



**Under pressure?  
Emerging issues for allocations**

**November 2013**

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The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse and growing membership of more than 22,000 people who work in both the public and private sectors, in 20 countries on five continents across the world. Further information is available at: [www.cih.org](http://www.cih.org)

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- [How to... improve housing mobility](#)
- [How to... consider new approaches to allocations and lettings](#)
- Visit our [allocations and lettings webpage](#)
- To join the CIH Allocations Network email your details to [policyandpractice@cih.org](mailto:policyandpractice@cih.org)

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## Overview

In October 2013, CIH carried out a survey of social landlords and strategic housing authorities in England. Among other things, we wanted to explore how and to what extent issues such as welfare and tenure reform, demographic changes and wider housing market conditions are having an impact on how, and to whom, they allocate and let their homes.

The survey responses confirm that long-standing issues, such as obsolete sheltered housing, remain a challenge but they also reveal some new themes. While the survey findings are informing a larger piece of work CIH is producing on this topic, this short report draws out and shares some key messages.

## Our method

Our structured e-survey included 14 questions about housing organisations' views and experiences. We received 89 responses – 70 from social landlords and 19 from strategic housing authorities - all operating in England.

## Headline messages

### Making changes

Most of our survey respondents have either carried out a review of their allocations scheme in the last 12 months (60 per cent) or plan a review in the next 12 months (29 per cent). This is largely due to two key drivers: the opportunities presented by the Localism Act 2012 and the need to manage the impact of the bedroom tax.

Examples of changes include:

- giving additional priority to under-occupiers to help them to down-size
- only allowing people with a local connection to apply or prioritising those with a local connection
- giving priority to working households.

Many housing registers have reduced in size due to local connection requirements and/ or allowing only people who have housing need/ priority to apply. We think this could have both positive and negative outcomes including:

- achieving both efficiency and real savings as smaller housing registers are easier to administer (positive)
- it's easier to identify and quantify the 'real' level and nature of housing need – this is helpful in targeting effort and resources and also in informing plans to develop new homes and housing options (positive)
- not allowing people to register if they stand no chance of ever being housed manages their expectations and, again, reduces administration costs (mostly positive)



- removing people with no identified housing need from the list also removes potential takers of low/no demand homes. This includes homes which people in housing need who are affected by welfare reform measures can no longer afford (potentially negative)
- key housing market intelligence about who's interested in social rented homes, what type and where is potentially lost – this is helpful information when exploring the scope to develop affordable rented, affordable home ownership and market rented housing products (potentially negative).

### Challenging times

When we asked landlords if they are experiencing increased pressures on their allocations and lettings systems, an overwhelming majority (94 per cent) confirmed that they are. Reasons for this include:

- welfare reform measures such as the bedroom tax and benefit cap have created and/ or highlighted issues such as:
  - o a new breed of difficult to let homes with falling demand for two and three bedroom flats and three bedroom houses because applicants who would normally have been offered homes of that type and size cannot afford to meet the shortfall between rent and housing benefit (highlighted by 64 per cent of respondents)
  - o a mismatch between supply and demand with a lack of smaller homes for the households above to bid for or, as almost two thirds of respondents reported, for existing under-occupying tenants to down-size into
  - o increased void turnover and costs for those housing providers who are able to help people to down-size
  - o less flexibility to allocate and let homes in a way that supports effective housing management and neighbourhood sustainability, for example, not housing children in flats, managing child density, and allocating homes which families can grow into
- for 44 per cent of respondents, a lack of capacity to meet demand from the highest priority applicants, including homeless households, is a key concern
- over a third reported that housing market changes including price, demand and supply have increased the level of demand for social rented homes
- despite an aging population, some homes for older people remain difficult to let, particularly bedsits or flats on upper floors without lifts. We wonder if, with some adjustments and sensitivity, these homes might suit working age people who need to down-size or single people or couples in housing need who are not already social housing tenants? This would also solve a long-standing problem for the industry.

These issues are having clear financial and other impacts on housing organisations including:

- longer void periods and lost rental income for over 50 per cent of landlords
- increased staff intervention to advise home-seekers and allocate homes has led to higher costs for 61 per cent of respondents
- for almost a third of organisations, IT and/or business systems are struggling to deal with the pressures.

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### Putting partnerships to the test

Partnership working is a key element in meeting housing need and, for well over a decade, choice based lettings schemes have provided a framework for this to take place.

However, responses to our survey indicate that some tensions are starting to emerge.

- changes to strategic housing authorities' allocations schemes have altered the profile and pool of applicants that housing associations can draw on for nominations and direct lettings. This includes:
  - o excluding people who are deemed not to have a local connection (nearly 50 per cent have changed their policies to prioritise or require a local connection)
  - o excluding home owners who may have some equity
  - o removing people with low or no housing need from housing registers – people who, in the past, may have been willing to accept offers of harder to let homes
- sixty per cent of respondents are experiencing tensions because they want to exercise more control over the profile of people they house, usually with a view to creating sustainable communities
- some strategic housing authorities are concerned that housing associations are refusing their nominations – this is a particular problem for non-stock holding authorities who have homelessness duties to discharge.

Encouragingly, almost 40 per cent of respondents tell us that they are working to strengthen relationships with their partners with a view to resolving challenges and differences

### A way forward?

CIH will explore all of these issues in greater depth as part of our larger allocations and lettings project. We will produce a detailed report of our findings along with suggested actions for housing organisations to consider.

In the meantime, we think housing organisations may want to reflect on the scope to:

- track the impact of revised allocations policies to make sure that the intended aims are being achieved and identify any unintended consequences
- work with partners to acknowledge any tensions and agree a workable way forward
- explore the options for low demand sheltered housing including remodelling and/or re-designation as housing for working age people
- look at the potential to let large, harder to let homes on a shared tenancy basis to meet the needs of younger people
- explore the scope to offer low or no demand homes to anyone expressing an interest, regardless of their housing need or policy requirements such as having a local connection.