Exploring local authority policy and practice on housing allocations
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Summary

Background

1. This report details the findings of a review and small scale research commissioned by Communities and Local Government (CLG) in 2007-08. The study was undertaken to inform CLG of current local authority housing allocations practice. The research involved three elements: (a) an initial review of existing research evidence, (b) an online survey of local authorities in South West England and Yorkshire & the Humber (response rate: 80 per cent), and (c) case study work in a diverse set of local authorities in Yorkshire & the Humber (5) and London (1).

2. Undertaking the research on a relatively modest scale enabled it to be completed relatively quickly. At the same time, the selection of regions was designed to encompass substantial variations in housing market conditions and administrative arrangements.

Key findings

Administration of lettings

3. Consistent with national data (CLG’s annual Housing Strategy Statistical Annex), the online survey found a strong relationship between local authority type and the incidence of choice-based lettings (CBL). Whereas CBL is operated in a high proportion of metropolitan and unitary authorities (79%), it has yet to be introduced in most district council areas (operational in only 24 per cent of such localities). The majority of functioning CBL systems can be classed as ‘multi-lender, fully integrated’ schemes in that they involve a range of local providers working to a common allocations policy.

Processing new applications and managing housing registers

4. Post-transfer local authorities responding in the online survey were evenly divided between those retaining operational involvement in lettings (i.e. management of a central register and/or CBL system on behalf of partner housing associations (HAs)) and those which had entirely relinquished such activities.

Online survey results confirm that in most areas (86%) ‘housing options interviews’ now form a standard element of council procedures for people seeking help with housing on the grounds of homelessness. Non-homeless applicants are often provided with some form of ‘housing advice’. However, few authorities routinely offer such applicants a housing options interview of the kind usually convened for their ‘homeless’ counterparts.
Similarly, very few authorities (six per cent of survey respondents) customarily arrange ‘review meetings’ for households remaining registered for housing for long periods, although in a majority of areas (56%) applicants were periodically advised (usually via leaflets) of private sector housing opportunities.

In reviewing their housing registers to remove ‘deadwood applications’, most authorities have now moved from periodic ‘en masse review’ to a rolling review approach. Some authorities operating CBL focus their reviews specifically on registered applicants classed ‘inactive’ on the grounds that they have made no recent bids for advertised vacancies.

Across the two regions covered by the online survey, reviews are reported as generally resulting in the removal of about a quarter of registered applicants per year. There appears to be no significant difference in the way registers are managed under CBL, at least in terms of the typical proportion of deadwood applications deleted via register review. It is therefore not unreasonable to continue to treat aggregate ‘waiting list’ numbers as a proxy for ‘expressed demand for social housing’. Similarly, trends in such numbers should be taken seriously as indicating underlying changes over time.

Allocations schemes

Not all local authorities make their allocations policy document available on the council website. A comprehensive assessment of eligibility criteria would necessitate close analysis of such material as well as case study work at a level of detail beyond that undertaken in this research. It is, however, clear from survey returns that most authorities ‘excluded’ certain types of applicant—typically persons with unpaid rent arrears from former tenancies, those believed responsible for serious anti-social behaviour and persons from abroad subject to immigration control. Case study evidence suggests that, while such action is usually subject to local policy guidelines, substantial officer discretion may also be employed in many cases.

There is a sharp dichotomy between councils retaining the traditional allocations model where points systems remain dominant, and CBL authorities which (as recommended in the 2000 Housing green paper) typically use needs-related bands/groups that are internally prioritised according to waiting time. As a rule, the strict criteria applied to membership of the highest group(s) limits numbers of applicants qualifying for such status. Across both CBL and non-CBL authorities operating systems of this kind, the proportion of ‘top banded’ applicants was...

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1. Such practices are compliant with official guidance where the applicant's rent arrears, or responsibility for anti-social behaviour are serious enough to have entitled their landlord to apply for a possession order – paras 4.20 and 4.21 in ODPM (2002) Allocation of Accommodation: Code of Guidance for local housing authorities; London: ODPM www.communities.gov.uk/documents/housing/pdf/157737.pdf
most cases under three per cent of all applicants. Most authorities party to CBL schemes believe the ‘increased transparency’ objective has been achieved in the sense of both staff and applicants finding the system easier to understand than the traditional model previously operated.

11. Waiting time made some contribution to applicant priority in most authorities. As perceived by survey respondents, however, its significance tended to be much greater under CBL than under traditional allocations schemes. Whereas 19 of the 20 CBL authorities considered waiting time to be ‘quite significant’ or ‘very significant’ here, this was true for only seven of the other 32 authorities.

12. A household’s income (and, in some cases, equity/savings) was taken into account under the allocations policies of most local authorities responding in the online survey. Only very rarely, however, are people seeking social housing debarred on these grounds.

13. One of the categories cited by some authorities as being accorded additional preference under local rules was ‘management transfers’. However, the definition of this term and the scale of such moves varied substantially from place to place. Circumstances cited as sometimes giving rise to the need for management transfers included domestic violence, severe harassment, under-occupation and witness protection. And while half of responding landlord authorities recorded no management transfer moves in 2006/07, one council (thanks, mainly, to an active decanting for demolition programme) reported 12 per cent of total lettings as such.

14. In defining ‘overcrowding’ in their allocations policies, authorities used a variety of approaches. Some calibrated their rules according to statutory standards, others to the bedroom standard. There were differences in assumptions as to what could be considered ‘reasonable’ in terms of bedroom sharing by children. The policy operated in one case study authority (London borough) counted as ‘bedrooms’ ‘every room suitable and reasonable to be used as sleeping accommodation’ (i.e. including living rooms).

15. Typically, across all authorities responding in the survey, overcrowded households accounted for 18 per cent of total registered applicants and 16 per cent of transfer applicants. This suggests that, while overcrowding may be an increasingly serious problem in some areas, it is far from the dominant reason that social renters seek transfers. Nevertheless, the wide variability of the figures here suggests that numbers may be substantially affected by diverse local definitions. As a rule, housing register/transfer applicants experiencing the most serious levels of overcrowding (e.g. statutory overcrowding or lacking three bedrooms as defined by the bedroom standard) are given similar or lower priority than ‘urgent medical’ cases.
16. Almost all landlord local authorities incorporate within their allocations policies extra priority for ‘underoccupiers’. However, the numbers of such households registered for moves tends to be much smaller than the number of applicants subject to overcrowding – typically equating to just 1.5 per cent of all council tenants (a tenth of the figure for overcrowding). As well as conferring additional priority, many authorities operated other policies intended to promote ‘trading down’ moves by underoccupier council tenants. Nevertheless, in spite of good practice guidance encouraging such approaches, there was no sign that these were any more widespread than in 1997.

Local lettings policies

17. Just under half of authorities in Yorkshire & the Humber and South West England operate ‘local lettings policies’ (LLPs) – i.e. exceptional rules applied to lettings in specific neighbourhoods or estates. Although this was more common in areas where there was low or variable demand for some social rented housing, LLPs were also used by some ‘all high demand’ authorities. Their compatibility with CBL is illustrated by the fact that they were reportedly operated in over half the CBL authorities, as compared with only just over a third of council areas where the traditional allocations model remained in place. There are signs that the use of LLPs has recently increased.

18. Policy variations implemented via LLPs vary from those which are primarily about opening up social housing perceived as ‘low demand’, to those which aim to more positively influence tenant selection by de-prioritising certain applicants (e.g. non-local or unemployed) or entirely debarring (for housing in the LLP area) those judged ‘risky’ in relation to their propensity to commit anti-social behaviour.
Chapter 1

Background and methodology

Overview

1.1 This report details the findings of research commissioned by Communities and Local Government in 2007-08. The study was undertaken to inform the Department of current local authority housing allocations practice.

1.2 Given its relatively small scale, the study focused mainly on two regions of England: Yorkshire & the Humber (YH) and the South West (SW). The selection of these two regions was intended to reflect a flavour of the national picture, albeit recognising that it might provide only limited insights into typical scenarios in London boroughs.

1.3 The fieldwork, undertaken in early 2008, took two forms:

- a questionnaire survey of all local authorities in Yorkshire & the Humber and South West England
- case study work in six authorities in Yorkshire & the Humber (5) and Greater London (1).

Questionnaire survey

1.4 The survey was undertaken via an online questionnaire, with all 66 authorities in the two regions being sent a link to the relevant web-page. The questionnaire aimed to explore a range of issues, with questions structured under the following headings:

- processing applications and managing housing registers
- administrative framework for lettings
- common housing registers
- allocation schemes
- overcrowding and underoccupation
- local lettings policies
- operational issues.
The survey covered both authorities retaining a landlord function and those which had transferred their housing stock. Post-transfer councils were advised that some questions referring to ‘your authority’ could legitimately be interpreted as referring to the main stock transfer housing association. In general, however, it was expected that such authorities would interpret questions as applicable to the allocations policies they are legally obliged to retain, even after ceasing to operate as landlords (e.g. for the purposes of prioritising ‘local authority nominees’ to housing association vacancies).

The survey also covered both local authorities (and transfer HAs) operating choice-based lettings and those continuing to allocate housing using a traditional ‘administrative’ approach.

Of the 65 councils in the sample (Isles of Scilly excluded on grounds of size), returns were received from 52 – a response rate of 80 per cent (see Table 1.1). The relatively high response rate for post-transfer authorities is particularly notable given the concern that such authorities might believe that they are no longer responsible for undertaking statutory housing functions.

<table>
<thead>
<tr>
<th>Category</th>
<th>Total number</th>
<th>Number responding</th>
<th>% responding</th>
</tr>
</thead>
<tbody>
<tr>
<td>South West</td>
<td>44</td>
<td>36</td>
<td>82</td>
</tr>
<tr>
<td>Yorks &amp; the Humber</td>
<td>21</td>
<td>16</td>
<td>76</td>
</tr>
<tr>
<td>Landlord LAs</td>
<td>30</td>
<td>23</td>
<td>77</td>
</tr>
<tr>
<td>Post-transfer LAs</td>
<td>35</td>
<td>26</td>
<td>83</td>
</tr>
<tr>
<td>All</td>
<td>65</td>
<td>52</td>
<td>80</td>
</tr>
</tbody>
</table>

Housing market circumstances of responding LAs

Most of the 52 responding authorities (60%) reported that the whole of their housing stock (or that of the main transfer HA) was subject to high demand. Forty per cent of authorities, however, said that there was low or variable demand for some of their properties. Perhaps surprisingly, the incidence of such issues was almost the same in the South West as in Yorkshire & the Humber. Where low demand was a problem, unpopularity was more commonly associated with property type (19 authorities – 37% of respondents) than with ‘low demand areas’ (10 authorities – 19%). Sheltered housing and bedsit properties tended to be cited as a particular issue here.
Case study fieldwork

1.9 The purpose of the case study fieldwork was to probe the practical application of allocations policies in greater detail.

1.10 The main elements of each case study visit were in-depth interviews with the senior manager responsible for allocations and with a member of operational staff involved with policy implementation. Senior manager interviews were structured under similar headings to those adopted for the questionnaire survey (see above), though using questions phrased in a more open and probing way.

1.11 Operational staff interviews investigated procedures as operated on the ground – e.g. on:

- registering/counselling new applicants
- (under CBL) advertising available-to-let properties – e.g. determining what ‘labelling’ criteria to apply
- shortlisting applicants for specific available-to-let properties and making tenancy offers.

1.12 Case studies were undertaken in six authorities as listed in Table 1.2. The selection was designed to produce a diverse case study cohort with some representation of authorities of different types and with different administrative frameworks for social housing provision/allocations.

<table>
<thead>
<tr>
<th>Area type</th>
<th>LA social housing status</th>
<th>CBL?</th>
<th>Housing demand category</th>
</tr>
</thead>
<tbody>
<tr>
<td>London borough</td>
<td>Landlord</td>
<td>Yes</td>
<td>High</td>
</tr>
<tr>
<td>Rural/mixed</td>
<td>Landlord</td>
<td>No</td>
<td>High</td>
</tr>
<tr>
<td>Urban</td>
<td>Landlord</td>
<td>Yes</td>
<td>Mixed</td>
</tr>
<tr>
<td>Rural/mixed</td>
<td>Post-transfer</td>
<td>No</td>
<td>High</td>
</tr>
<tr>
<td>Urban</td>
<td>Post-transfer</td>
<td>Yes</td>
<td>Mixed</td>
</tr>
<tr>
<td>Urban</td>
<td>Landlord</td>
<td>Yes</td>
<td>High</td>
</tr>
</tbody>
</table>
Chapter 2

Administration of lettings

Overview

2.1 This section looks at the way the lettings process is managed; the type of approach adopted (administrative or choice-based lettings), the operation of common housing registers and the role of post-transfer local authorities.

Choice-based lettings and common housing registers

2.2 Twenty of the 51 responding local authorities (39%) reported that they – or their stock transfer housing association (HA) counterpart – were operating choice-based lettings. This is probably about the same as the national proportion of local authorities with CBL – the figure for mid-2007 (as recorded in local authorities’ 2007 Housing Strategy Statistical Annex returns) was 36 per cent.

<table>
<thead>
<tr>
<th>Table 2.1 Incidence of CBL by type of LA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Met/unitary councils</td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td>No (of 51)</td>
</tr>
<tr>
<td>% of group</td>
</tr>
</tbody>
</table>

Source: questionnaire survey

2.3 As shown in Table 2.1, in the two regions covered by the survey CBL was much more widespread among (generally larger) metropolitan and unitary authorities than among (generally smaller) district councils. Among the former, nearly four out of five (79%) were operating CBL. CBL was also slightly more common among landlord LAs than their post-transfer counterparts. This is consistent with analysis of national Housing Strategy Statistical Appendix (HSSA) data showing that 74 per cent of landlord local authorities with more than 10,000 homes were operating CBL in mid-2007, as compared with only 22 per cent of landlord local authorities (LAs) managing less than 5,000 properties.
2.4 It should also be noted that the incidence of CBL as reported above relates to councils which let ‘all or most’ properties via advertising. A few councils continue to operate CBL for only a minority of their stock. One northern City Council, for example, reported limiting the coverage of its system to the approximately 900 properties (of 8,000) considered (relatively) ‘hard to let’. A more comprehensive CBL system may come into being via a sub-regional partnership being developed with neighbouring district authorities\(^3\).

2.5 However, the experiences of another case study council showed that participation in inter-authority CBL schemes can raise problematic issues. The council concerned had recently decided against participating in a sub-regional CBL development project:

‘It was a political decision in the end and one of the main factors was that it was not clear at the time whether joining a sub-regional scheme was whether the district boundaries would disappear – there is a lot of concern – the Council’s policy is local homes for local people and what they didn’t want if CBL came in was people from [X-borough] coming to [this authority]…’

2.6 In most cases (14 schemes of 20) one or more traditional HAs operating in the locality participated fully in CBL schemes led by LAs or their transfer HA counterparts. That is, all their vacancies were offered for advertising under the scheme. In five cases participation was more limited; only those HA vacancies designated by associations as ‘subject to nomination’ were let via CBL. Twelve of the 14 LAs reporting the full participation of one or more local (non-transfer) HAs stated that bidders for such vacancies were ranked according to the local authority’s allocations scheme – irrespective of whether the vacancies concerned were designated for LA nominees. This suggests that common allocations policies have been adopted in these areas so that the arrangements could be described as ‘multi-landlord, fully integrated’ CBL schemes.

2.7 Of the 20 LAs reporting already functioning CBL schemes, three (all urban authorities) stated that these already included advertisements for private tenancies. Another six reported plans to expand schemes in this way during 2008. All three LAs where private tenancies were already incorporated within the local CBL scheme stated that advertisements would be accepted from accredited landlords only. A similar approach was envisaged in another large authority, where incorporating selected private lettings within the CBL scheme was planned.

\(^3\) CLG is supporting the development of CBL on a sub-regional and regional basis through the Regional Choice Fund. The first three rounds of funding will deliver 42 sub-regional schemes covering around 65% of local authorities. By summer 2008 ten schemes had already launched with the rest due to go live by early 2010. The final two rounds of funding (2008/10) will enable all local authorities to be part of a sub-regional or regional scheme by 2010.
2.8 Low Cost Home Ownership vacancies were already within the scope of half of the functioning CBL schemes (10); three other LAs reported that the remit of their local scheme was to be expanded in this way during 2008.

2.9 As shown in Table 2.2, the majority of survey respondents reported that a common housing register (CHR) was functioning in their area. In 19 of these cases CHRs were reported as ‘comprehensive’ in that participants included all social landlords (managing more than 50 dwellings) operating in the area. Most authorities with CBL also had a common register but there were many common registers in operation in areas where CBL had not yet been adopted.

<table>
<thead>
<tr>
<th>Table 2.2 CBL and Common Housing Registers</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHR in operation</td>
</tr>
<tr>
<td>No. of responding LAs</td>
</tr>
<tr>
<td>CBL in operation</td>
</tr>
<tr>
<td>No CBL</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Choice-based lettings and tenancy offer limits

2.10 Choice-based lettings is sometimes portrayed as a ‘freer’ and less ‘rule-bound’ system than the traditional ‘administrative’ allocations model. However, in only a minority of CBL schemes covered by the survey have penalties for tenancy offer refusal been entirely abolished (see Table 2.3). This could suggest that for many authorities tenancy offer refusal continues to be ‘a problem’, even under CBL, and that it is therefore seen as necessary to discourage ‘frivolous bids’ in this way. Analysis of CORE data recently undertaken as part of another research project and focusing on four large stock transfer housing associations operating in the Midlands and the North of England found that only 47-70 per cent of properties let through CBL in 2006-07 were accepted on first offer⁴.

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Table 2.3  Limiting tenancy offers

<table>
<thead>
<tr>
<th>Any limit on allowable tenancy offers?</th>
<th>CBL</th>
<th>Non-CBL</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>7</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Yes – for homeless households only</td>
<td>5</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>Yes – for homeless households and other groups</td>
<td>8</td>
<td>17</td>
<td>25</td>
</tr>
<tr>
<td>All LAs</td>
<td>20</td>
<td>30</td>
<td>50</td>
</tr>
</tbody>
</table>

Non-response=2

2.11 Penalties for tenancy offer refusal often involve being suspended from eligibility for rehousing for a given period (e.g. six months). Under a ‘three offers only’ policy, for example, such a penalty would be invoked where a household rejected what was judged to be a third successive ‘reasonable offer’. Authorities operating policies of this kind need appeals systems to address instances where applicants consider themselves unfairly treated – e.g. where it is argued that an offer counting towards an applicant’s ‘allowable total’ was ‘unreasonable’ because of unsuitability. Although some of the applicants concerned in such instances will be statutory homeless households, it should be noted that the ‘appeals’ systems under consideration here are specifically about the ‘reasonableness’ of (‘final’) tenancy offers. They are therefore quite distinct from appeals procedures set up to adjudicate on council decisions about a household’s homelessness status (i.e. whether an applicant is judged as ‘homeless’, ‘in priority need’, ‘intentionally homeless’ or having a ‘local connection’).

2.12 Asked whether they operated ‘tenancy offer limits’, 37 of the 50 responding authorities (73%) reported that rules of this kind were in place. However, in 12 of these cases, such restrictions were applied only to homeless households. And, of the 37 operating ‘offer limit’ policies only 16 (43%) had actually heard any formal appeals against ‘final offers’ in 2006-07. In providing information about appeals against ‘unreasonable offers’, respondents were not asked to differentiate between instances involving statutory homeless cases and other housing applicants subject to offer limits.

2.13 The maximum number of appeals (83) was reported by a large city council; however, although this sounds a large number this mainly reflects the authority’s very large size as a landlord. More typically, annual appeals heard totalled less than 10 per authority. In most areas where appeals had been heard in 2006-07 these were equivalent to less than two per cent of all lettings. There was no clear sign that the incidence of appeals was related to whether the authority had adopted CBL.
2.14 In about half the areas where appeals had been heard in 2006/07 most such appeals had been upheld. The average ‘appeal success rate’ (‘success’ from an applicant perspective) was 40 per cent.

The role of post-transfer authorities

2.15 The 25 post-transfer councils responding in the survey were divided almost evenly in relation to their practical role on allocations; 13 reported that they ‘retained an allocations function’ – i.e. that they continued to manage a central register and/or a choice-based lettings system on behalf of social landlords operating in the area. Of the 12 authorities in areas where these functions were fulfilled by transfer landlords, nine said they retained a role ‘for approving the transfer RSL’s allocations scheme’. The other three ‘post-transfer LA’ respondents perceived their authorities as retaining no such role. Statute, in fact, dictates that all local authorities must have a housing allocation policy, irrespective of whether the authority retains a landlord role. Post stock-transfer, such policy is required to order the selection of local authority nominees put forward for rehousing by housing associations. It may be that the latter three respondents saw their authority’s allocation policy as a separate entity to that of their respective transfer housing association partner.

2.16 Of the 10 post-transfer LAs where CBL had been adopted by the main transfer HA, the scheme was in six cases led by that association. In three cases scheme leadership rested with the council. One scheme was run by a third party housing association.
Chapter 3

Processing new applications and managing housing registers

Handling new applications

3.1 Survey respondents were asked about standard procedures for handling approaches from people seeking help with housing, both on the grounds of homelessness and in other circumstances.

3.2 In most authorities (86% of those responding in the survey) it was reportedly standard practice to arrange a housing options interview for people seeking help with housing because of being homeless or threatened with homelessness. In only one (post-transfer) area was it reported that there was no routine procedure with respect to homelessness enquiries and housing options interviews. In six authorities (12% of those responding) housing options interviews were offered to people making ‘homelessness enquiries’ only in certain defined circumstances.

3.3 As shown in Table 3.1 most survey respondents believed that housing options interviews were arranged for at least three quarters of all homeless applicants in their area. In five authorities, however, such meetings were held with less than a quarter of such homeless applicants.

<table>
<thead>
<tr>
<th>Estimated % of group subject to housing options interview</th>
<th>People reporting homelessness/risk of homelessness</th>
<th>Others seeking help with housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>&lt;25 per cent</td>
<td>5</td>
<td>29</td>
</tr>
<tr>
<td>25-49 per cent</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>50-74 per cent</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>75 per cent and over</td>
<td>45</td>
<td>0</td>
</tr>
<tr>
<td>Total LAs</td>
<td>51</td>
<td>51</td>
</tr>
</tbody>
</table>

Non-response=1
3.4 With respect to non-homeless applications, no authority arranged housing options interviews as a matter of course. In most cases (28) there was no routine procedure, whilst 21 councils reported having procedures which specified the circumstances in which housing options interviews for non-homeless housing applicants should be set up. To ascertain the sorts of circumstances envisaged here, further research would be required. As shown in Table 3.1, such interviews were, in almost all areas, believed to involve only a minority of non-homeless applicants.

3.5 Case study LAs generally stressed that ‘housing advice’ was provided to new housing applicants ‘on demand’, though such meetings would not be structured (or recorded) as ‘housing options’ interviews. In contrast to the procedure for making a homelessness application, there is (as a rule) no expectation that a (non-homeless) person seeking to join the housing register will necessarily visit local authority offices for the purpose. In some case study authorities, non-homeless people seeking housing could now submit a register application on-line, making such a visit even less likely. However, in one case study authority interviewees noted that ‘our Director of Housing would like everyone who goes on the housing list to have a housing options interview’ and in another the possibility of routine Housing Options interviews for all applicants was under consideration.

3.6 Most authorities (39 – or 75%) reported that all households seeking help with housing were ‘routinely entered on (the) authority’s housing register’. Asked in what circumstances this did not take place, seven survey respondents mentioned eligibility rules, and indicated that households might be excluded from the register on the basis of statute, anti-social behaviour, financial resources or immigration status.

Review meetings

3.7 Authorities were asked about their practices on ‘review meetings’ for households remaining on their housing register for long periods. Only three survey respondents stated that such meetings were arranged routinely, although in another five authorities this was standard practice for households ‘with greater/more urgent housing needs’. In most authorities (32 – or 64%) such review meetings took place only at the applicant’s request.

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5 The legal position here is spelled out in Section 4 of the 2002 Code of Guidance for Local Authorities on Allocation of Accommodation – www.communities.gov.uk/publications/housing/allocationaccommodationcode. It is, for example, noted here that an authority may decide that an applicant is ineligible for an allocation if it is ‘satisfied that (the) applicant (or a member of the applicant’s household) is guilty of unacceptable behaviour serious enough to make him unsuitable to be a tenant’ (para 4.20) and defines this as behaviour which (if the applicant had been a secure tenant of the housing authority at the time) ‘would have entitled the housing authority to a possession order’ (para 4.21). Financial resources are not a relevant criterion in this context.

6 Note that the term ‘review meeting’ here is not being used in its narrow technical sense of an applicant’s ‘review rights’ – According to the 2002 Code of Guidance ‘The housing authority must also ensure that applicants are informed of certain rights they have, for example the right to be informed of any decision about the facts of the case and the right to review certain decisions’ (CoG para 2.7).
3.8 In 29 authorities (56%) registered housing applicants were periodically advised on private sector housing opportunities (i.e. private renting and/or low cost home ownership). However, this more often involved the provision of leaflets (12 authorities) rather than a meeting or interview (seven authorities). Ten authorities indicated that their ‘periodic advice’ was disseminated in some other way. One case study authority envisaged the possibility of identifying and targeting low priority applicants with information about (non-social housing) options although it was apparent that this would represent a new route of advice for the authority.

Housing register review

3.9 Virtually all survey respondents (50 of 52) said that their council’s housing register was reviewed periodically to remove ‘dead wood’ applications. Typically, this was undertaken annually. In five authorities, however, the process was less frequent. In 43 responding authorities register review was undertaken on a rolling programme; only five retained the traditional ‘en masse review’ approach (see Table 3.2). One local authority’s registered applicants failing to bid in a six month period were asked to confirm their wish to remain on the list and whether they needed any help.

3.10 In almost all cases (48 of 52) ‘register review’ meant that any existing applicant not confirming their wish to remain on the list would have their entry deleted. However, one authority noted that ‘vulnerable applicants’ would be removed only after following up the case to check that the household concerned was, in fact, no longer in need of rehousing.

<table>
<thead>
<tr>
<th>Table 3.2 Housing register review method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Register review method</td>
</tr>
<tr>
<td>-----------------------------------------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Periodic ‘en masse review’</td>
</tr>
<tr>
<td>Rolling review</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Non-response=3
3.11 Across the two regions, on average, the most recent set of housing register reviews had resulted in the deletion of a quarter of previously registered applicants. Perhaps significantly, however, the ‘review deletion rate’ tended to be much higher in the typically more urban areas of Yorkshire & the Humber (average: 32%) than in the South West (average: 21%). This might reflect differences in the composition of waiting lists – e.g. the possibility that in more fluid urban housing markets, registers might tend to contain a higher proportion of relatively mobile single people.

3.12 The average proportion of housing register entries deleted in reviews was almost identical for CBL and non-CBL authorities (at 24% and 26%, respectively). This would seem to suggest no significant difference in the way that registers are managed under CBL, at least in terms of outcomes. However, a number of authorities with local experience of CBL noted that the switch to the new system had prompted them to adopt a rolling approach in place of en masse review.

3.13 Local authorities operating CBL carried out register reviews in different ways; these included routine deletion of a record if the applicant had not bid in three years, and contacting applicants who had not bid in three years to ask whether they were still seeking social housing.

3.14 These findings would seem to counter the hypothesis that housing register management may be ‘less rigorous’ under CBL in spite of the fact that, as confirmed by case study research, ‘deadwood applications’ are not the managerial problem they were in the past (because, in the very act of bidding, an applicant is re-confirming their interest in a house move). This is significant in that it helps to dispel concerns that the ongoing spread of CBL could be weakening the value of housing register statistics as an indicator of aggregate social housing demand.

3.15 More generally, case study authorities tended to portray their register management procedures as quite thorough (implicitly rebutting any suggestion that registers ‘overstate need’ because of the inclusion of significant deadwood applications). However, case study authorities saw register numbers as exemplifying aggregate demand for social housing rather than (necessarily) ‘housing need’. Indeed, interviewees tended to stress that public recognition of the extreme shortage of social housing affecting some case study authorities meant that many people with housing need would see no point in registering. Hence, total waiting list figures could understate rather than exaggerate demand for affordable housing.

3.16 Interviewees in one case study saw CBL as generating valuable information on ‘how a quasi market is operating in terms of people exercising choice’. This was seen as generally more revealing and useful than traditional waiting list databases, though it was acknowledged that the new system is weaker with respect to analysing the housing needs of vulnerable groups. This could be a reference to a reduced range of ‘household circumstances’ information routinely collected about each housing applicant under CBL as it is operated in the authority concerned.

* In 2008 CLG commissioned research on techniques used by social landlords to empower vulnerable households to participate in CBL schemes. The research, being undertaken by Heriot-Watt University, will inform the production of good practice guidance to be published in 2009.
Chapter 4

Allocations schemes

Overview

4.1 This chapter focuses mainly on the systems used by local authorities to prioritise people seeking housing, whether in the context of the traditional ‘administrative’ allocations model or where there is a need to rank competing bidders under a choice-based lettings system. The chapter draws on sections of the questionnaire which included open-ended as well as ‘multiple-response’ questions. Because the former allow substantial latitude to respondents, answers to these questions cannot properly be used to generate simple quantitative totals.

Scheme architecture

4.2 Before discussing the use of different allocations policy frameworks it is worth noting that 37 authorities (71%) stated that their policy document was made available on their council’s website. Even among authorities operating CBL (often claimed as a ‘more transparent’ approach), three (of 20) acknowledged that they did not do this.

Eligibility for housing

4.3 With respect to eligibility for housing, 38 authorities (almost 75%) indicated that they would normally ‘exclude’ certain types of household – i.e. refuse them access to the housing register. This was true of 12 (60%) authorities working with CBL systems. Elaborating on this, some cited persons from abroad subject to immigration control. Other groups mentioned as liable to be excluded (or treated as ‘suspended applicants’) included people with serious rent arrears or believed responsible for anti-social behaviour which would have entitled their landlord to a possession order.

4.4 In handling waiting list applications from people with unpaid rent arrears (e.g. from a former tenancy) case study authorities tended to stress the need for evidence of such debt being reduced before full housing eligibility would be granted. For example, as stated in the allocations policy document of one case study authority:
‘Offers of accommodation will not normally be made where the applicant(s) owes arrears of rent or other charges (excluding Council Tax) relating to their previous occupancy of a housing association or local authority property unless they have entered an arrangement to repay the debt and kept to the arrangement for a reasonable period’.

4.5 In another case study, council officers had recently proposed that arrears of less than £700 should be disregarded for the purpose of assessing an applicant’s eligibility to receive tenancy offers. This followed representations from voluntary groups complaining that young people who had previously lost tenancies due to relatively low levels of arrears were ‘clogging up the hostels’. Similarly, some case study authorities expected (alleged) anti-social behaviour (ASB) perpetrators to demonstrate a period of ‘good behaviour’ (e.g. in a private tenancy) before they could qualify for an offer of social housing.

4.6 Case study evidence suggests that while local ‘guidelines’ usually exist, considerable staff member discretion is often used in determining appropriate treatment of applicants with rent arrears or believed previously responsible for anti-social behaviour. Whether actions taken are fully recorded and monitored is a question beyond the scope of this research.

Points or groups

4.7 Most authorities responding in the postal survey classified their allocations policy as a ‘points’ scheme or a ‘bands/groups’ framework (see Table 4.1). The ‘other’ group includes ‘hybrid’ models such as that described by one authority where most applicants were assigned points, with applicants then grouped into bands depending on their points score. In addition, the model included two ‘extreme need’ bands for those with overriding priority over all others.

4.8 As shown in Table 4.1, there was a sharp dichotomy between authorities retaining a traditional ‘administrative’ allocations model and those who had adopted CBL. Among the former, points systems were dominant; among the latter, bands/groups were the norm. In almost all cases, bands/groups systems operated in the CBL context involved broad categories reflecting assessed housing need, with each category internally ordered by application date. This was reflected by the names of groups/bands:

- letters: A, B, C etc [nine authorities]
- numbers: 1, 2, 3 etc [four authorities]
- colours: Red, Amber, Green [three authorities]; Gold, Silver, Bronze [12 authorities]
- other: priority extra, priority, general needs [one authority].
In addition, some authorities included one or two ‘emergency’ or ‘priority’ bands over and above colour-coded groups [11 authorities]. Typically, groups/bands systems incorporate three to five categories, though in two authorities only two bands – ‘priority’ and ‘general’ were used. At the other end of the scale, three authorities classified applicants into six needs-related bands.

Table 4.1 Allocations policy type by administrative approach

<table>
<thead>
<tr>
<th>Policy type</th>
<th>CBL</th>
<th>Non-CBL</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Points</td>
<td>0</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Bands/groups</td>
<td>17</td>
<td>6</td>
<td>23</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>All</td>
<td>19</td>
<td>31</td>
<td>50</td>
</tr>
</tbody>
</table>

Non-response=2

4.9 Confirming the systematic relationship between administrative approach and prioritisation mechanism, 12 (of 20) authorities with local experience of CBL reported that in adopting the choice-based model they had also switched from a points to a bands/groups framework. Another four had retained and simplified their existing bands/groups format. Changes of this kind could have been motivated at least in part by an aspiration for a ‘more transparent’ approach. Seventeen (of 20) authorities party to CBL schemes believed this to have been achieved in the sense that the new system was found ‘easier to understand’ by both staff and applicants than its predecessor. Most respondents expressing this opinion reported that this was underpinned by evidence from customer surveys and other consultation processes.

4.10 As a rule, authorities operating groups/bands systems apply strict criteria for membership of the highest priority categories. For example, across 22 such systems on which data were available, in 14 the proportion of registered applicants in the top band was under three per cent. However, in three cases it was 10 per cent or more (in one instance, 64%).

Allocations schemes and the role of waiting time under choice-based lettings

4.11 Virtually all authorities responding on this point (94%) took some account of waiting time in prioritising housing applicants. However, in three authorities (none of them operating CBL) waiting time was entirely excluded as a factor in the council’s prioritisation formula. In other non-CBL authorities, waiting time was reflected by points or (consistent with the approach typical of CBL schemes) influenced a household’s rank within a needs-related group or band.
4.12 As perceived by survey respondents, the significance of waiting time in influencing a household’s priority tended to be much greater under CBL than under traditional allocations schemes. Whereas 19 of the 20 CBL authorities (95%) considered waiting time to be ‘quite significant’ or ‘very significant’ here, this was true for only seven of the other 32 authorities (22%).

4.13 Under some allocations schemes, a household’s waiting time priority can change if there is a change in the household’s circumstances. Half of the authorities operating CBL schemes, for example, reported that where re-assessment of an applicant’s housing need results in their ‘promotion’ to a higher priority band, this was accompanied by re-setting their waiting time priority to the date of this decision (in place of their application date). Similar rules were operated in three of the four non-CBL authorities with bands/groups systems.

4.14 In most authorities where CBL had been introduced (13 of 20 or 65%) there had been a review of allocations policy since the adoption of the new approach. Outcomes of such reviews often included the creation of additional bands or groups; in a number of cases part of the motivation was to establish a mechanism to reflect ‘cumulative preference’ – i.e. where a household could be treated as deserving to be accorded reasonable preference under two or more of the relevant headings9. Some survey respondents noted that this was a response to CLG guidance, one referred to a court judgement involving Waltham Forest LBC. Another theme linking several responses here was the perceived need to fine-tune the framework to promote rehousing of homeless households, especially those living in temporary accommodation. This implied that – whether motivated mainly by local concerns or sensitivity to the national target – such reviews had led to increased priority for this group.

**Special factors contributing to applicant priority**

4.15 Half the survey respondents (27 or 52%) reported that a household’s recorded income or savings could affect their housing priority. Case study evidence suggests that details of household income are often sought and recorded in the housing application process. Those assessed as apparently able to afford home ownership would, at the very least, be advised of this. A specific scenario relevant in some areas was where, following stock transfer, the main transfer HA had adopted charitable status and was therefore obliged to avoid rehousing ‘better off households’. In practice, however, most case study authorities reported that it was extremely rare for such issues to arise (because few if any putative housing applicants ever breached ‘high income’ thresholds).

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9 Following the recent House of Lords decision on **R (on the application of Ahmad) v London Borough of Newham [2009] UKHL 14**, local authority allocation schemes are not required to provide for cumulative preference: i.e. a mechanism affording more priority to those who fall into more than one reasonable preference group. CLG will be reviewing their guidance on allocations in the light of this decision in due course.
A related issue concerns the treatment of (property or other) equity owned by a housing applicant. In one case study authority applicants were routinely asked about equity and those with less than £60,000 granted extra rehousing points. In contrast to the income thresholds discussed above, this equity benchmark was found to be relatively modest in the context of the applicant caseload. However, local policy allowed for the limit to be waived for those needing specialist accommodation.

Most authorities (30 or 58%) reported that, under local policy, priority was accorded to groups over and above those stipulated under the ‘reasonable preference’ categories defined by statute. Whilst it might be argued that some of these were, in any case, entitled to priority under the statutory framework, the following were among those listed by one or more authorities as ‘additional’ groups accorded preference under local policy: It is important to stress that because of the open-ended form of the relevant question it is not appropriate to specify the exact number or proportion of authorities citing each of the responses below (see also paragraph 4.1).

Groups said to be afforded ‘additional preference’ under local policies:

- family members remaining in a social tenancy following the tenant’s death but having no statutory right to succession
- key workers (not defined)
- people faced with the loss of tied accommodation due to retirement (e.g. sheltered housing wardens, agricultural workers)
- supported housing ‘move-on’ cases – i.e. people no longer in need of the specialist facilities/support made available to them as residents of rehabilitation or similar projects
- young single people at a disadvantage in securing private rented accommodation because of the Housing Benefit regulations limiting the amounts payable to those under 26
- people needing to move because of relationship breakdown with their co-resident
- split families
- foster carers needing a larger home
- those with local connections (sometimes assessed in relation to localities much smaller than a local authority).
In addition, seven authorities (13%) mentioned attributing additional priority to ‘landlord interest’ moves such as underoccupier ‘trading down’ moves and ‘decant’ moves to facilitate major redevelopment. However, this should certainly be treated as a minimum estimate because authorities were not asked directly whether ‘landlord interest’ moves were accorded additional priority. Thus, the absence of such a response does not necessarily imply that the authorities concerned did not, in fact, operate policies of this kind.

One case study council operated a ‘good neighbour standard’ to ‘reward existing secure council tenants who have not breached their tenancy conditions for at least the last three years’. Those accredited on this basis were classed as ‘Band A’ or ‘very urgent’ cases although:

‘Following the transfer of a Good Neighbour Standard tenant their former property will be allocated using the standard procedure to ensure that people on the register are not disadvantaged’.

Management transfers

One of the categories cited by some authorities as being accorded additional priority under local rules was ‘management transfers’. To gauge the volume of such lettings authorities were asked to enumerate management transfers implemented in 2006-07. Focusing solely on landlord LAs, the results show that just over half recorded no such lettings in the year. As a proportion of all lettings, the maximum figure cited was 16 per cent. In no other authority was the number greater than eight per cent. The term ‘management transfer’ could refer to moves of existing tenants made for management purposes rather than at the tenant’s request – and, therefore, not covered by the allocations legislation. However, it should be noted that the questionnaire left it up to respondents to define ‘management transfer’ and it was apparent that at least in some cases this was not understood as possessing such a specific meaning.

The factors cited as prompting ‘management transfers’ were quite numerous. They included people with a need to move due to:

- domestic violence
- severe harassment/ASB
- underoccupation
- health/support
- witness protection.
However, the largest numbers of moves classed in this way (albeit recorded only in a few authorities) were those resulting from demolition and/or redevelopment. In one case study, for example, more than two thirds of 2006-07 management transfers were accounted for by this category.

Averting hardship

Survey respondents were asked under what circumstances applicants would be accorded priority on the grounds of needing a move to ‘avert hardship’. While some simply cited local mechanisms for making such judgements (e.g. panels) or noted that individual cases were ‘treated on their merits’, more specific responses included:

- people needing to access or receive care
- relationship breakdown cases
- people needing to move on from (temporary) supported housing
- people needing to move so as to take up employment, training or apprenticeships
- people needing to move for specialist medical treatment
- split families – i.e. couples or families with one or more members living temporarily in separate dwellings because of being unable to access independent accommodation for the household as a unified entity.

Overcrowding

Overcrowded households form one of the specific groups entitled to ‘reasonable preference’ under the Housing Act 1996 (S167(2)). As noted above, social renters considered to be ‘under-occupying’ their home and willing to ‘trade down’ to a smaller property are also often accorded priority. Consistent with the increased policy salience of overcrowding at the national level in recent years, two case study authorities reported that local Elected Members were currently particularly concerned about the problem.

<table>
<thead>
<tr>
<th>Table 4.2 Definition of ‘Overcrowding’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overcrowding defined in LA allocations policy…</td>
</tr>
<tr>
<td>…in relation to statutory standards</td>
</tr>
<tr>
<td>…in relation to the bedroom standard</td>
</tr>
<tr>
<td>…with respect to local definition</td>
</tr>
<tr>
<td>All</td>
</tr>
</tbody>
</table>

Non-response=3
Local authorities reported using three different approaches to defining overcrowding as set out in Table 4.2. A small percentage of LAs cited rules possibly departing from the statutory or bedroom standards. In the responses of these authorities the following instances of bedroom-sharing qualifying criteria for (some level of) ‘overcrowding’ priority were cited:

- any involving children of any age
- any involving children aged over six years
- involving mixed sex sharers aged over seven years
- involving people of the same sex but different generations
- any involving three children
- any involving two or more children in a house or flat designed as a ‘2-bedroom/3-person’ dwelling.

Asked how ‘the most serious overcrowding’ was defined in relation to local allocations policies, a number of survey respondents cited the statutory definition; others distinguished between those ‘in deficit’ by one bedroom and those short of two or more bedrooms – as defined by the bedroom standard. In some cases households classed as ‘seriously overcrowded’ would be placed in a higher band than their counterparts who were merely ‘overcrowded’. Under one points scheme an overcrowding points allocation was multiplied by waiting time up to a specified threshold.

One of the case study authorities highlighted its compliance with statute in treating as a ‘bedroom’ every room suitable and reasonable to be used as sleeping accommodation. This could include living rooms.

To gauge the scale of housing need arising from overcrowding, survey respondents were asked to specify the numbers of households on their list who were ‘in the reasonable preference category of overcrowding’. On average, these accounted for 18 per cent of all new applicants on authorities’ housing registers. However, the proportions cited were wide-ranging – from over half in two authorities to less than one per cent in four others. While the incidence of overcrowding is certain to vary from area to area these findings suggest that local definitions of the phenomenon as incorporated within allocations policies may well vary more.

Survey respondents were also asked to enumerate the number of existing social renters registered for a transfer and the proportion of these subject to overcrowding. Across the 21 authorities which provided this data the average percentage was 16. This suggests that, while overcrowding may be an increasingly serious problem in some areas it is far from the dominant reason that
social renters seek transfers. Again, the wide range of percentage figures cited by individual authorities implies a substantial diversity of local definitions, a finding apparently somewhat concealed by the results as set out in Table 4.2.

4.30 A third yardstick for gauging the seriousness of overcrowding as a local issue is the number of (locally defined) ‘overcrowded’ council tenants registered for a transfer as a proportion of all council tenancies. Across the 20 landlord LAs for which this could be calculated the average was 13 per cent, with the highest figures recorded being 33 per cent and 20 per cent.

4.31 What level of rehousing priority is accorded to overcrowded households registered for a move? This is a difficult question to investigate via a questionnaire survey. In an attempt to address the issue survey respondents were asked to compare the status of overcrowding and ‘top medical priority’. One authority reported that ‘Statutory overcrowded get top points – far higher than applicants with medical points’. However, this response was unique; for most authorities it would appear that those experiencing the most serious levels of overcrowding (e.g. statutory overcrowding or lacking three bedrooms as defined by the bedroom standard) are given similar or lower priority than ‘urgent medical’ cases.

Underoccupation

4.32 Notwithstanding longstanding encouragement from central government, only 35 authorities (67%) responding in the survey reported having ‘a policy for underoccupiers who are willing to move’. However, this was true of all but one landlord LA responding on this question (20 of 21), while 10 post-transfer councils (of 25 responding) indicated that they had no such policy. It is perhaps understandable that underoccupation tends to lose its salience as an issue for councils which have ceased to manage housing directly. Whether successor (stock transfer) landlords usually incorporate ‘underoccupier priority’ within their own allocations policies cannot be definitely determined from the evidence to hand here.

4.33 Survey respondents were asked how ‘underoccupation’ was defined as a factor conferring priority and most noted that this related to the number of bedrooms in a dwelling in excess of those ‘required’. On the basis of previous research it is assumed that, in the main, this involves single adult and childless couple households occupying two or three bedroom properties but who are judged as ‘needing’ only one bedroom. Often, the level of additional priority was scaled according to the extent of underoccupation – i.e. a standard allocation of points for each ‘excess bedroom’.

Five survey respondents made it explicit that underoccupier priority related only to social renters seeking moves within social housing rather than people looking to enter the tenure from private renting. However, since this was in the context of an ‘open-ended’ question it may well be that many other authorities also take this view (but omitted to specify this on the assumption that it was obvious). In three cases the reference to households occupying ‘family housing’ meant that people underoccupying larger flats above the ground floor would not necessarily qualify for underoccupier priority. The other crucial component of the policy was the willingness of an underoccupying household to ‘trade down’ – i.e. to move to a smaller home.

In most authorities able to provide such statistics the number of ‘underoccupiers’ registered for a move was fewer than 100. As a proportion of all tenants, those on landlord LA transfer lists accounted for an average of just 1.5 per cent (comparable figure for overcrowded households: 13% – see above). Of course, the overall numbers of under-occupying tenants may be much greater than as implied in this comparison since only a proportion of those in this position will have registered for a move. A problem highlighted by some case study authorities was that single people and childless couples living in 3-bedroom homes tend to be reluctant to move to a 1-bedroom property (one interviewee commented that ‘in fact, no-one wants 1-bed properties any more’). From a social landlord perspective this may mean that a trading down move generates little or no net benefit since (e.g. as stressed by one case study council) 2-bed and 3-bed homes may be equally scarce.

As with overcrowding, the survey sought to (crudely) gauge the level of priority accorded to underoccupiers as compared with applicants classed as ‘top medical’. Again, the most urgent medical cases tended to be accorded equal or higher priority. However, in several authorities (seven) underoccupation (at least that involving single adults and couples living in four bedroom properties) could confer higher priority than the maximum attributable to a medical case.

A number of local authorities reported operating various policies designed to encourage trading down moves by underoccupiers. However, the incidence of such policies is surprisingly modest when compared with the position in the late 1990s. For example, as long ago as 1997 more than half of all councils retaining a landlord role (59%) had adopted cash incentive schemes to encourage such moves (data collected in 1997 Housing Investment Programme returns)\(^\text{11}\). Policies of this kind have also been subsequently promoted in official guidance\(^\text{12}\).


Exploring Local Authority Policy and Practice on Housing Allocations

### Table 4.3 Landlord LAs: policies operated to promote underoccupier ‘trading down moves’

<table>
<thead>
<tr>
<th>Underoccupation policy</th>
<th>No. of LAs</th>
<th>% of landlord LAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash incentive payments</td>
<td>11</td>
<td>48</td>
</tr>
<tr>
<td>Payment of removal expenses</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td>Practical help with arranging removals</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td>Practical help with disconnection/connection of utilities</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>Arrangements for clearance/disposal of surplus furniture</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Allowing ‘trading down movers’ to retain one ‘extra bedroom’</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>17</td>
</tr>
</tbody>
</table>

Note: This question was ‘multiple response’ – meaning that LAs could opt for two or more of the categories shown. Hence, the columns do not sum to 100 per cent.
Chapter 5

Local lettings policies

Incidence and extent

5.1 As shown in Table 5.1 nearly half of authorities responding in the survey (23 of 52) reported having local lettings policies (LLPs). These were defined as area-specific rules enabling “housing authorities [to] … allocate accommodation to people of a particular description, whether or not they fall within reasonable preference”\(^\text{13}\). LLPs may be integrated with choice-based lettings through ‘vacancy labelling’ procedures’. LLPs were somewhat more likely to be in force in authorities where there was low or variable demand for some properties (12 of 31 authorities as compared with 12 of 31 authorities reporting high demand for all social housing – see Table 5.1). While LLPs were also present in more than a third of authorities where high demand was universal (see Table 5.1), it is apparent from Table 5.2 that these tended to be less extensive in such authorities.

<table>
<thead>
<tr>
<th>Demand for social housing</th>
<th>Any local lettings policies?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>No. of responding LAs</td>
<td></td>
</tr>
<tr>
<td>Low/variable demand for some properties</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>High demand for all properties</td>
<td>12</td>
<td>19</td>
</tr>
<tr>
<td>All LAs</td>
<td>23</td>
<td>28</td>
</tr>
</tbody>
</table>

Table 5.2  Proportion of LA/transfer HA stock covered by LLPs

<table>
<thead>
<tr>
<th>Demand for social housing</th>
<th>% of LA stock covered by LLPs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;5%</td>
<td>6-10%</td>
</tr>
<tr>
<td>Low/variable demand for some properties</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>High demand for all properties</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>All LAs</td>
<td>9</td>
<td>3</td>
</tr>
</tbody>
</table>

Non-response=5

5.2 The potential compatibility of LLPs and choice-based lettings is apparent from the fact that the former were more common in areas where CBL was operated (12 of 21) than in areas where the traditional allocations model was retained (12 of 31).

5.3 In 14 of the 19 LAs for which data were available, LLPs had been in use only since 2001. In only three authorities were such devices believed to have been in operation before 1999. Eleven survey respondents reported that the proportion of stock subject to LLPs had increased in the previous three years; in only two areas had it reduced. Both these sets of responses indicates a growing use of LLPs.

Motivations and mechanisms

5.4 As reported by authorities where LLPs were in operation, these tended to have come into effect as ‘an outcome of partnership working involving other agencies’ (17 of 23 survey respondents on this question) rather than as a unilateral measure enacted by the council/transfer HA.

Table 5.3  Motivations for Local Lettings Policies

<table>
<thead>
<tr>
<th>Motivation</th>
<th>No. of LAs</th>
<th>% of all LAs with LLPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>To promote tenancy sustainment</td>
<td>13</td>
<td>54</td>
</tr>
<tr>
<td>To promote mixed communities</td>
<td>8</td>
<td>33</td>
</tr>
<tr>
<td>To counter low demand</td>
<td>7</td>
<td>29</td>
</tr>
<tr>
<td>To promote tenant satisfaction</td>
<td>5</td>
<td>21</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>33</td>
</tr>
</tbody>
</table>

Note: This question was “multiple response” – meaning that LAs could opt for two or more of the categories shown. Hence, the columns do not sum to 100 per cent.
5.5 As shown in Table 5.3 most LLPs were motivated by a landlord concern with promoting tenancy sustainment. This implies LLP areas being neighbourhoods where tenancy turnover rates are considered ‘too high’. It is assumed that the aim of ‘promoting tenant satisfaction’ refers to the satisfaction of existing tenants living in an area where a property is relet, with the object of the LLP being to filter applicants so as to reduce the risk of a letting to an ‘undesirable’ tenant.

5.6 The policy variations implemented under LLPs and set out in Table 5.4 reveal contrasting strategies. ‘Allowing lettings to lower need applicants…’ and ‘Relaxing normal household: property size matching criteria’ are about opening up social housing perceived as ‘low demand’. The latter means allowing single people or childless couples the possibility of being allocated properties with two or more bedrooms (whereas, under normal policy, they would qualify only for one-bedroom units).

<table>
<thead>
<tr>
<th>Alteration to normal practice</th>
<th>No. of LAs</th>
<th>% of all LAs with LLPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowing lettings to lower need applicants or those not entitled to reasonable preference</td>
<td>11</td>
<td>46</td>
</tr>
<tr>
<td>Giving additional priority to applicants with local connections to the estate or neighbourhood</td>
<td>10</td>
<td>42</td>
</tr>
<tr>
<td>Relaxing normal household: property size matching criteria</td>
<td>9</td>
<td>38</td>
</tr>
<tr>
<td>Operating stricter than normal eligibility rules in relation to ASB</td>
<td>8</td>
<td>33</td>
</tr>
<tr>
<td>Prioritising applicants in employment</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>38</td>
</tr>
</tbody>
</table>

Note: This question was ‘multiple response’ – meaning that LAs could opt for two or more of the categories shown. Hence, the columns do not sum to 100 per cent.

5.7 The other three policy variations listed in Table 5.4 are more about positively influencing tenant selection (with respect to lettings in the designated area) by prioritising certain applicants (local people or those in employment) or entirely debarring those seen as potentially ‘risky’ in terms of their propensity to commit anti-social behaviour. Relevant to policies of this kind, interviewees in one case study authority noted that there can be tensions over LLPs between ‘strategic housing’ and ‘social landlord’ interests and that there is a danger of such policies being a cover for prejudice and unfair discrimination. Local authorities are required to follow equalities duties and should measure and monitor the outcomes of LLPs to ensure that they do not lead to undesirable outcomes.
5.8 Additional priority for local applicants could be seen as distinct from the other LLP ‘policy variations’ in that this is sometimes used in a rural setting, including in cases where social housing has been developed under S106 to protect access to affordable housing for ‘local people’.