitudes towards social renting held by some Asian groups (Philips et al, 2007) and the more constrained choices available to minority ethnic groups due to only feeling able to live in certain areas (Kowalewska, 2018). Research has also found that BME groups were less likely to have acquired their current tenancy by bidding though CBL, which fits with suggestions that language barriers or lack of knowledge about how schemes operate may be a barrier to some ethnic groups (Kowalewska, 2018).

Research by the government has also shown that ethnic minority communities (apart from Black Caribbean communities) have less of an understanding of their rights with regards to housing and social housing allocation than white British groups (Rutter and Latorre, 2009).

Concern has been expressed that immigrant communities (a large proportion of whom are from a BME background) may also be disadvantaged in the allocation of social housing by not having a clear understanding of their rights. Furthermore, concern has also been expressed that the increased local connection criteria introduced in recent years has meant that allocation schemes disadvantage immigrant communities who fail to meet the local connection criteria needed to access the housing register (Douglas, 2014).

## Working households

Social housing has always housed both working and non-working households. The proportion of social tenants in work fell during the 1980s. This occurred mainly as a result of better-off households exiting the sector via the Right to Buy scheme, alongside needs-based allocation of social housing, meaning that new tenants were on increasingly low incomes and more likely to be out of work – a process referred to as 'residualisation'. The proportion of social households in work plateaued in the 1990s and 2000s but then rose between 2010/11 and 2015/16 (CIH, 2018). In *general needs* new lettings (ie mainstream social housing, rather than supported housing), the proportion of lead tenants who were employed increased from 32% to 39% between 2008/09 and 2018/19 (MHCLG, 2020a). Nevertheless, the CIH's 'Rethinking allocations' highlights a perception that social housing is not for working people, which could deter those in work from registering (CIH, 2019a).

Some of the recent changes in allocation practice are likely to be working to the advantage of those in work. There is evidence that non-working households are sometimes excluded because they fail affordability checks (discussed under 'Working with housing associations', below) (CIH, 2019a).

Another consideration is whether social housing allocation policies are helping tenants to find work, or to move to a new area for a job. A detailed study into social housing and worklessness concluded that whilst there is no evidence that living in social housing disincentivises people from working, and security and low rents may encourage people to work, social landlords could do more to help tenants find work (Fletcher et al, 2008). There is relatively little literature on the use of social housing allocation schemes to incentivise work or help tenants move for a job. There was more focus in the literature on social landlords' work on prioritising existing tenants to downsize rather than helping tenants to move for work.

## Working with housing associations

### Pre-tenancy checks

Most housing associations are obliged to offer a proportion of their lettings to local authorities to allocate – the housing association then offers the tenancy to the applicant that the local authority nominates (known as a nomination). Nomination arrangements have a long and stable history, with many in place from the 1990s, and are generally agreed to be effective (ODPM, 2004). There is, however, evidence of a growing range of pre-tenancy checks and conditions undertaken and imposed by housing associations before allocating a tenancy to someone who has been nominated to them (Fraser et al, 2017; Heywood, 2015; Preece and Bimpson, 2019; Preece et al, 2020). This increase is widely considered to have occurred because housing associations are becoming more risk-averse about accommodating tenants in receipt of benefits, focusing on affordability assessments and the prevention of under-occupation (Brown, 2018; Clarke et al, 2015a; Clarke et al, 2015b; Fitzpatrick and Watts, 2017; Heywood, 2015; Hickman et al, 2018).

Concerns have been raised in particular on the impact of pre-tenancy checks on homeless people, who are particularly likely to fail such checks (Crisis, 2018). The recent 2019 Homelessness Monitor reported "widespread anxieties about ongoing changes to housing

association tenancy allocation policies impeding local authorities' ability to resolve homelessness". Two thirds of local authorities reported that 'housing affordability' or 'financial capability' checks were making it increasingly difficult for homeless households to access tenancies, and nearly half reported that problematic changes of this kind had taken place amongst housing associations in their area (CIH, 2019a). Recent research for the Comparative Centre for Housing Evidence (CaCHE) asked housing associations for figures on the numbers rejected on the grounds of affordability but found that housing associations were unable to supply precise figures (Hickman et al 2018).

Research has explored the reasons for the growing use of pre-tenancy checks. In a 2018 survey of 106 housing associations and local authorities, 82% of housing officers reported that they used pre-tenancy checks before allocating individual tenancies, and almost half of those stated that affordability was the most important criteria (Greaves, 2019). Research by the CIH found that affordability checks were the main reason for households who had bid successfully on properties being refused a let – and reported the "non-affordability of Affordable Rent" as the main reason for not granting a tenancy (CIH, 2019a). Research with local authorities in the South East region found similarly that Affordable Rents were a key cause of tension between local authorities and housing associations. The literature is not clear on exactly *why* applicants are failing affordability checks for properties where the rent level is eligible for housing benefit in full.

There are other reasons too for housing associations becoming more cautious about who to house. Benefit changes (discussed above) have reduced the ability of low-income households to pay their rent, and the move to Universal Credit requires most tenants to pay their rent themselves, causing housing associations to be anxious about rising arrears from benefit-dependent households (Hickman et al, 2018)<sup>13</sup>. There is evidence that housing associations are increasingly rejecting applicants with unmet support needs which would make them unlikely to sustain their tenancy. Housing associations typically point to cuts in wider support services as the reason for this trend. However, there were concerns expressed by stakeholders interviewed for some recent research that some housing associations have stripped back their housing management services to the point where they can no longer meet the needs of their tenants and therefore refuse people with support needs whom previously they would have housed (Preece et al 2020).

The process by which applicants are assessed and told they do not qualify for a letting has also been the subject of some discussion. Crisis have also expressed concern that some applicants who qualify under the local authority's allocation scheme are ineligible for tenancies by rules set in the housing association's own scheme (for instance due to differing rules around prior rent arrears), something that may emerge to be the case only

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<sup>13</sup> DWP has made Managed Payments to Landlords available if the tenant is likely to have difficulty in managing their rent payments or is in rent arrears

after they have been notified that they are the highest-ranked bidder on a property (Crisis, 2018).

CIH research has suggested that the responsibility for tenants being turned down for properties because they fail an affordability assessment lies in part with the local authorities and allocation systems themselves, which do not adequately distinguish between the different rental products and people who may be suitable for them (Fraser, et al, 2017). Underlying these problems is a concern amongst housing associations that, despite the recent reforms, local authority allocation schemes remain focussed on acute housing need rather than supporting mobility or the creation of sustainable communities (Fraser et al, 2017). Conversely, there is evidence that local authorities perceive housing associations as becoming more commercial in their approach (Heywood, 2015). The introduction of Affordable Rent has encouraged housing associations to think of their role more widely as providing a range of products for a range of tenants (Scanlon et al, 2017). However, from a local authority point of view, they are as reliant as ever on housing association lets to accommodate those on the housing waiting list.

### **Good practice in joint working between local authorities and housing associations**

There are also positive examples of housing associations and local authorities working well together to allocate housing. A recent study of local authorities and housing associations in South East England reported that local authorities generally believed they had strong relationships with housing associations regarding allocations, whilst housing associations in turn said that they understood the priorities behind local authority allocation policies, and recognised the pressures that councils were under in allocating scarce resources (Heywood, 2015). A recent study for the LGA highlights several examples of good practice on how they can work together to address homelessness (LGA, 2019). These include housing associations being involved in the design of homelessness strategies and aligning policies to reduce voids, prevent homelessness, and ensure that homeless people can move into tenancies and sustain them. The Homes for Cathy group of housing associations have acknowledged the role of housing associations in working with local authorities to address homelessness, and have called on housing associations to exercise flexible allocations and eligibility policies that allow an individual applicants' unique set of circumstance and housing history to be considered (Crisis, 2018; LGA, 2019). Tenancy-training courses for young people moving into independent homes for the first time have also been suggested as a means of ensuring tenants are 'tenancy-ready' rather than simply rejecting them (Preece and Bimpson, 2019).

### **Other factors affecting the ways in which local authorities work with housing associations**

Another challenge for joint working between local authorities and housing associations has come about as a result of the new freedoms introduced with the 2011 Localism Act. Local authorities can set qualification criteria to exclude groups of people from the housing register. Excluding those with lower levels of need, or who lack a local connection, has been found to make it hard for some housing associations to allocate their lower demand stock in certain areas (CIH, 2019a; Fraser et al 2017). Research has also suggested that some housing associations are critical of the competence and motivation of local

authorities operating their allocation policies (Heywood, 2015). The recent CIH study into partnership working found some housing associations to be advertising their Affordable Rent products on commercial letting sites, to ensure a good supply of applicants in work who can afford them (Fraser et al, 2017). There has also been growing use of direct lets by housing associations over the last five years, where housing associations allocate some of their housing outside of the local authority scheme. This may be related to difficulties in letting properties via the scheme (Fraser et al, 2017).

It has also been suggested that the Voluntary Right to Buy which is currently being piloted for housing association tenants may create further challenges for joint working between housing associations and local authorities (Brown, 2018). This relates particularly to Voluntary Right to Buy applicants who cannot be sold their own home (for instance due to legal restrictions in selling it), so are instead offered a 'portable' discount on another home. This may be in another local authority area and/or owned by a different housing association, affecting nomination rights and available stock.

## Integration, cohesion and mixed communities

The issue of whether social housing allocation systems promote integration or reinforce segregation is one that has been the subject of debate for some years, mainly in relation to avoiding concentrations of poverty, worklessness, and of different ethnic groups (Cowan et al, 2009; Manley and van Ham, 2011; Manzi, 2009; Robinson, 2008; Tunstall and Pleace, 2018). One of the aims of the 2012 statutory guidance, published after the 2011 Localism Act, was to encourage local authorities to prioritise households in work, and it was expected that this would avoid concentrations of deprivation sometimes associated with social housing and so promote mixed communities.<sup>14</sup>

The CIH's 2014 report listed "creating balanced and stable communities" as one of the key objectives for allocation schemes identified in a survey of 89 social landlords. Those surveyed intended that balanced and sustainable communities would improve demand for housing, support the local economy, improve tenants' life skills, reduce ASB, and allow residents who make contributions to the community to live in social housing. Methods that social landlords reported that they have introduced to support balanced and stable communities included:

- introducing local connection criteria
- developing local lettings policies
- awarding additional preference to groups of people such as those in low-paid employment
- excluding people with rent arrears or a history of ASB

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<sup>14</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/8512/1775577.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/8512/1775577.pdf) [Accessed 31 December 2019].

Local letting policies (sometimes referred to as local letting schemes) are specific rules governing allocation of a specific neighbourhood or new housing development and commonly include targets for social mix, density (for example allowing a degree of under-occupation in order to reduce overall density or child density), age, or the proportion of vulnerable tenants. The CIH survey reported that they were used as a means of encouraging balanced and sustainable communities (CIH, 2014).

More recent research by the CIH asked housing associations how important different drivers were in allocating social housing. Two in five housing associations (39%) said that creating mixed communities was very important, the lowest proportion of any of the seven possible priorities offered to them. Just 3% said that creating mixed communities was the most important objective.<sup>15</sup> This suggests that creating mixed communities is not the main driver for allocation policies; it is important to some social landlords, but not all. It may be more important when allocating new housing, especially on large developments where whole new communities are moving in together. In a recent study in South East England, housing associations reported a desire to promote balanced and sustainable communities, particularly in relation to new housing (Heywood, 2015). In addition, a study for the National House Building Council found housing associations to be concerned about introducing large numbers of homeless households to a new development, pushing a neighbourhood to 'tipping point' and creating a socially unbalanced space (Bretherton and Pleace, 2011). This study found that some housing associations were keen to move away from strictly needs-based allocation on new developments and impose targets for households in employment, to ensure a balanced community from the outset.

A key issue is that there is often seen to be a conflict between meeting homelessness duties and the needs of the most vulnerable, and supporting mixed communities (Brown, 2015; CIH, 2019a; Fraser et al, 2017; Hills, 2007). This is because policies to promote mixed communities tend to focus only on giving extra priority to the least vulnerable tenants, such as those in work. There are no known examples of policies giving greater priority to the more vulnerable groups in order to increase the proportion of vulnerable groups or poorer tenants in wealthier areas. This means that promoting mixed communities comes at the expense of prioritising the most vulnerable. It has been argued that an alternative way forward is to promote better collaboration and partnership working between local authorities and social housing providers, rather than exclude people from social housing in the interest of promoting a more mixed tenure.<sup>16</sup>

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<sup>15</sup> See CIH (2019b), which was supplied for this evidence review. The options offered comprised: providing homes to people who need them; making best use of stock; making sure people can afford their tenancy; supporting people into sustainable tenancies; tackling homelessness; providing homes to people who might need support; and creating mixed communities.

<sup>16</sup> See [www.theguardian.com/housing-network/2014/aug/12/housing-network-blog-housing-and-care-association](http://www.theguardian.com/housing-network/2014/aug/12/housing-network-blog-housing-and-care-association)

# Chapter 3: Sub-regional working

Some local authorities work with neighbouring authorities to allocate their housing in a co-ordinated manner. We have termed such schemes 'sub-regional' schemes as they generally operate at this scale. The MHCLG survey included a question asking authorities whether they operated a choice-based letting (CBL) system. The 182 authorities who used CBL were then asked whether their CBL systems ran at a sub-regional level.<sup>17</sup> Of the 178 authorities responding to this question, 81 indicated that there was a sub-regional scheme.

This information was supplemented by a 'gap-filling' exercise to establish the extent and nature of sub-regional working arrangements throughout England, including local authorities who did not respond to the survey and those who do not use CBL. This involved analysis of online information from local authority websites. The results of this exercise are summarised below:

**Table 1: The extent of sub-regional working in social housing allocations**

	Local authorities	
	Number	Proportion
Works with one or more other neighbouring local authority in a sub-regional scheme	156	49%
Does not work with any other local authorities in a sub-regional scheme	161	51%
Total	317	

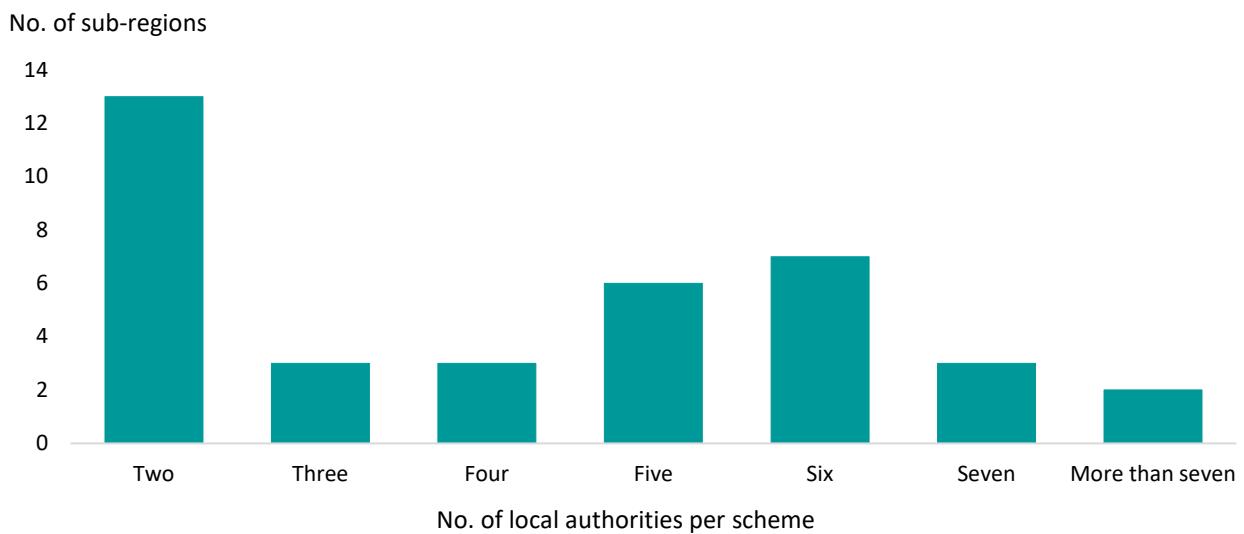
Source: MHCLG Survey of Local Authorities, June-July 2019 and RSM online research, September 2019<sup>18</sup>

This information suggests that as of September 2019, half of authorities in England were part of a sub-regional scheme. The figure below shows the number of local authorities per scheme.

<sup>17</sup> The question asked was "Is the CBL system run at a sub-regional level (i.e. bringing together two or more local authority areas, often with a common allocation policy)?"

<sup>18</sup> In a small number of cases the online research resulted in discrepancies with the survey response. Further investigation, including telephone calls, was undertaken in these instances to clarify whether a sub-regional scheme was currently in use or not.

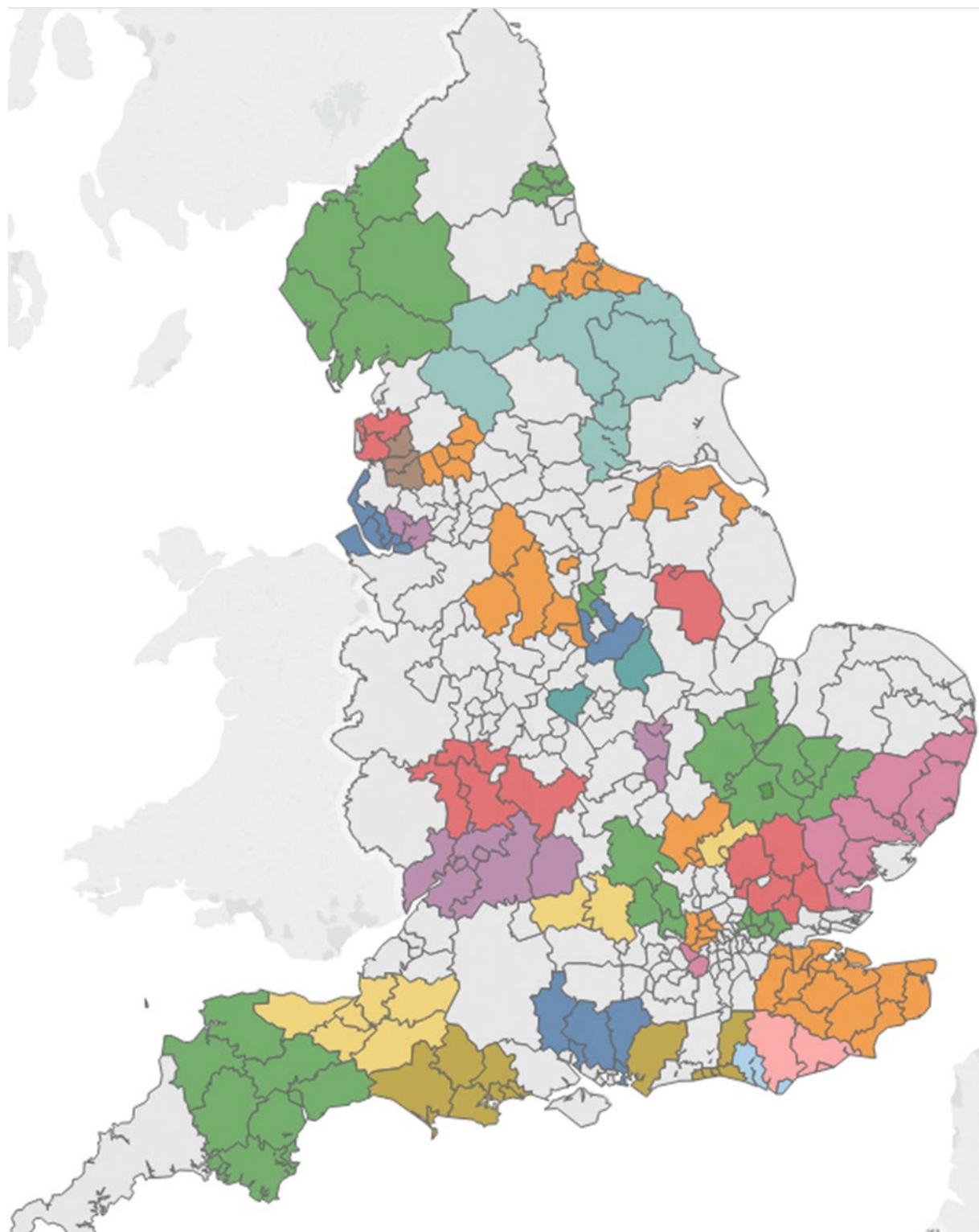
**Figure 1: Number of local authorities per sub-regional scheme, England 2019**



*Source: Review of online information, September 2019. Base = all of those with sub-regional working arrangement*

The largest sub-regional scheme by local authorities covered is Kent Homechoice (13 local authority areas). Overall, the analysis suggests that as of September 2019, there were in total 38 sub-regional schemes covering the 160 local authorities who work in sub-regions. In the map below, sub-regional groupings are shown in colour and the areas which are not part of a group allocation scheme are greyed out.

**Figure 2: Map of sub-regional allocation schemes, England 2019**



Source: MHCLG Survey of Local Authorities and RSM online research (September 2019)

Annex 1 gives a list of all sub-regional schemes and member local authorities, and shows the map in more detail (by region).<sup>19</sup>

Although 38 sub-regional schemes were identified as in operation across England, they differed in terms of their working arrangements. Some shared a common allocation policy whereas others have their own allocation policies but share an IT system. A short review of information available online about how sub-regional schemes work yielded the following examples to illustrate some of the different types of sub-regional schemes operating across England:

- North Yorkshire Home Choice is a partnership between 7 local authorities and 3 housing associations. The partnership operates a common allocation policy, as well as a shared housing register. Applicants are able to join the housing register if they have a local connection to any of the local authorities in the partnership area, and are able to bid for properties anywhere in the partnership area on an equal basis, regardless of which authority they reside in.
- The Compass Sub-Regional Choice Based Lettings Partnership is a partnership of 5 local authorities and 4 housing associations in the Tees Valley region. In this partnership, there is a common allocation policy shared between all 9 organisations, as well as a common housing register. Applicants who are in permanent employment anywhere in the subregion are considered to have a local connection with all the local authorities in the partnership. However, those not working in the sub-region are only considered to have a local connection to the specific authority in which they live or have close family members. Applicants can bid for properties throughout the sub-region, but those with a local connection have priority over those without.
- Dorset Home Choice is a partnership made up of 8 local authorities in the Dorset area. Five of the districts (Poole, North Dorset, Purbeck, West Dorset and Weymouth and Portland) operate a common allocation policy. Applicants apply through a common application system and can bid for housing throughout the Dorset Home Choice area. Most applicants are given priority for having a local connection only with the specific borough that they live or work in, though exceptions are made for people in certain situations, including those with an urgent need to move or where specific health needs can only be met in another area. Two of the other authorities in the partnership (Christchurch and East Dorset) also share an allocation policy, whilst the eighth member (Bournemouth) has its own scheme. All 8 members share use of the same IT system for allowing applicants to register and bid for properties.

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<sup>19</sup> There were a small number of areas where there was some discrepancy between survey responses and information available online about whether an area is part of a sub-regional scheme or not. Further investigations and telephone calls were undertaken in these instances in order to establish the correct current situation.

- Kent Homechoice is a partnership between 13 local authorities and local housing associations to provide social and affordable housing in Kent, and is therefore the largest such scheme in the country. However, each of the local authorities in the scheme operates their own allocation policy and holds independent housing registers. The local authorities in this partnership share an IT system, through which applicants bid for properties. Applicants are only able to bid for properties in the local authority area in which they have a local connection.

These examples show that sub-regional schemes range from fully integrated schemes operating a common housing register, to those sharing a web interface, but where each authority sets its own criteria for allocating housing in its area. In the majority of schemes, it would appear that applicants are prioritised for the specific local authority in which they have a local connection, rather than being equally able to access housing across the sub-region.

# Chapter 4: Setting qualification criteria

## How are local authorities using their post 2012 freedoms to set qualification criteria?

Local authorities can disqualify certain groups of people from joining the housing register. Generally, the factors which local authorities take into account when determining who may not qualify for social housing are:

- whether people have a local connection to the local authority
- whether people have committed anti-social behaviour, have a criminal record, or have rent arrears
- whether people are considered to be in sufficient levels of 'housing need' - housing need is defined by local allocation schemes, and generally draws closely on the broad reasonable preference categories set out in legislation

MHCLG have been asking local authorities annually since 2013 whether they have made any changes to their waiting list criteria in the last year in the light of changes in the Localism Act. Analysis of this data shows that only 11 out of 326 authorities responded 'no' in all seven years from 2013 to 2019 (Local Authority Housing Statistics). This suggests that the large majority of authorities have made some use of their new freedoms.

The most recent data collected shows the following criteria in use:

**Table 1: Local authority policies on waiting lists 2019**

	Local authorities	
	Number	Proportion
Includes a residency test	170	52%
Includes a local connection test (but not a residency test)	121	37%
Disqualifies households with rent arrears	200	61%
If disqualify due to rent arrears, does local authority policy allow exceptions for social tenants seeking to downsize?	165	83% of the 200 who disqualify due to rent arrears

*Source: LAHS 2018/19. Percentages are of those who provided an answer and exclude non-responding authorities.*

A total of 291 authorities therefore included some form of local connection test, with around half of authorities including some form of residency test – such as 2 or more years living in the local authority area. The overall impact of these changes appears to have been a reduction in the size of waiting lists, from a peak of 1.85 million in April 2012 to 1.16 million in April 2019. Over the last 10 years the number of households on local

authority waiting lists has fallen by 34% (MHCLG, 2020a). This has happened against a backdrop of rising homelessness and rising house prices, and no indications that the numbers of households in need of social housing has in any way fallen. Instead the reduction appears to have occurred because significant numbers of households are no longer qualifying to register for social housing.

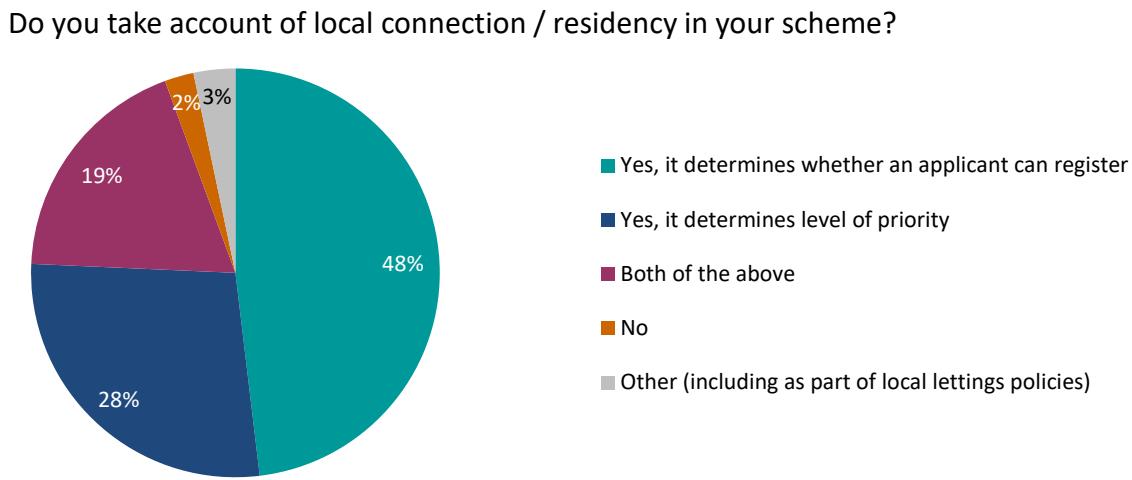
The research explored the main ways in which access to the housing register is restricted, and why these restrictions were in use.

### **Residency requirements – defining a local connection**

As shown above, the 2018/19 Local Authority Housing Statistics shows that 291 local authorities include a 'residency' and/or 'local connections' test in their waiting list criteria.

The MHCLG local authority survey asked local authorities whether they took account of residency in either determining whether applicants qualified to join the register, the level of priority they received, or both.

**Figure 3: How local authorities take account of local connections for qualification and priority**



Source: MHCLG Survey of Local Authorities, June-July 2019

Discrepancies between the survey findings and the 2018/19 local authority housing statistics are likely to be because the survey was voluntary and had a different response rate. The questions were also framed differently which is likely to have produced some variation in the findings.

Of the 10 case studies, 5 restricted access to the housing register to those with a local connection. The other 5 case studies all gave applicants without a local connection a reduced priority.

There has also been a change in the length of residency needed to be considered to have a local connection in many areas. The government published supplementary statutory guidance in 2013 encouraging local authorities to introduce a residency requirement of at

least 2 years, which will have had an impact on who is allocated housing.<sup>20</sup> Table 3 shows the length of residency required by each of the ten case studies:

**Table 2: Case study local connection criteria**

Case study	Length of residency required to have a local connection <sup>19</sup>	Local connection given for employment?
<i>Local connection required to join housing register</i>		
Case Study 9	5 years	Yes
Case Study 10	5 years	Yes
Case Study 5	3 years	No
Case Study 6	1 year	Yes
Case Study 1	1 year	Yes
<i>Local connection not required to join housing register though taken into account when determining priority</i>		
Case Study 3	2 years	Yes
Case Study 2	1 year	Yes, after 12 months full time work
Case Study 4	6 months	Yes, if unreasonable to commute from current home
Case Study 7	0 years	Yes
Case Study 8	0 years	Yes

Source: RSM research November 2019 to February 2020

Most authorities also considered an applicant to have a local connection for having close family in the district, having lived there previously for some number of years and/or other special reasons.

As can be seen, the length of residency required varied from 0 to 5 years. The areas with the highest pressure on their housing stock had the longest residency requirements. Six of the 10 case studies had a residency requirement of less than the 2 years that was suggested. Local authority officers reported that stringent local residency requirements were often favoured by local councillors who were keen to prioritise housing for local

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<sup>20</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/269035/131219\\_circular\\_for\\_pdf.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/269035/131219_circular_for_pdf.pdf)

residents, whereas more relaxed ones were favoured in lower demand areas in order to ensure housing could be let.

Several stakeholders raised the issue of the new rules around local connection and felt that this had been the most contentious area of the increased flexibilities. There was concern around people who fall within reasonable preference groups but are nevertheless excluded by the residency requirement, and particular concerns about the impact of local connection criteria for people fleeing violence and domestic abuse, and those who were new to the country.

During the early engagement for this research, some stakeholders had raised concerns about the experience of care leavers. It was highlighted that local authorities would normally consider those who had received care in the area to have a local connection, but the rules could be complex and the process complicated for those placed in another local authority area (which sometimes happens because of a shortage of foster carers, or to ensure a young person's safety).

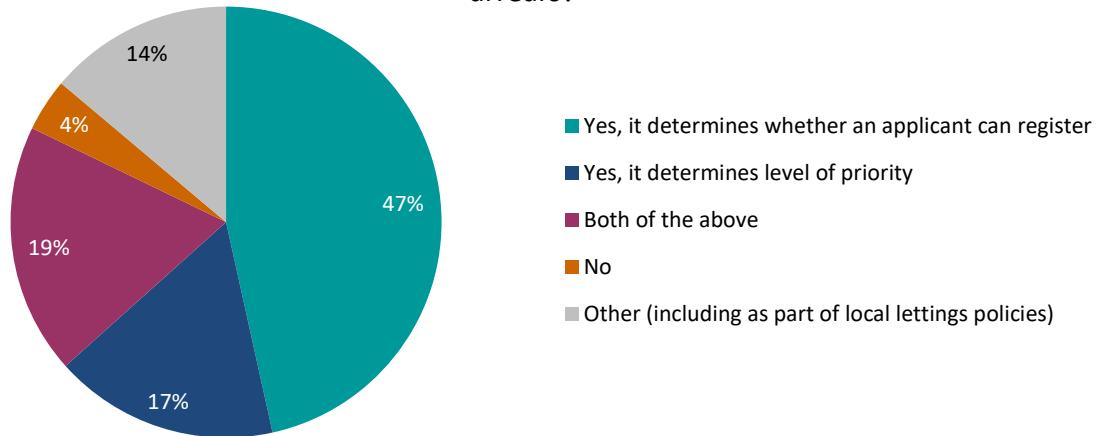
Stakeholders were aware that some authorities have been reviewing their policies recently as case law has tested some of the policies initially introduced after the 2011 Localism Act. For example, the recent legal challenge against Hillingdon on behalf of Irish travellers and a refugee where the council's 10-year residency requirement was held to amount to indirect discrimination against these applicants. They were concerned that relying on legal challenge was not an adequate way to ensure that people are always treated fairly. Particular concerns were raised that victims of violence could be deemed ineligible as the computer system did not flag them up as a group who should be exempted from residency requirements.

### **Disqualifying people with a history of rent arrears or anti-social behaviour**

The 2018/19 Local Authority Housing Statistics shows that 200 local authorities generally disqualify households with rent arrears (with some exceptions). The MHCLG survey also asked about this issue:

**Figure 4: How local authorities take account of rent arrears for qualification and priority**

Do you take account of whether an applicant has existing or former rent arrears?

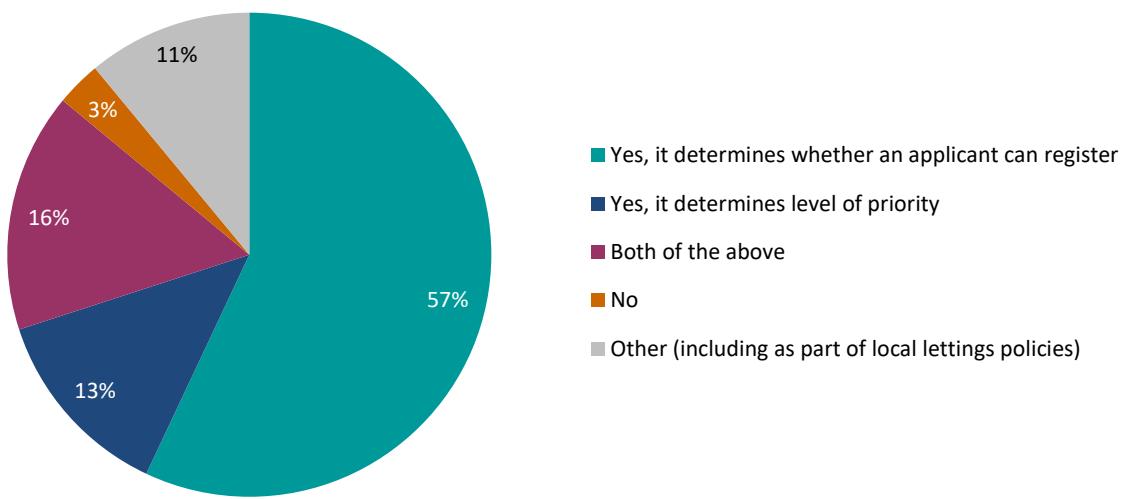


Source: MHCLG Survey of Local Authorities, June-July 2019

The survey also asked about the treatment of people with a history of ASB:

**Figure 5: How local authorities take account of ASB for qualification and priority**

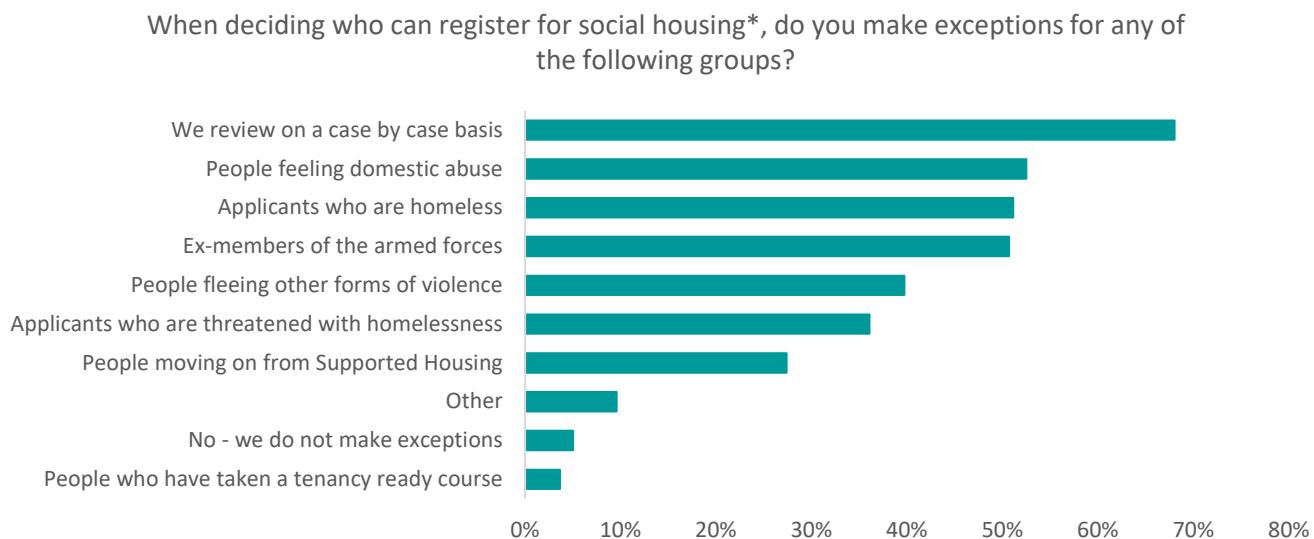
Do you take account of whether an applicant has a known history of ASB?



Source: MHCLG Survey of Local Authorities, June-July 2019

As can be seen from these two figures, the majority of allocation schemes prevent at least some people with rent arrears or a history of ASB from accessing the register, with most of the rest reducing their priority. The survey also asked whether local authorities made exceptions for different groups – as shown below:

**Figure 6: Whether local authorities make exceptions to their rules on disqualification for different groups**



Source: MHCLG Survey of Local Authorities, June-July 2019. \* Including criteria addressed in questions\*  
Questions 12-14c were those that asked about disqualifying people on the basis of a lack of local connections, income/assets, ASB, offending or rent arrears.

The detailed conversations with the case study authorities suggested that disqualifying people from registering for social housing on the basis of past behaviour could be difficult in practice as it generally relied on applicants' own admissions of their offending history, ASB or rent arrears, unless they were a former local authority tenant and these were known to the authority. Some authorities had data-sharing agreements with other parts of the local authority such as the leaving care teams, but few knew about rent arrears or tenancy breaches that occurred in housing association stock, or for private tenants. In practice, if rent arrears or ASB later came to light it was more common to move someone to a lower band than to disqualify them. This was because it was administratively easier. Local authorities reported that demoting someone to a lower band or disqualifying them from the register was not normally permanent, and that they would be able to reapply if they could demonstrate that they were paying off their arrears or had improved their behaviour.

Nevertheless, some stakeholders and focus group attendees felt that many councils had used freedoms to apply some quite hard and fast rules, giving little room for flexible decision-making and use of discretion in looking at individual circumstances. There were concerns that some vulnerable people were being disqualified from accessing social housing on the basis of past behaviour or rent arrears, even when these had occurred some time ago and at a difficult time in someone's life. There were reports of people being discharged from prison with nowhere else to go who were simply told that a criminal record disqualified them from joining the register, with no regard to individual circumstances. Particular concerns were also raised around street homeless people, many of whom had undiagnosed mental health problems, drug and alcohol use, or served custodial sentences, yet were in desperate need of housing.

## Disqualifying people not in housing need

Allocation policies generally gave people without a housing need a low priority for housing, meaning they were unlikely to be housed prior to 2011. As discussed previously, the definitions of housing need are set out in detail in allocation schemes. The reasonable preference categories set out in legislation are reflected in these definitions. Following the 2011 Localism Act, local authorities could instead deem people who did not meet their definition of housing need not to qualify to join the housing register. This is likely to have had a limited impact on lettings to people not in housing need (because they were already low priority), but a significant impact on the numbers registered.

Of the 10 case studies, 7 allowed people to register who were not in housing need, but placed them in the lowest band, and the other 3 schemes (Case studies 5, 6 and 9) did not allow them to register. There were 2 main reasons for not allowing applicants to register if they were not in need:

- it avoids raising unrealistic expectations of accessing social housing and therefore encourages applicants to make realistic choices about their other housing options and avoid the frustration of bidding for housing they are unlikely to ever access
- it reduces the administrative costs of maintaining the housing register - local authorities reported up to 50% reductions in the length of their housing register once they had removed those not in need, saving administrative time and money

All 3 of these case study areas that had disqualified people not in housing need reported significant reductions in the length of their housing register as a result of doing so. This was not reported to have occurred as a result of any other changes to qualification criteria (around local residency, rent arrears, or ASB), suggesting that removing people not in sufficient housing need from the register has been the main reason for the reduction in the number of people on social housing registers.

Some local authorities that did allow all households to register had localised issues of low demand stock (such as flats with two or more bedrooms, or properties in unpopular areas), meaning that it was considered necessary to allow as many households as possible onto the register to ensure this housing could be let. In some areas this meant that people did not need to be assessed as being in housing need in order to access housing. People living in affordable private rented housing, seeking to move out of the parental home, or in some cases even in homeownership, were able to apply for social housing if they wanted, and if they were willing to accept lower demand housing would be made offers. Some areas also reported a political steer from local councillors that social housing should be seen as a normal housing tenure, accessible to everyone. Case Study 7's policy was unusual in that it went beyond allowing households not in need onto the register and actually prioritised them for one in four lettings – again this stemmed from a belief that social housing should be accessible to all (alongside the fact that there was a relatively large amount of social housing in the city).

## Disqualifying people with higher incomes or assets

Local authorities are able to set income limits in order to ensure that social housing is targeted at those who are least able to meet their housing needs in the market. The survey asked whether local authorities took account of households' incomes or assets:

**Table 3: Do you take account of an applicant/household's income and/or assets in your allocations scheme?**

Region Name	Yes, it determines whether an applicant can register	Yes, it determines level of priority	Both of the above	No	Other (including as part of local lettings policies)	Total
North East	1	1	1	4	2	9
North West	10	9	0	9	0	28
Yorkshire	6	4	0	5	1	16
East Midlands	12	4	5	2	4	27
West Midlands	6	3	4	2	1	16
South West	13	6	2	0	2	23
East of England	10	9	7	1	1	28
South East	31	2	8	0	6	47
London	13	0	2	2	3	20
<b>England</b>	<b>102</b>	<b>38</b>	<b>29</b>	<b>25</b>	<b>20</b>	<b>214</b>

Source: MHCLG Survey of Local Authorities, June-July 2019

As can be seen, the majority of local authorities do have limits in place that prevent higher income households from registering for social housing and/or from being given the highest priority. It is also worth noting here that nearly all the authorities who did not take account of incomes or assets were located in the north of England.

Table 5 sets out the limits in use in each of the ten case studies:

**Table 4: Case study savings and income limits**

Case study	Upper income limit	Savings limit
Case Study 1	£60,000 (combined annual income and savings added together)	
Case Study 2	Sufficient resources to purchase a suitable home determined on a case by case basis	
Case Study 3	None, but some housing associations have their own limits	

Case Study 4	None	None
Case Study 5	£33,000 - £64,200 depending on size of home required	£50,000 in savings (or £100,000 for pensioners)
Case Study 6	£60,000	Sufficient resources to purchase a suitable home
Case Study 7	None	None
Case Study 8	None (but reduced preference given to those with incomes and/or capital above £63,000)	
Case Study 9	£55,000	£20,000 in savings, investments or equity.
Case Study 10	None	None

Source: RSM research November 2019 to February 2020.

Those that imposed a limit stated that this had been set in order to ensure that the scarce supply of social housing was prioritised for those who were least able to meet their needs in the market. They felt that those with incomes above these limits would normally be able to meet their needs in the market. Some case study areas indicated that they did exercise some discretion in this area, for instance over people with disabilities who were unable to meet their needs in the market.

Reasons for not imposing limits were both practical and principled. In Case Study 10 the allocation scheme policy made provision for a means test, but officers reported that the incomes required to purchase homes on the open market were so high locally that they did not consider it administratively cost-effective or worthwhile checking applicants' incomes. In Case Study 3, the concern was also pragmatic, and was in maintaining an adequately sized housing register to ensure lower demand housing could be let. In contrast, in Case Study 7 the main reason for not imposing limits was felt to be political - the authority's commitment to social housing as a tenure for everyone.

## The impact of reduced waiting lists on working with housing associations

When housing is in very high demand, restricting access to the housing register (such as to those not in need, or without a local connection) may have little impact on lettings or on working with housing associations because there are still many more applicants than properties available and all properties are in high demand. In some lower demand areas, however, a reduced housing register could make it harder to let housing. Ensuring that there was adequate demand for harder-to-let housing was the main reason given by the 6 case study areas with open housing registers for allowing those without a local connection to register – they did let housing even to those in the lowest priority band and therefore it was important to keep such households on the register.

Some housing association officers attending focus groups gave examples of other areas where local authorities had reduced the size of the housing register by limiting access to

those who had lived in the area for a significant amount of time, and this had made it hard for them to let some of their stock.

The amalgamation of more stringent waiting list criteria, the housing benefit restrictions for under-occupiers, and the introduction of Affordable Rent had compounded some of these difficulties. In lower rent areas Affordable Rent competes with the private rented sector in price. The CIH interviewee also reported that their members had stated they had difficulties letting larger homes, especially family sized flats, when much of the local authority waiting list comprised single person households only eligible for housing benefit on a one-bedroom home. The CIH reported that these problems were not believed to be confined to the north of England and the NHF gave an example where a group of housing associations in the south of England had complained that the current allocation system was not enabling them to fill voids. This issue also arose at the focus groups, with housing associations citing examples of housing they had been unable to let, because there were not enough suitable people on the housing register. The focus groups undertaken for this research, however, did suggest it was largely an issue in lower demand areas and difficulties letting stock were not a concern in any of the four high-demand case studies where access to the housing register was limited to those with a local connection.

There were also wider concerns raised by stakeholders and some focus group attendees that restricting access to the housing register made it harder to get a true picture of demand and of the number of people unable to afford market housing. Housing association officers at focus groups reported making limited use of housing register data to inform their development plans.

There were also difficulties in rural areas where conditions of planning permission (imposed via Section 106 agreements or as part of a rural exception site) meant that housing was restricted to those with a local connection to a particular village. In these areas, restricting access to the housing register was reported to have exacerbated difficulties in letting properties.

## The impact of qualification criteria on equalities

All the allocation schemes examined included a commitment to equal opportunities. There were nevertheless some concerns expressed in the case studies and focus groups that certain groups of people were more likely to be excluded due to qualification criteria. The main group of concern were vulnerable people with chaotic backgrounds, and ex-offenders who were often excluded because of their past behaviour, rent arrears, or criminal record. Concerns were raised by focus group attendees that some policies were quite black and white in how they dealt with people with a history of ASB or a criminal record, disqualifying them automatically. Young people were thought to be over-represented in this group. Local authority officers reported that they often did exercise flexibility over young people who came to their attention – such as homeless people or care leavers. The concern was rather that others who were less engaged with services may be disqualified without ever speaking to local authority officers.

In terms of other protected characteristic groups, Stonewall raised concerns that the needs of LGBT+ people were often not considered in setting allocation policies, in particular the needs of trans people with mental health needs or facing transphobia. One housing

association officer expressed concerns that local connection criteria sometimes prevented older people from moving to be closer to family. No other agencies or focus group attendees raised any concerns in relation to groups with protected characteristics. Overall, there was little evidence of direct or indirect discrimination against these groups.

# Chapter 5: Setting priorities for allocating housing

## How have local authorities used their freedoms to set priorities for social housing?

MHCLG issued statutory guidance in 2012 to assist councils to make full use of freedoms introduced in the Localism Act and their existing flexibilities to determine relative priority between applicants. The survey of local authorities undertaken by MHCLG found that the large majority of local authorities had made changes to their allocation scheme in the last seven years:

**Table 5: Have you made any major policy changes to your allocations scheme within the past seven years? [This might include a change affecting the relative priority of a large number of applicants, or a significant change in procedures]**

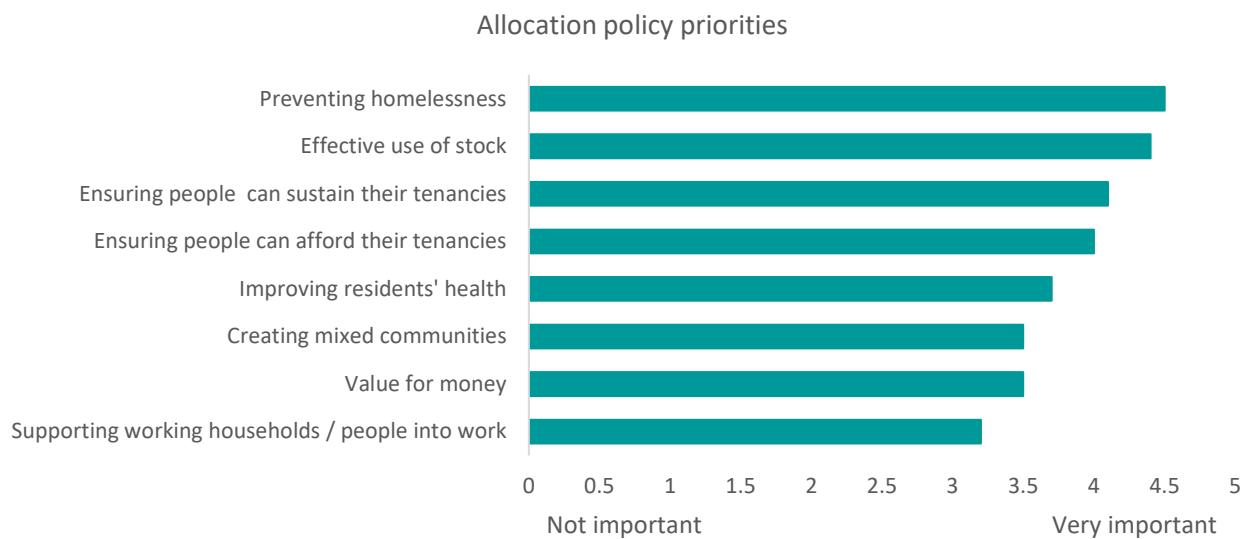
Region	Yes	No	Total
North East	7	2	9
North West	26	3	29
Yorkshire	14	2	16
East Midlands	22	5	27
West Midlands	14	2	16
South West	18	5	23
East of England	23	5	28
South East	43	5	48
London	20	0	20
England	187	29	216

Source: MHCLG Survey of Local Authorities, June-July 2019 \*This might include a change affecting the relative priority of a large number of applicants, or a significant change in procedures.

The large majority of respondents (168 out of 216) indicated that changes in legislation were one of the drivers of the changes they had made.

The survey also asked which (from a list provided) were the main priorities for social housing allocation:

**Figure 7: Thinking about your current policy for allocating general needs social homes, please rate the importance of the following objectives**



Source: MHCLG Survey of Local Authorities, June-July 2019

Preventing homelessness was the highest-rated objective and supporting working households the lowest rated of those provided.

The research explored how this translates in practice in allocation schemes. Table 7 summarises the factors that were given the highest priority in the 10 local authority case studies. The average scores have been calculated by awarding one to those in the highest ranked band, 2 to those in the next band, and so on, to a maximum of 5. The definitions of groups vary, and the bands used in different authorities are not strictly parallel (Band 1 in an authority may have a lot more households than in another). The individual schemes contain a lot more detail and nuance on what is and is not included in each category. Nevertheless, the table presents an overview of the main types of household who are prioritised in allocation schemes.

**Table 6: Factors given highest priority in social housing allocation schemes**

Factor	Average score	Highest band	Lowest band
Landlord requests (threat to life, flood, police request, etc)	1.3	1	2
Required to move for major works/demolition	1.4	1	3
Severe medical needs/needs adapted home/hospital discharge	1.4	1	2
Safeguarding, risk of violence, or threat to wellbeing of a child	1.4	1	2
Downsizers	1.6	1	2/3
Statutory homeless	1.7	1	3

Statutorily overcrowded/two bedrooms too few	1.8	1	3
Care leavers from within the local authority	1.8	1	2
Hostel/supported housing move-on agreements	1.9	1	2
Urgent social/welfare need to move	2.0	1	3
Lacking hot water, heating, kitchen, inside toilet/Cat 1 hazard	2.1	1	3
People being discharged from the armed forces	2.1	1	4
Vacating adapted homes	2.1	1	4
Owed homelessness prevention or relief duty	2.4	1	4
Moderate health-related reasons to move	2.4	2	3
Moderate welfare reasons to move, eg to give or receive care	2.7	2	4
Homeless but not owed main duty	2.9	2	4
Overcrowded/one bedroom too few	2.9	2	4
Shared facilities with non-household members	3.1	2	4
Not in housing need/low need	4.0	3	5

*Source: RSM analysis of allocation schemes and fieldwork, November 2019- February 2020*

Working households and members of the armed forces were often given some additional priority by other means, rather than having a specific band status.

## Urgent housing needs

All allocation schemes gave a high priority to people with a very urgent need to move, or social tenants who were required to move at the request of their landlord.

## Prioritising mobility and downsizing

The 2018/19 Local Authority Housing Statistics show that 307 authorities (94%) give priority to existing social tenants who under-occupy their home.

Of the 10 case study areas, most placed downsizers in either the top or second top group. Only 5 of the 10 case studies specifically gave priority to those vacating an adapted property with adaptations they no longer needed, though 2 of the others reported that they would use a management transfer in such circumstances. The research found widespread support for giving high priority to downsizers, as all acknowledged that it was strategically sensible in order to free up housing to help overcrowded families.

Local authority officers in the case study areas reported that to increase downsizing required more than simply giving people high priority on the register, as there needed to be the supply of suitable properties that they would choose to move to. Bungalows were in high demand but were also needed for those with disabilities requiring single-story living, so they could not always be given to downsizers without disabilities. Some local authority officers at focus groups also reported that they did not urgently wish to prioritise

downsizing because they were most short of one-bedroom homes and needed them to meet the needs of those on their housing register.

## Prioritising overcrowded households

Overcrowded households form a significant proportion of the housing register and of lettings in many areas. The priority afforded to those who needed more bedrooms, however, varied between allocation schemes. Of the 10 case studies, those who were severely overcrowded by at least 2 bedrooms (such as a couple with 3 children in a one bedroom flat), were given high priority in all areas except Case Study 5 (a London borough). In Case Study 5, local authority tenants who are severely overcrowded were placed in the second band, and housing association or private tenants were placed in the third band (and therefore unlikely to be housed due to the excessive pressure on available stock). Most of the case study areas placed households overcrowded by one bedroom in their second-lowest band. In the less pressured housing markets, this was sufficient priority to enable them to access housing after a few months. In the higher pressured areas they would be unlikely to be rehoused via the housing register if lacking only one bedroom. Some areas also considered people sharing facilities with non-household members as a form of housing need and awarded priority accordingly.

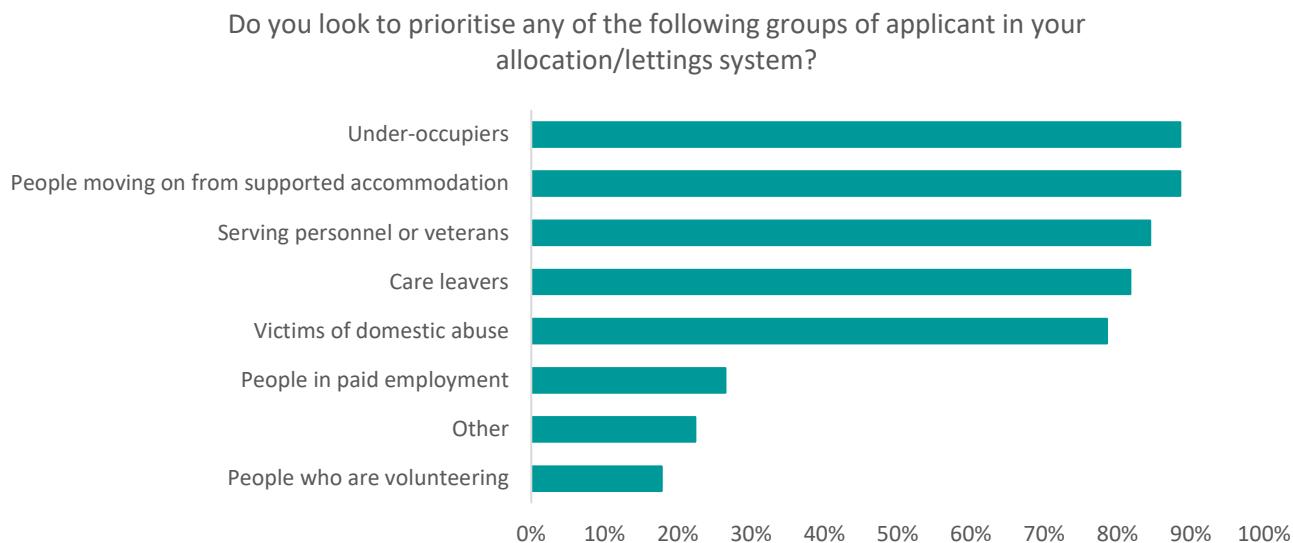
In Case Study 10, local authority officers reported that, in the most recent review of their allocation scheme, they had increased the priority given to severely overcrowded households with children. Their aim was to improve school performance of children living in very crowded conditions.

## Prioritising working households

Local authorities can also use their allocation policies to support those households who want to work or are “contributing to their community in other ways”.

The MHCLG survey asked whether authorities gave priority to those in work or volunteering in their allocation scheme:

**Figure 8: Priorities for allocation schemes**



Source: MHCLG Survey of Local Authorities, June-July 2019

A minority of authorities (28%) indicated that they gave priority to those in work and only 18% to those who were volunteering.

The case studies and focus groups found that most authorities did not give specific priority to working households. However, if the applicant was employed within the local authority area, they were deemed to meet local residency requirements. As shown earlier in Table 3, all but one of the case study authorities considered those with employment in the district to have a local connection, even if they lived outside the area.

Giving any further priority to working households was less common. Of the 10 case studies, only Case studies 6, 9 and 10 (all high-demand areas) gave specific extra priority in their CBL banding scheme to working households.

Case Study 10 operated a complex scheme where, in addition to the needs-based bands, 'stars' were allocated to those who were working or making a community contribution. These applicants would have priority over others in the same circumstances who had been on the housing register for longer.

In Case Study 9 (a London borough), applicants in work (or making a 'community contribution') were placed in the second band, when they would otherwise be in the third band. Due to high pressure on stock and very low likelihood of being housed from the third band in Case Study 9 (see case study write up for details), this effectively means that applicants occupying housing overcrowded by one bedroom, needing to move for welfare reasons, sharing a kitchen, bathroom and toilet facilities with another household, living in supported hostel accommodation, as well as certain homeless households, are only able to access social housing if they are in work or are otherwise making a community contribution.

Case Study 6 used points (rather than just time on the list) to prioritise between households within each band. The authority allocated points to working households – giving them the equivalent level of priority to those not in work who have been on the housing register three months longer.

The other 7 case study areas did not give any additional priority to working households. This was due to concerns over disadvantaging those in the most housing need, including disabled people. It was also considered challenging to operate in practice as people's circumstances could change as they moved in or out of work. Many low-income households on housing registers are in casual employment. Local authority officers in Case Study 10 acknowledged that checking a household's working status at the time of the offer was challenging. To gain the extra priority they awarded to working tenants, the job needs to be permanent and the household in work for 9 out of the last 12 months. This means that someone who has recently given up voluntary work to take up paid work at the point when they bid successfully for a property would then be found to have lost the priority based on their volunteering and not yet be eligible for the priority for working, so could potentially lose the property. In practice the local authority does not have the resources to check on people's working status regularly.

There was little support amongst focus group attendees for prioritising working households – attendees were more concerned that allocation schemes should prioritise people on the basis of need and felt that disabled people and women, who were more likely to be single parents than men, were disadvantaged by such a policy. However, stakeholders and focus group attendees were aware that people in low-waged and insecure work, renting in the private sector, were a group who often failed to access social housing in high-pressured areas, and yet had an enduring (though not urgent) need for social housing. Some focus group attendees reported that some local authorities had recently removed the priority that had, for the last few years, been given to working households. This was because they found it impractical or lacking in political support. One housing association also said they were reluctant to prioritise working households because of the plans for the Right to Buy to be extended to housing association stock – they had concerns that working people would be the most likely to purchase and thus deplete their stock.

It was, however, clear that working households often received priority indirectly for some social housing via local letting schemes or housing associations' own lettings criteria, where these required a proportion of lets to go to working households. These issues are discussed in the next chapter.

Providing additional preference to certain military personnel in line with regulations appears to be unproblematic. However, the level of additional priority given to members of the wider armed forces community, as encouraged by statutory guidance, was not high relative to other factors that may be taken into account in most of the case study areas.

## **Social tenants moving for a job**

Stakeholders reported that the extent to which local authorities were using their flexibility to prioritise those making a community contribution varies between areas and depends in part on the level of demand for properties. Communities that Work and the tenants advisory service (TPAS) both reported that in a low-demand area where there is competition with the PRS, local authorities have more flexibilities in offering priority to

additional groups such as working households. They can place more of a focus on encouraging and creating balanced communities and ensuring a sense of fairness. In areas of high demand, there was less flexibility to do anything other than meet the needs of those in the most acute need. In these areas, authorities were mostly concerned with meeting their duties to homeless households under the Homelessness Reduction Act (HRA) and other statutory priorities, with limited scope to consider creating balanced communities.

That said, the case studies and focus groups suggested that political priorities could have a bigger impact than housing pressure on this issue. For instance, Case Study 9 is a high-pressured area where social housing supply is unable to meet the needs of the large majority of applicants who fall into a reasonable preference category. The local authority has, however, taken the decision to increase priority for those in work, training or voluntary work. In contrast, Case Study 3 has relatively low levels of housing pressure but the allocation scheme gives no additional priority for households in work or otherwise making a community contribution.

The case studies and focus groups found little focus on supporting tenants who needed to move for a job in any type of area. Allocation schemes might give someone a local connection if they had a firm job offer, but there would be no further priority on this basis. Focus group attendees felt that social housing allocation processes were generally too slow for those needing to move for a job offer. They also felt that the type of job worth relocating for would usually pay a salary sufficient to afford private rented housing, or that people may look to move via mutual exchange. Social landlords had little involvement in mutual exchanges – as these are arranged directly by tenants online, they had limited knowledge of people seeking to move to a new area for work or other reasons. In high pressured areas, local authority officers had limited enthusiasm for prioritising people from another area, when there was so much unmet need from people already in the area.

Overall, it would seem that most local authorities have been quite cautious about giving too much priority to people in work – due to both the practical difficulties of monitoring this, and also because of a principled view that people not in work (for many different reasons) nevertheless had an equal right to housing.

## Prioritising homeless people

As discussed above, the number of lets to homeless people has fallen over the last decade (MHCLG, 2020a), despite rises in the rates of homelessness.

Several stakeholders highlighted the increase in homelessness and the number of households in temporary accommodation since 2010 as a sign that the social housing allocation system was failing to prioritise those in most urgent need of housing. Shelter were concerned about some allocation schemes giving lower levels of priority to homeless households than many other groups who were also in housing need, giving them little realistic hope of being rehoused.

Table 8 summarises the level of priority given to homeless households in each of the ten case study areas:

**Table 7: Priority given to homeless applicants in the case study areas**

	Case study number									
	1	2	3	4	5	6	7	8	9	10
Number of bands	3	4	4	4	4	3	5	4	3	4
Owed main housing duty	1	1	1	1	1/2	2	2	1	3	3
Owed homelessness prevention or relief duty	2	1/2	1/2	1	3	2	3/4	2	3	4
Homeless but not owed a duty	2	2/3	3	2	3	3	3	3	3	4

Source: RSM analysis of allocation schemes and fieldwork, November 2019- February 2020

As with Table 7, the bands in each scheme have been numbered in order of priority to aid comparison, though it should be noted that the numbers in each band differ significantly between areas. For instance, being in Band 2 does not mean there are the same proportions of households above and below each applicant in all areas.

In lower pressured housing markets, local authority officers and housing associations at focus groups and in case studies generally felt that homeless households owed the main homelessness duty should be a very high priority in any allocation scheme. As shown above, 5 of the case study areas (Case Studies 1,2,4,7, and 8) all placed homeless households owed the main homelessness duty in the highest priority band to ensure they could be rehoused quickly.

In areas with very high housing pressure, however, this was not always considered to be the best approach. There was a diversity of views from stakeholders and at focus groups on the merits of giving homeless people the highest priority for housing. Whilst local authorities were keen to ensure a swift move-on from temporary accommodation, they were also concerned that being accepted as homeless and owed the main duty should not be a route that people felt they must take, as the only means of accessing social housing. There is a difficult balance in the most high-pressured areas between people in temporary accommodation and others in very urgent housing need, such as statutorily overcrowded households, and those with urgent medical reasons to move.

As Table 8 shows, the level of priority given to homeless people not owed the main duty, including many rough sleepers, was lower than that given to those who were owed the main duty in all 10 case study areas. Most of the 10 case study areas in fact gave more priority to severely overcrowded households, or those lacking an inside toilet, than they did to homeless people. Local authority officers in Case Study 10 (a London borough) explained that it had been a conscious decision to place street homeless people in the same band as those with no housing need in order that they did not dominate the allocation scheme. Some focus group attendees expressed that single homeless people were unable to access social housing because they were not a high enough priority on the housing register.

There were also many concerns raised in focus groups that homeless people were commonly disqualified from social housing registers, not by a deliberate policy but rather as a consequence of rent arrears or ASB (discussed above), or through pre-tenancy assessments (discussed below). Some focus group attendees felt that it was unrealistic to

expect most homeless applicants not to have had some degree of trouble in their past which may have resulted in rent arrears, convictions, ASB, or other debts.

It was clear throughout the research that social housing allocation schemes cannot in themselves solve homelessness – at least not in most areas. The numbers of households becoming homeless in some London boroughs exceed the total number of social lettings – and there are many other households who also desperately need this housing. Research participants repeatedly highlighted that increasing housing supply is the key solution here, though other work around homelessness prevention and providing support to vulnerable households is also important to address the needs of the most vulnerable rough sleepers in particular. Cuts to support services were commonly cited as one of the big drivers of increasing rates of homelessness in recent years, and also one of the barriers to people moving on from temporary accommodation.

## Prioritising in order to build integration and cohesion

The MHCLG survey asked participants about the objectives of their allocation schemes, asking them to rate a range of options according to importance (see Figure 5). Creating mixed communities was rated by most respondents as significant, but looking at averages, it was one of the lower rated options.

Efforts to ensure integration and cohesion of communities, and build mixed communities, were generally addressed during the lettings process (see Chapter 6), rather than in the priority people are afforded in the allocation scheme itself.

Nevertheless, some of the housing officers interviewed during case studies and in focus groups expressed that one reason for not imposing upper income limits on joining the housing register was in order to ensure that social housing was a tenure for everyone. This would ensure that a mixed income group of applicants could access social housing, helping to build mixed communities and reduce the stigma associated with this tenure.

## Prioritising in order to ensure equality of access

Of the protected characteristics:

- All schemes gave priority to people with disabilities where these disabilities meant that their existing housing was unsuitable (ie they had a need to move on medical/welfare grounds), though none gave priority simply because an applicant was disabled (and this was not related to their housing need).
- Four of the 10 case studies gave additional priority for older people seeking to access sheltered housing or other housing schemes for older people. All allocation schemes had a minimum age of either 16 or 18 in order to join the register.
- No additional priority was awarded on the basis of pregnancy, maternity, or marital/civil partnership status. However, the size of family did determine the size of home an applicant was considered to be in need of, and hence the level of any priority awarded on the basis of being overcrowded. Homeless applicants owed a main homeless duty were also given higher priority than other homeless households in 7 out of 10 case study areas, which will indirectly benefit applicants

with children or who are pregnant as they would generally be owed a main homeless duty.

No specific priority was given to any of the other protected characteristics (sex, ethnicity, race, religion, gender reassignment, or sexual orientation), and these issues did not arise in the focus groups or discussions with housing associations in the case study areas either.

Ensuring equality of access is mainly an issue for the lettings *process*, rather than the level of priority afforded to different types of household, and is therefore discussed in Chapter 6.

## Working with housing associations in agreeing priorities

The research found a variety of levels of partnership working between local authorities and their housing association partners. In some (such as Case Study 3), the allocation policy itself had come out of a long-term process of working together and developing a document that met the needs of all partners. However, in other areas, it was clear that the local authority had very much led the process of designing the allocation policy (albeit with some degree of consultation). The local housing associations felt that it was not 'their' allocation scheme; it was the local authority's scheme which they were obliged to work with and which they had had little or no involvement in writing. There were also tensions in some areas over the costs of participating in CBL schemes, where costs were passed on to housing associations in proportion to the number of their lettings.

In all of the case studies, the housing associations expressed overall support for the aims and objectives of their local authorities' allocation schemes. Housing associations saw themselves as having a social mission and wanting to help local authorities to meet their duties to homeless households and others in housing need. This came out strongly in the focus groups too – a desire to work together and many examples from both local authorities and housing associations of what they felt to be good working relationships.

Nevertheless, there were some more specific areas of divergence and causes of tension between housing associations and local authorities. While local authorities were driven by the statutory allocations framework and the need to meet their duties to homeless households, housing associations often wanted to cater for a wider group of people and to build sustainable communities.

As discussed above, the case studies and focus groups suggested that it was largely political priorities that determined whether or not people in work (or otherwise making a 'community contribution') were prioritised for social housing. In many areas, local housing associations were keener than the local authority to prioritise people in work. For instance, in Case Study 7, the local authority gave no additional priority for being in work, but one of the local housing associations had chosen to use the 50% of its lets not covered by a nominations agreement to allocate to people in work – the board wanted to recognise people in work who often otherwise lose out in accessing social housing. In many other areas, housing associations' reasons for prioritising those in work were related to the aim of ensuring mixed communities, where a high proportion of tenants in work was seen as a means of reducing rates of anti-social behaviour and management difficulties. Focus group attendees felt that there was, on average, a link between tenants being out of work and

being responsible for ASB. They were aware that this was a crude and problematic association, but nevertheless stated that challenging estates were easier to manage if a good proportion of tenants were in work. In contrast, local authorities were more concerned with ensuring that those in the highest level of housing need (and in particular homeless people in temporary accommodation) were housed first. Overall, the case studies and focus groups suggested that most local authorities have been quite cautious about giving too much priority to people in work. However, this is not a key cause of conflict with housing associations, many of whom support the ambition of ensuring that low-waged working households can access social housing.

# Chapter 6: Letting social housing

## Choice-based letting

The large majority of local authorities in England operate choice-based lettings schemes. The latest data shows that 299 of the 326 authorities in England (92%) participated in a CBL scheme (Local Authority Housing Statistics, 2018/19). The case studies, however, showed that in practice the approach to letting homes was often more complex than this. Areas who used CBL did not necessarily allocate all their homes in this manner.

Of the 10 case studies, 9 were operating CBL schemes. Just Case Study 9 was operating a system of 'direct lets' instead. Choice-based letting schemes require applicants to first register to join the housing waiting list. Their details are then verified and they are allocated into a priority band. Households may then 'bid' for properties that are advertised as being available. Most of the case studies operated on a weekly cycle for advertising properties. All limited the number of bids that applicants may place, as shown in Table 9 below:

**Table 8: Number of bids in a bidding cycle and frequency of bidding cycles by case study**

Case study	Number of bids an applicant can place each bidding cycle	Frequency of bidding cycles
Case Study 1	3	Weekly
Case Study 2	No limit	Weekly
Case Study 3	2	Daily
Case Study 4	3	Weekly
Case Study 5	3	Weekly
Case Study 6	3	Weekly
Case Study 7	3	Weekly
Case Study 8	1	Weekly
Case Study 9	N/A	N/A
Case Study 10	1	Weekly

Source: RSM research November 2019 to February 2020.

The reason for limiting the number of bids an applicant was able to place was to avoid problems with very high-ranked applicants being the highest ranked bidder for more than one property, causing administrative difficulties and delays. Other areas, however, had managed to address this issue by removing people's bids from the system as soon as they were under offer for one property, in order that other properties could be offered to other people. This has the advantage of allowing applicants to choose more properties and reducing the extent to which they are trying to second-guess which property they are most likely to bid successfully on. All the online systems used by case study authorities allowed applicants to change their bids until the time at which bidding closed, which gave some facility to bid strategically.

All but one of the case study areas used bands to shortlist applicants. If there were any bids from Band 1 applicants, these would take precedence over those in Band 2, etc. Time on the register (or time in the band) was the main criteria used to prioritise between people in the same band (additional criteria was used alongside this in Case studies 6 and 10).

The exception to this was Case Study 7. Here, 3 out of 4 properties are let according to priority band. The scheme is, however, more unusual as priority for the remaining one in four properties is given to those in the fourth band – which is the band used for people deemed not to be in housing need. This ensures that people without housing need can eventually access social housing, once they have waited long enough.

## **Auto-bidding**

Alongside the main applicant-led bidding process, some lets were offered via a computer-led 'auto-bidding'. This is where the IT system that runs the CBL process identifies the property that an applicant would be the highest ranked bidder for and matches them to it. These were generally used for homeless households in temporary accommodation, and other very high-ranked applicants where the local authority wanted to ensure that they bid effectively and are able to move on (or to have the homeless duties owed to them discharged if a suitable offer is refused). Most authorities which used auto-bids did so after giving applicants a period of time to bid independently first, or for applicants who were not bidding or considered not to be bidding realistically.

Housing associations did not generally like the use of auto-bidding because it was unpopular with applicants. It could also lead to a high refusal rate among applicants who had been shortlisted for a property they did not in fact want, leading to longer void periods.

## **Direct lets**

### **A direct let system**

Case Study 9 have always operated a system of direct lets, as opposed to a choice-based letting system. Their allocation scheme states that applicants may be housed anywhere within the borough and in any size or type of home that meets their needs. Most applicants in Case Study 9 are made just one offer of suitable accommodation. If they decline it without good reason, they are removed from the housing register. Applicants cannot refuse offers because of the location, property type, landlord type, lack of parking, or being unsuitable for their pet (unless a registered assistance dog) without being removed from the register. Local authority officers felt that the system worked in this area because it is a small authority and people could reasonably be expected to live anywhere within it. Most of the housing stock itself is similar in style, so there is limited scope to offer choice in this respect.

### **Using direct lets alongside CBL**

It was clear that most areas where CBL is in use also operate a system of direct lets for some of their allocations. The reasons for doing this varied between areas but generally included:

- homeless households in temporary accommodation, where the local authority wants to ensure that they are able to move on, or to have the homeless duties owed to them discharged if a suitable offer is refused – in some areas this included homeless people in council-owned temporary accommodation being offered a permanent tenancy for the property they were already occupying
- older people and/or downsizers who struggle with online systems and have quite specific requirements in terms of the type of property they would be willing to move to
- disabled people needing adapted properties
- vulnerable people such as those with mental health difficulties who struggled to bid effectively
- people with very specific needs around where they need to live, such as those in witness protection schemes

Local authorities were aware of the need to balance the use of direct lets to ensure efficient matching of households and properties, with the need for transparency and fairness offered via the CBL system.

## Working with housing associations to let housing

Housing associations have a broad duty to co-operate with local authorities. In practice this usually means that nomination agreements give local authorities the rights to determine who is allocated to somewhere between 50% and 100% of housing that comes available to let. Nomination agreements are usually in place for long periods of time and are set up at the point when housing is built or transferred to housing association ownership. Some of the stakeholders felt that local authorities did not always "pull the levers they had" with housing associations, for instance by updating nomination agreements or using them more effectively. There was also concern that the detail of nomination agreements could get lost over time. A failure to refresh nomination agreements could mean that local authorities were not able to make best use of housing association lettings.

Housing associations commonly let more of their housing via the local authority's CBL scheme (or other type of scheme) than they are obliged to under the terms of their nomination agreement, because they share the local authority's objectives or because it is a simple and practical means of allocating it.

During the focus groups and case study interviews, there were reports that some housing associations had withdrawn from local authority allocation schemes. Housing associations operating in lower-demand areas reported an insufficient number of applicants who both wanted their properties, met their lettings criteria, and qualified to join the local authority's scheme – this was leading to low bid-rates or high refusals. These housing associations were therefore pursuing their own approach to letting properties, including on commercial platforms such as Rightmove.

### Requiring rent in advance

Many housing associations request rent in advance. It was clear from the case studies and focus groups that there was much variation over this practice, both in terms of the amount

of rent requested and the degree of flexibility offered when applicants were unable to pay it. Local authorities in case study areas reported that they had some funding (such as from Discretionary Housing Payment funding) that they could use to help pay the rent in advance for people moving into housing association homes, but they were not supportive of housing associations asking for this, because the funding was insufficient to help everyone who needed it, and they lacked any mechanisms to make loans (rather than grants).

## Pre-tenancy screening and accepting nominations

There was widespread concern among stakeholders that housing associations were increasingly rejecting people who had been shortlisted for a property because of concerns around affordability or their ability to sustain a tenancy. Pre-tenancy screening may take place in the applicant's home, in the housing association office, or via email or phone communication. It is the process that the housing association goes through in order to ensure that the applicant meets their criteria and is suitable to be a tenant.

The case study research found the practice of housing associations rejecting people who have been nominated to them to be a major issue in some areas – for instance around a third of people nominated to housing association vacancies in Case Study 7 were rejected. The main reasons for housing associations rejecting nominees in most areas related to affordability checks or an assessment that the tenant had unmet support needs. However, there is very little robust data collection in this area. Case Study 7 was the only case study able to provide the overall breakdown of numbers and some indication of the reasons for rejection. Even here it is not possible to tell whether the same households are being rejected repeatedly – though it would seem quite likely that they are, because most of the reasons for rejections relate to the applicant rather than the specific property for which they have been shortlisted. One housing association officer attending a focus group mentioned that their association had undertaken an assessment of the impact of pre-tenancy screening on equalities, but it was clear that the large majority of housing associations and local authorities had no clear picture of the overall impact of housing associations rejecting some potential tenants, and in many areas were not able to quantify the extent of the issue.

Stakeholders and local authority officers attending focus groups were concerned about the issue and felt that some housing associations used pre-tenancy screenings to filter out tenants who would be higher risk to manage, without good reason. Local authority officers gave examples of tenants having been turned down for failing affordability checks without any evidence or documentation. This made it hard for the authority and the applicants to understand why they had been refused and fuelled suspicions that the reasons were less than solid.

There was evidence of some housing associations taking a commercial approach to assessing whether applicants could afford their properties. In some cases, this involved looking at the money that a household would have left for living expenses after paying rent and bills. In other cases, it was a simple calculation of rent as a proportion of total income, with ratios such as over 45% being deemed unaffordable. For a single person on a weekly income of £200, this would mean a £90 a week rent was considered unaffordable, even

though the residual income (£110) is higher than standard benefit rates of £74.35 a week (or £58.90 for under 25s).<sup>21</sup>

There is a lack of robust information on the scale and nature of affordability assessments being undertaken by housing associations, and of the outcomes for those judged not to be able to afford social rented homes. When applicants were rejected it was not always clear (to the local authorities involved, and possibly the applicants themselves) whether this was because the specific property was unsuitable for them, or because the applicant was deemed an unsuitable prospective tenant of any property at the time. Local authorities reported that they often advised applicants who had been rejected not to bid for properties owned by that particular housing association in future, to try and reduce the risk of it happening again.

Local authority officers were quick to mention that they did not experience these issues with all housing associations. Experiences differed significantly in the extent that housing associations undertook these kinds of screening.

## **Reasons for increased pre-tenancy screening**

Evidence from the focus groups and case studies suggested that the key drivers behind housing associations' increasing interest in affordability was the freeze in benefit rates, welfare reform, and the introduction of Affordable Rent. Cumulatively, these factors were seen to increase the risks of tenants not paying their rent, making housing associations more risk averse and so more cautious about accepting nominations from local authorities.

### **WELFARE REFORMS**

The introduction of Universal Credit (with housing costs paid normally to the tenant), restrictions to benefits for tenants considered to have spare bedrooms, and the benefit cap, have meant that housing associations do not see housing benefit as the secure income stream that it was in the past. Focus group attendees expressed concerns around households who were not eligible for full housing benefit, such as those affected by the benefit cap and under-occupiers<sup>22</sup>, though it appeared that nearly all allocation schemes currently avoid letting to households who would be under-occupying, or at least not if they are working-age and benefit-dependent.

### **AFFORDABLE RENT**

Most new housing association properties have been let at Affordable Rent in the last few years. Affordable rents are up to 80% of market rents and therefore considerably higher than social rents in higher-priced areas. Data from CORE shows that Affordable Rent

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<sup>21</sup> See [www.gov.uk/government/publications/benefit-and-pension-rates-2020-to-2021/benefit-and-pension-rates-2020-to-2021](https://www.gov.uk/government/publications/benefit-and-pension-rates-2020-to-2021/benefit-and-pension-rates-2020-to-2021)

<sup>22</sup> DWP provides Discretionary Housing Payments funding to local authorities to provide additional support. Since 2011, Government has provided over £1bn to LAs through DHPs

comprised 13% of all new social lettings in 2018/19. The rent is fully eligible for housing benefit, which should mean that the lowest income households have the same residual income regardless of whether they are in an Affordable or social rented property (unless they are affected by the benefit cap or restrictions to housing benefit for under-occupiers). Nevertheless, the case studies and focus groups indicated that the introduction of Affordable Rent had given some housing associations an impetus to start undertaking affordability checks. It should be noted, however, that housing association officers at focus groups were generally unable to clarify why these checks should be needed, given that the rent on Affordable Rent homes should be fully eligible for housing benefit. It is possible that tenants in employment could be worse off in Affordable Rent homes but benefit taper rates (either tax credits or universal credit) should still mean they have more than benefit-level income to cover living costs. There are some exceptions to this, such as tenants affected by the benefit cap, or those who are being allocated a property which they would be under-occupying. However, interviewees suggested that these situations were not common.

Housing association staff at focus groups expressed concerns about low-waged working households who were not in receipt of housing benefit and who would be spending a large proportion of their income on rent. In these instances, it was felt that Affordable Rent was not a suitable tenure – they would prefer to rent to higher earners. They were also conflicted over whether or not they should be letting Affordable Rent homes to non-working households, expressing concern that they may find a (low-waged) job and be unable to afford the rent. There was also a general sense that if Affordable Rent was not affordable to people on low wages, it could not really be said to be affordable to those on benefits, even if the residual income they would have to live off was the same as in a social rented home.

It was also clear that at least some housing associations see Affordable Rent as a different product from social rent, which they should be looking to use for a different group of tenants, including the 'squeezed middle' of low to middle income working households who were typically not a high priority for social housing, but not wealthy enough to buy a home. Some associations were employing the type of affordability checks most often associated with the private rental sector. Many low-waged households fall foul of these limits, even if the income they would have left to live off is significantly above benefit levels.

### **UNMET SUPPORT NEEDS**

Local authority officers at focus groups felt that housing associations were less able or willing than they had previously been to support more vulnerable tenants. They were concerned that people were being rejected from properties they had bid on due to 'unmet support needs'. This issue was raised by stakeholders and focus group attendees, mainly in relation to specific housing associations that had become more selective about who to accept.

Local authority officers also attributed the decline in housing association support in part to mergers and cuts to housing association budgets. These factors mean there are fewer staff able to visit tenants who are in difficulties. The staff who are available operate via call centres – they do not know the tenants, nor staff in the local authority, or other local services, who might be able to help the tenant.

Housing association officers conceded that there had been cuts to services and attributed these largely to the fall in their available funds. Housing associations have seen their rental income fall for the last four years due to the annual 1% rent cut that has been in operation between 2016 and 2020. They reported that tenancy support was an activity that had commonly been cut back. They reported that this had made them less willing to accept applicants with poor tenancy histories unless someone else was putting the support in place. Housing associations and the NHF pointed to the withdrawal of Supporting People funding to help vulnerable people in independent living, and cuts to mental health services, leaving a growing proportion of very vulnerable tenants and housing applicants.

However, attendees at focus groups (primarily local authorities and voluntary sector groups working with vulnerable people) felt that some housing associations could be too quick to dismiss potential tenants, as vulnerable people needed somewhere to live whether or not they could access the further support they needed.

There was a widespread consensus that the level of support needed by those at the top of the housing register had increased in the last 10 years.

### **Efforts to ensure homes are not held back from those who need them**

There was some evidence that the use of affordability checks may be in decline. Several large housing associations (Sanctuary, L&Q, and Guinness) were reported to have recently announced that they were ending these, something that the Crisis and the NHF interviewees felt was a positive step. The work of the Homes for Cathy group of housing associations was also highlighted by many as an example of housing associations taking their social mission more seriously, including ensuring that they did not bar the poorest people in society from becoming their tenants.

There were reports (in the focus groups, and also in Case Study 9) of work having been undertaken in the last year or two to try to reduce the use of affordability checks as a screening tool. The NHF also noted a recent move away from the use of pre-tenancy assessments by some organisations. This followed concerns that they were a poor means of predicting tenancy sustainment, combined with emerging evidence that putting efforts into supporting existing tenants is more effective.

### **Ensuring equalities through the letting process**

Stakeholders, case studies, and focus groups were asked about groups who they felt may not always get equal and fair access to social housing via the lettings process, and how this could be improved. One of the main concerns was around people rejected from properties through pre-tenancy screening, as discussed above. The impact of pre-tenancy screening on groups protected by equalities legislation was hard to measure, due to a lack of data on this issue, though concerns were raised that young people, men, and those with mental health needs may be disproportionately affected, as these groups were more likely to have criminal records, rent arrears, or a history of ASB.

There were three other key groups to emerge:

- disabled people requiring adapted properties

- vulnerable people who struggle with the biddings process
- people requiring a size of property in short supply

## Disabled people needing adapted properties

It was widely acknowledged that people needing adapted properties were at an inherent disadvantage from the start, because of the large (and possibly increasing) number of social housing tenants and applicants with mobility needs, and insufficient supply of suitable homes for them. However, their difficulties were often compounded by allocation schemes that failed to match the adapted (or adaptable) homes there are to the people who need them.

The MHCLG survey found that 54 of 213 local authorities said that they maintained an accessible housing register. However, the case studies and focus groups found that the issue was a lot more complex than simply maintaining such a register or not. There were several identifiable reasons for this:

- The needs of disabled people vary and can be quite bespoke as well as changing over time. Classifying housing into adapted and non-adapted is therefore not sufficient.
- Both local authorities and housing associations lack a robust information system on the stock that they hold. Establishing whether a property is suitable for someone with mobility problems is therefore usually only undertaken when a property becomes vacant (and sometimes fails to happen even then).
- Both local authorities and housing associations lack detailed floor plans for the stock that they hold. Some produce these when they come to let a property, but others do not, meaning that the level of information available to bidders is much more limited than it is, for instance, for most private rented housing.
- CBL IT systems do not always allow the level of detail needed to be conveyed to applicants. They are also unable to prevent people bidding for properties which are not suitable for them, and rely instead on them reading and understanding the information that is provided.
- Some local authorities are concerned about the crime risk associated with advertising a property as vacant, and therefore deliberately use library photos of similar housing rather than photographing the actual property that is available.

There were also issues over adapting housing to meet the needs of current or potential residents. Housing associations reported that they were often reluctant to undertake significant adaptations (such as the installation of a wet room) particularly in family-sized housing because once the tenant leaves, the property would then need to have the wet room removed and replaced with a bath in order to meet the needs of future tenants, who would most likely be families. This issue was reported to have become more significant since the introduction of the housing benefit restrictions for under-occupiers, deterring housing associations from adapting family-sized homes for the needs of those with a disability, as this group are predominately those who only need one-bedroom homes.

Stakeholders highlighted the need for advertisements of properties that may be suitable for those with mobility problems to include not just information about the property itself, but

also information about proximity to parking with dropped pavements and public transport links other than buses.

## **Vulnerable groups who struggle with the application and bidding process**

Social housing application forms can be complex, as local authorities need to gather all the information they need to establish whether someone is eligible for social housing, whether they qualify (including meeting any new criteria), and their level of priority. In some cases, further background information is also collected to help establish whether the applicant is likely to need support and their financial circumstances. Most application systems are online, though some (such as Case Study 2) still used paper-based application forms. Stakeholders and focus group attendees expressed concerns that some people struggled with the online application system, and also with the bidding process.

Older people, BME communities, and those with disabilities were thought to be more likely to fall into this group. Low income groups without internet access and homeless people also commonly fall into this group.

The MHCLG survey found that 94% of the authorities using CBL reported that they provided additional support to help people participate in the allocations process who might otherwise have difficulty in doing so (for example the elderly or disabled, those who have difficulty understanding English, or who do not have access to the internet). Some stakeholders and focus group attendees were concerned that vulnerable groups often struggled to access housing and to bid effectively for housing in CBL schemes. People with mental health issues and lower-level learning disabilities were known to often struggle with the bidding process and required additional support which was not always provided.

## **DIGITAL EXCLUSION**

Stakeholders raised concerns around digital accessibility. In particular:

- the need to scan in and print copies of paperwork in support of an application for housing was a barrier for people who live chaotic lifestyles
- many older people were known to be uncomfortable using technology, and this was a particular barrier to downsizing
- some allocation schemes were felt to be unwieldy, time-consuming and off-putting - if applicants got stuck providing one piece of information, they were unable to move on with the application
- people on very low incomes or who are homeless did not always have reliable access to the internet which could prevent them from bidding in CBL systems

There were also some reports of good practice in this area. Some housing associations and local authorities were running pre-tenancy support and training programmes to ensure that applicants are ready for being a tenant, though some questioned whether these were targeted correctly at those at most risk of being turned down for lettings. The CIH highlighted the Crisis Skylight centres as a model of good practice in helping people who are homeless or at risk of homelessness to participate in the allocations and lettings process. These centres work very closely with local authorities to signpost and provide basic information to access housing. Establishing joint working arrangements and data-sharing arrangements between voluntary and statutory agencies working with vulnerable groups, such as care leavers and homeless people, were also highlighted as good practice

in this area, as was co-locating those with expertise in areas such as mental health within local authority housing teams.

## **People requiring a size of property in short supply**

The type of household who require a size of home in short supply varies between areas depending on the profile of housing applicants and of the social housing stock.

There was wide acknowledgement of a shortage of larger homes with 4 or more bedrooms in nearly all areas. This means that larger families (including a disproportionate number of BME families) are unable to access social housing of a suitable size. The solutions to this issue lie largely in supply, rather than allocations. However, there were examples where allocation schemes were trying to address the issue by allowing severely overcrowded larger families to bid for properties where they would be overcrowded by just one bedroom, or could use a downstairs reception room as an additional bedroom. Efforts to tackle under-occupation can also help here and it was suggested by focus group attendees that social landlords could consider a more targeted approach with the occupants of their largest homes. This could include supporting them to downsize, or even considering a management transfer or use of a fixed term tenancy with the offer of smaller housing in the future after some of the children had left home.

In some areas there was also known to be a particular shortage of one-bedroom homes. This was most apparent in suburban or rural areas where very few flats are built. Local authorities and housing associations reported that, prior to 2013, they often allowed single people or couples without children to under-occupy two-bedroom properties to ease the pressure on the limited supply of one-bedroom homes. However, since the introduction of the housing benefit restrictions for working age under-occupiers, they had become reluctant to do this. Some areas reported difficulties in housing care leavers because of the shortage of one-bedroom homes. Increasing the supply of one-bedroom homes would be a solution here, but there were also some efforts to tackle the issue via allocation schemes. For example, some local authorities and housing associations reported that they allowed working households or retired people to under-occupy two-bedroom homes. The local authority in Case Study 7 was exploring the possibility of setting up shared housing projects for young people to help house them in larger homes.

## **Homeless households and the letting process**

Local authorities reported giving significant support in the letting process to homeless households living in temporary accommodation, including direct lets and staff-assisted bidding to help them find a property. The level of support given to other homeless households including street homeless people appeared more varied and dependent on the existence of other projects such as Housing First that aimed to tackle the multiple challenges in moving street homeless people into suitable housing.

There were also widespread concerns that homeless people (especially single homeless people and rough sleepers) were particularly likely to be turned down for properties though pre-tenancy screening, because they often had support needs and rarely had well-paid jobs. The lack of data on who is turned down or why makes it difficult to explore this issue further.

## Letting homes in rural areas

Difficulties around letting homes in rural areas emerged frequently at focus groups in particular. One of the key issues raised was that homes were often built subject to planning conditions that stipulated that they should be offered first to someone with a local connection to the particular village or parish where the home was located. Housing association and local authority officers reported that this was often hard to do because there were not enough suitable people on the housing register with the specific local connection required. This was in part because villages and parishes could be quite small and there were a limited number of households with connections to them. It was also thought to be in part because allocation schemes did not always capture the nature of people's local connections to specific villages. This meant that homes were advertised and available to be bid on by all applicants in a local authority. The large majority of bids would be placed by people who – as far as the records showed – did not have any connection to that village. The landlord would then need to check the details for a long list of applicants. This was reported to take time and often failed to find a match, resulting in re-advertising and delays whilst homes sat empty.

When homes were let with these kinds of restrictions, it was usually to those in a lower level of housing need. There was a diversity of views on whether this was desirable (because it was allowing people to stay in their village and giving options to those who might otherwise not be a high enough priority to be housed), or represented a clash with the objective of prioritising people in the greatest need and treating all applicants fairly. Local authorities and housing associations were aware of the political context in rural areas and the fact that getting new housing built was often reliant on planning conditions on who it can be let to.

It was also reported that even without planning restrictions, it could be harder to let homes in rural areas, simply because a lower number of people want to live in each small village.

## Letting homes in order to ensure integration and cohesion and support working households

As described in Chapter 5, housing allocation schemes generally set out systems for ranking applicants into bands, with those in the highest band given priority over lower bands, and the time they have been waiting for housing used to prioritise between those in similar levels of priority.

However, not all social housing is allocated in this way. Local letting schemes are sometimes used to ensure that people with certain characteristics are allocated housing, even if they are ranked lower than others. This is done in two ways:

- a property may be advertised on the CBL scheme as reserved for people meeting certain criteria
- landlords may look through the shortlist and 'skip' the highest ranked bidder(s) in favour of lower-ranked bidders who meet certain criteria

The case studies and focus groups found that the groups most often favoured by local letting criteria were people in employment – they were felt to be a group less likely to be involved in ASB or present problems for their neighbours. Other groups sometimes favoured included:

- transfer applicants with good rent payment histories
- people with specific local connections to a village or parish (normally in order to meet planning conditions)
- people with no history of ASB
- under-occupiers (to avoid very high child ratios)
- older people
- people who had to move from the area previously to make way for regeneration

There was a great deal of variation in practice on how these objectives played out in different areas. For example:

- Case Study 8's allocation scheme allows for local letting plans to be used for a fixed period to achieve particular objectives in a neighbourhood, and where these are in place priority will normally be given to applicants who directly meet the criteria of a plan. This may include someone in a lower band who fits the criteria being given priority over someone in a higher band who matches it less well.
- In Case Study 3 the authority previously operated individual local lettings plans for new developments which would prioritise working households on first lets. It also used these at various times for specific blocks or neighbourhoods that required more sensitive lettings for a short period. It found that using local lettings plans on a sporadic basis was complex to administer. Therefore, the local authority has standardised this into a 50/50 quota for re-lets of flats in newbuild developments and certain other areas that have historically been prone to needing local lettings plans. This 50/50 quota scheme means it allocates every other letting to a working household. This can mean for example that an applicant in employment can get priority over a non-working higher-ranked applicant.
- In Case Study 4, local lettings policies are sometimes used by the local authority for newbuild schemes and for when the authority wants to change the balance of who is housed, if one type of household dominates.
- In Case Study 6, as of January 2020, there were 22 schemes with local lettings policies listed on the website. Restrictions include a scheme with poor sound insulation that is considered unsuitable for families with children, schemes that are restricted to people resident in the parish where the scheme is located, or where working people and people with no support needs and no history of anti-social behaviour are prioritised. Other newbuild schemes have had a target for a percentage of lettings to households who were previously homeless.
- Local authority officers in Case Study 7 consider that their policy of offering every forth let to someone from the fourth band (no housing need, as described on page 44) helps ensure a mix of tenants. The allocation scheme also sets out circumstances in which local lettings policies can be used to help address any challenges within a neighbourhood and ensure that communities are mixed and sustainable. However, the local authority officers reported that there were currently no local letting plans in use.

Some local authority officers at focus groups (and, less commonly, housing associations) stated that they were reluctant to use local lettings policies, because they systematically disadvantaged some groups who were in high levels of need. They emphasised that there were other ways to build sustainable communities, for instance by ensuring that the CBL system provided people with some choice of where to live and through their work in local neighbourhoods to build and strengthen communities.

The case study and focus group attendees reported that local lettings policies were often initiated by housing associations, who were overall more concerned about the issue of sustainable tenant mix than local authorities (who were instead more focussed on ensuring those in most need would be housed fastest). Housing associations can initiate local letting schemes by working closely with their local authority partner in order to agree changes to the existing arrangements on how homes are allocated. They also have considerable freedom over how to allocate any lets that they have not given to the local authority for nominations. For instance, in Case Study 7 the housing associations had a variety of systems for allocating their stock that was outside of a nomination agreement, including one which allocated the other 50% of their lets only to working households.

Most local authorities were keen to avoid local lettings policies as far as possible, and some housing associations also reported that they did not use them as they felt they conflicted with the priority of helping those in the most need and treating everyone fairly. Some also felt that due the Right to Buy having been exercised on a lot of their stock over the last 40 years, the community itself would already be mixed, even if their tenants were predominately low income or out of work. Housing associations and local authorities often commented that they felt the best way to create integration and cohesion and to support employment was not through allocation schemes, but by working with local communities to help residents integrate and support one another. They tried to support the employment opportunities for their existing tenants by helping tenants find jobs, offering apprenticeships, and offering advice on training opportunities.

There was a lack of clear data on the prevalence of local letting schemes or who may be excluded by them.

# Conclusions

## **How are local authorities using their flexibilities on qualification to set their allocation schemes and why have they adopted these?**

The evidence suggests that the large majority of local authorities in England have made use of the powers introduced in the Localism Act to set their own qualification criteria for social housing. Access to the housing register is now commonly restricted to those in housing need – as set out in Part 6 of the Housing Act 1996 – and to those with a connection to the local area. The main reason for introducing these restrictions has been to remove people from the housing register who would always have been a low priority and had very little chance of being housed. This helps reduce the costs of administering a very long waiting list, and also helps people to be realistic about their housing options and likelihood of accessing social housing.

The case studies suggest that where demand for social housing is weaker people not in housing need or without a local connection may nevertheless be able to access the housing register. In these areas local authorities have often maintained open access to the register, placing these applicants in a lower priority band. This helps ensure that lower demand housing can still be let. There are some concerns over local pockets of hard-to-let housing or housing in rural areas with additional planning restrictions on who it can be let to, where reducing the waiting list may have contributed to difficulties in letting housing. However, difficulties letting housing appear not to be widespread.

Some local authorities have been placing restrictions on people with rent arrears or a history of anti-social behaviour (ASB). Such restrictions are usually time-limited or subject to review if the applicant starts paying off their arrears or improves their behaviour. For this reason, it is often administratively easier to place these applicants in a low priority band rather than disqualify them from registering.

## **How are local authorities using their flexibilities on prioritisation to set their allocation schemes and why have they adopted these?**

Downsizers are generally given a high priority within most schemes, in order to help free up housing for overcrowded families (and also to help those on housing benefit move to accommodation they can afford). There is widespread support for this, though it is acknowledged that people looking to downsize are not usually in need of moving urgently so can be selective about what they will move to. They may also require support with the move.

There has been less of a focus on prioritising social tenants who need to move for work, mainly because local authorities believe there to be limited demand for this. It was widely thought that jobs worth moving to a new area for would generally pay enough for people to move to the private rented sector, which was much quicker to access.

Prioritising working households has been the most controversial aspect of more recent government guidance. A minority of local authorities give working households priority within their allocation scheme, including just 2 of the 10 case studies (Case studies 9 and

10). In both cases, there was a political steer from local councillors to reward working households by prioritising them for social housing. Both were high-demand areas, with insufficient housing to meet the needs of the large majority of people on the housing register, so were still able to let housing entirely to those in a high degree of need. In other areas there was little support from local authorities for prioritising people in work because it was felt to conflict with the wider objectives of prioritising on the basis of need. There were also concerns that disabled people and possibly women may be disadvantaged by such a policy.

### **How are housing associations working with local authorities in allocating accommodation to meet housing need?**

Housing associations are generally required to offer up the majority of their lettings for the local authority to allocate. Most local authorities in England operate Choice-Based Lettings (CBL) systems to allocate housing. Applicants bid for housing for which they are eligible, and housing is allocated to the highest-ranked bidder, according to the allocation scheme.

Most housing associations and local authorities involved in this research reported good working relationships with one another. Many housing associations allocate all their housing via the local authority's scheme, even if they are not obliged to under their nomination agreement.

The issue of housing associations undertaking pre-tenancy checks on applicants is a growing area of concern. There is little monitoring undertaken on this issue, so it is very hard to know how extensive it is. The data there is suggests that a significant number of high-ranked applicants are turned down at the point of having been shortlisted for a property, because they are considered not to be able to afford it, or because of unmet support needs.

### **What methods are local authorities using to help people participate in the allocations and lettings process?**

Local authorities offer a range of support and help to people wanting to apply for social housing including drop-in centres, telephone advice, home visits, translation services, and accepting paper applications from applicants not confident applying online. Help was also offered with the bidding process for those who struggled with it online.

There appears to be a lack of support offered to applicants who have been turned down for an allocation, having been the highest ranked bidder for it. Even if applicants were told why they had been turned down (which did not seem to happen consistently), this did not necessarily trigger any support being put in place to prevent the disappointment recurring. Some were advised to avoid the housing association who turned them down in future.

### **Are schemes meeting intended outcomes and addressing locally identified need or are they producing any unintended outcomes, and how are local authorities assessing these?**

Allocation schemes have a variety of aims and objectives, some of which need to be tensioned against one another.

The priority ranked most highly by local authorities surveyed was **addressing homelessness**. Local authorities have had the right to discharge homeless duties into the private rented sector for the last few years, but the growing gap between local housing allowance and rents has meant that social rented housing remains the main option available to local authorities in order to meet their duties to homeless households. Housing officers in stock-owning authorities generally worked very closely with their colleagues in the homelessness department to try to move people out of temporary accommodation as quickly as possible. This was more challenging in some areas where local authorities were reliant on housing associations, due to the growing use of pre-tenancy screening processes in rejecting some homeless households.

In some high-demand areas local authorities are concerned that giving a high priority to homeless households may produce the unintended outcome of discouraging households from addressing their own housing needs, instead seeing a homeless acceptance as the only possible route into social housing. This is not an issue in lower demand areas, where access to social housing is easier.

Schemes generally aim to be **clear and transparent**, though the level of complexity and detail in some schemes means that this is hard to achieve in practice. Allocation policies can run to over 70 pages long, and not all local authorities produce a summary version. There are examples of good practice here – for instance Case Studies 1 and 9 – where the local authority produced a clear, concise summary that was easy to follow.

Allocation schemes aim to treat people **fairly and avoid discrimination**. The research suggests people generally were treated fairly under the banding criteria and that this process is reasonably transparent. However, qualification criteria, pre-tenancy screening, and local lettings policies can all serve to systematically advantage certain groups of people over others, and this process is not always transparent. Cuts to wider support services for vulnerable households have compounded this issue, meaning that housing associations are nervous of taking on people with support needs.

Allocation schemes also seek to facilitate **choice** as much as is possible within the constrained supply of social housing. The choice-based lettings approach used in most areas does allow applicants a greater degree of choice over where to live than a system of simply offering vacant housing to the person at the top of the list. In areas where demand is not too high, the choice is real, and applicants are able to weigh up locations, types of property, and other factors and to find the housing that is right for them. In areas of very high demand, choice is very highly constrained by supply. If only the most urgent of cases are housed, they must accept the first property available, rather than take time to wait for something they would prefer.

Allocation schemes aim to **make best use of available stock** – most prioritise downsizers, though acknowledge that increasing rates of downsizing requires more than just priority in the allocation scheme.

Allocation schemes also aim to create mixed and sustainable communities and support **integration and cohesion**. Creating a mixed community was often felt to be in conflict with other priorities – this is because efforts to achieve a mix generally involved reducing access to social housing for the most vulnerable households, including those with support needs or who are not in work. There was sometimes conflict between housing

associations and local authorities over the use of local lettings schemes to ensure a good mix on new developments. One possible good practice option used in some areas was to allow priority for transfer applicants with good payment history and no ASB – this ensures creation of mixed communities on new or challenging estates without affecting the overall availability of housing for new applicants. Housing associations and local authorities often commented, however, that they felt the best way to create integration and cohesion was not through allocation schemes, but by working with local communities to help residents integrate and support one another.

Supporting **working households** is an aim of allocation schemes in only a minority of areas, where there was political support to reward those in work by prioritising them for social housing. In most areas, this objective was felt to conflict with other objectives (equalities and fairness), or to be hard to monitor in practice. Local authorities and housing associations pointed out that they worked in other ways to support employment, for instance by offering apprenticeships, and working with tenants to help them find employment or access training.

The research also found that there is also a lack of monitoring data or strategic oversight of lettings that would help local authorities to establish whether **intended outcomes** were being achieved. In particular, the lack of monitoring of the numbers or profile of those who are turned down at pre-tenancy screening makes it hard to know if the aim of treating people fairly is being achieved. There is also limited evidence of analysis of data on allocations being used to inform new housing developments. The biggest barrier to **addressing locally identified need** in most areas, however, is an acute shortage of social housing, coupled with low turnover rates, meaning that there is insufficient supply to meet need.

## Recommendations for future research

There are several issues that have arisen through the course of this research where we feel more research would be useful in order to more fully understand the evidence base around social housing allocations:

- The research here has mapped out the extent of sub-regional allocation schemes, but the evidence also suggests that the extent of joint working within these areas varies substantially. There is a lack of evidence over what kind of arrangements work well in different types of areas – whether joint working between neighbouring areas increases choice and mobility for applicants, or whether it reduces the autonomy of local authorities to set their own allocation scheme priorities to meet local need.
- There was clear evidence of problems in allocating stock that is suitable for people with mobility difficulties to households in need of those adaptations in an efficient manner. Part of the problem is a lack of comprehensive information on the suitability of existing stock for people with mobility difficulties – meaning that many landlords are unable to identify such stock until it becomes vacant. Further research could look for good practice in this area, and help social landlords develop systems for storing and updating the information needed to know which properties are suitable for different needs. Systems for matching disabled people to suitable homes at present typically rely on good staff with individual knowledge – further

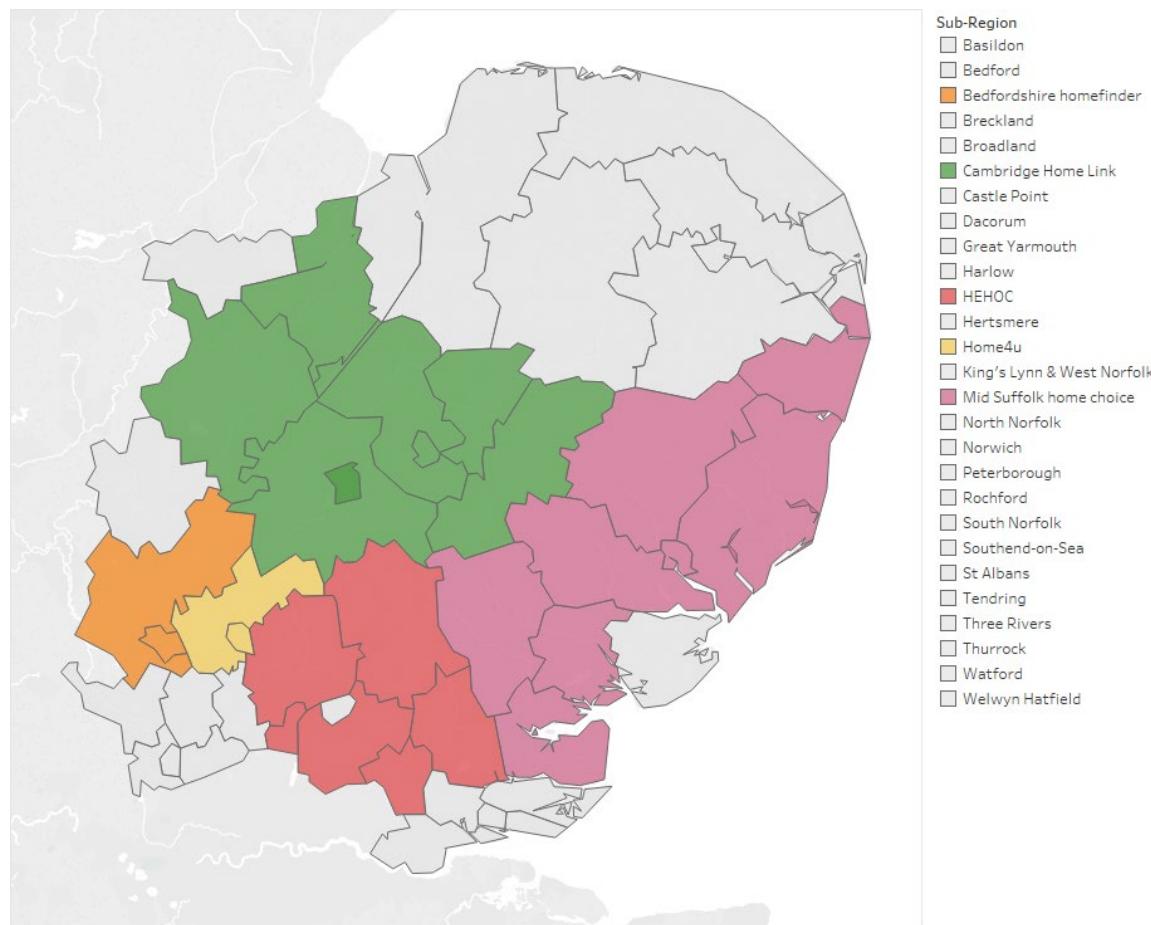
research might be able to identify whether computer-based systems can do more here.

- One of the key groups considered to be missing out on allocations are young people aged under 25 who are reliant on benefits. Further research could do two things here: it could help establish whether this group do in fact struggle to pay their rent if they are housed in one bedroom homes, and could identify within this group which tenants are likely to struggle and which ones do not. If under 25s are unable to afford the bills and living costs required to live in one-bedroom flats whilst on benefits, then further research could explore the housing options that are available to this group. Pilot schemes (such as that in use in Case Study 7) are trialling shared housing options for this group, and it would be useful for others to learn from these projects.
- The issue of housing associations refusing nominations arose consistently throughout this research as an issue. Further research on both the scale of this practice and the reasons behind it would help develop an understanding of how social housing allocations work in practice. Finding and highlighting examples of good practice in this area could help housing associations and local authorities to work more effectively together in areas where this is a challenge.
- The research engaged with local authority officers, housing associations, and a range of other organisations who work with housing applicants. It did not engage directly with housing applicants. To more fully understand how well social housing allocations work from the perspective of those who seek to access it, further research could usefully engage with this group.

# Annex 1: Mapping of sub-regional working

The maps below show sub-regional schemes across England. Areas where no sub-regional arrangements are in place are shown in grey.

## East of England



### Sub-Regional Schemes

Sub-region	Local authorities
Bedfordshire Homefinder	Central Bedfordshire*
	Luton
Home-Link	Cambridge
	East Cambridgeshire
	Fenland
	Huntingdonshire
	South Cambridgeshire
	West Suffolk (Formerly Forest Heath and St Edmundsbury)
	Brentwood

Hertfordshire and Essex Housing Options Consortium (HEHOC)	Broxbourne
	Chelmsford
	East Hertfordshire
	Epping Forest*
	Uttlesford
Home4u	North Hertfordshire*
	Stevenage
Mid Suffolk Home Choice	Babergh
	Braintree
	Colchester
	East Suffolk (Formerly Waveney and Suffolk Coastal)
	Ipswich
	Maldon
	Mid Suffolk

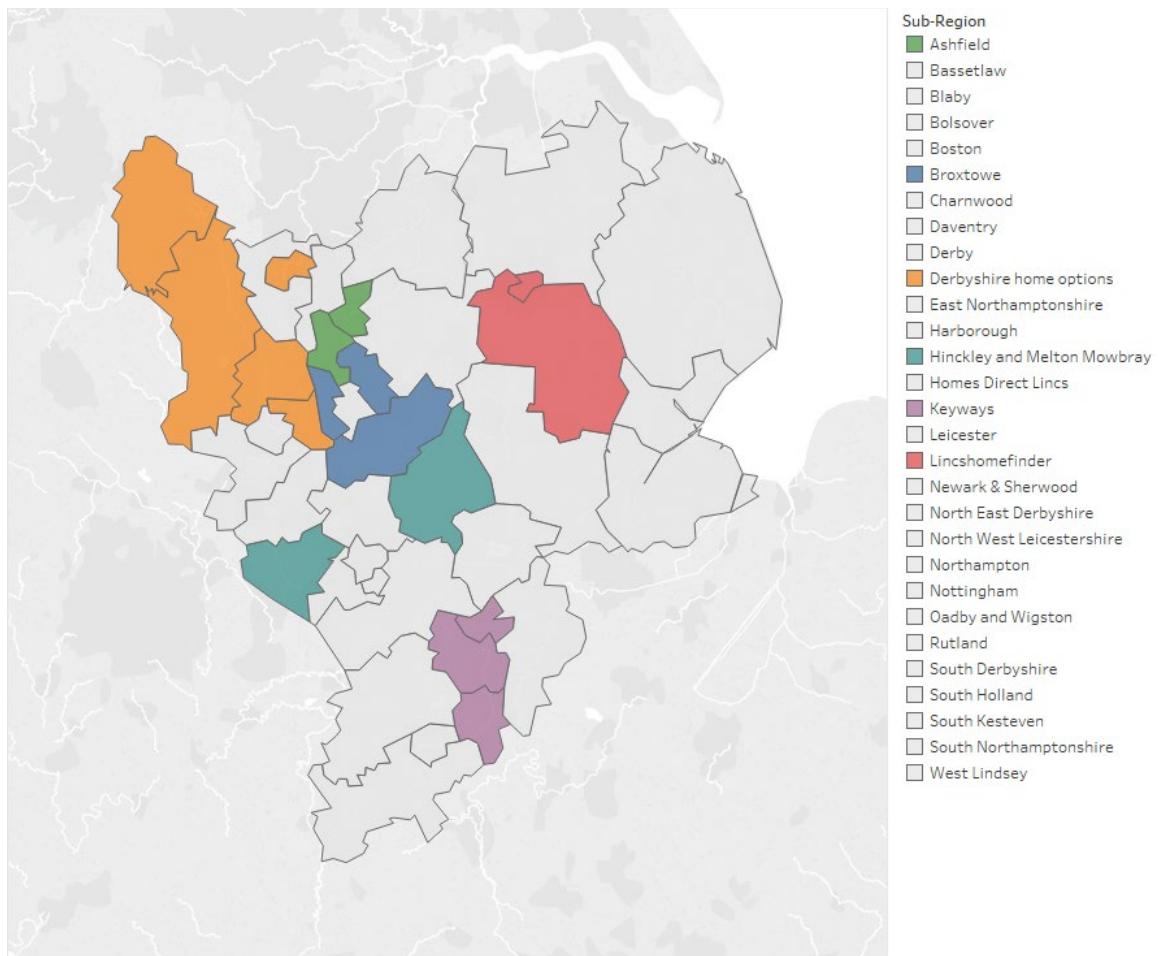
\* Included in sub-region information but MHCLG survey response to question about whether the LA was part of a sub-region was 'no'.

## NO SUB-REGIONAL ARRANGEMENTS

The following local authorities do not appear to be part of a sub-regional arrangement:

- Basildon
- Bedford
- Breckland
- Broadland
- Castle Point
- Dacorum
- Great Yarmouth
- Harlow
- Hertsmere
- King's Lynn and West Norfolk
- North Norfolk
- Norwich
- Peterborough
- Rochford
- South Norfolk
- Southend-on-Sea
- St Albans
- Tendring
- Three Rivers
- Thurrock
- Watford
- Welwyn Hatfield

## East Midlands



### Sub-Regional Schemes

Sub-region	Local authorities
Ashfield	Ashfield
	Mansfield
Broxtowe	Broxtowe
	Gedling
	Rushcliffe
Derbyshire home options***	Amber Valley
	Chesterfield**
	Derbyshire Dales
	Erewash
	High Peak
	Staffordshire Moorlands*
Hinckley and Melton Mowbray	Hinckley and Bosworth
	Melton

Keyways	Corby
	Kettering
	Wellingborough
Lincshomefinder	Lincoln**
	North Kesteven

\* In West Midlands region, included here as all other members are in East Midlands

\*\* Included in sub-region information but MHCLG survey response to question about whether the LA was part of a sub-region was 'no'.

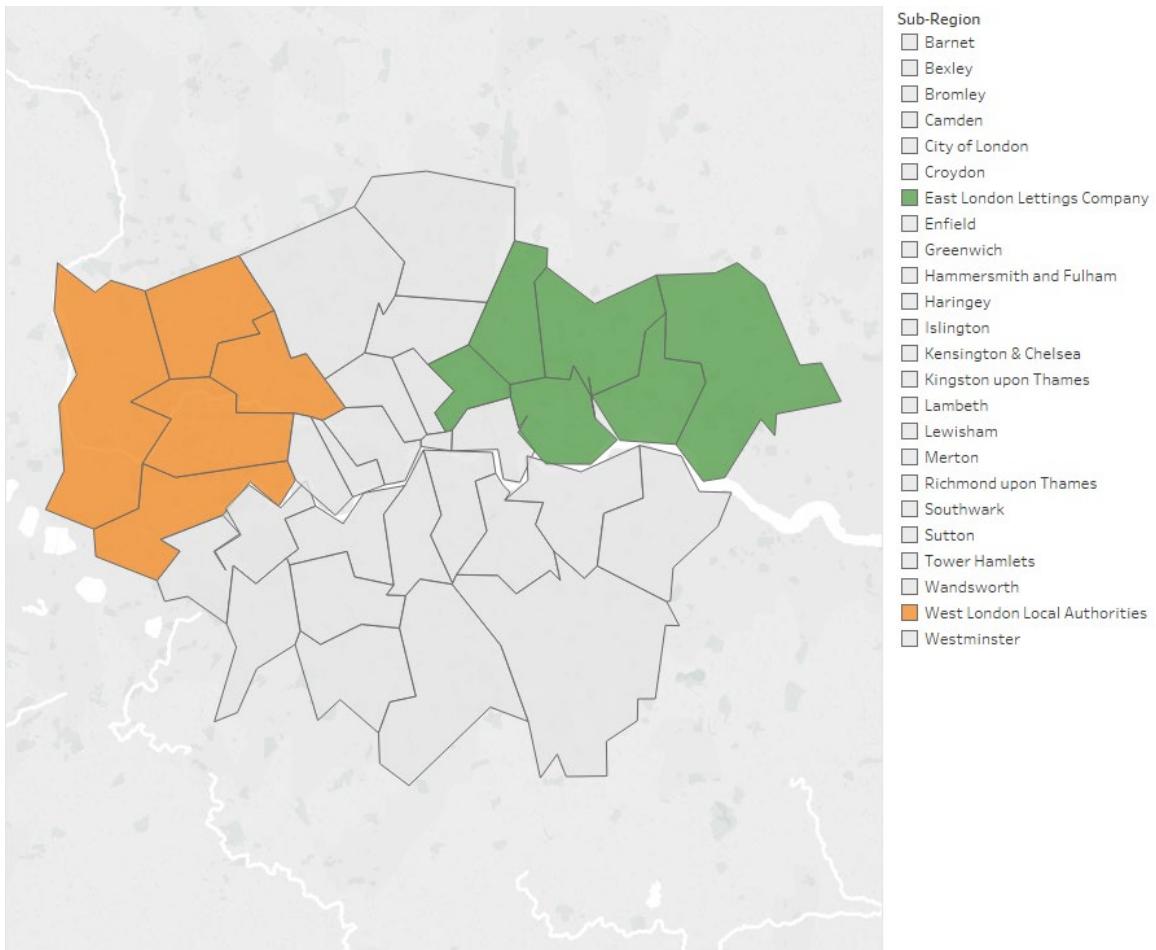
\*\*\* Overlaps West Midlands Region

## NO SUB-REGIONAL ARRANGEMENTS

The following local authorities do not appear to be part of a sub-regional arrangement:

- Bassetlaw
- Bolsover
- Boston
- Daventry
- Derby
- East Northamptonshire
- East Lindsey
- Leicester
- Blaby
- Charnwood
- Harborough
- North West Leicestershire
- Oadby and Wigston
- Newark and Sherwood
- North East Derbyshire
- Northampton
- Nottingham
- Rutland
- South Derbyshire
- South Holland
- South Kesteven
- South Northamptonshire
- West Lindsey

## London



### Sub-regional schemes

Sub-region	Local authorities
East London Lettings Company	Barking and Dagenham Hackney Havering Newham Redbridge Waltham Forest
West London Local Authorities	Brent Ealing Harrow* Hillingdon Hounslow

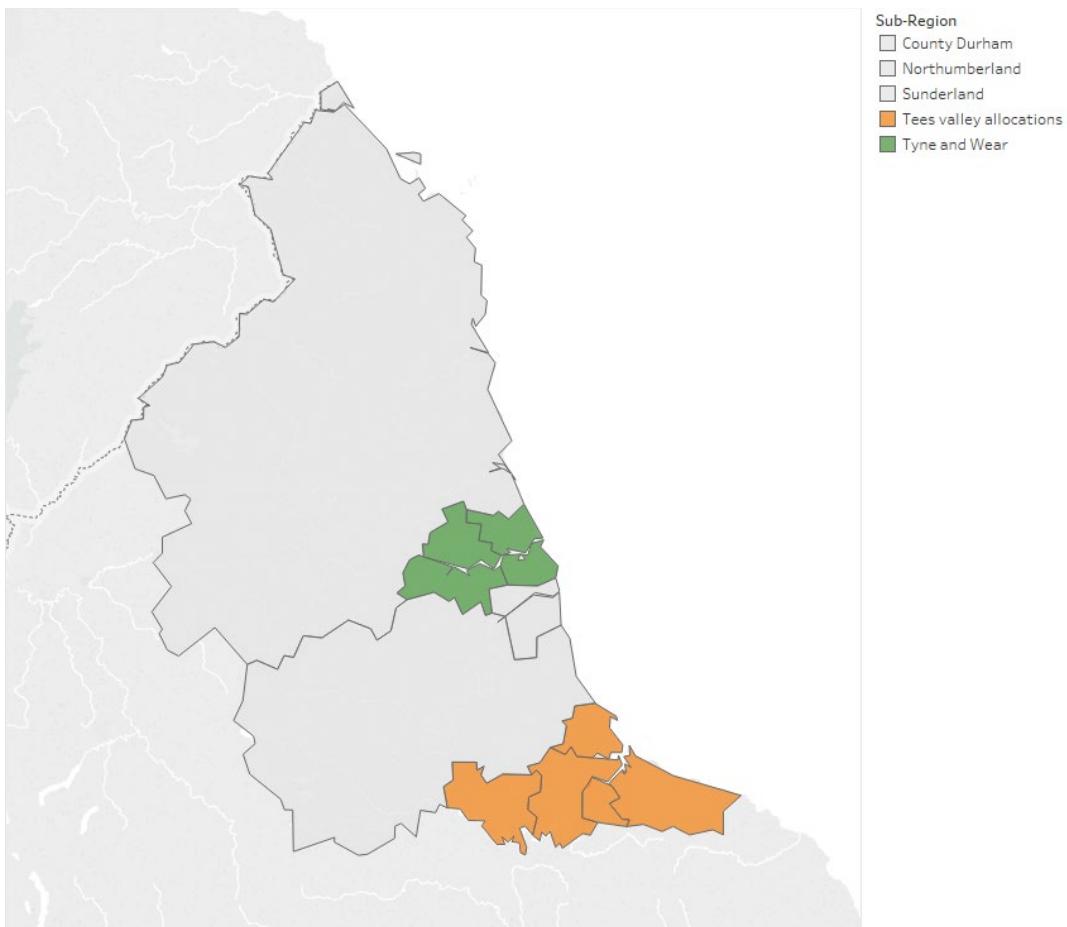
\* Included in sub-region information but MHCLG survey response to question about whether the LA was part of a sub-region was 'no'.

## **NO SUB-REGIONAL ARRANGEMENTS**

The following local authorities do not appear to be part of a sub-regional arrangement:

- Barnet
- Bexley
- Bromley
- Camden
- City of London
- Croydon
- Enfield
- Greenwich
- Haringey
- Islington
- Kensington and Chelsea
- Kingston upon Thames
- Lambeth
- Lewisham
- Merton
- Hammersmith and Fulham
- Richmond upon Thames
- Southwark
- Sutton
- Tower Hamlets
- Wandsworth
- Westminster

## North East



### Sub-regional schemes

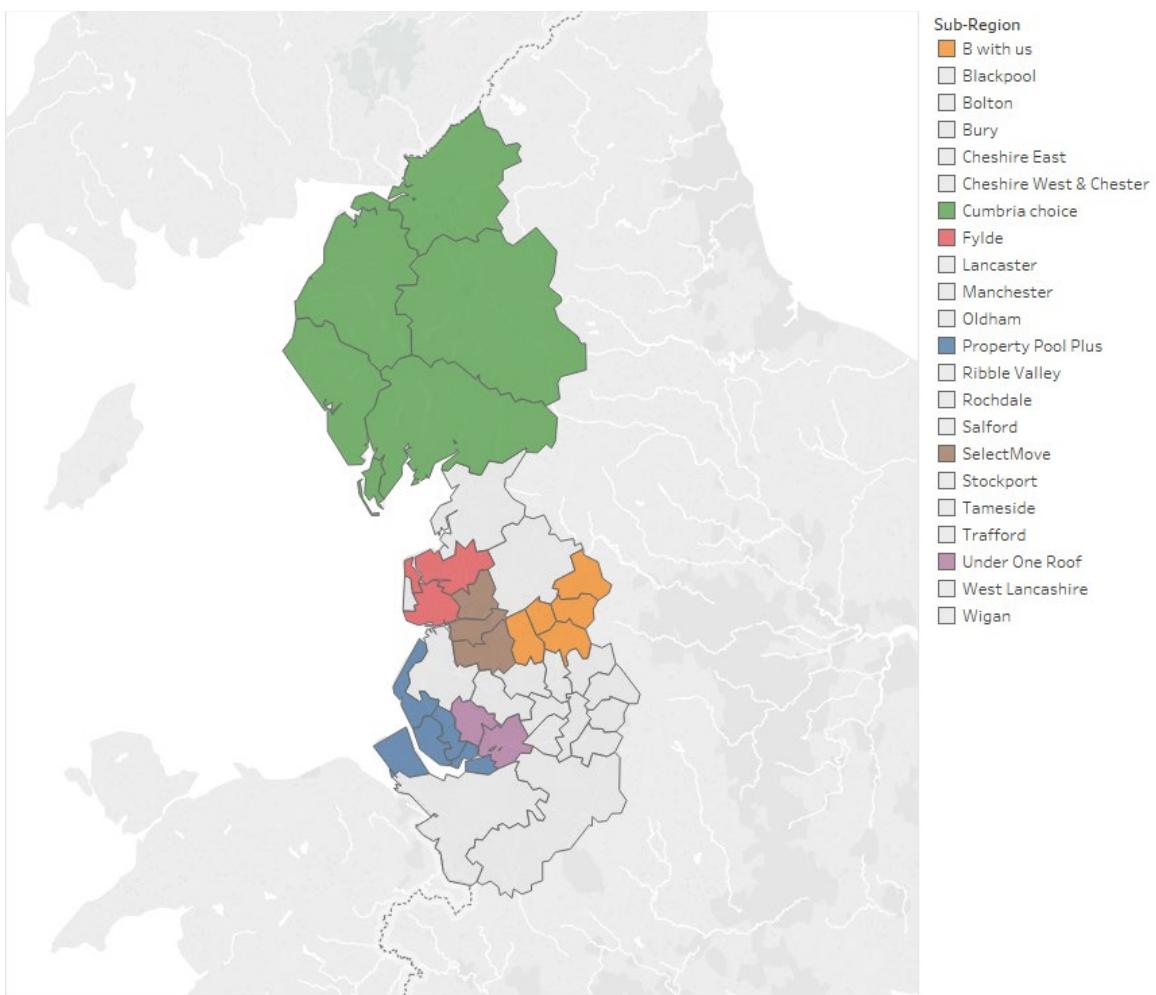
Sub-region	Local authorities
Tees Valley Allocations	Darlington Hartlepool Middlesbrough Redcar and Cleveland Stockton-on-Tees
Tyne and Wear	Gateshead Newcastle-upon-Tyne North Tyneside South Tyneside

### NO SUB-REGIONAL ARRANGEMENTS

The following local authorities do not appear to be part of a sub-regional arrangement:

- County Durham
- Northumberland
- Sunderland

## North West



### Sub-regional schemes

Sub-region	Local authorities
B with us	Blackburn with Darwen Burnley Hyndburn* Pendle Rossendale*
Cumbria Choice	Allerdale Barrow-in-Furness Carlisle Copeland Eden South Lakeland
Fylde	Fylde

	Wyre
Property Pool Plus	Halton
	Knowsley
	Liverpool
	Sefton
	Wirral
Select Move	Chorley
	Preston
	South Ribble
Under One Roof	St Helens
	Warrington

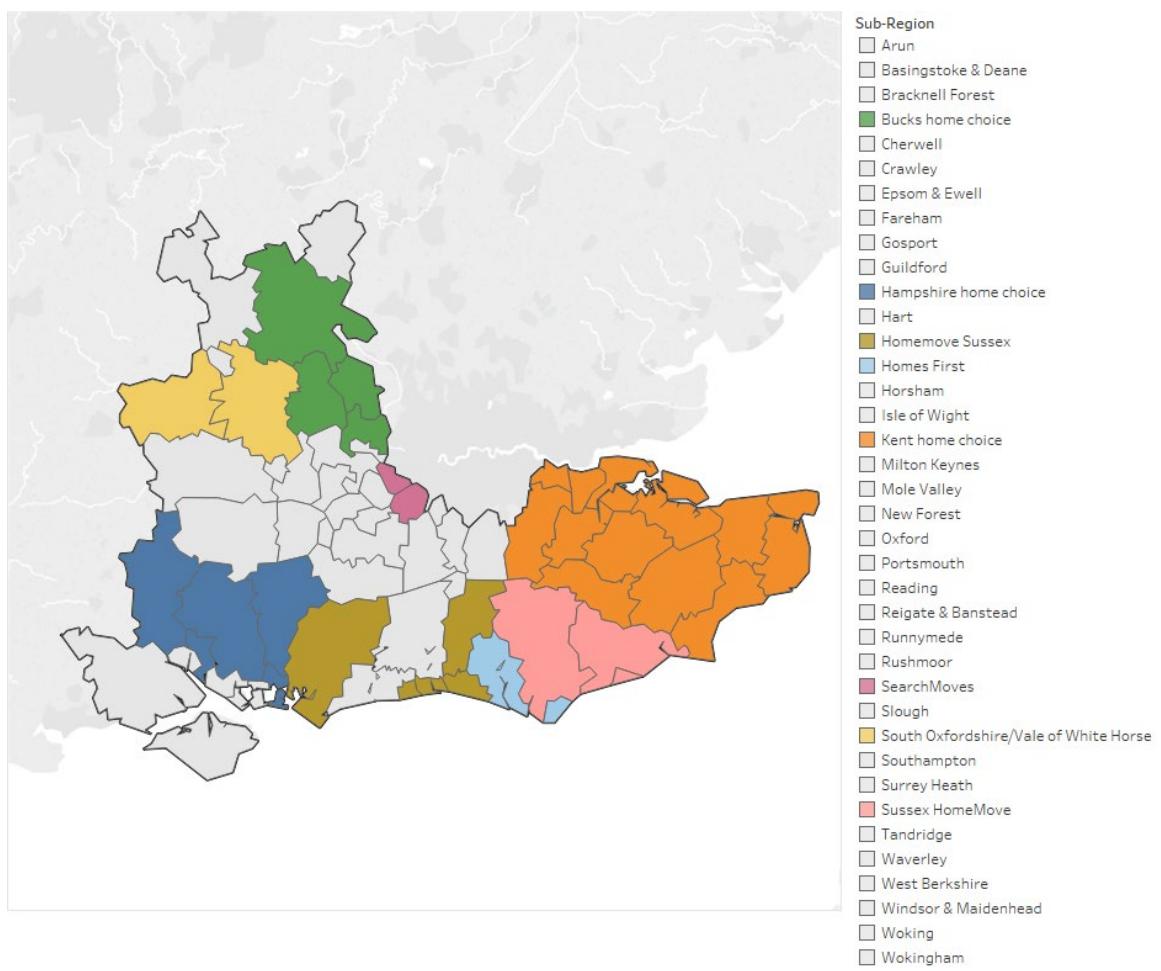
\* Included in sub-region information but MHCLG survey response to question about whether the LA was part of a sub-region was 'no'.

### **NO SUB-REGIONAL ARRANGEMENTS**

The following local authorities do not appear to be part of a sub-regional arrangement:

- Blackpool
- Bolton
- Bury
- Cheshire East
- Cheshire West and Chester
- Lancaster
- Manchester
- Oldham
- Ribble Valley
- Rochdale
- Salford
- Stockport
- Tameside
- Trafford
- West Lancashire
- Wigan

## South East



### Sub-regional schemes

Sub-region	Local authorities
Bucks Home Choice	Aylesbury Vale Chiltern High Wycombe South Buckinghamshire
Hampshire Home Choice	East Hampshire Eastleigh Havant Test Valley Winchester
Homemove Sussex	Adur* Brighton and Hove Chichester Mid Sussex*

	Rother
	Worthing*
Homes First	Eastbourne
	Lewes
Kent Home Choice	Ashford
	Canterbury
	Dartford
	Dover*
	Folkestone & Hythe
	Gravesend
	Maidstone
	Medway*
	Sevenoaks
	Swale
	Thanet
	Tonbridge and Malling
	Tunbridge Wells*
SearchMoves	Elmbridge*
	Spelthorne
South Oxfordshire/Vale of White Horse	South Oxfordshire
	Vale of White Horse

\* Included in sub-region information but MHCLG survey response to question about whether the local authority was part of a sub-region was 'no'.

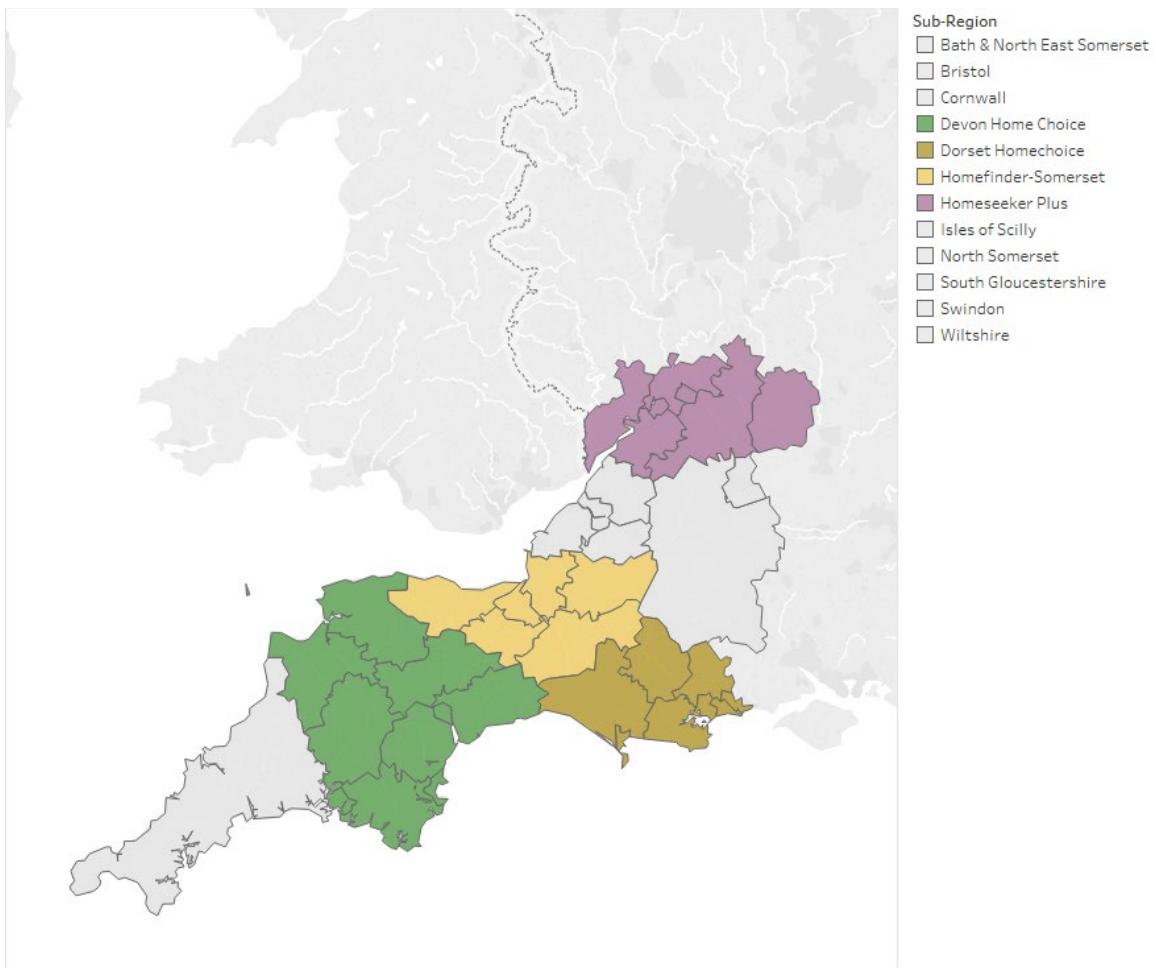
## NO SUB-REGIONAL ARRANGEMENTS

The following local authorities do not appear to be part of a sub-regional arrangement:

- Arun
- Basingstoke and Deane
- Bracknell Forest
- Cherwell
- Crawley
- Epsom and Ewell
- Fareham
- Gosport
- Guildford
- Hart
- Hastings
- Horsham
- Isle of Wight
- Milton Keynes

- Mole Valley
- New Forest
- Oxford
- Portsmouth
- Reading
- Reigate and Banstead
- Runnymede
- Rushmoor
- Slough
- Southampton
- Surrey Heath
- Tandridge
- Waverley
- Wealden
- West Berkshire
- Windsor and Maidenhead
- Woking
- Wokingham

## South West



### Sub-regional schemes

Sub-region	Local authorities
Devon Home Choice	East Devon* Exeter Mid Devon North Devon Plymouth South Hams Teignbridge Torbay Torridge West Devon
Dorset Homechoice	Bournemouth, Christchurch and Poole Dorset

Homefinder Somerset	Mendip
	Sedgemoor
	South Somerset
	Somerset West and Taunton (formerly West Somerset and Taunton and Deane Authorities)
Homeseeker Plus	Cheltenham
	Cotswold
	Forest of Dean
	Gloucester
	Stroud
	Tewkesbury
	West Oxfordshire**

\* Included in sub-region information but MHCLG survey response to question about whether the local authority was part of a sub-region was 'no'.

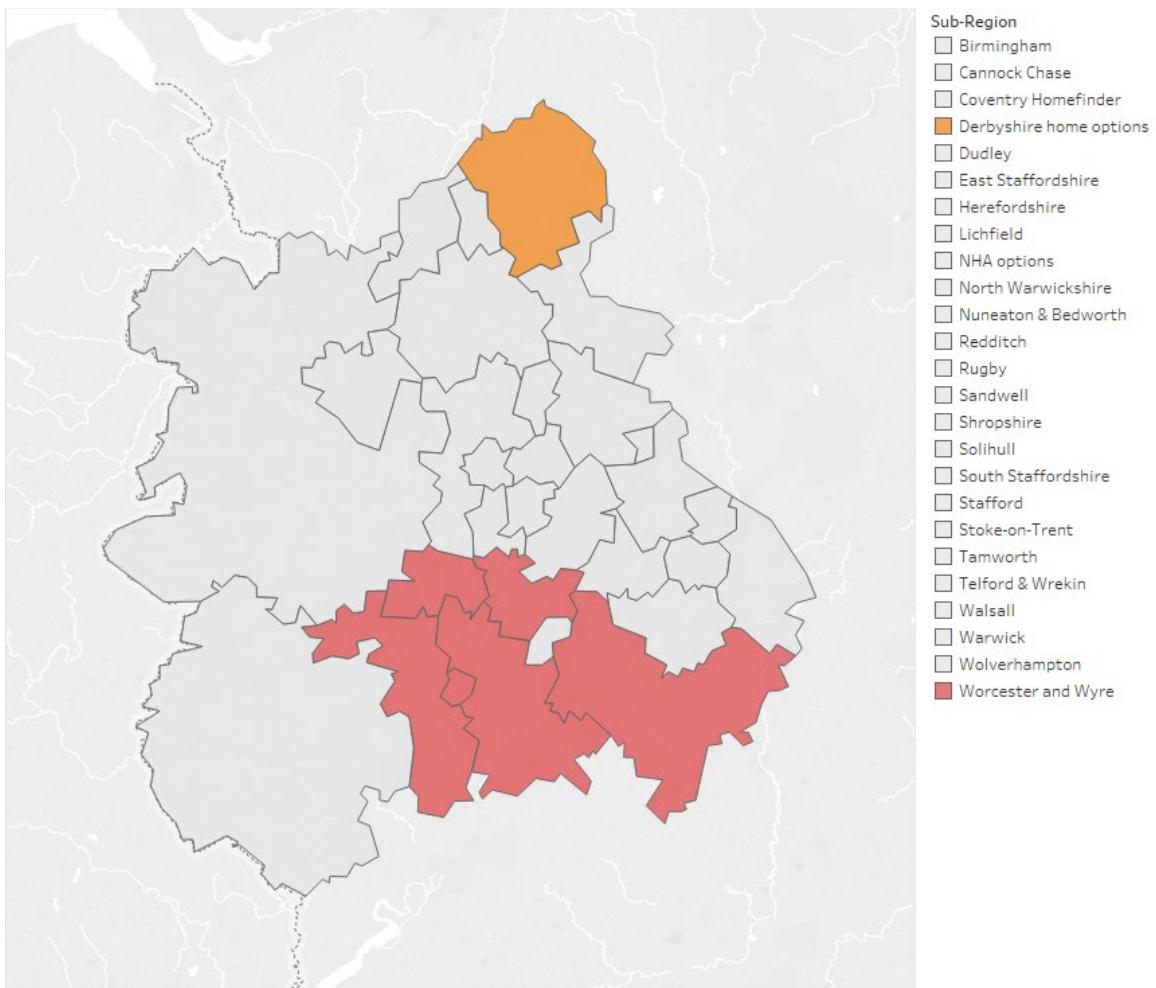
\*\*In South East region but included here as all other partners in Homeseeker Plus region are in the South West

## NO SUB-REGIONAL ARRANGEMENTS

The following local authorities do not appear to be part of a sub-regional arrangement:

- Bristol
- Cornwall
- Isles of Scilly
- North Somerset
- South Gloucestershire
- Swindon
- Wiltshire

## West Midlands



### Sub-Regional schemes

Sub-region	Local authorities
Worcester and Wyre	Bromsgrove
	Malvern Hills
	Stratford-upon-Avon
	Worcester
	Wychavon
	Wyre Forest
Derbyshire Home Options	Staffordshire Moorlands*

\*All other authorities in this region are shown on the East Midlands map.

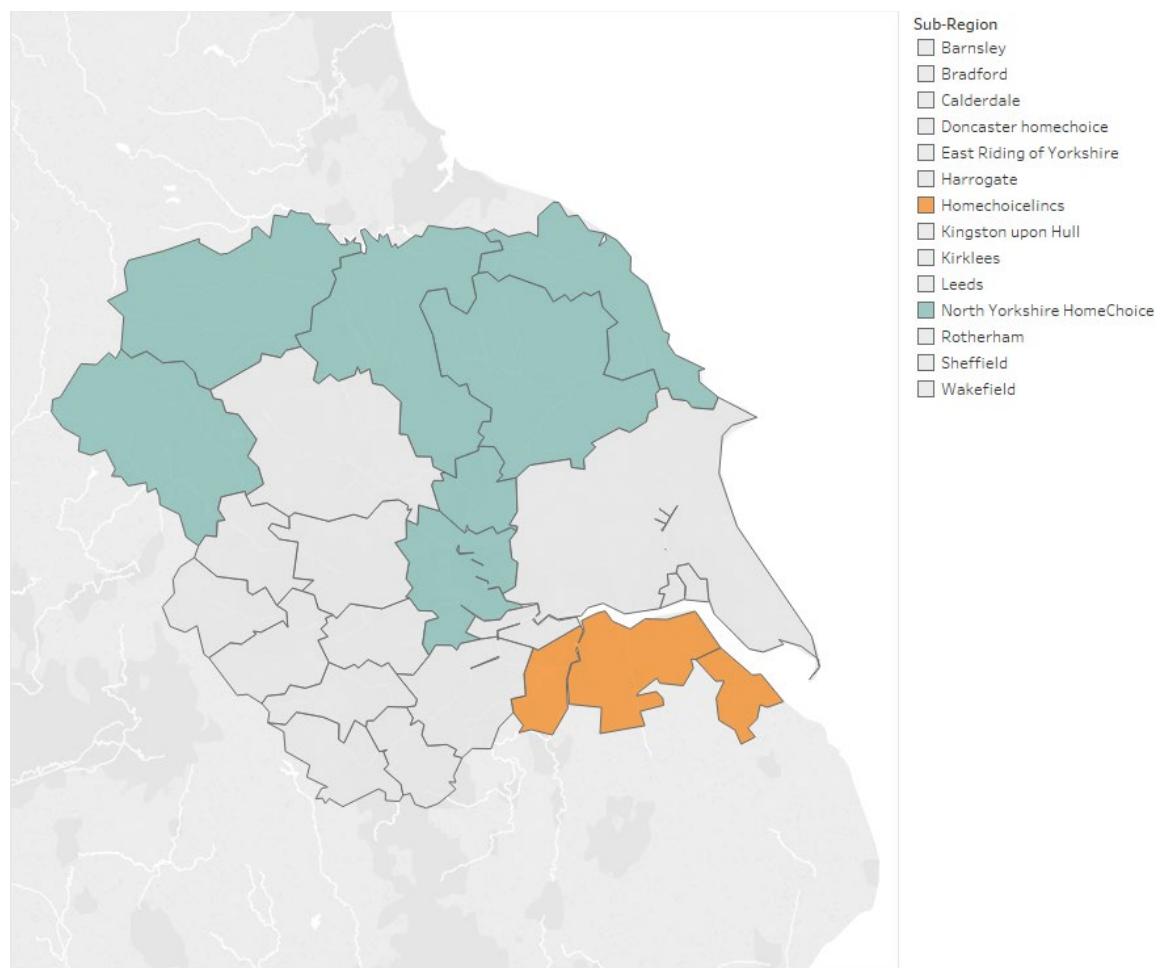
### No sub-regional arrangements

The following local authorities do not appear to be part of a sub-regional arrangement:

- Birmingham
- Cannock Chase

- Coventry
- Dudley
- East Staffordshire
- Herefordshire
- Lichfield
- Newcastle-under-Lyme
- North Warwickshire
- Nuneaton and Bedworth
- Redditch
- Rugby
- Sandwell
- Shropshire
- Solihull
- South Staffordshire
- Stafford
- Stoke-on-Trent
- Tamworth
- Telford and Wrekin
- Walsall
- Warwick
- Wolverhampton

## Yorkshire and the Humber



### Sub-regional schemes

Sub-region	Local authorities
Homechoice Lincs	North East Lincolnshire
	North Lincolnshire
North Yorkshire Home Choice	Craven
	Hambleton
	Richmondshire
	Ryedale
	Scarborough
	Selby
	York

## **NO SUB-REGIONAL ARRANGEMENTS**

The following local authorities do not appear to be part of a sub-regional arrangement:

- Barnsley
- Bradford
- Calderdale
- Doncaster
- East Riding of Yorkshire
- Harrogate
- Kingston upon Hull
- Kirklees
- Leeds
- Rotherham
- Sheffield
- Wakefield

# Annex 2: Case studies

## Case Study 1

### Context

Case Study 1 is a unitary authority in the south/east of England. Levels of homelessness are similar to the country as a whole. The average house price is over £300,000 and the median rent of a two bedroom home was over £900, meaning that it is a relatively high-priced area. The social rented sector forms 14% of the housing stock in the borough, slightly below the national average of 18%. Most of the stock is managed by the LSVT partner. There were just over 5,000 households on the housing register as of 31 March 2019, and around 700 homes let in a year.

### Designing the scheme

The local authority allocation scheme covers just the district of this case study and there are no sub-regional working arrangements. The current housing allocation scheme was developed by the housing department and approved by council cabinet in December 2012. This process of approving the scheme included a consultation process with partner housing associations and housing applicants. The consultation considered whether to allow more priority for those who had made a 'community contribution' but this was not included in the current scheme. The policy was reviewed, and minor changes were made in 2016, including clarifying guidance on social tenants who wish to move and updating the list of partner organisations. Some of the housing associations in the area hold their own waiting lists, but others advertise properties through the local authority scheme. Where the properties are advertised on the local authority scheme, letting criteria are applied to give priority to their existing tenants. There have since been some minor changes made to comply with the Homelessness Reduction Act 2017. Details of the scheme are published online.

The stated aims of the current scheme are to:

- provide a simple, clear, and fair allocation scheme
- promote greater choice and provide information on housing options
- provide greater support for those in greatest housing need including people who are experiencing homelessness
- create mixed and sustainable communities
- make the best use of housing stock
- promote greater mobility for existing social tenants

The main driver for introducing the scheme in 2012 was the 2011 Localism Act. The council made use of the flexibility in the Act to restrict access to people with a local connection, introduce the financial resources limit of £60,000, and address under-occupation to make best use of stock. Subsequent updates have included minor changes to respond to new legislation such as the Homelessness Reduction Act.

## **Qualification for social housing**

Applicants are eligible to join the register if they have a local connection with the district. An applicant is defined as having a local connection if they have: lived in the district for six out of the last 12 months or 3 out of the last 5 years; work in the district (including substantial voluntary work) or taking up an offer to work; need to move to the area to receive or provide support to/from a close relative; or in special circumstances such as those in a refuge accommodation. People owed a main homelessness duty are also given a local connection. The local connection criteria do not apply to certain members of the armed forces and their families.

There are also criteria disqualifying people with a history of anti-social behaviour, people who are currently serving a prison sentence of longer than six months, and people who own their own home and have no housing need.

The scheme states that in exceptional circumstances, the authority may accept people who do not meet the qualification criteria. This is not commonly used but may be used for witness protection or referrals from other statutory agencies.

## **How the scheme prioritises between applicants**

The allocation scheme uses a banded approach, with applicants assigned to three groups (A to C) with Group A having the highest priority:

- Group A is for households who “urgently need to be housed because there is a serious risk to health, safety, wellbeing and a specific housing requirement, including homeless households owed the main duty, statutorily overcrowded households, households under-occupying by more than two bedrooms, and those with an urgent medical, welfare or hardship need to move”
- Group B is for households with a “high or medium housing need” such as households owed a prevention or relief duty, households under-occupying or overcrowding by two bedrooms, and those with a high medical, welfare or hardship reason to move
- Group C is for households with a “low need or simple wish to move”

There is a choice-based lettings approach to allocating housing. Normally if someone from Group A bids on a property they will have a higher priority than a bidder from Group B, for example. Within bands, priority is decided by length of time on the register, with people who have been waiting longer being given higher priority. Table 10 sets out the number of households in each group:

**Table 9: Households on the housing needs register by Group, 31 March 2019**

Group	Households on register
Group A	350
Group B	609
Group C	4,179
Total	5,138

Source: *Case Study 1 review, 2018/19*

Table 11 shows the number of households on the register and the number of lettings by Group:

**Table 10: Number of Households on the register and number of lettings by group, 2018/19**

	Group A	Group B	Group C	Total
Register 2018/19	350	609	4,179	5,138
Lettings 2018/19	179	260	218	657
Lettings per 1,000 households on register	511	427	52	128

Source: *Case Study 1 review, 2018/19*

There is a much smaller number of households in Group A and B than in Group C and the likelihood of being housed is around 10 times higher for households in Group A than for those in Group C.

There is considerable discretion used over the banding of people with health or welfare reasons for moving, with the level of priority awarded decided by a panel. This panel considers priority of individual applicants applying on welfare or hardship grounds including racial or domestic violence, harassment, financial difficulties, or whether there is a need to move to the district to give or receive care or medical treatment, and typically households would either be allocated to Group A or B. They consider factors such as the severity of circumstances and prospect of the situation improving, impact of their housing on their quality of life, and ability to access housing privately.

There is also an assisted move-on scheme, aimed at increasing the levels of throughput from supported accommodation by giving enhanced priority to people who are ready to live independently. This typically means they will be put in Group B.

Applicants are able to participate in the scheme only after tenancy readiness training has been successfully completed and private rented sector options have been fully explored as an option. For this reason, it would be unusual for a service user who has very low support

needs at the point they are ready for move-on to be allocated a tenancy via this scheme because they would be considered suitable for privately rented accommodation.

## **The process of bidding and making offers**

The local authority officers reported that they try to include as much information as possible about vacancies, such as: the type of property; number of bedrooms; location; floor level and whether there is a lift; whether the property has any adaptations for applicants with disabilities; the type and length of tenancy; the type and amount of rent and other applicable charges; and photographs of the property/building/general area. Any particular letting criteria are also attached to adverts where applicable.

There are some local letting plans in place on new developments where bidding is restricted. The reasons for creating a local letting plan are:

- to create or protect mixed and balanced communities
- to meet housing needs of a particular cohort
- to create community cohesion on new developments
- to tackle low-demand areas
- to reduce incidents of anti-social behaviour

The local authority officers interviewed said that there had been some schemes specifying a percentage of households in employment.

In some circumstances, the authority allocates through direct lets. Circumstances where direct lets are used include: where a large family home or adapted home is needed for a household in Group A; to discharge the main homeless duty; if the property is hard to let; or other special circumstances such as MAPPA (Multi-agency public protection arrangements) or the National Witness Protection Scheme. In these cases, a suitable property is selected on behalf of the applicant. The process takes applicant preferences into account. Preferences are “relevant but not decisive”.

Direct lets are also used for hard-to-let sheltered housing. These homes may be offered to people over 55 who would not otherwise qualify to join the register as they lack local connection. The council retains data about these applicants and shares with the local housing associations when they have hard-to-let sheltered stock available.

## **Joint working with housing associations**

The local authority provides a shortlist of applicants to the housing association for each property. The local authority nominations agreement requires housing associations to offer 100% of their properties on new developments and 75% of re-lets through the local authority scheme.

The Large Scale Voluntary Transfer (LSVT) housing association partner undertakes pre-tenancy assessments to confirm support needs and check supporting documentation for identification purposes. This takes place via a 40-minute face-to-face meeting with the applicant. The process also includes an affordability assessment which covers benefits assessment, living costs, credit check, and any defaulted debts. If there is enough time before letting, they will also take steps to ensure the applicant is ready for tenancy. If a

tenant fails the pre-tenancy checks, the landlord must explain their reasons for refusing and inform the applicant of the properties they can be considered for. For example, checks may indicate whether a tenant is unable to afford an Affordable Rent property so may be advised and assisted in looking for an alternative. There is also an appeals process for refusals. If an applicant appeals successfully the landlord will work with the local authority to directly allocate the next suitable property (of the same size and in the same general location). The LSVT partner reported it was rare that applicants were refused due to failing pre-tenancy checks. Monthly reports are provided by the LSVT partner which include refusals and rejections. Random checks are made by the local authority to check all partner landlords are acting reasonably.

Another housing association with a number of properties on rural exception sites also carries out pre-tenancy assessments that include more detailed local connections checks for applicants. They use affordability assessments to determine whether the applicant can afford the costs of living in a rural area, taking into account the cost of transport.

The LSVT partner said that single people under 25 who were unemployed were the most likely to struggle to meet the criteria in the pre-tenancy assessments due to the limited levels of benefit available to them. However, there were very few applicants in this situation – most applicants in this age group were in employment. A local support provider reported that rough sleepers with complex needs were likely to have difficulty demonstrating ability to sustain a tenancy through pre-tenancy checks, and were therefore sometimes turned down by housing associations after having bid successfully for a property.

One of the local housing providers interviewed felt that there could be better sharing of information with neighbouring authorities to help allocate sheltered stock in rural areas.

## **Homelessness**

People who are homeless and owed a main housing duty are placed in Group A. Households who are owed a relief or prevention duty are awarded a Group B priority. This also applies to households where homeless prevention advice has been sought and they are likely to be owed a main housing duty if their homelessness cannot be prevented. Households who are homeless but not owed a main duty or a prevention or relief duty are placed in Group C.

Properties are sometimes allocated through direct lets when households are in temporary accommodation and they need to move on. This could be because the household is struggling or failing to bid, or if a specifically adapted property meets their needs. This helps the local authority to meet its duties to homeless households.

The local authority officers reported that there were a small number of households who were owed a full duty but who were not able to access social housing. These are typically larger families, as it is challenging to find properties of the right size and which are affordable for the households, as assessed by housing association pre-tenancy checks because of the benefit cap.

There is a small Housing First scheme in the district which has been in operation for just over a year. At the time of the research, 5 people had successfully been housed and nearly 10 more are being supported. This is accessed outside of the allocation scheme.

The local authority does try to offer private rented tenancies to discharge the main housing duty as long as the property is in reasonable condition, has satisfactory management arrangements, and is affordable within LHA (local housing allowance) limits. All homeless households are considered for this route, but in practice the local authority struggles to find properties that are affordable to most homeless households. The average rent for a two-bedroom market property is around £250 more than the LHA rate. It can also be difficult to find landlords offering to let properties on a 12-month contract, especially in popular areas of the district. In practice, very few homeless households are housed in the private rented sector. This means that the authority is largely reliant on the social housing allocation scheme to discharge homelessness duties.

## **Equalities and supporting people in the bidding process**

The local authority helps people to participate in the lettings process by providing a one stop shop approach to assist people in registering. The housing associations interviewed thought was a good approach in providing support to help people with the process. This is available as a drop-in service at 3 locations. It is also available via phone and online. While the main means of applying for social housing is online, the council accept paper application forms and officers will visit people to help them complete the form. The council have taken steps to design the website to be as user friendly as possible by:

- providing clear, up to date information about how the scheme works
- ensuring it is user-friendly for people accessing the scheme via mobile as most applicants do have a mobile, but may not have a computer
- making information available in other languages and formats for applicants whose first language is not English

If people need additional support, they are allocated a personal advisor.

The allocation scheme states that adapted properties will be matched to applicants who require these facilities. Disabled applicants can also bid for properties and enquire about having properties adapted for their needs. Some newer properties are advertised before being built to allow for adaptations to be built in. Some of the housing associations interviewed said that it was difficult to match people to adapted properties as it was not easy to flag who needed them – they would welcome a separate list of applicants who required adapted properties. The local authority is in the process of upgrading their IT systems to provide this information.

## **Working households and mobility**

As discussed above, the consultation on the scheme that was undertaken in 2012 considered whether additional priority should be awarded for community contribution (paid or voluntary employment) and this was not included in the finalised scheme. Officers reported that this was because they wanted to ensure priority was based on housing need. 'Community contribution' can also be difficult to define. The current scheme gives local connection to those in employment in the district, including voluntary work. The policy also

allows households from another district to apply for housing if they have employment within the district or a firm job offer, though they would be assessed on the basis of their current housing situation and unlikely to be given priority unless they were in housing need.

Some local lettings policies for newer properties specify that a percentage of lets will be reserved for those with a member of the household in employment – the local lettings plan for one recent scheme aims to have up to 50% of residents in employment. This is used for monitoring by the housing association. Where allocating through the scheme is felt to be failing to provide a balanced community, the landlord may bypass the highest-ranked bidder and instead offer the property to someone who would help achieve a better balance of households – such as a tenant who is in work. This process takes place in consultation with the housing services team. The local authority officers reported that bypassing bidders was rare, as a balanced community could usually be achieved without it.

## **Integration, cohesion and mixed communities**

Creating integrated and mixed communities is one of the aims of the allocation scheme, and there are some broad targets stated in the scheme to monitor the proportion of lettings to people in lower-need groups. The local authority officers felt that it was important to keep the scheme as open as possible, to allow lower-priority households on the register to ensure some level of mixed communities. The housing associations interviewed also supported this principle. This was also felt to have contributed to the decline in instances of ASB in recent years.

At least one housing association felt that some people were put off applying for social housing due to negative perceptions of this tenure. Meetings had taken place between local partners to discuss this issue to try to tackle it. The housing association felt this was a common issue across other local authorities they operated in. They reported a sense of stigma attached to social housing, and a lack of understanding of what it is.

## **Issues with the current scheme**

The local authority guidance of how the scheme works is very clear and comprehensive. The officers were able to find information quickly when they need to access it.

There are issues of low demand for sheltered housing, and it is not always possible to allocate these types of properties through the allocation scheme. When they are unable to find a match through the scheme, they are advertised on Rightmove instead. One suggestion to allocate this type of stock more effectively was through more cross boundary working, especially for sheltered properties in rural areas near the district boundaries.

The current bidding cycle is 5 days. Applicants may bid on up to 3 properties per cycle. The local authority is currently considering introducing 'any day advertising' where housing associations do not have to keep to a fixed cycle for advertising properties. Some local housing associations including the LSVT partner are supportive of this as it would help spread out the workload for allocating homes, but some had concerns it would make the bidding process harder and people might miss the opportunity to bid on suitable properties if they only checked their phones once a week.

# Case Study 2

## Context

Case Study 2 is a borough council in the midlands with a housing market which in many respects is average for England. Levels of homelessness acceptances are similar to England as a whole. The average house price is around £160,000 and the median rent for a two-bedroom home is similar to the regional average. Incomes are lower than the regional average, so a higher proportion of income is spent on rent and there is high pressure on social housing. Around 19% of the stock is social rented, broadly in line with national averages.

The LSVT partner own around 90% of the social rented stock in the district. The allocation scheme was set by the local authority and the IT system which runs the scheme sits with the LSVT partner. The local authority works in partnership with the LSVT partner and 4 other local housing associations. The scheme is available on the local authority's website.

## Qualification for social housing

Local authority officers reported that they aim to operate an open register in order to ensure a large pool of applicants for partner landlords. The policy says that applicants should be 18 years old or over, though there are special provisions that apply to 16- and 17-year-old applicants, for example considering whether they have a stable income in place.

Households are able to access the register without a local connection, but are given a lower priority, as are households with rent arrears (as discussed below).

## The housing allocation scheme – setting priorities

The current CBL scheme was introduced in the early 2000s and has been through minor updates subsequently. It was most recently updated in 2017 to make changes in anticipation of the Homelessness Reduction Act, and also to keep the policy current, updating which partner landlords were involved with the scheme, and removing references to Supporting People funding, which is no longer available.

There are plans to review the policy in more detail later in 2020.

The main objectives as stated in the policy are:

- to prevent homelessness and reduce the use of temporary accommodation
- to be realistic to applicants regarding options where they have little or no prospect of being re-housed
- to maintain balanced and stable communities
- to provide assistance, advice, and support to help people access the scheme and bid for properties

The housing association officers interviewed indicated that they supported these objectives and felt they are what they would expect from an allocations scheme. They also

felt it was consistent with scheme aims in neighbouring authorities where they also managed stock.

## How the scheme prioritises between applicants

There are 4 bands. Band 1 is for high priority need including: households accepted as statutorily homeless; those who are statutorily overcrowded; households awarded high priority from the medical assessor; and downsizers releasing two or more bedrooms.

Band 2 is for less urgent but still high need, such as: people moving on from supported accommodation and ready to move into independent living; street homeless people; households with medium medical needs; households needing one more bedroom; and downsizers releasing one bedroom

Band 3 is for households in a lower level of need such as: households deemed intentionally homeless; those needing sheltered/supported housing; households who need to live in a particular area for welfare reasons; and those with low level medical reasons to move.

Band 4 is a reduced priority band for those who are not in housing need or who have no local connection. It is also used for people who are in need but who have the financial capability to resolve their own housing needs or have rent arrears over £500 (even if they would otherwise be eligible for a higher band).

The applicant in the highest band is offered the property first. If applicants in the same band are shortlisted, the person who has been registered longer will be prioritised.

Table 12 below shows the number of households on the register by band:

**Table 11: Households on the housing needs register by priority band, 31 March 2019**

	Applicants	Proportion
Band 1	23	1%
Band 2	135	6%
Band 3	402	17%
Band 4	1,761	76%
Total	2,328	100%

### *Case Study 2, January 2020*

No data is available about the number of lettings by band, but between 1 April 2018 and 31 March 2019, there were 479 nominations taken up in the area. There was some feedback from a support provider that it was not always clear why people were placed in certain bands. They also felt that the use of Band 4 for both those not in need, and those who are assessed as having a higher need but who have rent arrears of over £500, was not helpful in understanding levels of housing need. The local authority is planning on reviewing this as they also feel it is not prioritising people with high needs.

## **The process of bidding and making offers**

All applications for entry onto the register are dealt with by the council. The application scheme is paper based, and information provided in the application forms is then entered onto a computer system by council officers.

When registered, people can receive a weekly magazine (in hard copy) and can bid for properties by returning a form to the office. Properties are also advertised online so applicants can bid online. Online bidding is more widely used. The bidding deadline for each issue is on Friday. People can also bid for properties by phone or by going into the council offices or the LSVT partner offices.

The LSVT partner had a nominations agreement with the council set up when the stock was transferred in 1999. The interviewees did not feel it helpful to refer to it as a "nominations agreements" now that it refers to properties placed on a choice-based lettings scheme, as applicants choose which properties to bid on, rather than be nominated to the housing association. The applications come to the LSVT partner on a system that they themselves manage.

Before an offer is made, housing associations often undertake pre-tenancy checks on affordability and any other issues such as arrears, previous instances of anti-social behaviour, and support needs, in order to assess whether the applicant is likely to be able to sustain a tenancy. Most of the time they will make an offer, but some people are refused and will need to bid for a different property. For difficult cases they seek advice from other partners, for example asking the police to check that a property is suitable for someone who has been convicted of an offence against a child.

Local authority officers felt that pre-tenancy checks at the point of offer were useful. They currently take a lot of information at the point of application to help determine banding, but the pre-tenancy checks update this information.

If a property is not let after 2 bidding cycles, partner landlords can advertise it through other portals such as Rightmove. However, most choose to re-advertise for a third cycle through the CBL scheme. Both the local authority and the LSVT partner reported that there are very few hard-to-let properties in the local area.

Information is available through the magazine and online about how many people bid, the band the successful bidder was in, and the date they applied, in order to help applicants to make realistic choices about their housing options.

## **Joint working with housing associations**

The LSVT partner provides the weekly collation of properties available to let for the magazine and online system.

The LSVT partner own the largest volume of housing stock in the district. The historic nominations agreement is for 75% of their stock to be let through the local authority scheme, but as they do not have a separate system of their own, the large majority of vacancies are let through the CBL scheme. The scheme allows some flexibility for partners to allocate directly (such as where existing tenants are moved ("decanted") temporarily in

order for home improvements to be undertaken), although this is not common. Transfer applicants are encouraged to register with the allocation scheme as well as look for mutual exchanges.

Staff at the LSVT partner felt that the governance arrangements between the borough council and partner landlords are less formal than in neighbouring authorities where there are resources for quarterly meetings to discuss strategic issues, which they attend. They felt the relationship with the local authority is a constructive and an improving one, and there is a shared vision for what they want the allocation scheme to achieve. For example, all partners want to offer tenancies to people who are able to sustain them and target resources at those who may need support to do this.

The current IT system is old and has not been upgraded since the scheme's introduction in 2003. The local authority is working in partnership with the landlords who let homes through the scheme to look at future options for upgrading the system. The authority has consulted partners to find out what they want and need from the system. There is a consensus around what they would like (something with live information that applicants can update easily, that can provide them with monitoring outputs so they can see who is actively bidding) and plans were in place for the new system to be rolled out in mid-2020.

## **Homelessness**

The allocation scheme has been updated to recognise the priority that should be given to people owed prevention and relief duties as set out in the Homelessness Reduction Act 2017.

If applicants are owed a main homelessness duty and are currently living in temporary accommodation, they are placed in the Band 2. Households owed prevention or relief duties are assigned to either Band 1 or 2 depending on their circumstances. This could be over-ridden if households have rent arrears over £500 or no evidence of a 5-year clear rent account, which would mean they would be placed in the Band 4.

The local authority does discharge its homelessness duties via the offer of a private rented property, though this is not very common – there were no duties discharged through the private rented sector between 1 April 2018 and 31 March 2019. Local authority officers reported that most of the people who are owed a main duty were in receipt of benefits, and if households have rent arrears over £500, it was not affordable or financially sustainable for them to live in the private rented sector given the gap between rent levels and local housing allowance in the borough. The level of support for households is not stated in the scheme documents, but households coming through the homeless team are given advice and help with issues such as arrears.

## **Equalities and supporting people in the bidding process**

Applicants are currently not able to complete online applications and must fill in paper applications. Any changes require a new application to be made to update it. The property advertisements and bidding process takes place largely online, although people can also submit bids by phone, post, or going into the council offices. Applicants can get support with the application and bidding process over the phone or in person.

The LSVT partner officers felt that the paper-based application process could be a barrier to some potential applicants, as many other services are usually accessed online. The current system is also difficult for landlords and council officers to interrogate for the information they need. The partnership is currently considering options for a more responsive online system which will help to remove this barrier by using a more user-friendly IT system that will provide applicants with more information about the bidding process and progress of their applications and bids.

There were some concerns that young single people were sometimes disadvantaged in the registration process. Locally there are a number of houses in multiple occupation (HMOs) and historically many of these have been unregistered, commonly with informal cash-in-hand arrangements for paying rent. This can make it difficult for people to evidence their rent payment history or local connection. The council are hoping that recent changes around HMO registration may help to address this issue.

The local authority has a large migrant worker population and data from CORE shows a high proportion of lettings to households from eastern Europe, leading to a perception by some residents that non-UK nationals are given priority over UK nationals. However, the local authority and LSVT partner felt that non-UK nationals were more likely to be actively engaged in the bidding process and therefore more likely to find something suitable than someone who is not actively bidding, or who is bidding more selectively.

## **Working households and mobility**

People who are employed in the borough are considered to have a local connection on this basis. There is no additional priority given to working households as the scheme aims to focus on housing need. CORE data shows a high proportion of lets to people in either full-time or part-time employment. People from outside the borough who are not currently employed in the area and do not have a local connection can qualify to join the register but will be placed in Band 4, the lowest band.

## **Integration, cohesion and mixed communities**

While the scheme's key aim is to address housing need, there is also an aim of encouraging "balanced and stable communities". As discussed above, there is a high proportion of lets to working households in the area, and a high proportion of lets to non-UK nationals.

There are local letting plans in place on some schemes and where these are in place, any additional criteria are included in the advertisement. These are typically used on larger new developments (over 30 units). The housing association officers reported that they consider the type of households who would "work well" on the development and ensure a good mix. One of the smaller partners in the scheme, with several schemes in rural areas, operated more selective local connections criteria to prioritise need within a particular parish, for example, rather than the borough as a whole, so their pre-tenancy checks explore this more fully.

## **Issues with the current scheme**

The main issue with the current allocation scheme was considered to be the limitations created by the application process being paper based. Paper applications are received, and details entered manually on the computerised system, which is old with limited functionality. It is therefore difficult to get information about households who are in a high band of need but not actively bidding to see if more support could be offered. It is also difficult to see which locations attract the most bids, which would be helpful in looking at future housing development.

Because of the bidding cycle and paper-based process, there are generally a lot of calls to the lettings team on Fridays to place bids. The local authority officers felt that switching to an online 'live' system and introducing 'any-day' advertising where partner landlords can advertise a property on any day rather than have a batch of advertisements all at once would help to manage the workload of the team better.

There were also known to be delays in determining the level of priority given to people with medical reasons for needing to move. Medical assessments to determine banding are sent to the medical assessor in batches, which can delay the banding decision for some applicants. Again, it is hoped that a more user-friendly system would help to improve efficiency by allowing the assessor to look at applications as they come through.

# Case Study 3

## Context

Case Study 3 is a unitary authority in the north of England. House prices and rents are lower than average in England. The social rented sector is quite small, forming only 12% of the housing stock in the authority. There are around 1,600 general needs housing units let each year.

The local authority has its own allocation scheme in partnership with 3 local housing associations. There is no sub-regional scheme. The current scheme came into effect in 2018. The full scheme is published on the local authority's website.

## Designing the scheme

The objectives of the allocations scheme are to:

- be simple, easy to understand, transparent, open, and fair
- offer realistic, informed choice
- improve mobility within the district
- encourage balanced and sustainable communities
- ensure applications are dealt with fairly and consistently
- give adequate priority to applicants who fall in the 'Reasonable Preference' categories
- prevent homelessness whilst maintaining a balance with other applicants in housing need
- empower applicants by giving them more opportunity to express choice and preferences about where they want to live
- ensure vulnerable applicants can access the service

The current (2018) scheme was updated to respond to the requirements of the Homelessness Reduction Act. An additional band was also introduced, which was created to give additional priority to those who would be in Band C but who have a lack of security of tenure (ie are private rented tenants). This was in order to increase priority for those at risk of homelessness and therefore help prevent homelessness.

## Qualification for social housing

The housing register is an open one, as the authority wished to present social housing as being available to all.

People without a local connection, who have committed ASB, or have rent arrears are not disqualified from joining the register, but instead are placed in the lowest priority band (as discussed below).

## How the scheme prioritises between applicants

The allocation scheme uses bands to distinguish priority between applicants, with applicants being placed in one of six bands (A, B, C+, C, D or E) – 'A' being the highest

priority. The local authority operates a CBL system in which someone from Band A bidding on a property will have a higher priority than someone in Band B, for example.

Within bands, priority is given to the applicant who has been in their band longer. If applicants entered the band on the same day, priority will be given to the applicant who spent longer on the housing register.

Applicants in each band are as follows:

- Band A – owed a homeless relief duty and accommodated by the local authority or main homeless duty, unable to occupy their current accommodation and armed forces with a serious disability
- Band B – owed prevention or relief duty (likely to qualify for emergency accommodation), downsizers, living in unsanitary conditions, ready to move on from supported accommodation, urgent housing need, including disabled people in unsuitable housing, care leavers, and armed forces with additional housing need
- Band C+ – owed prevention or relief duty (unlikely to qualify for emergency accommodation), overcrowded (without secure tenure), medical condition (without secure tenure), welfare reasons (without secure tenure) and homeless or at risk of being homeless (not under council duty)
- Band C – overcrowded (with security of tenure), under-occupiers in registered provider accommodation, medical condition (with security of tenure) and welfare reasons (with security of tenure)
- Band D – do not meet any of the reasonable preference criteria and/or are otherwise adequately housed
- Band E – reduced preference

Band E is a reduced priority band. Applicants without a local connection are placed in Band E. Previously the local connection criteria (used to access the higher bands; not as qualification criteria) had been in line with homelessness legislation and required applicants to have lived in the authority for 6 out of the past 12 months continuously. However, following consultation, the local authority was advised that the criteria should be 2 years, so non-homeless people are now required to have 2 years of continuous residency in the authority. Local authority officers said that they had been advised that having a residency requirement of less than 2 years could expose them to legal challenge. Applicants are also considered to have a local connection if they have immediate family in the district who have lived in the area for more than 5 years or have a permanent contract of employment in the borough. Exceptions are made for certain members of the armed forces or other significant reasons.

Applicants are also placed in Band E if they have rent arrears, a history of ASB, or have refused two reasonable offers of accommodation. Decisions to reduce preference are reviewed, where circumstances have changed, upon written request from the applicant.

The rationale for having Band E (rather than simply disqualifying such applicants), according to local authority officers, was that it is not uncommon for people in this band to be allocated homes. These homes may otherwise be hard to let. This means that homes are sometimes let to people with no local connection, with arrears, or with previous convictions. In the 2019/20 financial year, up to 23 January 2020, 53 properties have been

let to applicants in Band E, which is 3% of all properties that were let. Of these 53, 80% were let to people without a local connection.

Table 13 below sets out the numbers of households in each band, by size of property needed:

**Table 12: Households on the housing needs register by priority band and size of home required, 23 January 2020**

	A	B	C+	C	D	E	Total households
1 bedroom	6	131	94	652	2,218	1,147	4,248
2 bedroom	2	44	24	324	1,583	627	2,604
3 bedroom	0	13	7	244	605	302	1,171
4 bedroom	0	4	2	121	144	112	383
Total households	8	192	127	1,341	4,550	2,188	8,406

Source: Case Study 3, 23 January 2020

The table above shows that half of those on the housing register require a one-bedroom property, and 82% require a one- or two-bedroom property.

Table 14 below shows the number of applicants and allocations by band:

**Table 13: Number of households on the register and number of lettings by Band, 2019**

	A	B	C+	C	D	E	Total households
Households on register, 23/01/20	8	192	127	1,341	4,550	2,188	8,406
Properties let, year ending 01/01/20	43	399	121	552	379	53	1,547
Properties let per 1,000 on register	5,375	2,078	953	412	83	24	184

Source: Case Study 3, 23 Jan 2020

The table above shows that applicants in the higher bands are housed more quickly and that those in lower bands, for example Bands D and E, are housed quite rarely.

## **The process of bidding and making offers**

The local authority operates a CBL system. Available properties are advertised daily, and applicants can bid for up to 2 properties at any one time, provided they qualify for the property. Available properties are advertised in the first instance for a minimum of 5 days. Bids can be placed on properties via telephone, email, or the website. If a property is not let from the first advert, providers must re-advertise the property as a "home available now" and consider relaxing any restrictions. This could mean opening up the property to a wider age range, allowing under-occupation, or reducing non-working limits, where local lettings plans are in place. Other advertising routes can also be considered as long as social housing applicants are given priority. In this case, it would be first come first served for allocation scheme applicants and then for all other applicants.

Applicants who are ranked first for more than one property are given the option to decide which property they prefer. Once an applicant has received an offer, no further offers on other properties will be made until the applicant has either accepted or refused. Once an applicant is made an offer, they are no longer allowed to place further bids on properties. Housing associations are similarly not able to offer a property to applicants who have received an offer from another provider.

A property may be allocated to an applicant with lower priority than another bidder for adapted properties in order to ensure that the property goes to someone in need of the adaptations, or to comply with rural connection criteria or local lettings schemes (see below).

The local authority also operates a system of auto-bidding, and applicants are able to request this service if they find it difficult to place bids themselves. This option is taken up by some older people who struggle with bidding. Where homeless households are not bidding, the local authority staff will bid on behalf of them. Local authority officers considered that staff-led bidding was preferable to auto-bidding for this group because staff have a greater understanding of the individual needs of homeless households. This also allows staff to have greater management of the process.

## **Joint working with housing associations**

The local authority consider that it has a strong working relationship with housing associations in that the allocation scheme is a partnership between the council and 3 housing associations. The housing associations interviewed concurred with this view and felt strongly that the allocation scheme was something that had come out of partnership working, which they were fully involved with.

In addition to the 3 housing association partners that form the allocation scheme partnership, 13 other housing associations advertise 100% of their properties with the allocation scheme. Four other associations also advertise a proportion of their properties with the scheme.

A data sharing agreement exists between all partners of the allocation scheme, where all partners have access to all the information that any other partner has. For example, if one provider needed a reference for an applicant, they could go to another provider in the partnership to obtain this. Regular panel meetings are held between the allocation scheme

partnership and registered providers. Panel meetings occur at 2 levels. The first is at board level and looks at wider housing management and new developments. The second is at a more operational level and involves lettings team managers, who look at the day-to-day issues with housing allocations. This operational panel was felt to be particularly valuable in dealing with the issues of housing allocation on the ground and building close working relationships.

The interviews for this case study included 3 housing associations in the partnership and an additional housing provider that advertises 100% of its available homes with the scheme. These housing associations managed three quarters of the general needs housing stock in the local authority. Housing associations in the partnership often advertise more properties through the local authority scheme than they are required to in their nominations agreements, as officers felt that the local authority ran a good system.

The housing associations interviewed felt that the local authority staff had a good understanding of the needs of registered providers as businesses. They did identify one area of tension around housing homeless people who had a history of behaviour that suggested they may not be able to sustain a tenancy. In these instances, however, the housing associations would arrange a discussion about this with their allocation scheme colleagues and explore what support could be put in place to support the tenancy.

It was clear that registered providers have been a part of designing and running the whole allocations process. The data sharing agreement also appeared to work well in this authority as housing association partners were able to see the local authority's interaction with applicants beforehand, which they felt helped to reduce tenancy failures.

The local authority officers did report some challenges with registered providers doing their own pre-tenancy checks. These varied between providers and some were more stringent than others, making it hard for the local authority officers to keep on top of the different policies and rules being operated by each provider. The local authority officers did sometimes ask why a nomination had been rejected where this involves a high priority household.

Some housing associations may also bypass bidders who have sufficient income, equity and/or savings to rent, or purchase a property on the open market.

## **Homelessness**

Homeless applicants are given a high priority for rehousing in the authority. Those who are owed a main homelessness duty, and those under a homeless relief duty that are accommodated by the local authority, are placed in Band A. Homeless applicants who are under the authority's prevention and relief duty and are likely to qualify for emergency accommodation are placed in Band B, while those unlikely to qualify for an allocation of emergency accommodation are placed in Band C+. The recent change to the allocation scheme increasing the priority for those at risk of homelessness in the private rented sector has been used as a method of homelessness prevention and has seen homelessness significantly reduce in the authority's area.

The local authority makes use of its right to discharge its homelessness duty into the private rented sector. This is particularly useful for homeless households owed a duty but

who cannot access social housing due to a high level of rent arrears. However, rent levels in the borough are consistently higher than LHA levels and so those placed in the private rented sector would have to make up the shortfall themselves. Local authority officers reported that their analysis of the data shows that unless a landlord was prepared to rent at below-market rates, there were no areas within the authority where it was possible to rent a property within the current LHA levels.

Some housing associations felt that other housing associations had refused access to social housing for some homeless applicants without sufficient evidence. It was explained that in the past few years some housing associations had taken a more risk-averse stance to nominations and as such had refused nominations based on anecdotal evidence. However, it was noted that this situation was improving.

One barrier to housing homeless households was providers asking for rent in advance. The housing associations interviewed all said that they ask for rent in advance, ranging from one to four weeks. However, where households are unable to afford this, the local authority will help to support them in paying this. The local authority has a homelessness prevention fund that it is able to use in this instance. Housing providers will also make exceptions in some cases and have their own teams who are able to provide support. Overall, asking for rent in advance was not seen to be a major issue.

## **Equalities and supporting people in the bidding process**

The local authority officers interviewed believed that their allocation scheme works well for them and that it gives a good degree of choice to applicants. Visitors to local authority offices are directed to an internal phoneline. Advice and support are then provided to applicants who need it, to ensure they are able to access and use the scheme. The local authority officers were nevertheless aware that some households can find the bidding process challenging. They allow proxy bids for applicants who are unable to bid for themselves, and housing associations are also able to offer direct lets to applicants, which are sometimes used for those who have very specific needs – such as an emergency move for an existing tenant or where a property has specific adaptations.

Local authority officers also said that the allocation scheme has invested in marketing aimed at those who may be put off from applying for social housing even though they are in housing need. They are also looking into developing an e-learning package to make people aware of the available offers for housing.

The local authority carried out an equalities impact assessment, which found that the allocations policy did not have any actual or potential negative impacts on applicants with protected characteristics.

## **ACCESS TO ADAPTED ACCOMMODATION**

Local authority officers acknowledged that greater work is needed to ensure equal access for disabled applicants. They reported an increase in people with mobility difficulties who require accessible properties but that these applicants are missing out on properties they had been the highest ranked bidder on because the property is found not to be suitable for them.

The local authority was in the process of improving its IT system in order to better identify the wants and needs of someone with a disability. There was a need to distinguish between people who needed a property that was fully wheelchair accessible, and those who could manage without, but where a wheelchair-accessible home would be helpful for them. Officers were hopeful that better use of IT would enable them to identify the very bespoke needs of many applicants.

Local authority officers also felt that housing associations needed to provide better information about the properties they have available. The CBL scheme does not show the actual property that will be allocated in its advertisements, in order to stop the public from knowing that a property is empty, as this can attract crime. This means that applicants may not necessarily know if a property will suit their needs.

## **Working households and mobility**

As mentioned above, applicants with a permanent contract of employment in the authority are considered as having a local connection, therefore increasing their priority over other households who live outside the district or have lived in the district for less than 2 years.

The allocation scheme also gives priority to applicants who want to move into the local authority in order to take up employment, if they have a permanent contract. However, no additional priority was given to applicants already living within the local authority who want to move closer to work. Local authority officers said that they do not have a large amount of people moving within the local authority in order to be closer to work or to take up employment.

No further priority is given to working households in the local authority via the CBL's banding. The authority considered giving this priority following the introduction of the Localism Act but decided that it would be too difficult to administer, as employment status changes frequently. There were also concerns around the impact this may have on people in a reasonable preference group. Some of the housing associations, however, give priority to working households in order to create mixed communities, as discussed below.

## **Integration, cohesion and mixed communities**

On first lets in new housing developments, priority is given to those with a local connection and in employment. Priority is then given to those with specific local connection (who may not necessarily be in employment). This is done in order to create mixed communities and encourage community cohesion. In the past, the allocation scheme operated individual local lettings plans for new developments which would solely prioritise working households on first lets. They also used these at various times for specific blocks or neighbourhoods that required more sensitive lettings for a short period. The allocation scheme found that using local lettings plans on a sporadic basis was complex to administer. Therefore, the local authority has standardised this to a 50/50 quota for re-lets of flats in newbuild developments and certain other areas that have historically been prone to needing local lettings plans, because they have been difficult to manage or had high levels of ASB. This 50/50 quota scheme means they allocate every other letting to a working household. This can mean that an applicant in employment maybe given priority over a non-working Band A applicant.

Housing associations reported that the new quota system provided a better mix. It also supported tenancy sustainment, as tenants were able to help one another out with issues that might otherwise require landlord involvement or lead to breakdown in tenancies.

The local authority does not impose upper income limits on qualifying to join the housing register, though some housing associations do impose their own limits.

### **Issues with the current scheme**

As mentioned above, the authority has identified that the needs of disabled applicants are not always being met. They also highlighted that there has been an increase in the number of applicants needing disabled access. The local authority officers were hopeful that housing associations could start to provide better information about the homes they have available, in order to better match disabled people to accessible homes.

Local authority officers also said that they would like to use the scheme website to start advertising extra care properties. They would like to present an overall housing options offer which would require updates to the IT system. This was under discussion.

The scheme in this case study was kept under constant review. The local authority officer responsible for the scheme maintained an ongoing log of any issues that arose from housing association partners, or complaints from applicants or local members. These were drawn on regularly to tweak the scheme to try to address any problems identified.

# Case Study 4

## Context

Case Study 4 is a unitary authority in the north of England with low levels of homelessness. House prices and rents are well below the national average. The local authority is the largest social rented stockholder in the borough, and the social rented housing overall makes up around 16% of the local housing stock, a slightly lower level than the average in England.

Social rented homes are allocated via a sub-regional CBL scheme with a group of neighbouring authorities. The partnership originally also included 3 housing associations, but 2 have since left. The most recent review of the scheme was in 2018, prompted by the Homelessness Reduction Act and departure of one of the partner landlords. The allocation scheme is published online.

## The housing allocations scheme – setting priorities

The aims of the scheme as laid out in the policy are to:

- ensure people with the greatest housing need have those needs met fastest
- let homes in a fair and transparent way and offer applicants choice
- help vulnerable people who may find it difficult to apply for housing
- improve mobility and to encourage balanced and sustainable communities
- make efficient use of the social housing stock
- assist in preventing and reducing homelessness

A sub-regional co-ordinator was originally seconded from one of the partnership landlords and led the process of writing the allocations scheme policy. The aims were approved by all the local authorities in the scheme and by the boards of all the partner landlords. The case study authority also has a customer engagement panel which was involved in the consultation.

The scheme has some local variations for the different authorities. Some owned their own housing stock, whilst others did not, and some were much larger than others, so the flexibility to negotiate some different elements of the scheme for each area was an important consideration. For example, the case study covers quite a large geographical area, so prioritising people who need to move within the local authority area for work is therefore more important here than in some of the other authorities.

The sub-regional coordinator post was cut shortly after the scheme was introduced due to a lack of funding but has recently been reinstated. Members of the partnership felt the scheme had stagnated and needed to be reviewed and refreshed. The IT system has been in use for some time and was felt to have some limitations now. It is hoped a new IT system will be going online in 2020.

## **Qualification for social housing**

People are not required to have local connection to join the register. Local authority officers reported that this had a limited impact as there are not many people from other areas looking to move to the sub-region. However, as discussed below, local people are given priority over those from other areas.

Households with a history of unsuitable behaviour may be classed as non-qualifying. 'Unsuitable behaviour' is defined as behaviour serious enough for a landlord to pursue possession of the property. It includes anti-social behaviour, relevant criminal convictions, or housing-related debt over £1,500 where no reasonable attempt to pay the debt has been made. Non-qualifying households are not allowed to bid through the system but may be offered advice and support or referred to other services if appropriate.

There are no upper savings or income limits, despite an interest in this from some other authorities in the sub-region. Several partners in the sub-region did not want to restrict the pool of applicants in this way as it may increase the challenge of letting certain properties.

## **How the scheme prioritises between applicants**

There are 4 bands in the scheme, Band 1 to 4, where Band 1 is for the highest priority and Band 4 is for the lowest priority.

Band 1 covers:

- households losing their home due to demolition or regeneration
- households assessed as homeless and in priority need, or owed a prevention or relief duty
- people at risk of domestic abuse
- people leaving the armed forces

Band 2 covers:

- people with an urgent medical need to move
- people moving on from supported housing
- care leavers and those with a child in need (where a formal referral has been made by Social Services with the aim of safeguarding the welfare of a child)
- adoptive parents or prospective adoptive parents or foster carers
- people living in unacceptable housing conditions (homes with a Category 1 hazard)
- social tenants who are under-occupying by two or more bedrooms

Band 3 covers:

- people with a high medical need to move
- households in overcrowded accommodation
- social tenants under-occupying by one bedroom
- people who need to move on hardship grounds
- people sharing facilities with another household

Band 4 is for low levels of housing need and people who are adequately housed. It is also used for people who would otherwise be in higher bands but have refused a reasonable offer of accommodation or who have worsened their own housing circumstances.

Local households are prioritised over applicants without a local connection. Households are considered to have a local connection if they: have lived in the authority for 6 of the last 12 months, or 3 of the last 5 years; have close family connections with someone living in the local authority area; and/or their regular place of work is located within the sub-region. This is consistent with the scheme aim of improving local, regional, and national mobility.

Data on households on the housing register and lettings was not supplied by the case study authority.

## **The process of bidding and making offers**

Those with extremely severe levels of need are allocated outside of the main scheme, via direct lets. These include some homeless households, people at imminent risk of violence, and households who need emergency accommodation due to a fire or flood.

The majority of properties are let via a CBL system. The local authorities and participating housing associations advertise most available properties through the scheme. There are also 9 other housing associations with stock in the case study area who have nomination agreements to advertise at least half of their vacancies via the scheme. New properties are advertised daily online and for at least 5 days. Advertisements are labelled to show property features (such as number of bedrooms, information about any adaptations), local neighbourhood information, and any restrictions on the type of household who can apply for the property. Properties available for mutual exchange and low-cost home ownership options can also be advertised on the scheme.

Applicants can filter the list of available properties by tenure, property type, number of bedrooms, and location. For mutual exchange advertisements, there is also opportunity for the participants to indicate their preferences. The scheme is also open to private landlords, though very few privately rented properties are advertised through the allocation scheme. As of January 2020, there were only 3 and none were in the case study area. Applicants are not restricted in the number of bids they may place, though applicants are encouraged to only bid for the homes that interest them.

When the bidding closes, a shortlist of applicants is provided to the landlord in ranked order. Landlords then contact the highest-ranked bidder to check if their circumstances are the same as when they applied and offer a viewing appointment.

Some housing association partners undertake pre-tenancy assessments at this point – and this is stated on the advertisement. As the partner landlords have access to the CBL system, they can see the same information as the local authority and are able to utilise this for some of their checks.

If an applicant who has been given priority refuses an offer that meets their housing need for an ‘unreasonable’ reason, they may have their priority removed and they will be placed in Band 4 for 6 months.

## **Joint working with housing associations**

There are 3 housing associations in the current allocation scheme partnership who advertise most of their vacancies through the scheme. Five other associations with properties in the case study area have nominations agreements to let at least 50% of their properties through the sub-regional scheme.

One of the original partner landlords gave notice to leave the scheme in 2019, but at the time of the research (January 2020), still advertised and let all their properties through the scheme. This landlord left because customer feedback led them to conclude that the current allocation scheme system was “no longer fit for purpose”. They wanted a more rounded approach with more self-service opportunities for customers and information available to them about different products. They were about to launch their own platform for letting homes, which provides more live information to applicants about their applications. It will also give their tenants more live information about rents, repairs, and tenancy management.

The case study authority is looking at moving to an IT system that is similar to the one used by the partner who is leaving. This means it should be easy to share information with this landlord. The case study authority has also reviewed the nominations agreement with this landlord and agreed that at least 50% of their vacancies in the area will be advertised on and let through the sub-regional scheme. The departing landlord felt that being able to let to more people outside the local authority scheme will allow them to house people who have been on the register a long time and target properties that are harder to let.

Another local housing association with a nominations agreement to advertise 50% of their properties through the allocation scheme reported that they require applicants to complete an additional application form and that they undertake pre-tenancy checks. The checks look at affordability, especially for households reliant on housing benefit who may be under-occupying. The housing associations also checks whether applicants are able to cover any service charges, as these are not usually covered by housing benefit. They signpost applicants to their internal money advice team if they are not sure if an applicant is able to afford a tenancy, but reported that it was rare for people to be refused because of affordability.

## **Homelessness**

The scheme aims to prioritise meeting the needs of homeless households. People owed a main duty and those owed a prevention or relief duty are all prioritised in Band 1. Some changes were made to the scheme in 2018 following the Homelessness Reduction Act but local authority officers report they were already looking at prevention and relief prior to the Act and the main change since has been in terms of how this is monitored.

The local authority does discharge its main housing duty through an offer of a private rented tenancy but there are relatively low numbers of homeless households in the borough and in practice very few offers of private rented sector accommodation are made to households owed a main duty. Local private rents and social rents are at a similar level, so cost is not a barrier. Local housing allowance rates were thought to be sufficient to cover the lower end of the local private rental market.

The local authority officers reported good communication between the allocations, housing options, and homeless teams. They provide training to allocations staff on how to support homeless households and households at risk of homelessness. They also report good working relationships with local providers of commissioned support for homeless households. They are also working with probation and other services to develop pathways into housing for people on release from prison, who may not meet the qualifying criteria for the housing register.

## **Equalities and supporting people in the bidding process**

The scheme was intended to be fair and transparent and help vulnerable people who may find it difficult to participate in the application process and sustain a tenancy.

Information is available on the scheme website about properties that have been recently let so that people can see which band properties are let to and what has been recently available.

To help people access the register, applicants are offered appointments at the application stage if they require support. Applications are mostly managed through an online system, but people are able to complete a paper application if they do not have access to the internet. There are also PCs available in the local authority offices for people to use if they do not have a machine at home.

At least one local housing association also provides support to people by allowing them to apply at customer reception points and providing telephone appointments and home visits. The current system allows for proxy bidding for people who are not able to access the system online regularly.

It was felt that the current IT system was not very user-friendly for people accessing via phone or tablet, but a new system which is planned for roll out in 2020 will be easier for people to use on mobile devices. Overall, the sub-regional partnership members expressed hope that the new scheme will be more intuitive and user-friendly.

The council actively engaged with social media to promote the scheme and make people aware of the support on offer.

## **ACCESS TO ADAPTED ACCOMMODATION**

Households who need to access adapted properties are offered an appointment with an occupational therapist to see what adaptations are required. Information about adapted properties is shown on the advertisement. The shortlist for each vacancy is drawn up based on the household whose need most closely matches the adaptations available. It is also possible to design online advertisements so that only those who require adaptations are able to bid on these properties.

Landlords may also contact the occupational therapist to see if they are working with anyone in need of those allocations and if they are, they will encourage them to bid. The local authority uses direct lets where a property has been adapted to a specification and is only suitable for particular needs.

The local authority also works with occupational therapists to provide adapted properties for specific households in newbuild stock. It was recently able to provide a new four-bedroom home with an extensive range of adaptations for a family that was unlikely to find a suitable property within the existing stock. Officers reported that this led to a significant improvement in the quality of life of the family concerned.

## **Working households and mobility**

The scheme had previously given some additional priority to households in low-paid employment, but the recent update has moved away from this.

For newbuild schemes, the case study authority prefers 60% of lettings to be reserved for working households to ensure schemes integrate well with privately owned housing nearby, as much of their new housing is on mixed tenure developments.

Households who need to move because it is unaffordable or unreasonable for them to commute to their place of work are placed in Band 2. This includes households moving from outside the local authority and outside the sub-region.

Local authority officers felt that the timescales of social housing allocation schemes were a barrier for households looking to move for work. The registration process and waiting for suitable properties to become available took time, meaning that there was likely to be a delay between being offered a job and being offered a suitable home nearby. Most people were more likely to be able to find something suitable in the private rented sector, especially if they had a low need for housing generally. Social rented properties are between £300 and £440 per month, and privately rented homes and local housing allowance rates in the area are quite similar and considered to be affordable to working households.

One of the aims of working sub-regionally was to improve mobility within the sub-region, but in practice there has been very little movement between the 5 local authorities. Cross-authority moves have been evenly spread – there is no area where everyone is trying to move into or out of. The local authority officers felt that in practice it was more common for people to move to give or receive support than for work-related reasons.

## **Integration, cohesion and mixed communities**

The scheme aims to encourage balanced and sustainable communities. Most of the council's new homes are on mixed tenure developments or close to existing market housing, so they aim to allocate a high proportion of stock to working households to encourage better integration of social housing into the wider area.

Local lettings policies are also used on schemes where one type of household dominates, to ensure a good balance of different ages, types of households and mix of experiences. Local authority officers reported that sometimes lettings restrictions can be too restrictive. Some flexibility is therefore allowed in how they are applied so as to make best use of stock. For example, if a property in a rural area with a more restrictive local preference is advertised and not successfully allocated, the landlord will re-advertise the property with a more relaxed local preference.

## **Issues with the current scheme**

Working across the sub-region has meant that partner authorities are able to look at how their neighbours approach allocations and provides a good opportunity to learn from and challenge each other.

The partnership had learned that a sub-regional co-ordinator was needed not just to set up the sub-regional arrangements, but also to refresh the scheme. The announced departure of one of the original partner landlords – the largest housing association in 3 of the 5 local authority areas in the sub-region – meant the remaining members needed to look at the future role of the partnership, including discussing whether they wished to remain as a sub-regional partnership or each set up their own local scheme.

# Case Study 5

## Context

Case Study 5 is a borough in London with high levels of homelessness. The average house price is slightly below the average for the capital and the rent level was similar to the London average. The social rented sector is comparatively large, making up a quarter of the housing stock in the borough. However, the annual turnover rate of general needs housing is less than 2% per annum.

The authority has its own allocation scheme covering just the borough. There is no sub-regional working, however the authority does participate in pan-London arrangements for households affected by gang and domestic abuse, as well as having agreed reciprocals with other boroughs on a small scale for care leavers. The current scheme came into effect in May 2018 and is published on the local authority's website.

## Designing the scheme

The objectives of the allocations scheme are to:

- provide choice in housing
- ensure a system that applicants can understand, and which is open and fair
- increase the sustainability of local communities
- minimise homelessness and help applicants in the highest need
- minimise the use of temporary accommodation
- support vulnerable applicants
- make best use available stock, and in particular adapted properties

The main driver behind introducing the current scheme was considering how to prioritise the reasonable preference categories whilst also trying to make a housing register that was more manageable.

## Qualification for social housing

The allocation scheme makes use of provisions in the Localism Act to restrict access to the housing register to applicants with a local connection and who are in housing need. This was done because there was no prospect of lower priority applicants being housed.

In order to establish a local connection, applicants must have been living in the borough continuously for 3 years. Exceptions are made for certain homeless households who have been placed out of borough and certain members of the armed forces.

Applicants who have rent arrears or a history of ASB are not disqualified from the list, but are given reduced priority and placed in Band C. Due to pressure on stock, this means that they have a very low prospect of accessing housing for as long as this reduced priority is in effect. Applicants can have their priority reinstated if they are able to demonstrate that they have been part of a scheme to repay the debt.

## How the scheme prioritises between applicants

The local authority uses a banding system in their allocations scheme, in which applicants are placed in 3 bands (A to C), with Band A having the highest priority. The 3 bands are allocated as follows:

- Band A – downsizers, those vacating adapted homes, (ex)members of the armed forces and their families, those with the right of succession, those with a severe medical/welfare need or disability, care leavers, applicants nominated for move-on accommodation by named agencies, those needing to be permanently decanted due to repairs, redevelopment or a regeneration scheme, those who need to move due to a prohibition order, move due to a landlord request, those who need to move for safeguarding circumstances, and those with 2 or more needs in Band B
- Band B – homeless households owed a main housing duty, those needing to move due to work being done on the property, statutorily overcrowded households and those with an urgent social/welfare need to move
- Band C – non-statutorily overcrowded households, those living in unsanitary conditions, those sharing facilities with another household, those needing to move for moderate health-related or welfare reasons, those owed a homelessness prevention or relief duty, and those homeless households not owed a duty

Table 15 below shows the number of households by band and by size of home required.

**Table 14: Households on the housing needs register by priority band and size of home required, 31 December 2019**

	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Total households</b>
1 bedroom	379	116	3,892	4,387
2 bedroom	93	1,359	1,916	3,368
3 bedroom	44	1,262	990	2,296
4 bedroom	16	336	151	503
5 bedroom	4	86	25	115
6 bedroom	3	7	3	13
7 bedroom	0	1	1	2
<b>Total households</b>	<b>539</b>	<b>3,167</b>	<b>6,978</b>	<b>10,684</b>

Source: Case Study 5, 31 December 2019

As shown by the table above, there are large numbers of people in each Band, with the majority being in Band C. The vast majority of applicants require one-, two-, or three-bedroom homes. With such a large number of people in Band A and Band B, however, it is unlikely that those in Band C will be housed. This is reflected in the number of lettings in the previous year. Table 16 below shows the number of lettings completed in each band, by size of property:

**Table 15: Number of households on the register and number of lettings by band, 2019**

	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Total households</b>
Households on register, 31/12/19	539	3,167	6,978	10,684
Properties let, year ending 31/03/19	215	164	0	379
Properties let per 1,000 on register	399	52	0	35

*Source: Case Study 5, 31 December 2019, RSM analysis*

The table above shows that there were nearly 7,000 people on the housing register in Band C. However, there were no lets to households in Band C over the course of a 12-month period. The majority of lets were to those in Band A, with a small number going to those in Band B. The previous scheme placed applicants in 5 bands (Bands A to E) but the local authority found that it promoted unrealistic expectations, as the lower bands were not getting housed due to large numbers in higher bands. This appears to still be the case, as is shown by the table above. Local authority officers were aware of the issue but felt that it would not be right (or legal) to remove people in Band C from the waiting list, as this group comprised those who needed to be given reasonable preference in legislation.

### **The process of bidding and making offers**

Choice-based lettings are in use. If someone in Band A bids on a property, they will have a higher priority than anyone in Bands B or C. Priority within bands is given to the applicant who has been waiting the longest.

The bidding cycle for available homes is weekly, and applicants are allowed to make an expression of interest in up to 3 properties per cycle. Once the advert deadline has passed, a shortlist of applicants who have expressed an interest in the property is produced from those who are eligible. The shortlisted applicants will then be invited to view the property, and this may be individually or as a group, depending on the landlord. At the viewing (or on the phone), applicants are given further information about the property, including repairs to be carried out, the date the property will become available, and any special conditions of tenancy.

After the viewing has taken place, the property is then offered to the applicant who is highest in the bidding shortlist and who states they want the property. This applicant will have up to 24 hours to decide whether to accept the offer. Once an applicant states that they are no longer interested in a property, the next applicant on the shortlist will be considered for tenancy. If an applicant refuses 2 written offers after making successful bids, they may be suspended from bidding for up to 12 months, although this is not applied in the case of households in temporary accommodation.

Before offers of accommodation, the local authority carries out verification of applications. This includes a verification interview, which may take place before or after the applicant is shortlisted for a property. The local authority also checks the applicant's income and working status and to ensure that they do not exceed the upper income limits (detailed below). Upper income limits were not applicable to homeless households who were owed the main duty.

The local authority also uses direct lets to ensure that the needs of certain groups are met. For instance, there is a quota of lets allocated for care leavers to ensure that they do not end up in temporary accommodation. A voluntary sector agency has also been commissioned by the council to accommodate up to 10 single people with learning disabilities. These are allocated via direct lets, though the applicants are given the chance to view properties in advance before deciding whether to accept the offer.

### **Joint working with housing associations**

The 2 housing associations interviewed said that meetings between the local authority and the main housing associations have been quite sparse. There are housing management meetings between housing associations and the local authority, where allocations may be discussed, but there are no regular meetings specifically on allocations. Despite irregular meetings, the local authority officers believed that they have a good relationship with registered providers, due to good and productive operational contact.

Neither of the housing association officers interviewed had been involved in the development of the allocation scheme (though they were unsure whether their colleagues may have been). These 2 housing associations are 2 of the largest housing associations in the area, accounting for over a third of the self-contained general needs housing stock.

Registered providers advertise their available homes through the council's scheme where a nomination agreement exists. Most registered providers have agreements to offer 75% of their properties in this way, and some for 50%, although sometimes providers choose to offer more properties than they are required to. The 2 housing associations interviewed said that they are usually required to offer 100% of their new build properties on the first let, 50% of their bedsits and one-bedroom properties, and 75% of other stock. Their remaining properties are used for transferring tenants.

Some housing associations require rent in advance and in this case, the local authority may help applicants pay this. However, the authority was not supportive of housing associations doing this and have insufficient funds to help everyone. Some housing associations carry out affordability checks for applicants who are nominated to them and may reject them if they are unable to afford the rent.

The housing association officers reported difficulties with shortlisted people not turning up to viewings. The representatives from the care leavers' team said that this could be due to the way in which applicants are informed about a viewing. There were felt to be issues with keeping contact details up-to-date and communicating by post with young people.

Both the local authority and housing association officers interviewed expressed the view that relationships need to be built in order to work more effectively together. It was

suggested that strategy meetings between the local authority and housing associations should be reinstated to help build this.

## **Homelessness**

The borough updated its allocation scheme in 2018 to ensure compliance with the Homelessness Reduction Act. The focus on prevention was reported to have led to fewer homeless households joining the waiting list. Homeless households owed the main housing duty are placed in Band B, while households owed a homelessness prevention or relief duty and homeless households who are not owed a main duty are placed in Band C. Local authority officers said that these applicants are awarded reasonable preference, as is required by legislation, but due to very high demand for social housing in the borough they are unlikely to be housed.

The local authority also makes use of the private rented sector in discharging its duty to homeless households where appropriate, having done so in over 100 cases from 2018 to 2019. There is also a working arrangement with a Housing First scheme to accommodate single people requiring support.

The local authority operates auto-bidding for certain homeless households. The decision to use auto-bidding is based on how long people have been on the list, size of property required, and the likelihood of being successful in the offer process. The computer places bids on the property the applicant is most likely to get, and which meets their needs. For auto-bids, applicants can say what areas they will accept. They will also discuss their needs with their move-on officer. The auto-bidding allows the local authority to ensure that homeless households can access housing and that it is able to discharge its homelessness duties, though flexibility is used where an auto-bid property is rejected by a homeless household but wanted by another applicant. Twenty-five lets to homeless households were made via auto-bids from 2018 to 2019.

## **Equalities and supporting people in the bidding process**

The local authority scheme states that they aim to ensure the widest possible access to housing and prevent discrimination on the grounds of race, religion, gender or marital status, sexual orientation, or disability.

The local authority officers felt that the allocations scheme is doing well in ensuring equal and fair access to housing. Through monitoring data, they are able to assess whether any groups are being favoured or left out in the allocation process. The local authority has also carried out an equalities impact assessment. This highlighted that the increased priority given to under-occupiers would benefit households headed by an older applicant, as older applicants are generally over-represented in those under-occupying (though there may be an indirect impact on younger people who are able to move into the larger homes vacated).

The local authority helps people participate in the allocation scheme through various methods. The scheme website explains how the scheme works and how to bid for properties. It is available in several languages. In addition, the local authority operates a telephone support language line that people can call if English is not their first language. Applicants are invited to indicate whether they would like to make use of the council's

translation and interpretation services, or whether they require other special services due to visual impairment, hearing difficulties, or any other disability.

Confidential interview facilities are provided with wheelchair access. Home visits are carried out where necessary if an applicant has a disability or mobility problems.

Council officers working with care leavers said some care leavers can struggle to access housing. Care leavers commonly live outside the borough due to safety concerns or a lack of suitable places for them within the borough (40% of young people about to leave care were reported to be currently living out of the borough). They are given priority for housing within the borough but often prefer to remain where they are living, and are not necessarily given the same priority by other local authorities who are not responsible for them whilst in care.

### **ACCESS TO ADAPTED ACCOMMODATION**

The local authority officers reported that they struggle to address the need for adapted properties for those in Band A due to increased numbers of applicants requiring these properties. To help tackle this issue, Band A priority is also given to anyone looking to move from properties with adaptations they do not need.

The local authority does not maintain an accessible housing register. It may use direct lets where a council or housing association tenant requires extensive disabled facilities that cannot be provided appropriately in their current accommodation.

Both housing associations interviewed look in the first instance to allocate adapted properties to their own tenants who require them. If there is no suitable household, they offer them to the local authority to allocate to people on the housing register. On other occasions they found it necessary to have the adaptation removed when an adapted property was vacated. This is because the needs of disabled people are very different and what may be suitable for one person may not be suitable for another. In the past, the housing associations installed walk-in showers on the first floor of houses, but these were not considered very useful. Families with children did not like walk-in showers and would want a bath reinstalled.

### **Working households and mobility**

The allocation scheme does not give any additional priority to households in work. Being employed in the borough does not qualify as a local connection. Where there is a need to create balanced communities, the local authority may introduce a local lettings policy. Such policies may award households in employment additional priority. At the time of the research, there were no active local lettings policies in place in the borough.

Neither of the housing associations interviewed give additional priority to households in employment. However, they and the local authority had some involvement with London-wide schemes that support the movement of tenants across London, such as Housing Moves and Safer London. The local authority has a quota of properties that it is required to offer through Housing Moves. Mutual exchanges are promoted through the local authority website and they also subscribe to Home Swapper, a mutual exchange platform, which is free for their tenants. This was considered the most viable means for tenants to relocate for a job.

The local authority has an agreed quota of properties that are offered exclusively to ex-servicemen and women, in order to support their resettlement. This quota is managed by an external agency through a nominations agreement.

## **Integration, cohesion and mixed communities**

The local authority had previously prioritised creating mixed communities in its allocation scheme. This involved taking steps to ensure communities within estates were balanced. The move away from direct lets to CBL was less compatible with this approach.

The housing associations interviewed said that they may use local lettings plans for first lets in new developments where a certain percentage of homes would be allocated to working households, if there was a reason to do so. Some associations have also used age restrictions in the past, which were reported to have been a barrier for care leavers.

The local authority officers said that some people would not apply to join the housing register because they believe they wouldn't get a property, particularly isolated people, older people, and those who have lived in a sub-standard property. The council previously did outreach work to combat this belief but no longer do this. The local authority has its own financial inclusion team that tries to ensure people are not excluded from social housing because of affordability difficulties. There were some reports that some applicants turned down offers of housing association tenancies, and only wanted council tenancies. This was thought to be because they did not want the fixed term tenancies offered by housing associations and preferred the more secure tenancies offered by the council, or because they felt that they would get more support from the council.

## **Issues with the current scheme**

There is a severely inadequate supply of social housing in the borough. This is due to high rents in the private sector and lack of new housing development. Recent work to reduce evictions has had the effect of reducing turnover. Most applicants for social housing, including those with reasonable preference are unable to access it.

One concern for housing associations was low attendance rates at viewings. Several reasons were suggested for this that highlight that the local authority may need better communication with applicants nominated to housing association properties. Housing associations also need to ensure that the information they hold for applicants is up to date. This is a particular challenge due to the very large number of people on the housing register and the long times that may elapse between them joining the register and being offered housing.

There was some interest in working more closely with private landlords to help people on the housing register to access private rented accommodation, given the shortage of social housing available.

# Case Study 6

## Context

Case Study 6 is a district authority in the south/east of England. It comprises 3 urban areas, as well as some smaller villages and rural areas. The district has similar levels of homelessness to the region but higher than average compared to England as a whole. The median house price is similar to England as a whole, and the rent is slightly higher than the average. The social rented stock makes up a similar proportion of the stock as for England overall. The LSVT is the largest stockholder in the district.

## Designing the scheme

There were some changes made to the current allocation scheme in 2013 in response to the greater flexibilities given in the Localism Act and subsequent statutory guidance. The scheme was developed in partnership with the LSVT partner, and one other housing association, who is the second largest stockholder in the district. Other housing associations own relatively small amounts of stock in the district. Details of the scheme are published on the partners' websites.

The aims of the scheme are not stated in the policy documents, but local authority officers summarised as:

- helping homeless households
- meeting other statutory duties relating to homelessness, overcrowding, and medical needs
- giving priority to local households with a housing need
- ensuring mobility
- making best use of adapted stock and larger homes

As the scheme was developed through partnership, the LSVT partner agrees with and supports these aims. The LSVT partner also has a contract to manage the temporary accommodation used for the majority of homeless households in the district, so consider that their interests in ensuring homeless households can move on are well-aligned with those of the local authority. Addressing under-occupation is also a priority as a large proportion of their stock is under-occupied three-bedroom family homes. This pressure to resolve under-occupation comes from a desire to free up homes to address the needs of families moving on from temporary accommodation and to help households affected by housing benefit restrictions for under-occupiers.

In the current scheme there are three bands, A to C. Prior to this there had been 5 bands. Band D was for people who were unable to afford accommodation or who had arrears, and Band E was for people with no housing need and/or no local connection. However, households in these bands were very rarely housed, so these 2 lower bands were removed in 2013 to focus on who was more realistically likely to access housing.

Applicants do not qualify to join the scheme (except in exceptional circumstances) for:

- not being in housing need

- not having a local connection
- having been evicted from social housing
- criminal convictions and ASB
- having previously made a fraudulent application
- rent arrears
- having sufficient resources to buy a suitable home on the open market; there is no hard limit set for this – a policy officer reviews the market each year to give some guidance for thresholds of what is affordable
- having an income of £60,000 or more

A household has a local connection if they have been resident in the authority for the last 12 months or 3 of the last 5 years, or for other special reasons, including having family in the district, being employed in the district or being a member of the armed forces, care leavers, and those homeless households owed the main duty.

Local authority officers believed that these criteria were more open than some neighbouring authorities and were selected for consistency with national homelessness legislation – in order to ensure that people owed the main housing duty would also qualify for social housing. The number of households on the register has been reasonably stable over recent years. Local authority officers therefore consider that there is no evidence that people are taking advantage of weaker local connection criteria.

At the time the 2013 scheme was introduced, both partner landlords registered concerns over the impact of welfare reforms increasing the number of tenants falling into rent arrears and the potential for evictions. Landlords were concerned about how these impacts would affect business plans. In the initial version of the scheme, people evicted for rent arrears could not access the register until all arrears were repaid to the evicting landlord. Under the current scheme, applicants with housing debt accrued in their current tenancy are not allowed to join the register except in exceptional circumstances. Households who accrued housing debt in a previous tenancy do not qualify for inclusion on the register until 25% of the value of the debt is repaid and an agreement has been made to pay the outstanding debt by regular instalments.

## **How the scheme prioritises between applicants**

There are currently 3 bands. Band A is the highest priority band and C is the lowest priority band.

Band A includes:

- those with an urgent medical priority
- downsizers
- those with cumulative housing needs
- tenants being decanted

Band B includes:

- those accepted as homeless and owed a main duty
- those with a high medical priority

- people seeking to move on from supported housing
- households in accommodation that is in poor condition
- households with a dependent child or a vulnerable adult who are overcrowded or share facilities with another household
- tenants in a property with adaptations that they do not need

Band C includes:

- applicants owed a homelessness prevention or relief duty
- applicants who have been awarded moderate medical priority or who need to move to care for someone with a moderate medical need
- couples living in a bed-sit or studio flat
- people who need to move to avoid hardship
- people over 55 years of age who require sheltered housing

Table 17 below shows the number of households on the register by band as of the end of March 2019:

**Table 16: Households on the housing needs register by priority band and size of home required, April 2019**

	Band A	Band B	Band C	Total households
1 bedroom	106	80	763	949
2 bedrooms	18	286	410	714
3 bedrooms	1	127	88	216
4+ bedrooms	3	63	8	74
Total households	128	556	1,269	1,953

Source: Case Study 6

The scheme is unusual in terms of how it prioritises between people within bands. Rather than using time on the list as the criteria, points are awarded within the bands. For example, people are awarded 3 points for being in employment or having been employed in the last 2 years. Cumulative need is also based on points (applicants are awarded 10 points for each Band A need, 6 points for a Band B need, and 3 points for a Band C need). There is also some priority given for time waiting, as one point is awarded for each month applicants are on the register. Having a high number of points (for instance due to being on the register a long time) does not allow applicants to move up a band. If someone has a high medical need but accumulates many months of time points, it does not automatically push them from Band B to Band A and they will still therefore have a lower priority than someone assessed with a higher level of medical need who has been on the register for a shorter amount of time.

As applicants are awarded points because of time spent on the register, the local authority encourages people in lower priority need to register early so that if their need becomes more urgent and their banding changes their level of points for being on the register longer

is taken into account (some other schemes reset the registration date if someone's priority changes).

Both the local authority and the LSVT partner officers felt this hybrid (points and bands) was sometimes difficult to explain and may therefore not be transparent to customers.

Table 18 below shows the number of households on the register as of 10 May 2019 and the number housed by band between 1 April 2018 and 31 March 2019.

**Table 17: Number of households on the register and number of lettings by band, 2018/19**

	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Total households</b>
Households on the register	128	556	1,269	1,953
Households housed	21	269	67	357
Lettings per 1,000 on register	164	484	53	183

Source: Case Study 6

As can be seen from this table, applicants appear to be rehoused at a faster rate from Band B than Band A. Local authority officers believe this is because most of the people in Band A at any point in time are under-occupiers who are quite selective about what they will bid for and may consequently be on the register for a long time. There is a strong strategic reason for giving them the highest priority in the allocation scheme, but they are not themselves in urgent housing need.

### **The process of bidding and making offers**

The local authority operates a CBL system. The CBL scheme has been in place since 2009. A neighbouring authority uses the same IT system but there are no sub-regional working arrangements (which would allow local authority applicants to bid for properties in the neighbouring authority or vice versa).

Properties are advertised online. Advertisements contain information about:

- the number of bedrooms and number of people who can live in the property
- the floor level of the property and whether it is wheelchair accessible
- whether the property is sheltered or general needs
- the location
- the landlord
- the rent
- any special features, with a floorplan and photos if available
- adaptations in place (such as walk in showers)
- any restrictions on letting the property

Applicants are encouraged to bid online and are signposted to libraries and customer service centres in the district to use computers with free internet access if required.

Overall, the average number of bids per property is 72, but this varies across the district. As the district is quite large, people in one town tend to be looking for housing just in that town. Properties in the main urban areas receive more bids than properties in the rural areas, and two- and three-bedroom properties receive more bids than one- and four-bedroom homes.

After receiving bids, the lettings team creates a shortlist of up to 5 applicants who are invited to view the property one at a time. If the highest ranked applicant refuses the property, the next the shortlisted applicant is given an offer.

### **Joint working with housing associations**

The LSVT partner has a historic nominations agreement to let 75% of properties through the local authority scheme. It does not manage its own register and in practice lets more than 75% of vacancies through the local authority scheme. It provides some sheltered housing through an agreement with the local authority which is mostly let directly. Around 9% of the LSVT stock is housing for older people. It also makes some direct lettings where appropriate, for example to help homeless households move on from temporary accommodation.

The LSVT association does not currently undertake a pre-tenancy assessment but is looking to introduce this in the future to ensure that people are tenancy-ready. Officers reported that they are looking to introduce the assessment to get to know new tenants and understand any risks they need to manage.

LSVT officers reported that they rarely reject a nomination but may do so if they have a local letting policy in place for a scheme. As of January 2020, there were 22 schemes with local lettings policies listed on the LSVT partner website, most of which were small schemes with fewer than 50 units. Example restrictions include a scheme with poor sound insulation that is considered unsuitable for families with children, schemes that are restricted to people resident in the parish, or where working people and people with no support needs and no history of anti-social behaviour are prioritised. If someone is rejected, they remain on the register and can bid for other properties. They receive a letter explaining why they have been rejected and the local authority is also informed. As the LSVT does not currently undertake pre-tenancy assessments, officers reported that rejections were rare. They were unable to provide data about exact numbers.

Most of the other local housing associations with stock in the area have nomination agreements with the local authority. These are typically 100% for newbuild and 75% for relets. Arrangements are reviewed approximately every 5 years. Housing associations have flexibility in allocating vacancies not covered by nomination agreements and typically use them for decants, transfers, and other management issues. Local authority officers thought that most housing associations put more vacancies through the scheme than is required by nomination agreements.

The local authority officers reported that the affordability assessment element of some pre-tenancy checks used by some local housing associations can cause issues but that most partners are willing to discuss these cases. The second largest provider in the area was originally a partner in the allocations scheme but has since left and therefore does not have the same access to information about applicants as the scheme partners. Most of its

stock is still let through the scheme, but because staff do not have access to the live information about applicants, they have introduced pre-tenancy checks to look at affordability, arrears, and issues with behaviour. They refuse lettings if people fail these checks. No data is available about the number of refusals based on pre-tenancy affordability checks.

## **Homelessness**

As discussed above, the local authority has a comparatively high level of homelessness. Homeless households owed a main duty are awarded Band B priority. The local authority officers reported that there were problems with some households having been in temporary accommodation for a long time. This was felt to be because much of the temporary accommodation on offer in the district is good quality and conveniently located, so households do not always want to move on from it. The local authority has employed someone to help and encourage move-on from temporary accommodation, but officers acknowledged that this could be difficult when the tenant does not feel motivated to do so. The LSVT partner also try to address this by reviewing bidding activity and making direct lets when appropriate.

The local authority officers view the allocation scheme as an important tool for preventing homelessness. Households owed a prevention or relief duty are awarded Band C priority. The local authority officers felt that the scheme is generally effective in supporting the council's work in preventing homelessness.

The local authority officers interviewed felt that local housing associations were generally supportive in helping them to meet homelessness duties, but sometimes challenged them over difficult cases. Issues such as rent in advance and deposits were also seen as creating a barrier for housing in some cases.

## **Equalities and supporting people in the bidding process**

Compared to neighbouring authorities, qualification criteria for the register in the area are quite open.

For households who may have difficulty in completing an online application or taking part in the bidding process, there are opportunities to receive support over the phone or through support workers/carers. A freesheet of properties is available to applicants with no internet access and applicants are able to phone bids in. The LSVT partner reported that their staff are also able to help applicants with the bidding process.

## **ALLOCATING ADAPTED HOUSING**

There are no lists of households who need adaptations or of properties with adaptations. Advertisements include information about adaptations. Bidders who need the adaptations are given priority over people who do not need them. Households living in properties with adaptations they do not need are given a Band B preference to help free up homes for people who do need the adaptations.

## **Working households and mobility**

Households in employment and those who have been in employment within the last 2 years are given 3 points, an equivalent level of priority to those who have been on the housing register 3 months longer. This priority is given to those who have been employed within the past 2 years rather than only those currently employed, so that people who move in and out of work can retain this priority.

The allocation scheme awards a Band C priority to households living in another authority and seeking to move to the district for work or education under the 'hardship' category, but this has rarely been used, as households are only awarded priority if they would suffer hardship by not moving. There is no specific policy on the level of priority for people who need to move within the district, though officers reported that it could potentially be dealt with under 'hardship' and be awarded a Band C priority. The district is quite small and well-served by public transport links in the main towns so there is likely to be limited need to move within the district for work reasons.

Having permanent employment in the district also gives households a local connection, enabling them to join the register.

## **Integration, cohesion and mixed communities**

As discussed above local lettings plans are in place for some smaller schemes to ensure a balance of different backgrounds, ages, and life experiences. This may reflect specific issues at different times – for example, the local authority has previously set aside some properties for people who are affected by the housing benefit restrictions for under-occupiers. Other newbuild schemes have had a target for a percentage of lettings to households who were previously homeless.

The local authority officers felt there were some households who were put off applying for social housing despite being in need. They were trying to address this issue by making the online application process shorter and more user-friendly to navigate. They also aim to get people to register through housing advice appointments, as early registration and being on the register for longer means additional points are awarded even if the priority awarded later changes to being more urgent. Other services are also aware of this and reiterate that message in their advice to service users.

## **Issues with the current scheme**

Combining points with banding allows for additional priority to be awarded from time on the list but also allows additional priority to be given for positive behaviour (for example by awarding extra points for having been in employment). However this combined approach was felt to be harder to explain to tenants and may therefore be less transparent than a more simplified system which only relies on banding.

The LSVT partner reported that some people made bids on, and were housed in homes, but then re-applied to join the register as they did not like the accommodation they had accepted. For example, a household with children under the age of 11 bid for and are allocated to a flat above the ground floor with no access to a garden and the offer of this accommodation helps to resolve their current housing need. They decide they do not like

the accommodation offered and apply to re-join the register. Because they have a child and are in a flat above the ground floor with no access to a garden, they are awarded Band C priority which is the lowest priority band and often insufficient to enable them to obtain a house with a garden, which they would prefer. The LSVT partner did not say this was a common scenario but gave it as an example to illustrate that the type of stock they have available was limited and therefore expectations needed to be managed better regarding the type of stock households were likely to be offered.

# Case Study 7

## Context

Case Study 7 is a city in the north of England with house prices and rents below the national average. The social rented sector is relatively large – forming just under a quarter of the housing stock in the borough. The number of households on the housing register is, however, also high. The city operates its own allocation scheme and there is no sub-regional working scheme. The current scheme was adopted in 2016 after several years of consultation and re-design. The full scheme is published on the local authority's website.

## Designing the scheme

The current allocation scheme's stated priorities are:

- fairness – accessible to all, equalities, non-discriminatory, managing expectations
- spending money wisely – making efficient use of stock
- taking a long-term view – ensuring council housing is sustainable and viable, considering demand, legislation and the economy
- prevention of rent arrears, homelessness, and ASB
- enabling choice
- working better together, listening to residents' views, and learning from complaints

The local authority officers reported that the main drivers for introducing the current scheme (2016) were recognition that the previous scheme was not fulfilling its objectives as well as it might. The previous scheme had just 2 bands of applicant – those in house need and those not in need, with prioritisation within each band purely on the basis of waiting time. This meant that people in acute need (such as those unable to be discharged from hospital until a new home was found) were unable to be rehoused quickly enough. The housing stock was also growing in demand, with reducing supply (due to partial stock-transfers, regeneration projects and the Right to Buy) meaning that there was felt to be a need to limit access to those with a local connection. Despite being drawn up after the Localism Act, the new freedoms introduced were not a driver for change and the local authority has not made much use of them.

## Qualification for social housing

Local authority officers reported that they had not made much use of the new freedoms in the Localism Act when designing the currently scheme. Instead they continued to disqualify people from registering who are considered unsuitable to be a tenant due to a history of unacceptable behaviour, rent arrears, previous breaches of tenancy, or criminal conduct in or near the home (as was permitted prior to 2012). In addition, people who have been allocated a property within the last 2 years are also disqualified for registering – this was introduced in order to encourage tenancy sustainment and prevent people taking on a house as a short-term measure and immediately trying to move again.

The local authority does not impose any upper income limits to registering. This is because there is strong political support for social housing being seen as a 'normal' housing tenure, open to all.

## How the scheme prioritises between applicants

The scheme uses a banded scheme to prioritise between applicants with the following bands:

- Band A – for tenants with urgent health or welfare reasons to move (such as those awaiting hospital discharge), or facing demolition
- Band B – for those with significant health conditions or welfare needs requiring a move, in properties scheduled for demolition, full duty homeless applicants, foster carers, downsizers and those releasing adapted properties
- Band C – for those with welfare needs to move, other homeless applicants, and moving out of institutions
- Band D – for qualifying people who do not fit into Bands A-C, including those with no housing need – this is known as the colloquially as the ‘waiting time’ group
- Band E – the reduced-priority band for those with unacceptable behaviour, rent arrears, or no local connection

This is a relatively new approach in the borough, as the previous scheme had just 2 bands and did not allow those in the most urgent housing need to access housing quickly enough.

The previous scheme had been open to all on an equal basis, with no priority given on the basis of residency. The current scheme defines a local connection as:

- living in the city
- working in the city
- having family in the city
- having special circumstances for needing to move to the area

There are no time limits on residence in order to gain a local connection. People without a local connection are placed in Band E unless they are owed a homelessness duty.

Band E is also used for people whose behaviour is not judged serious enough to disqualify them from the register altogether. Relegation to Band E is not usually permanent as applicants who can demonstrate that they have improved their behaviour or are paying off their arrears can re-join the higher band for which they would otherwise be eligible.

The scheme allocates three in four lets through the usual cascade mechanism – whereby Band A applicants take priority over Band B, for example, with time on the register used to prioritise within each band. The scheme, is however, more unusual in how the remaining one in four properties are let. These are advertised with first priority given to Band D. This means that people without housing need can eventually access social housing, once they have waited long enough. There was strong political support for this policy, as local councillors are keen that social housing is seen as a housing option for everyone. Local authority officers also feel that having this option means that people are aware that they do not need to have housing need to qualify, and may therefore be more inclined to try to find their own housing options and wait for social housing as a long-term option.

Table 19 below sets out the numbers of households in each band, by size of property needed:

**Table 18: Number of households on the register and number of lettings by Band, 2019**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E<sup>23</sup></b>	<b>Unknown</b>	<b>Total households</b>
Households on register, 29/01/20	27	498	202	27,909	2,861	12	31,509
Properties let, year ending 01/01/20	142	1,139	337	1,565	73	0	3,256
Properties let per 1,000 on register	5,259	2,287	1,668	56	26	0	103

*Source: Case Study 7*

As can be seen from the data above, households are housed much more rapidly from the higher bands, meaning that these higher-ranked groups access social housing more quickly than applicants without housing need, despite the quota scheme in use. Around one in 50 Band D applicants are housed in a year, though a large proportion of applicants are not actively bidding at any one time. Less than a third of the households on the register were classed as 'active bidders', meaning they had either registered or placed at least one bid in the last 12 months.

### **The process of bidding and making offers**

The local authority was an early adopter of CBL and has allocated housing via a CBL scheme since the early 2000s.

All applicants apply online (paper applications were phased out as part of the new policy introduced in 2016). Properties are advertised online on a weekly bidding cycle. Applicants can bid for up to 3 properties each week. If an applicant is the top-ranked bidder for more than one property, they will be considered only for the one that will be available soonest and the other bids are frozen until they have either accepted or declined the one on offer. The local authority officers reported that this system works well and avoids delays due to bidders being offered more than one property at a time. Applicants can see information about the number of other bidders on each property and can change their bids to improve their chances of success.

The local authority has quite stringent rules and systems for ensuring that high-ranked applicants do bid, or that if they do not bids are placed on their behalf:

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<sup>23</sup> Band E comprised 1,428 households with no local connection (and 40 lets to this group during 2019), 1,223 households with a history of unacceptable behaviour or housing debt (and 26 lets during 2019) and 210 households who had refused too many offers (and 7 lets to during 2019).

- Band A are expected to find a property within a week or two – they are reviewed weekly and have bids placed if they fail to bid consistently and realistically
- Band B are reviewed monthly (or quarterly for downsizers) and may have bids placed if they fail to bid consistently and realistically
- Band C are reviewed quarterly and may have bids placed if they fail to bid consistently and realistically
- Band D and E are required to confirm their registration each year, but are not obliged to bid<sup>24</sup>

Bidding on behalf of applicants is generally a staff-led process (rather than computer-generated auto-bids), as the local authority find that this leads to lower refusal rates as staff understand applicants' needs better.

If people refuse reasonable offers, they are demoted to a lower band for a period of time. Band E is used for those from Band D who refuse three reasonable offers. These steps are considered necessary in order to prevent people spending more time than necessary in acute housing need and/or homeless temporary accommodation because they are failing to bid effectively, or because they are not trying to bid successfully because they are comfortable in their temporary accommodation, or because they are holding out for the most desirable housing. The local authority wants to be fair to lower-ranked bidders to ensure they also have an opportunity to bid for the most popular properties.

The local authority then undertakes an up-to-date check on the highest-ranked bidder's rent account, any repayment arrangements for previous debt, and any breaches of tenancy or ASB. If the bidder passes these checks they are offered a chance to view the property. If the highest-ranked bidder fails the pre-tenancy checks or does not want the property, then the process is repeated with the next-highest ranked bidder. Applicants are frozen out from placing other bids if they are being considered for a property as the highest-ranked bidder. The local authority does not currently undertake affordability checks on applicants, though officers reported that they are concerned that some people struggle to afford even social rent levels, especially young people on low benefit rates. They are planning to trial some shared housing projects for young people, to ensure that there is an affordable option available for under 25s.

The local authority tries to minimise the use of direct lets which they feel can compromise the transparency of the CBL process. However, they may use direct lets for some homeless applicants in order to ensure that they can move on swiftly and the local authority can discharge its duties. It finds that some applicants have complex needs and a direct let can be a means to maintain engagement and help them to be rehoused more

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<sup>24</sup> The local authority had originally envisaged an 'active' register, and 'inactive' one – where people who were not currently bidding could be placed, and their allocation scheme makes reference to these statuses. In fact, their IT systems did not permit this, so there is no penalty for not bidding for Band D and E applicants.

quickly. Sometimes there is a shortage of temporary accommodation, so the local authority uses its own stock. It may then make the homeless applicants an offer of a permanent tenancy in the home they are already occupying, to avoid them having to move again. Sensitive lets are also used for properties in areas where there are problems in the immediate locality, to avoid placing a vulnerable person into an already-problematic neighbourhood.

The allocation scheme mentions a first-come-first-served system for allocating hard-to-let properties, which were defined as those that had been advertised on the CBL scheme but had no bidders. However, local authority officers reported that there had been very few of these in the last 2 years, something that they attributed to the Homelessness Reduction Act having widened their duties to more people and so increased demand on social housing.

## **Joint working with housing associations**

Quarterly meetings are held between the local authority and the main housing associations who let stock in the city. These are broad meetings covering many issues relating to social housing, not just allocations. The housing associations interviewed felt that overall there was a good relationship with the local authority and that the allocation scheme worked reasonably well.

The local authority has a nominations agreement that requires most housing associations to ensure that 50% of their voids are allocated to people from the housing register, though some associations had higher levels of nominations than this for some or all of their stock for historic reasons (for instance if the housing was part of a stock-transfer). The council will normally require 100% nominations on newbuild schemes if they are built on council land. Housing associations are expected to give a fair selection of their voids to the local authority, in terms of size and location.

There is a great deal of variation in terms of how the housing associations working in the area to allocate the remaining stock that is not required for nominations:

- Some smaller associations choose to put all their lettings through the council's CBL scheme, even though they are not required to do so. This is because they did not consider it efficient to hold their own waiting lists for a relatively small number of lettings.
- At least 2 associations advertise their remaining stock via commercial property websites (such as Rightmove or Zoopla). One association offers them for 3 days on a first-come-first-served basis to those who are in housing need (which is defined more broadly than the council's Bands A to C, and includes people overcrowded by just one bedroom), and after that on a first-come-first-served basis to everyone. Another simply allocated them to any eligible person who applied online, without requiring them to meet the local authority's qualification criteria. These associations did not require applications to pre-register and instead undertook the checks required (to assess eligibility and – where applicable – housing need) at the point of allocation. They reported that this system was much quicker at finding a tenant and they therefore preferred to advertise any stock available very soon in this manner.
- One larger association with stock across many local authority areas allocate their other 50% only to households in work. This is because they consider that this group

often miss out on the needs-based allocation scheme and they wish to do more for low-waged working households.

Most of the housing associations interviewed said that they shared the council's overarching objectives for allocating social housing, but felt that the council's CBL system was slow and somewhat cumbersome. One difficulty they had was the sequential approach to undertaking tenancy checks, conducting viewings, and making offers. They reported that they were sometimes unable to contact applicants, that they refused offers, or (less often) that they judged someone to be unsuitable as a tenant, and then had to start again with the next bidder – a process that could take several weeks. They thought that the issue was compounded by the local authority's blunt approach to bidding on behalf of certain applicants, which resulted in people turning down properties in locations where they did not want to live.

People nominated to a housing association then needed to complete the housing association's own assessment process. This is because the local authority's checks only cover the information that the local authority holds (on its own tenants) and the housing associations did not consider this to be sufficient to meet their needs.

Local authority officers were aware that some tenants were turned down for properties by housing associations as they failed these pre-tenancy affordability checks. In most cases the applicants were involved in these discussions, and in some cases turned down the offers because they accepted that they could not afford it. A bigger issue reported by housing associations, however, was difficulty contacting the highest-ranked bidder(s) so then having to cascade down the list. This was a source of frustration to housing associations, as it was a slow process involving checks and viewings, one at a time. It was also a source of frustration for the local authority if they saw people they knew to be homeless or in severe need being passed over.

Local authority officers also reported that the common housing association practice of requiring a month's rent upfront caused difficulties for some applicants. The local authority had a fund that it could use to pay this on behalf of some applicants, but lacked the systems to then recover this money once the rent was paid by housing benefit. Some housing associations showed flexibility by allowing new tenants to pay the first month's rent in instalments.

Table 20 below shows the reasons why housing associations refused to let to households who had been nominated for their vacancies:

**Table 19: Housing Association CBL Advert Outcomes 12 months 1 Jan 2019 – 1 Jan 2020: Housing association refusals**

<b>Reason for not letting</b>	<b>Number</b>	<b>Notes</b>
Applicant did not respond to offer	245	The local authority report that it expects applicants to be written to but believe that many housing associations may just try by telephone (if not a homeless customer). The housing associations reported that the contact details available to them were not always up to date.
Debt	70	This will be where the debt to the local authority or the housing association is identified at offer stage, and it cannot be resolved by the customer paying at point of offer.
Discretionary decisions / management reasons	65	This could be for a variety of reasons such as the local authority's records indicating that the applicant may need further checks due to criminal convictions or safeguarding reasons.
Occupational therapist check not approved	41	The local authority is aware of difficulties facing applicants with health or mobility needs in establishing whether a property is suitable for them from the advert, and this group are those where the occupational therapist checks indicated that the property was not suitable.
Housing association's own lettings policy	32	This is when an applicant does not meet the conditions of the housing association's own lettings policy, even though they do meet the local authority's criteria. Housing associations indicated that this was sometimes the result of differing rules around the number of bedrooms required.
Offer Withdrawn/failed references	52	
Applicant bypassed because already being offered another property	15	
Applicant did not attend viewing or indicated no interest in the property when they did	14	
Customer's circumstances changed so no longer meet criteria	9	Housing associations indicated that this was sometimes the result of children being born or leaving home.
ASB	8	The local authority officers felt that this is a surprisingly low figure, and that some of these cases may be covered by other reasons above.
Whole shortlist rejected	4	This is usually where a mistake has been made on an advert and the entire shortlist needs to be rejected.
Other reasons	144	The local authority is trying to update the reasons recorded to break down this category in future.
Total	699	

Source: Case Study 7

145

In this same period there were 797 refusals of lettings by applicants. The reasons for these are summarised in Table 21:

**Table 20: Housing Association CBL Advert Outcomes 12 months 1 Jan 2019 – 1 Jan 2020: Applicant refusals**

Reason for refusal	Number
Area not suitable or unsafe	233
Does not want to move	144
Size of property or bedrooms	96
Mobility/medical issues	68
Property condition/facilities	47
Too expensive	47
No response to offer <sup>25</sup>	27
No Right-to-Buy	14
Property not yet available	12
Unsuitable garden	11
Change of circumstances	10
Other	74
<b>Total refusals</b>	<b>797</b>
Of which considered unreasonable:	14

*Source: RSM analysis of data supplied by the Case Study 7*

In this same period, 733 applicants were successfully nominated to housing association lets via the CBL scheme. This means that around half of bidders are accepted. This means that overall roughly a third of housing association properties advertised on the authority's CBL system result in a letting, a third are refused by applicants, and a further third are refused by the housing associations.

One cause of tension between housing associations and the local authority was over the timing of making offers. Housing associations prefer to advertise their properties as soon as they know they are likely to become available – for instance as soon as the existing tenant gives notice. This is driven by the housing associations' need to minimise void periods and maximise rental income, as well as desire to use their stock efficiently and to give new tenants as much notice as possible, so that they can give notice to their existing

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<sup>25</sup> It is unclear whether these should in fact have been classified as a housing association refusal, as most other applicants who did not respond to their offer have been.

landlord and avoid an overlap in rent due. The system does, however mean that people are bidding on properties without knowing when they will be available. The housing associations are often unaware of this themselves at the time they advertise them, as they cannot be sure how long any repairs will take until after the existing tenant leaves. The local authority is particularly concerned about homeless and high-priority bidders who are lined up for a new let but may have to wait several months for it to be ready. In some cases, the local authority has withdrawn the allocation from homeless households, in order to free them up to place other bids and hopefully be housed more quickly. This was a source of frustration to the housing associations who then must start advertising again. The local authority's own stock is only advertised once it is vacant and ready to occupy, so successful bidders are able (and expected) to move in quickly.

The local authority officers also reported that there could be challenges in successful working with housing associations if they had a high staff turnover or regional teams that dealt with many different areas. They said that it took time to train new staff in using their systems, which was a problem particularly for housing associations who worked across many areas. They also emphasised that housing associations varied a great deal in their ethos and approach to working with local authority.

## **Homelessness**

Homeless applicants are placed in Band B if they are owed a main homelessness duty. The published version of the allocation scheme has not yet been revised to reflect the changes in legislation brought in with the Homelessness Reduction Act. In practice, however, the local authority has been placing those owed a homelessness relief duty in Band C. Those owed a prevention duty are not given any additional priority. There are no reported difficulties of homeless households being unable to access social housing, as the local authority has not made much use of its freedoms to introduce tighter qualification criteria. Those owed a homelessness duty are automatically considered to have a local connection with the city. The only group who sometimes struggle to access social housing are those with complex support needs, who are sometimes referred to supported housing or residential care instead.

The local authority does make use of its powers to discharge homeless duties via appropriate offers of private rented housing and finds that the potential for this is limited as most landlords prefer other tenant groups, such as students. It also finds private landlords to be reluctant to make adaptations needed to meet the needs of disabled applicants, who form a proportion of homeless households.

Local authority officers reported that homeless people who were owed the main homelessness duty and were 'tenancy-ready' were generally able to access social housing within a reasonable timescale. There were difficulties for those with complex needs, but this related more to a lack of support services for those needing quite intensive support, rather than any issue with the allocation scheme.

Some housing associations makes a small amount of stock available directly to rough sleepers whom the local authority identifies, which was very much appreciated by the local authority.

## **Equalities and supporting people in the bidding process**

Local authority officers felt that social housing allocations could have a key role to play in helping some of the most disadvantaged groups in society. They were aware that people with additional needs would struggle to access services in general, and that this includes social housing allocation systems. Officers reported that they made considerable effort to assist people in the bidding process, including going out to people's homes to help them bid, and offering help in the local housing offices. The housing associations interviewed were less clear on the detail of what help was provided but did not, overall, feel that there was a big problem for people getting access to the housing register.

### **ACCESS TO ADAPTED ACCOMMODATION**

Matching adapted properties to those who need them is, however, a challenge in the area. A significant proportion of applicants are in need of adapted properties, including families with children as well as older people.

The local authority tries to match disabled applicants to suitable properties by identifying applicants with mobility difficulties on the system, and then also identifying properties that become available for let that are suitable for those with mobility difficulties. If a property is identified as such, only those with mobility difficulties can bid on it. Occupational therapists then assess each property to determine whether it meets the individual needs of the successful bidder.

People often bid for properties that turn out to be unsuitable for them, due to the insufficient information available on the website. Disabled applicants are also allowed to bid for properties without adaptations, and the local authority will assess whether they can be adapted. However, often this was not possible due to the location and nature of the housing stock – the area is hilly, so steps are common. Housing associations were particularly reluctant to adapt newbuild. The local authority is keen to establish a full disabled housing register of all the adapted stock they hold, or other stock that would be suitable for people with disabilities, but this is challenging as it would require a review of their entire housing stock, and that of local housing associations. Another potential solution under consideration was 'pre-allocating' housing to specific applicants before it was built, so that it could be built to meet their needs.

Local authority officers felt that the notion of choice in the letting scheme was particularly problematic for this group, as finding any property at all that meets their need was challenging.

### **Working households and mobility**

The local authority allocation scheme gives no extra priority to working households. The officers interviewed felt that there would be no political support for this, and that there was a strong belief among elected members that social housing should be open to everyone. Having a job in the city gives applicants a local connection, giving them priority on the register. The open nature of the register also means that households who are not in housing need but have a firm job offer in the city can then join Band D and bid for housing. The policy of offering 25% of lets directly to Band D does increase the chances of obtaining housing in this way.

Downsizers are placed in Band B, which gives them priority over the large majority of other applicants.

As discussed above, the housing associations had a variety of systems for allocating their stock that was outside of a nomination agreement, including one which allocated the other 50% of their lets only to working households.

### **THE ARMED FORCES**

Priority is given to serving and recent members of the armed forces by backdating their application date to the date that they (or their partner) entered the forces. This allows them greater priority within their existing band.

### **Integration, cohesion and mixed communities**

The allocation scheme sets out circumstances in which local lettings policies can be used to "help us address any issues or challenges within a neighbourhood and help ensure that communities are mixed and sustainable". However, the local authority officers reported that there were currently no local letting plans in use. They felt that using the CBL system was supportive of building sustainable communities, by giving people some choice of where to live and that there was a lot that they and other social landlords did through working in local areas to build and strengthen communities.

A housing association has recently requested a local lettings plan for a particular block of housing in the city centre. However, the process of getting this approved (requiring approval by elected members) was too slow to meet their needs so the local authority instead accepted a lower than normal nominations quota, allowing the housing association to let much of the scheme via their own criteria (mostly to transfer applicants). Local letting policies have historically been used in regeneration schemes, to allow the original residents to move back into the area once the new housing is complete. The policy of allocating a quarter of all the lets to Band D was also felt to help in avoiding concentrations of very vulnerable households in one location.

The housing associations interviewed felt that their allocations outside of the local authority scheme were useful in giving them flexibility to ensure a mix of residents on new sites. They would have liked more flexibility over which lets were allocated directly to Band D to help them further. However, the local authority is very keen to ensure transparency and fairness in terms of which properties are offered first to Band D, and instead has strict quotas for each property type and location with no room for officer discretion.

### **Issues with the current scheme**

Local authority officers and wider partners interviewed overall felt that the scheme was working, and that there was strong public support for choice-based lettings, and no demand to return to the 'old-style' lettings practice. However, they were concerned that the word 'choice' was somewhat problematic, as the limited supply of housing meant that choice was in reality quite constrained.

The local authority is currently looking into the way in which their allocation scheme helps rough sleepers and are considering whether to increase the priority given to this group. It is also considering how best to help people who are homeless but not suitable as tenants

in general needs housing because they have complex needs and are unable to maintain a tenancy. This is likely to involve specialist hostel provision, rather than a change to social housing allocations.

From the housing associations' perspective, the main challenges to working with the city council were over the operational aspects of the scheme – getting access to data on applicants and ensuring an efficient letting service.

# Case Study 8

## Context

Case Study 8 is an authority in the midlands, with high levels of homelessness compared to the national and regional averages. House prices and rents are below the national average. The social rented sector makes up around 13% of the stock, a relatively low proportion. The local authority administers the allocations scheme, and there are 12 partner landlords. As of the end of March 2019, there were just over 5,000 households on the housing register. This number has been relatively stable for the last few years.

The current allocations scheme has been in operation since 2014, when the allocations process was taken back in-house by the council and a new computer system was purchased. The scheme manager at the time worked with partner housing associations to develop the scheme which was then approved by the council.

The local authority is in the process of drafting new details of the scheme to address issues arising from the Homelessness Reduction Act. Details of the scheme are published on the scheme website, as are quarterly statistics about the households on the register and properties let.

## The housing allocations scheme – setting priorities

There are 14 aims outlined in the scheme documentation. These include:

- choice
- tackling social exclusion and poverty
- prioritising those in the greatest need
- sustainable communities
- mobility for existing tenants
- making best use of available housing resources
- prioritising local people
- contributing to the strategic aims of partner landlords

The scheme is currently being rewritten and this may include a review of the current aims and objectives. Officers reported that openness and fairness were high priorities for them in discussing scheme aims.

The housing associations interviewed generally supported the aims but felt there were a large number and, given the current level of resource, it might not be realistic to meet them all. For example, they felt that the aim around tackling poverty and social exclusion was ambitious given the challenge of meeting the needs of households who are struggling on low incomes.

## Qualification for social housing

Access to the housing register is open to people from all areas, but people with a local connection are given priority (as discussed below).

People with income and/or capital resources in excess of £63,000 are allowed to join the register but given a reduced preference, in order to target help towards people who are not able to afford housing on the open market. The median price for a semi-detached property for a household with an income of £63,000 is thought to be affordable assuming a mortgage multiplier of three to five times income. This amount was currently being refreshed to make sure it is still a sensible level given local market conditions.

Households with housing debt can be accepted onto the register but may be given reduced priority or prevented from bidding until the debts are reduced. Households with an outstanding housing debt must have or set up a repayment plan.

Households with a history of anti-social behaviour or criminal convictions are also allowed to join the register providing they meet other eligibility criteria. The scheme aims to limit exclusions from the register due to bad behaviour but may be suspended for 3 months, after which the authority will review their behaviour.

## **How the scheme prioritises between applicants**

There are 4 bands in the scheme.

Band 1 is for:

- homeless households owed the main homelessness duty
- households in agricultural tied accommodation coming to an end
- people with priority medical need
- people in the National Witness Protection Scheme

Band 2 is for needs such as:

- severe overcrowding
- care leavers
- people moving on from supported accommodation
- people in poor housing conditions (Category One hazards)
- those with a high medical need

Band 3 is for needs such as:

- medium medical needs
- households overcrowded by one bedroom
- households sharing facilities with a separate household
- people in employment with excessive travel

Band 4 is for people with no housing need (not in any of the above categories). Also, although people in Band 4 have a lower chance of getting housed, they are often housed, which enables housing associations to fill properties others do not want or do not bid for.

Table 22 shows the number of households on the register by band as of the end of March 2019:

**Table 21: Households on the housing needs register by priority band, 31 March 2019**

Band	Number of households
Band 1	136
Band 2	849
Band 3	1,916
Band 4	2,471
Total	5,372

Source: Case Study 7

Table 23 shows the number of people on the register by band and the number housed:

**Table 22: Number of households on the register and number of lettings by Band**

	Band 1	Band 2	Band 3	Band 4	Total households
Households on register, 31 March 2019	136	849	1,916	2,471	5,372
Properties let, year ending 31 March 2019	150	343	462	211	1,166
Properties let per 1,000 on register	1,103	404	241	85	217

Source: Case Study 7

This shows that for every 1,000 households on the register 217 are housed within a year. Households in Band 1 are generally housed most quickly, and households in Band 2 are more likely to be housed than those in Band 3, who in turn are housed more quickly than those in Band 4. Looking at quarterly monitoring data for the first three quarters of 2019, there were between 600 and 730 properties advertised and between 16,000 and 17,000 bids received in total, meaning that on average there were between 23 and 28 bids per property.

People without a local connection are given a low priority in the scheme as they are always in Band 4, irrespective of circumstance. The local connection is defined as people who:

- live in the authority
- have lived in the county 3 of the last 5 years
- are members of the armed forces based in the authority
- work in the area
- have close family connections to people who have lived in the county for 5 years or more
- lived in the local area for 5 years as a child
- need to move to the authority for urgent social reasons

The local authority is also reviewing whether to give more preference to armed forces personnel. The current scheme includes a target of “up to 5% of lettings targeted for former armed forces personnel where the application is made within five years of discharge and they have a local connection”. Some properties are advertised with a preference for armed forces members, meaning that such applicants would be prioritised over others in the same band.

## **The process of bidding and making offers**

Available properties are advertised each week and applicants are allowed to place one bid per cycle. Some local housing associations have requested a move to 'any-day' advertising to help reduce void times, but the local authority officers felt it would be a substantial amount of additional work with limited improvement and has no plans to introduce this.

Rather than being allocated to the highest-ranked bidder, up to a quarter of lets are allocated according to quotas:

- 10% of lettings prioritised for applicants moving from supported housing to independent living
- up to 5% of lettings prioritised for qualifying former members of the armed forces
- 5% of lettings prioritised for people in the lowest priority
- up to 5% of properties prioritised for working households, keyworkers, or those obtaining a pre-tenancy qualification

For the remaining properties, the applicant with the highest band who bids for a property will be offered the property first as long as the property they have bid on is suitable for their needs. Priority within bands is decided by length of time on the register.

While most housing is allocated via the CBL scheme, direct lets are sometimes made. When they are, they are included in the list of vacant properties, but are not available to bid on. The local authority feels that listing all properties ensures a level of transparency, which prevents accusations that it is hiding properties. Direct lets are used for people needing adapted homes, downsizers, and for people vacating an adapted property when it is no longer required.

Band 1 status is normally valid for 8 weeks from award date. Applicants in the Band 1 are monitored to ensure that they are active in bidding for suitable properties. If a household in this band does not bid appropriately, staff responsible for administering the allocation scheme may submit bids on their behalf and may change any bids for properties that applicants are ineligible for. If no suitable property is secured within 8 weeks, the allocation partnership will carry out a review and either extend the period or reassess the application.

Outside Band 1, applicant bidding behaviour is not monitored and there are no requirements to bid regularly to maintain a 'live' application. This is because some applicants are required to be on the register to access shared ownership or mutual exchange, but are not actively seeking a home through the allocation scheme. All households on the register are reviewed annually and if they do not respond to confirm their details are the same or notify the local authority of any changes, their application can be cancelled.

Landlords receive a shortlist of all bidders, ordered by band and length of time on the register. Most undertake some form of pre-tenancy assessment to ensure the information provided by the applicant on the form is accurate and up-to-date. At least one housing association said they do not do pre-tenancy checks on internal transfer tenants and sheltered homes. They also consider affordability, arrears and support needs. Housing association officers reported affordability as a key reason for people not passing pre-tenancy checks. Particular issues included:

- people who were able to afford social rent (around £380 per month for a two-bedroom home) but not Affordable Rent (around £430)
- people under 25 who were only in receipt of basic benefits such as jobseekers' allowance which did not provide sufficient income once rent and bills were paid
- larger families affected by the benefit cap

If applicants did not meet the criteria in these checks, the housing association would make the local authority aware of this and the applicant would go back on the register in order to bid for different properties. The property would then be offered to the next person on the shortlist.

### **Joint working with housing associations**

There are 12 partner landlords who allocate schemes through the local authority scheme. Most of the partner landlords had nomination agreements for 75% to 100% of their properties allocated through the local authority scheme, though they typically advertised all vacancies through the scheme. Transfer applicants are encouraged to apply through the local authority scheme and some advertisements will state a preference for existing tenants of the landlord. If a property is found to be hard to let through the local authority scheme, then housing associations will advertise more widely through platforms such as Rightmove. This is not common, but may occur for properties in some more rural areas and some flats. The scheme also allows partner landlords to hold back certain properties and let them directly. This includes properties specifically built or converted for those with medical needs. In these cases, properties are normally still advertised through the scheme, but the advertisement will state that it is reserved for a direct let and other applicants are unable to bid. As discussed above, this is to ensure transparency for applicants.

Several of the local authority staff who set up the original scheme have since left the organisation. The housing associations interviewed felt that there was less communication with the local authority and with other landlords than there had been previously. For example, there had not been any regular partnership meetings for a couple of years. They would welcome the opportunity to reinstate these so that they could discuss cases and share information about different schemes and processes within their organisation.

### **Homelessness**

Households owned a main duty are placed in the Band 1 with the aim of housing them within 8 weeks. If no suitable properties become available this may be extended. If someone is not actively bidding or not bidding on appropriate properties, their priority may be decreased. As discussed above, staff may place bids for this group, if necessary.

Households owed a prevention or relief duty are not currently awarded any special priority for this status, but following the current review of the process it is expected that they will be placed in Band 2.

Homeless duties may also be discharged through the offer of affordable privately rented tenancies. This has not been used very often to date. There is little difference between social and private rents levels in the area, so affordability is not a challenge. However, local authority officers reported that private sector landlords generally prefer households who are not in receipt of benefits. The local authority has recently appointed a landlord liaison officer to increase the number of homeless duties discharged via offers of accommodation in the private rented sector by identifying and working with landlords who would be open to letting to homeless households.

## **Equalities and supporting people in the bidding process**

The allocation scheme is an online service. The local authority tries to support older people without digital access by providing paper applications and support with bidding processes and working with support workers and advocates if someone needs extra help to bid. There is a freesheet available with all the advertisements and people can bid by phone, post, or text, as well as online.

### **ALLOCATING ADAPTED HOUSING**

Advertisements provide information about any adaptations within a property, especially if there is a level access shower. If people have provided information about medical needs requiring adaptations this will be considered when they bid for a home. Housing associations reported they are able to flag transfer applicants requiring particular adaptations and priority will normally be given them if a suitable property becomes available.

## **Working households and mobility**

The local connection criteria (which helps determine priority) include people who are employed in formal work in the authority. This means they are given priority over others who live outside the area. There is also a target of allocating up to 5% for 'community benefit', which includes working households, keyworkers, and people who have attended and passed tenancy ready training courses. Where there is preference for certain types of applicants, this is listed in the advertisement. Around half of lettings in recent years were to households in work.

If someone who lives in the local authority has a commute of more than 60 minutes, they are placed in Band 3 to help them move closer to their place of employment. As the local authority covers a large mostly rural area, it is quite common for people to live and work in different parts of the authority, but the local authority officers believed it was more common for people to move for care and support reasons than for work.

Both the local authority officers and the partner landlords reported a perception that social housing is for 'people on benefits', not working people, and could be deterred from applying. The local authority is trying to tackle this via communication in contact centres and on web pages. Local partner landlords said they would be willing to work with the authority on a campaign challenging this perception to extend its reach.

## **Integration, cohesion and mixed communities**

Partner landlords felt the scheme rightly prioritises homeless people and those in housing needs. They felt that it generally meets this need, but that creating mixed communities was therefore a secondary objective.

The allocation scheme allows local letting plans to be used for a fixed period to achieve particular objectives in a neighbourhood. Where these are in place, priority will normally be given to applicants who directly meet the criteria of a plan. This may include someone in the Band 4 who fits the criteria stated in property advertisements being given priority over someone in Band 2 who matches it less well.

When properties have restricted lettings criteria, for example where preference is given to members of the armed forces or people with a specific local connection, this is clearly stated in the advertisement.

## **Issues with the current scheme**

The local authority officers felt that the scheme is good in terms of transparency for applicants.

The local authority is currently looking to update some aspects of the scheme, including how to ensure it reflects duties set out in the Homelessness Reduction Act, the level of priority given to members of the armed forces, and whether the financial resource limit currently being used is appropriate in the current market.

The allocations team works with the team responsible for development of new housing to ensure that up-to-date information on specific areas is used for all new developments, so that the staff can use data from the allocations scheme to agree or disagree with a development. Housing associations officers felt that they would like to be more involved in discussions to inform this process.

# Case Study 9

## Context

Case Study 9 is in the south/east of England. It has a high level of homelessness and a large amount of pressure on its social housing. House prices and rents are significantly higher than average in England. The social rented sector is around average, as a proportion of the housing stock. The council has its own allocation scheme and does not have a sub-regional scheme. The scheme came into effect in 2018 and is published on the local authority's website, as well as a guide of how the scheme works, which is distributed to applicants as well as being available online.

## Designing the scheme

The allocation scheme states that the local authority will accept applicants onto the housing register who qualify by meeting the eligibility criteria, meeting the Reasonable Preference criteria, and who do not fall into an ineligible non-qualifying category. The local authority also aims to create an environment in which all people have an equal entitlement to housing and are not discriminated against for any reason. These include age, gender, ethnic or racial origin, gender reassignment, sexual orientation, religion or belief, employment and opportunities for personal development, family circumstance, and disability.

Prior to the introduction of the current scheme in 2014, the number of bands an applicant could be placed into was higher. The scheme also allowed people not deemed to be in housing need to register. The change was made largely due to of the scarcity of supply of social housing meaning that this group was unlikely to be sufficiently high priority to access social housing via the register.

Local connection criteria were also introduced in 2014. Further modifications were made in 2018 including changes to the priority given to homeless households, and how the health conditions of applicants are assessed. The new priority given to homeless households was due to the sharp increase in homelessness in the borough, with the number of households (where a duty has been agreed) in temporary accommodation having increased fivefold in the last four years.

## Qualification for social housing

Applicants for social housing in the local authority must have a local connection in order to qualify to join the housing register. A local connection is defined as having a fixed address in the borough for a minimum of five consecutive years. Exceptions to this are made for:

- members of the armed forces
- social tenants needing to move to the district for work
- victims of domestic abuse
- people serving a custodial sentence
- young people taking a higher education course after leaving secondary education
- homeless households who are owed a homelessness duty
- care leavers

- keyworkers

The local authority also disqualifies from joining the housing register:

- Those who have a known history of anti-social behaviour or other offending
- Those with existing or former housing related debt, including rent arrears or mortgage arrears, (although this may be waived if there is a payment plan in place which has been adhered to for a reasonable time period)
- Those with a joint gross household income greater than £55,000 or who have over £20,000 in savings, investments or equity

The local authority officers reported that they only disqualify applicants due to anti-social behaviour in extreme circumstances.

The upper limits on income (£55,000 per year), and savings and assets (£20,000) were introduced in 2014 because social housing is scarce and market research on affordability showed that those above this income could afford to rent privately.

The minimum residency of 5 years in the area was introduced in response to pressure on the social housing system arising in part from people being forced out of London and into the area. There was also strong political support from local councillors for 'local homes for local people'.

## How the scheme prioritises between applicants

The allocation scheme uses bands to separate priority on the housing register, with applicants placed in three bands (A to C). The 3 bands represent the following:

- Band A – those with urgent or exceptional need to move, such as those with a life-threatening illness or disability, those in severely overcrowded accommodation and homeless households owed the main duty (where there is an urgent need to free up temporary accommodation)
- Band B – those with a need to move due to reasonable preference who are also given 'additional preference'
- Band C – those with a need to move due to being in a reasonable preference category

The local authority gives additional priority to certain groups that are already within the reasonable preference categories and places these groups in Band B. Additional priority is given to applicants who contribute positively to the local area. This is defined as being in work, in training or education, or volunteering. Employment, studying or training, and volunteering must have been continuous for 6 months up to when the application was made and when an offer is made.

Additional priority is also given to:

- those requiring a move due to a medical condition or disability
- care leavers
- those approved to foster or adopt
- members of the armed forces

- those engaged with the council's troubled families programme
- downsizers
- social tenants who need to move to the area to take up a job
- homeless households owed a main duty or prevention or relief duty
- key workers

The rationale for prioritising care leavers was to avoid them having to present as homeless or spend any length of time in temporary accommodation.

Band C is for applicants occupying overcrowded housing by one bedroom, needing to move for welfare reasons, sharing a kitchen, bathroom and toilet facilities with another household or living in supported hostel accommodation and homeless households who would otherwise not qualify.

The allocation scheme prioritises those in the highest band first and then by waiting time, with a system of direct lets. This means that applicants do not have choice in the property that they are allocated, although the local authority will allocate properties in line with applicants' needs. In practice, the large majority of those in Band C will not be housed and many of those in Band B will have to wait a long time for housing. Table 24 shows the numbers of households in each band, by size of property required:

**Table 23: Households on the housing needs register by priority band and size of home required, 31 March 2019**

	Band A	Band B	Band C	Total households
Requiring older persons' housing	4	66	38	108
1 Bedroom/ studio	4	352	250	606
2 Bedroom	8	490	200	698
3 Bedroom	10	398	112	520
4 Bedroom	3	129	23	155
5+ Bedroom	2	23	7	32
Total	31	1,458	630	2,119

Source: Case Study 9

As shown by the table above, the majority of people on the housing register are in Band B, with less than half of that number in Band C and a very small number in Band A. Table 25 shows the number of applicants and allocations by band.

**Table 24: Number of households on the register and number of lettings by band, 2018/19**

	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Total households</b>
Households on register, 31 March 2019	31	1,458	630	2,119
Properties let, year ending 31 March 2019	134	258	12	405
Properties let per 1,000 on register	4,323	177	19	191

*Source: Case Study 9*

The table above shows that households in Band A are allocated homes very quickly, while those in Band C are housed quite rarely.

### **The process of making offers**

The local authority has always operated a system of direct lets, as opposed to a choice-based letting system.

The allocation scheme states that applicants for the housing register are making an application to be housed:

- anywhere within the borough
- in any tenure or tenancy type which meets their needs, whether council managed accommodation or a registered provider, normally a housing association
- in any size and type of property which meets the needs of the qualifying applicant and their household, as determined in this allocation scheme

Most applicants are made one offer of suitable accommodation and if they do not accept a suitable offer, they are removed from the housing register. Applicants cannot refuse offers because of the location, property type, landlord type, lack of parking or being unsuitable for their pet (unless a registered assistance dog) without being removed from the register.

There are a few exceptions made to these rules for downsizers and other exceptional situations such as decanting tenants. Local authority officers felt that this system worked in the area because theirs is a small authority, where people can reasonably be expected to live in any part of the district, and much of the stock is similar in nature.

When making an offer of accommodation, the local authority does an assessment to ensure the applicant still meets the qualification criteria. Applicants are asked for payslips (in order to check working status and that the applicant does not exceed the £55,000 upper income limit) and proof of address again, as well as doing rent checks. If there are rent arrears, the authority will check for a payment plan being in place.

## **Joint working with housing associations**

The local authority has just under 6,000 units of its own stock, around half the total social housing stock in the district, with the remainder managed by housing associations. The local authority has nominations agreements in place with all of the private registered providers operating in the borough. There are no regular meetings between local authority housing staff and registered providers, though these have taken place in the past to discuss new developments. All the housing associations in the authority were consulted when the council framed its current allocation scheme. The housing associations interviewed said that they agreed with the overall aims of the local authority's allocation scheme.

Most housing associations locally have nominations agreements which last for 60 years. Once the local authority receives notice that a housing association property has become available, it then has 10 working days to nominate someone to that property. If the local authority does not make a nomination, a further 5 working days are provided for the local authority to provide a suitable nominee. After these 5 days, the housing association is at liberty to fill the vacancy from its own pool of applicants. The majority of the housing associations operating in the authority are required to take nominations for 100% of their stock, with a few required to take nominations for 75% and keeping the remaining 25% for internal transfers. One housing association is only required to take nominations for 50% of its stock, and this housing association maintains its own waiting list for the remainder of its lettings.

At the time of the research, the local authority was reviewing the information sent to housing associations who had expressed the need for more information about prospective tenants. Some of the housing associations interviewed do their own pre-tenancy assessments, which include credit checks and checks to see if there is a history of anti-social behaviour. These will inform whether they will accept nominations. The local authority monitors refusals by applicants. In 2019, one third of nominations were refused by housing associations, which is a large decrease in refusals from 57% in 2017 and 40% in 2018. This was thought to be due to the new policy of allowing applicants only one suitable offer of housing. No data was collected on how frequently housing associations refuse the people who are nominated to them.

## **Homelessness**

Homeless applicants owed the main duty or a prevention or relief duty are placed in Band C. If these households are working or meet any of the other criteria which provides additional priority (for instance, if they are working), they would be placed in Band B. Homeless households owed the main duty are placed in Band A if the council urgently needs the accommodation they are occupying for another homeless household. Table 26 shows the number of homeless households owed a duty, including a prevention or relief duty, per band currently on the housing register:

**Table 25: Number of homeless applicants by Band, 2020**

<b>Band</b>	<b>Number of applicants</b>
A	23
B	142
C	109
<b>Total</b>	<b>274</b>

*Source: Case Study 9*

As discussed above, the large majority of Band C applicants are unlikely to be housed.

The rapid rise in households in temporary accommodation in the last 4 years was thought to be caused by low income households moving to the area because they cannot afford rents in London, as well as London boroughs placing homeless households in private rented accommodation in the authority to both prevent and relieve their homeless duties. Homeless households do not need to meet the five-year local connection criteria.

### **Equalities and supporting people in the process**

The allocation scheme aims to ensure that each person has equal entitlement to housing, regardless of ethnic or racial origin, religion or belief, disability, age, gender, gender reassignment, sexual orientation, or family circumstance.

The local authority undertakes a few measures to ensure equal access to social housing for all applicants. All applicants are given the same allocations scheme booklet, explaining how the scheme works, and an annual newsletter is published highlighting the demand for social housing by band and bedroom size, and the lettings completed in the previous year by band and bedroom size. This is intended to ensure that applicants have a clear understanding of the scheme and of the likelihood (and timeframe) of them being housed.

The council have undertaken an equalities impact assessment, which found that the additional priority given to working households may disadvantage disabled people, as they face more disadvantage in the job market. Revisions made to the scheme in 2018 included changes to the additional preference criteria to ensure that people with a clear medical condition or disability that is worsened by their current accommodation are placed in Band B.

### **Access to adapted accommodation**

The local authority housing team match disabled people to accessible housing by sending surveyors out to inspect properties and then reviewing each vacancy to determine whether see if it is suitable for someone with a particular disability. This only covers council-owned stock.

The local authority operates a database of accessible homes. However, the officers reported that the database in and of itself was not sufficient and that they are in the process of updating it. Where an applicant is disabled, an occupational therapist would be invited to view the property they are being considered for and would advise the local authority whether it is suitable and what adaptations (if any) are required.

The local authority's current (2018) allocation scheme has given greater priority to applicants with a life-threatening illness or disability and where the accommodation currently occupied poses an immediate and exceptional risk of serious harm, placing these applicants in Band A. The local authority places in Band B households assessed with a need to move on medical grounds where the current housing conditions are having an adverse impact on the medical condition of the applicant or a member of the applicant's household. In this case the condition or disability must be severe, where remaining in the current home will contribute to deterioration in the person's health. These include both disabilities, medical conditions, and infirmity due to old age.

One housing association interviewed displayed good practice in offering a bespoke service for all disabled applicants nominated to them. This housing association's officers meet all applicants in person and discuss their needs once a nomination has been made, in order to better understand the specific needs of applicants.

## **Working households and mobility**

As mentioned above, working households are considered to have made a community contribution and so are given additional priority. This means that working households are placed in Band B, when they would otherwise be in Band C. Given the very low likelihood of being housed from Band C, this effectively means that applicants occupying overcrowded housing by one bedroom, needing to move for welfare reasons, sharing a kitchen, bathroom and toilet facilities with another household, living in supported hostel accommodation, as well as most homeless households, are only able to access social housing in the authority if they are in work or otherwise making a community contribution. Band B applicants are not given additional priority for being in employment

Additional priority is also given to social tenants from other areas who need to move to the district for work – this was introduced in response to the 2015 Right to Move legislation intended to help social tenants who need to move to take up a job or live closer to work. Applicants who meet this criteria are placed in Band B. When awarding this preference, the local authority will take into consideration applicants' income, as well as the availability and affordability of transport between their current home and job.

The local authority officers reported that many people move to the authority for employment in all tenures, partly due to the location and because they have many large companies. Giving priority to social tenants seeking to move is a response to this economic demand. However, they report that not many people are housed through this mechanism.

## **Integration, cohesion and mixed communities**

The upper income limit of £55,000 and upper savings limit of £20,000 could be considered to restrict the creation of mix within the social housing sector, as applicants on the housing

register will generally be those on lower incomes. However, the local authority considers that meeting the most urgent housing need is a higher priority than creating mixed communities.

The local authority has previously used local letting plans for new developments. These were intended to help develop and maintain balanced and sustainable communities. Officers said that if they were to implement a local lettings plan again, it would require a cabinet decision. There are no developments planned in the foreseeable future that would be large enough to warrant a local lettings plan. Local authority officers felt that implementing local lettings plans could be divisive as they would not necessarily be prioritising those in the greatest need. They felt that as people making a community contribution are already given priority, local lettings plans were unnecessary. The housing associations interviewed were, however, in favour of using local lettings plans on newbuilds.

### **Issues with the current scheme**

The local authority officers felt that the overriding issue was that there was insufficient social housing to meet demand. There were no hard to let properties as there had been previously. There is a scarcity of land to build on, so it is difficult to meet their need through new supply. The authority relies on brownfield sites becoming available.

With regard to the system of direct lets, local authority officers reported an increasing number of reviews of decisions but ultimately, they felt that the system works for them as a local authority.

Local authority officers were also concerned about the increased pressure placed on their social housing stock by homeless households from other local authorities, particularly London. They felt that the problems were compounded by caps on local housing allowance and the benefit cap, as this reduces the ability of social tenants to pay rents and affects the sustainability of tenancies.

Local authority officers felt that the additional priority given to those in Band B is working well, particularly for those needing to move for medical reasons. This had been highlighted as an area of particular importance in the consultation on their allocation scheme.

# Case Study 10

## Context

Case Study 10 is a London borough with high levels of homelessness and pressure on housing of all tenures. The average house price and rent is very high compared to elsewhere in England. The social rented sector is large – forming more than 40% of the housing stock in the borough. Nevertheless, the number of social housing allocations has fallen quite sharply in recent years to less than half of what it was in 2013. At the same time, the number of housing applications received grew by nearly 50% between 2015 and 2018.

The borough has its own allocation scheme covering just the borough and there is no sub-regional scheme. The current scheme was approved in 2013 and came into effect in 2014. The council is undertaking a comprehensive review of the existing housing allocations scheme with a view to creating a new housing allocations scheme subject to a consultation exercise during 2020. The full scheme is published on the local authority's website, as well as a summary of it.

## Designing the scheme

The current allocation scheme's stated aims are to:

- empower people to make choices over where they live
- help create sustainable communities
- encourage the effective use of available housing

The local authority officers reported that the main drivers for introducing the current scheme were the Localism Act and a desire from local politicians to reward good behaviour and respond to complaints from local residents that housing was not going to those who most deserved it. There was also a desire to consider how they allocate social housing within the housing system as a whole, taking into account other tenures, as well as the financial and social pressures within the borough. The local connection criteria limit of 5 years was the subject of consultation with tenants and local residents who felt that this was a reasonable length of time to demonstrate commitment to the area.

The 2013 scheme also restricted the type of property that care leavers qualified for to bedsits – this was reported to be because care leavers often struggled to afford the rent and bills on self-contained properties due to the low benefit rate for under 25 year olds. This had not had an identifiable impact on the waiting list, which has been growing due in part to declining lets as a result of regeneration projects.

## Qualification for social housing

The 2013 scheme made use of the new flexibilities that local authorities were given in the Localism Act in order to limit access to the register to those with a local connection. This was defined as:

- living in the borough for 5 years

- working in the borough
- needing to move to the borough to provide or receive support
- other 'very specific' reasons

Exceptions are made for military personnel. Homeless households accommodated in the borough by another local authority are excluded from the local connection criteria for as long as another authority still owes them a homeless duty.

The local authority also reserves the right to disqualify people from registering who are considered unsuitable to be a tenant due to a history of unacceptable behaviour, rent arrears, previous breaches of tenancy, or criminal conduct in or near the home. It also operates a Band D on the housing register which people in any of the above categories can be relegated to. In practice the local authority tends to use Band D for households deemed to be unsuitable, rather than disqualifying them from the register. Those in a reasonable preference category are exempt from qualification criteria, as this is considered to meet the legal duties of affording them reasonable preference. Relegation to Band D is not usually a permanent relegation. In practice the local authority would only usually be aware of rent arrears on current or former council and housing association tenancies.

The full allocation scheme states that people will be subject to a financial means test to establish whether they need social housing. However, this is not mentioned in the summary of the scheme and the local authority reported that they did not currently enforce an upper income or savings limit. This is because the housing market is very expensive, so most applicants would be unable to afford private housing. The local authority does not currently have income data on a significant proportion of their applicants.

## How the scheme prioritises between applicants

The allocation scheme uses a banded approach, with applicants assigned to 4 bands (1 to 4), with 1 being the highest priority. If someone from Band 1 bids on a property, they will have a higher priority than anyone in Band 2, for example. Table 27 sets out the numbers of households in each band, by size of property needed:

**Table 26: Households on the housing needs register by priority band and size of home required, 2 October 2019**

	Band 1	Band 2	Band 3	Band 4	Total households
1 bedroom	353	185	910	2,611	4,059
2 bedrooms	217	74	2,193	769	3,253
3 bedrooms	80	121	1,701	357	2,259
4 bedrooms	33	64	490	105	692
5+ bedrooms	13	21	168	38	240
Unknown	1	1	25	1	28

Total	697	466	5,487	3,881	10,531
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Source: Case Study 10, Data as of 2 October 2019

As can be seen from the table above, the majority of people in Band 3 are waiting for a property with two or more bedrooms, and in Band 4 waiting for a one bedroom property. The profile of those on the housing register does not match the profile of dwellings let – the local authority letting statistics show that half of all lettings were of one bedroom homes, and just 3% were of properties with three or more bedrooms (compared with 30% of applicants, as shown above).

Within the bands, the prioritisation is a little more complicated than in most authorities, as the authority has introduced 'priority stars' which are awarded to applicants on a separate basis to allocating them into bands. Stars are allocated to those who:

- Are owed a main homeless duty
- Are statutorily overcrowded or occupying unsanitary or hazardous housing
- Need to move on severe medical or welfare grounds
- Need to move to a particular locality to avoid severe hardship to health or welfare
- Are a working household
- Are undertaking a voluntary community contribution

Applicants can have up to 5 stars in total (the first 2 stars on the list cannot be awarded together). Within each band applicants with the most stars take priority over applicants with fewer stars. The stars therefore provide a further means of increasing priority for aspects that the local authority wishes to prioritise. Waiting time is used only to prioritise between applicants in the same band and with the same number of stars.

## **The process of bidding and making offers**

The local authority has run a CBL scheme since 2005.

All Housing Register applicants are subject to a verification visit and/or other investigations to ensure their eligibility and qualification for housing, and that they have been placed in the correct band and with the correct number of priority stars. They are then advised what type of property they can bid for. Transfer applicants and new applicants are treated the same. Applicants may only bid for one property in each bidding cycle – this is because the local authority found previously that allowing more than one bid caused administrative difficulties as some applicants were the highest-ranked bidder for more than one property. Applicants can see information about the number of other bidders on each property and can change their bids to improve their chances of success. A block-bid system is put in place for new developments where there are more than one identical properties; applicants could, for instance, bid on a group of ten one-bedroom flats in a new block, which are then allocated to the ten highest bidders.

The 3 highest-ranked bidders for each property are invited to view it, though individual viewings can be arranged for people with disabilities. At the viewing (or around the same time) the local authority checks the applicant's identity documents and ensure they are still entitled to the property (for instance that their household composition has not changed). The local authority does not undertake affordability checks. This was because it was

considered that the large majority of applicants would be unable to afford the high-priced market housing locally, so the administrative costs and efforts involved would not be worthwhile.

## **Joint working with housing associations**

Quarterly meetings are held between the local authority and the main housing associations who let stock in the borough. These were broad meetings covering many issues relating to social housing, not just allocations. The housing associations interviewed felt that overall there was a good relationship with the local authority and they were able to discuss issues when they needed to.

The local authority has a nominations agreement that has been in place for many years and governs their relationships with most local housing associations. It requires housing associations to offer 75% of their 'true voids' for nominations. True voids are calculated as the number of voids that arise in a year, after excluding the ones that arise from tenants transferring within their stock. Housing associations are given discretion over which properties they offer up to the local authority, and can choose to retain specific properties within their 25% if, for instance, they are aware of a transfer applicant who would be suited that particular property.

The 2 housing associations who attended the interview reported that they felt the 75% nomination agreement to be working well and to give them sufficient flexibility to help existing tenants when they needed to, whilst also helping those on the wider list. These 2 housing associations are the largest in the authority and accounted for more than a third of the self-contained general needs housing stock in the borough. Both used the voids that did not need to be offered to the local authority solely to help existing tenants needing a transfer, and neither operated external waiting lists, though one did also use some of their 25% in helping former rough sleepers (see below). Both used their own banding schemes to prioritise tenants looking for a transfer. These schemes do vary somewhat from the local authority scheme, in that while the local authority has bands with clusters of many different groups of applicants, these housing associations have bands with a much smaller group of applicants. For example, one of the housing associations only had residents being decanted from their homes in Band 1 and under-occupiers in Band 2.

People nominated to a housing association then needed to complete the housing association's own application form, as information from the original application to join the local authority housing register was not passed on to housing associations, and the housing associations considered that it may anyway be out of date or not contain all the information they required.

Local authority officers reported some difficulties with ensuring that people nominated to housing association lets were always able to take on the responsibility. They reported that some housing associations were requiring a month's rent upfront. Whilst some were flexible about this requirement, others were not. Many housing associations also undertake affordability checks. Applicants can fail these if they are working and on a low wage, and the shortfall is not covered by housing benefit. The 2 associations attending the interview reported that they operated some sensitivity in allocating tenancies via the CBL scheme – for instance not allowing someone with a history of ASB to be let a property in the area where they had caused problems. They would also reject ex-tenants with rent

arrears on a previous tenancy unless there was a repayment agreement in place. The local authority reported that 9% of its nominations to housing associations were refused in the period April 2019 to October 2019.

Local authority officers also reported that there could be challenges in successful working with housing associations if they had a high staff turnover. They found it easier to engage with associations where there was one dedicated officer with responsibility for allocations, rather than the patch-based approach operated by some associations or call-centres.

## **Homelessness**

Homeless applicants are relatively low-banded, being placed in Band 3 if they are owed a main homelessness duty, and this has recently been expanded to include those owed a prevention or relief duty as a result of the Homelessness Reduction Act. Other homeless applicants are placed in Band 4 (the same band as people with no housing need) if they are homeless but not in priority need. Some individuals may be placed in a higher band if they have medical needs. This is a conscious decision that the local authority took in order for homeless applicants not to dominate the allocation scheme, and to prevent homelessness being seen as the necessary route into social housing. The local authority accepts relatively low numbers of households as being owed a main homelessness duty.

The local authority also tries to encourage homeless applicants owed the main duty to accept offers of accommodation in the private rented sector by allowing them, in certain circumstances, to preserve their Band 3 ranking. This is something they have introduced this year (2019) and is done on a discretionary basis. The authority is currently considering whether they could increase the incentive to accept private rented accommodation by increasing the priority to Band 2.

People sleeping rough in the borough are allocated priority Band 1. One of the housing associations interviewed reported that they also tried to help rough sleepers outside of the housing allocation scheme by working with a number of local projects.

## **Equalities and supporting people in the bidding process**

Local authority officers reported that they were aware that people's individual circumstances might not always be reflected in the categories within a housing allocation scheme, and they made efforts to take people's individual needs into account. They attend community events and try and advise local people on how the scheme works. A weekly session run by the CAB and other partnership work with the voluntary sector involves running sessions on how to bid. The housing associations interviewed both felt that the allocation scheme was, overall, as fair as it could be.

There are also several ways in which the allocation scheme aims to meet the needs of key groups of people with protected characteristics. Their 2013 scheme increased the priority given to households who were statutorily overcrowded. A key aim of increasing the priority for this group was to improve the lives of children living in very crowded conditions and improve educational attainment. The priority given to those needing to move-on from hospital was also increased – a group likely to include many with disabilities. There was also a new Band 2 category added for adults with learning difficulties needing to live

independently. Both of these last two groups were added through a desire to improve joint working with health and social care providers.

The local authority equality impact assessment found potential for those with disabilities to be disadvantaged by the allocation process, in particular those with a mental illness. However, they found no actual evidence of discrimination. The authority officers were concerned that priority given to working households is likely to disadvantage disabled people. However, the equality impact assessment also mentions that waiting times for adapted properties are far shorter than for general needs accommodation, as adapted properties are not in short supply in the borough. Adapted properties are recorded on the information technology database, and properties with major adaptations are advertised for applicants who require them.

### **ACCESS TO ADAPTED ACCOMMODATION**

The local authority participates in the London Accessible Housing Register. Applicants are assessed into one of three groups, reflecting the level of adaptations they require:

- Mobility 1- full wheelchair access, property will include ramped or level access in and out of the property and an accessible kitchen and level access to the bathroom
- Mobility 2- partial wheelchair access, property will include ramped or level access and accessible bathroom facilities
- Mobility 3- assisted access, property will include level access or shallow steps with handrail and accessible bathroom facilities

Wheelchair-users will have a home assessment undertaken by an occupational therapist, and then be assigned into one of these 3 groups. Only people with mobility difficulties can bid for adapted properties, though those in Mobility 3 group may also bid for non-adapted properties that they feel would meet their needs. The local authority felt that the system worked quite well for letting adapted properties. The housing associations, however, reported that adapted properties could take longer to let, because people's needs were often quite specific – on issues such as parking, room size and access needs of different type of wheelchair. They would often need to view the property before knowing whether it would suit them. This led to higher refusal rates and longer void times, though properties were always let to people needing the adaptations as there was no shortage of demand. The housing associations reported that they would normally give adapted properties to the local authority to let, rather than letting them themselves.

### **Working households and mobility**

A less common feature of this allocation scheme is that existing tenants with a good tenancy record, without necessarily being in housing need, are allocated Band 2. This was intended to promote mobility within the stock and reward good behaviour, though uptake has thus far been low, possibly due to a lack of awareness or demand from existing tenants.

Priority is also given to working households. Having a job in the borough is considered to be a form of local connection – meaning that those in work but resident less than 5 years qualify to join the housing register. Households in work are also given a priority star. Working households may also benefit from some of the local lettings policies put in place on newbuild estates (see below).

The housing associations' focus on mobility related to downsizers, who were offered financial incentives and support, rather than those looking to move for employment-related reasons. Both however, had recently started using the Greater London Authority's Housing Moves<sup>26</sup>, which is a London-wide scheme for helping tenants move throughout London. They also pointed out that as associations working across wide areas, existing tenants could apply for a transfer to another area via their transfer list and be considered on the same basis as tenants already living in that area.

### **THE ARMED FORCES**

The priority given to members of the armed forces was increased for the current scheme after the government's directives in this area. The local authority officers reported that the cabinet member for housing was strongly in favour of this, and that it had little impact on other groups seeking housing because the number of armed forces applicants seen was very small.

### **Integration, cohesion and mixed communities**

As discussed above, the allocation scheme sets out that the authority can impose upper income limits on qualification to join the housing register but does not currently enforce any. This means that the housing is not currently reserved just for those on low incomes.

Local lettings plans are used for new developments and allow them to let up to half of the first lets outside of the usual scheme priorities. These are drawn up with the involvement of existing neighbouring communities and signed off by senior cabinet members. For instance, in one recent development there was an agreement that 50% of the first lets would go to existing tenants of the estate where the new development was sited. These types of arrangements help to integrate a new development within the local area and improve community cohesion. Residents of the local area will often have been affected by the building works involved for some time so the authority feels a duty to take care of them. However, the authority only allocates homes of the size required by the household—the local authority does not feel it could justify allowing any under-occupation via local lettings policies when it has such pressure on its housing stock.

One of the housing associations interviewed reported that they also operated local lettings plans on newbuild estates and tried to ensure that they created a mixed community – for instance by requiring that a certain percentage of the lets went to people in work.

The housing associations felt that the local authority's policy of allowing homeless applicants one offer only (in order to discharge their homelessness duties) sometimes led to people taking on a tenancy in an area where they did not really want to live. This was counter to the housing associations' aim to create sustainable communities. They felt that choice-based lettings were very helpful in creating cohesive communities as if people were

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<sup>26</sup> [www.housingmoves.org/](http://www.housingmoves.org/)

able to live where they wanted to live they would naturally form and strengthen communities.

## **Issues with the current scheme**

The local authority is currently in the process of reviewing the housing allocation scheme. It has received some feedback that the starring system is considered quite complicated for applicants to understand. This has also had the effect of reducing the priority given to the amount of time people have been waiting. There has been some frustration from applicants whose medical conditions are giving rise to housing need and also preventing them from working or making a community contribution, which they feel is unfair. The cumulative effect of the working star and the local connection criteria have meant that people from outside the borough who have recently taken a job inside it are receiving priority over existing residents. It was also reported that older people looking to downsize were not being given sufficient priority.

The stars allocated for working or making a community contribution can also be hard to enforce, as people's circumstances can change. To gain the star for working the job needs to be permanent and the household in work for 9 out of the last 12 months, meaning that someone who has recently given up voluntary work to take up paid work at the point when they bid successfully for a property, would then be found to have lost the star for their volunteering, and not yet be eligible for one for working, therefore potentially losing the property. In practice the local authority does not have the resources to check on people's working status regularly.

The local authority is also considering whether to retain the priority given to 'good tenants'. Relatively few tenants receive allocations under this priority, and the administration of it has caused some complaints – for instance when tenants have been late paying rent as a result of administrative issues experienced by the local authority. There was also some concern over prioritising a group of people who are not in housing need over those who are.

The current review is also considering the issue of whether to impose upper limits on incomes or savings for housing applicants. There is a need to balance the desire to ensure housing goes to those who need it most with creating mixed income communities.

# Annex 3: MHCLG survey of local authorities – findings

All figures are the number of responses. Some questions are multi-response.

## A: Profile

Q2: Please select one:

Region Name	Stock-holding authority	Non-stock holding authority (i.e. you have transferred your stock to one or more housing associations)	Stock-holding authority with stock managed by an ALMO	Total
North East	4	3	2	9
North West	5	19	2	26
Yorkshire	8	4	3	15
East Midlands	15	8	5	28
West Midlands	7	6	3	16
South West	8	12	4	24
East of England	14	12	1	27
South East	25	22	1	48
London	14	3	3	20
England	100	89	24	213

Q3: Does your local authority have a team/officer(s) responsible for allocations?

Region Name	Yes	No	Total
North East	8	1	9
North West	16	13	29
Yorkshire	13	3	16
East Midlands	26	2	28
West Midlands	12	4	16

South West	20	4	24
East of England	26	1	27
South East	48	0	48
London	20	0	20
England	189	28	217

**Q4: Do you have a nominations agreement with one or more housing associations?**

Region Name	Yes, we have more than one	Yes, we have one	No, we don't	Total
North East	7	1	1	9
North West	16	5	8	29
Yorkshire	13	2	1	16
East Midlands	19	7	2	28
West Midlands	12	3	1	16
South West	13	6	4	23
East of England	21	4	1	26
South East	34	12	2	48
London	17	3	0	20
England	152	43	20	215

**Q5: How often do you review your nominations agreement with your housing association partner(s)?**

Region Name	Every 2-5 years	Not sure	Every year	Other	Total
North East	2	3	2	1	8
North West	7	8	0	3	18
Yorkshire	5	1	1	7	14
East Midlands	12	5	1	8	26
West Midlands	6	4	2	3	15

South West	9	5	3	2	19
East of England	6	10	3	6	25
South East	12	12	2	19	45
London	7	7	1	4	19
England	66	55	15	53	189

## B: Your allocations scheme

Q6: Do you publish your allocations scheme online?

Region Name	Yes, the full policy	Yes, both of the above	Yes, a summary of the policy	No	Total
North East	9	0	0	0	9
North West	22	5	1	1	29
Yorkshire	13	3	0	0	16
East Midlands	27	1	0	0	28
West Midlands	15	1	0	0	16
South West	19	3	2	0	24
East of England	25	2	1	0	28
South East	40	8	0	0	48
London	10	10	0	0	20
England	180	33	4	1	218

Q7: Have you made any major policy changes to your allocations scheme within the past seven years? [This might include a change affecting the relative priority of a large number of applicants, or a significant change in procedures]

Region Name	Yes	No	Total
North East	7	2	9
North West	26	3	29

Yorkshire	14	2	16
East Midlands	22	5	27
West Midlands	14	2	16
South West	18	5	23
East of England	23	5	28
South East	43	5	48
London	20	0	20
England	187	29	216

**Q8: In general, what were the primary reasons for those change(s)?**

Region Name	New legislation	Public engagement	Sharing ideas with other LAs	Changes to the local population	Other
North East	6	3	2	2	3
North West	22	11	6	8	3
Yorkshire	14	8	4	2	1
East Midlands	20	8	4	7	5
West Midlands	13	2	2	4	2
South West	17	5	6	5	2
East of England	21	6	6	7	3
South East	39	11	9	10	11
London	16	10	2	6	4
England	168	64	41	51	34

Q9: Thinking about your current policy for allocating general needs social homes, please rate the importance of the following objectives (1 is not important, 5 is very important):

Very important

Region Name	Value for money	Effective use of stock	Creating mixed communities	Preventing homelessness	Affordability of tenancy	Sustainability of tenancy	Support working households	Improving health
North East	3	7	5	9	8	8	5	9
North West	6	15	5	21	12	16	5	28
Yorkshire	3	12	6	15	7	9	3	16
East Midlands	5	18	3	20	12	13	2	27
West Midlands	2	8	4	11	6	5	2	16
South West	7	17	5	14	12	10	4	22
East of England	7	20	6	18	13	15	4	28
South East	11	33	10	28	24	27	8	47
London	10	17	6	15	8	7	6	20
England	54	147	50	151	102	110	39	213

Least important

Region Name	Value for money	Effective use of stock	Creating mixed communities	Preventing homelessness	Affordability of tenancy	Sustainability of tenancy	Supporting working households	Improving health
North East	0	0	0	0	0	0	0	0
North West	2	3	0	2	2	2	0	0
Yorkshire	1	0	0	0	0	0	2	0
East Midlands	3	2	1	2	2	2	3	4

West Midlands	2	2	0	2	0	1	0	0
South West	1	1	1	0	0	1	1	3
East of England	1	2	0	1	1	1	5	0
South East	3	3	1	4	2	2	4	3
London	0	1	0	1	2	1	1	0
England	13	14	3	12	9	10	16	10

**Q10: Do you give equal weighting to all reasonable preference (RP) categories?**

[In this question, we are interested in how you might prioritise particular RP groups, for example by giving homeless households priority above overcrowded households, or vice versa. Please do not feel the need to expand on additional factors you use to determine priority between people within the same RP group]

Region Name	Yes	No	Total
North East	4	5	9
North West	13	15	28
Yorkshire	6	10	16
East Midlands	13	14	27
West Midlands	5	11	16
South West	14	9	23
East of England	9	19	28
South East	26	22	48
London	6	14	20
England	96	119	215

**Q11: Do you look to prioritise any of the following groups of applicant in your allocation/lettings system?**

Region Name	Paid Employment	Volunteers	Serving personnel/ Veterans	Care leavers	Victims of domestic abuse	Moving from supported accommodation	Under-occupied	Other
North East	0	0	9	9	9	9	8	4

North West	17	15	25	27	27	27	26	8
Yorkshire	2	1	14	16	11	16	16	2
East Midlands	4	4	23	25	25	23	25	6
West Midlands	4	5	16	13	13	13	14	5
South West	2	0	18	19	20	20	21	3
East of England	7	1	23	16	20	24	25	5
South East	12	8	38	35	31	44	42	8
London	11	5	19	19	17	19	20	8
England	59	39	185	179	173	195	197	49

**Q12: Do you take account of local connection/residency in your allocations scheme?**

Region Name	Yes, it determines level of priority	Yes, it determines whether an applicant can register	Both of the above	No	Other (including as part of local lettings policies)	Total
North East	5	0	1	1	2	9
North West	15	6	2	4	1	28
Yorkshire	5	9	1	0	1	16
East Midlands	6	16	5	0	0	27
West Midlands	3	8	5	0	0	16
South West	10	10	3	0	0	23
East of England	8	12	7	0	1	28
South East	5	32	9	0	1	47
London	2	10	7	0	1	20
England	59	103	40	5	7	214

**Q13: Do you take account of an applicant/household's income and/or assets in your allocations scheme?**

Region Name	Yes, it determines whether an applicant can register	Yes, it determines level of priority	Both of the above	No	Other	Total
North East	1	1	1	4	2	9
North West	10	9	0	9	0	28
Yorkshire	6	4	0	5	1	16
East Midlands	12	4	5	2	4	27
West Midlands	6	3	4	2	1	16
South West	13	6	2	0	2	23
East of England	10	9	7	1	1	28
South East	31	2	8	0	6	47
London	13	0	2	2	3	20
England	102	38	29	25	20	214

**Q14a: Do you take account of whether an applicant has existing or former rent arrears?**

Region Name	Yes, it determines level of priority	Yes, it determines whether an applicant can register	Both of the above	No	Other	Total
North East	2	3	3	1	0	9
North West	6	12	9	0	1	28
Yorkshire	2	9	3	0	2	16
East Midlands	3	16	4	1	3	27
West Midlands	3	7	4	1	0	15
South West	3	11	3	2	4	23
East of England	8	12	6	0	2	28
South East	7	22	7	1	10	47

London	2	8	1	2	7	20
England	36	100	40	8	29	213

Q14b: Do you take account of whether an applicant has a known history of ASB?

Region Name	Yes, it determines level of priority	Yes, it determines whether an applicant can register	Both of the above	Other	No	Total
North East	2	4	2	0	1	9
North West	6	15	6	1	0	28
Yorkshire	1	10	2	3	0	16
East Midlands	1	18	4	3	1	27
West Midlands	1	7	6	1	1	16
South West	2	13	2	5	1	23
East of England	8	16	4	0	0	28
South East	6	24	7	9	1	47
London	1	14	1	2	2	20
England	28	121	34	24	7	214

Q14c: Do you take account of whether an applicant has a known history of offending, other than ASB?

Region Name	Yes, it determines level of priority	Yes, it determines whether an applicant can register	Both of the above	No	Other	Total
North East	2	4	2	1	0	9
North West	4	20	3	1	0	28
Yorkshire	1	9	1	2	3	16
East Midlands	1	13	4	4	5	27
West Midlands	1	8	3	3	1	16

South West	2	12	2	1	5	22
East of England	3	11	3	8	3	28
South East	4	12	5	15	11	47
London	0	7	2	6	5	20
England	18	96	25	41	33	213

**Q15: When deciding who can register for social housing (including criteria addressed in Qs 12 to 14c), do you make exceptions for any of the following groups?**

Region Name	Homeless	Threatened Homeless	Ex-armed forces	Moving from supported housing	Fleeing domestic abuse	Fleeing other violence	Tenancy ready course	Review each case	Other	No exceptions
North East	7	4	5	5	7	5	0	9	1	0
North West	13	11	9	6	13	10	1	19	3	1
Yorkshire	8	6	6	7	8	7	2	13	2	0
East Midlands	18	14	17	7	19	14	1	19	2	2
West Midlands	7	4	8	2	8	6	0	11	2	1
South West	10	7	9	3	12	10	0	13	1	4
East of England	14	8	14	8	10	7	2	17	4	0
South East	28	21	34	18	29	23	2	34	4	3
London	7	4	10	4	9	5	1	14	2	0
England	112	79	112	60	115	87	9	149	21	11

**Q16: Do you also apply these exceptions when an applicant would otherwise have reduced priority?**

Region Name	Yes	No	Other	N/A	Total
North East	4	2	1	2	9
North West	15	5	2	5	27
Yorkshire	5	1	3	7	16
East Midlands	15	1	1	10	27

West Midlands	7	1	2	6	16
South West	9	5	2	6	22
East of England	12	2	2	10	26
South East	22	5	4	16	47
London	6	3	1	8	18
England	95	25	18	70	208

**Q17: Do you apply the same criteria to existing social tenants as to new applicants?**

Region Name	Yes, we apply the same prioritisation criteria	Yes, we apply the same qualification criteria	Both of the above	No	Total
North East	1	2	4	2	9
North West	4	11	11	1	27
Yorkshire	1	6	8	1	16
East Midlands	3	7	15	2	27
West Midlands	0	5	10	1	16
South West	2	9	8	4	23
East of England	2	10	10	5	27
South East	3	26	14	4	47
London	3	6	6	5	20
England	19	82	86	25	212

**Q18: Do you differentiate how you allocate social rent and affordable rent?**

Region Name	Yes	No	Total
North East	9	0	9
North West	26	1	27
Yorkshire	15	1	16
East Midlands	24	3	27

West Midlands	16	0	16
South West	21	2	23
East of England	26	1	27
South East	38	9	47
London	16	4	20
England	191	21	212

**Q19: At which stage do you verify an applicant's application?**

Region Name	Initial application stage	Offer made	Change of circumstances application	Other
North East	9	4	3	0
North West	18	14	4	2
Yorkshire	12	11	6	2
East Midlands	23	15	13	1
West Midlands	8	6	6	4
South West	10	17	7	4
East of England	21	14	9	5
South East	32	27	21	10
London	9	12	5	5
England	142	120	74	33

**Q20: How often do you review your waiting list/housing register?**

Region Name	Every year	Every 2 – 5 years	When we have made substantive changes to our allocations policy	We do not undertake regular reviews	Other	Total
North East	6	0	0	2	1	9
North West	17	4	3	0	3	27

Yorkshire	11	2	1	1	1	16
East Midlands	17	4	2	0	4	27
West Midlands	5	4	2	0	5	16
South West	15	5	1	1	1	23
East of England	11	3	9	1	3	27
South East	29	6	8	1	3	47
London	7	4	3	4	2	20
England	118	32	29	10	23	212

Q21: How do you determine whether your allocations scheme is meeting intended outcomes?

Region Name	Satisfaction survey / feedback	Reduced waiting list	Reduced overcrowding	Prevent homelessness	Reduce long-term empty properties	Tenancy sustainment	Other
North East	4	4	3	6	5	4	1
North West	15	6	4	14	4	9	8
Yorkshire	7	6	6	13	9	9	0
East Midlands	10	11	11	23	10	11	3
West Midlands	6	5	3	11	1	6	4
South West	10	7	5	10	3	5	5
East of England	5	8	8	19	4	6	10
South East	11	23	14	25	11	10	9
London	8	12	13	16	13	7	3
England	76	82	67	137	60	67	43

## C: Your approach to lettings

Q22: Is your own stock (and/or properties you nominate to) let via a choice-based lettings scheme?

Region Name	Yes	No	Total
North East	9	0	9
North West	22	6	28
Yorkshire	13	3	16
East Midlands	25	2	27
West Midlands	13	3	16
South West	20	2	22
East of England	24	3	27
South East	40	7	47
London	16	4	20
England	182	30	212

Q23: Is the CBL system run at a sub-regional level (i.e. bringing together two or more local authority areas, often with a common allocation policy)?

Region Name	Yes	No	Total
North East	8	1	9
North West	10	13	23
Yorkshire	7	6	13
East Midlands	10	15	25
West Midlands	4	9	13
South West	13	7	20
East of England	11	13	24
South East	14	26	40
London	4	12	16
England	81	102	183

**Q24: Please indicate which information you include when advertising properties:**

Region Name	Map location /address	Photographs of property interior	Photograph of property exterior	Rent and charges	Council or housing association owned	Pre-tenancy checks required	Accessibility features
North East	8	7	8	8	8	3	8
North West	19	3	20	22	21	12	18
Yorkshire	12	2	13	13	12	8	12
East Midlands	23	7	24	24	23	14	25
West Midlands	13	1	13	12	13	2	13
South West	13	2	19	19	16	11	19
East of England	20	3	21	24	24	13	22
South East	33	0	38	39	39	20	38
London	14	5	16	16	15	4	13
England	155	30	172	177	171	87	168

**Q25: Do you provide any additional support to help people participate in the allocations process who might otherwise have difficulty in doing so (e.g. the elderly or disabled, those who have difficulty understanding English, or who do not have access to the Internet)?**

Region Name	Yes	No	Total
North East	8	1	9
North West	28	0	28
Yorkshire	14	2	16
East Midlands	27	0	27
West Midlands	16	0	16
South West	19	3	22
East of England	25	2	27
South East	44	3	47
London	19	1	20
England	200	12	212

**Q26: Do you conduct affordability checks as part of your approach to lettings?**

Region Name	Yes	No	Total
North East	9	0	9
North West	25	3	28
Yorkshire	9	7	16
East Midlands	19	7	26
West Midlands	10	6	16
South West	13	9	22
East of England	12	15	27
South East	27	20	47
London	14	6	20
England	138	73	211

**Q27: Do you advertise accessible properties as part of the CBL scheme? ['accessible' homes are defined as homes which are adapted or designed to enable those who have disabilities to live independently]**

Region Name	Yes	No, we let these properties directly outside of the CBL scheme	Total
North East	8	0	8
North West	19	0	19
Yorkshire	12	1	13
East Midlands	25	0	25
West Midlands	12	0	12
South West	19	0	19
East of England	21	3	24
South East	38	1	39
London	11	5	16
England	165	10	175

Q28: Do you maintain an accessible housing register? [defined as a register of homes which are adapted or designed to enable those who have disabilities to live independently]

Region Name	Yes	Yes, as part of a multi-borough or sub-regional arrangement	No	N/A	Total
North East	2	0	4	3	9
North West	8	3	10	7	28
Yorkshire	4	0	10	2	16
East Midlands	4	0	18	5	27
West Midlands	3	0	8	5	16
South West	4	1	8	10	23
East of England	5	1	14	7	27
South East	12	0	19	16	47
London	6	1	12	1	20
England	48	6	103	56	213

Q29: Do you have a process for matching people with access needs to those properties?

Region Name	Yes	No	Total
North East	2	0	2
North West	10	1	11
Yorkshire	4	0	4
East Midlands	2	1	3
West Midlands	3	0	3
South West	3	0	3
East of England	5	0	5
South East	12	0	12
London	9	0	9
England	50	2	52

Q30: Do you apply any restrictions on the number of times a household can:

Region Name	View properties	Bid on properties	Reject offers	None of the above
North East	2	4	2	3
North West	4	12	11	8
Yorkshire	4	11	11	1
East Midlands	3	14	11	8
West Midlands	0	9	5	4
South West	1	16	13	3
East of England	9	11	5	4
South East	7	20	16	14
London	6	7	9	4
England	36	104	83	49

Q31: Do you publish the results of bidding so that applicants can see which bids are successful (i.e. band, application date etc.)?

Region Name	Yes	No	Other	Total
North East	5	2	1	8
North West	17	4	0	21
Yorkshire	11	1	0	12
East Midlands	21	4	0	25
West Midlands	12	0	1	13
South West	15	2	2	19
East of England	22	2	0	24
South East	34	3	2	39
London	12	2	1	15
England	149	20	7	176

Q32: Do you offer flexible (fixed term) tenancies?

Region Name	Yes	No	N/A	Total
North East	3	3	3	9
North West	2	14	11	27
Yorkshire	6	6	4	16
East Midlands	7	14	6	27
West Midlands	2	8	6	16
South West	6	7	10	23
East of England	8	8	11	27
South East	20	8	19	47
London	7	11	2	20
England	61	79	72	212

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