

# NEW

## APPROACHES



# TO ALLOCATIONS



**WHY NOW?  
WHAT ARE  
OTHERS DOING?  
GETTING IT RIGHT**

Supporting organisations  
to pioneer new ways of  
working and review current  
and emerging practice



**homeconnections**

*letting...you choose*

JUNE 2014

# About CIH

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 industry. 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.

Find out more at: [www.cih.org](http://www.cih.org)





## Foreword

**Ninesh Muthiah, Chief Executive, Home Connections**

The social housing sector has faced a series of tough challenges during the last few years. Changes to policy, legislation and regulation have followed in quick succession and altered the allocations landscape dramatically. Never has the old adage of 'necessity being the mother of invention' been more relevant as housing associations, landlords and local councils face challenges unique to their local demographic and housing.

This report explores how providers and partnerships have responded by creatively amending their approach to allocations. In some cases the private market has shown a model for delivery, in other examples landlords have found more traditional 'open house' type approaches to be useful. The report provides many different, practical examples with helpful contact details for follow up. We believe it will make essential reading for anyone associated with social housing.

Home Connections was itself born into the allocations environment as an agent of change. We are a not-for-profit organisation committed to equipping everyone involved in allocations with the most efficient, practical software solutions designed to specifically meet the needs of the social housing community. Home Connections is delighted to sponsor this report which forms part of a broader CIH programme to support organisations in new methods of working and adapt working practices in a changing political and economic climate.

# What is this all about?

**This briefing looks at how housing providers can make the most of the opportunities available to develop allocations schemes and policies, which both respond to local needs and make best use of homes. It will be useful for those considering a comprehensive review of their approach to allocations and also for those considering making smaller changes to address particular issues.**

**This briefing also explores some emerging issues and challenges and highlights how many strategic housing authorities and registered providers are responding.**

The briefing is divided into three main sections:

- the first asks **why should you be thinking about reviewing your approach to allocations?** It looks at some of the recent policy, legislative and regulatory changes which have impacted on how housing is allocated and the specific objectives you may wish to consider when reviewing your allocation policy
- the second asks **what are others doing?** It includes a number of case studies demonstrating how organisations have adapted and amended their approaches to reflect recent challenges and opportunities
- the final section asks **how do you make sure you get it right?** It sets out some of the challenges and considerations that you need to take into account when reviewing your allocations policy.

Throughout this document we will refer to allocations, which in this context includes all allocations made through a housing authorities allocation scheme whether it is a Housing Act Part 6 offer of accommodation or not. Allocations outside the scope of Part 6, which will be referred to as an allocation in this document, may include tenant requested transfers where the tenant does not have a reasonable preference category.

## How have we developed this briefing?

The background research to the briefing took place over three stages:

- initially, we referred to a range of written sources, looking at the key changes that have potentially had an impact on allocations
- we conducted an online survey, with a total of 89 respondents – 70 from social landlords and 19 from strategic housing authorities, exploring how and to what extent issues such as welfare and tenure reform, demographic changes and wider housing market conditions were having an impact on how and to whom they allocated their homes
- finally, we carried out interviews with 40 organisations, including a mix of local authorities, arms length management organisations (ALMOs), registered providers, sub-regional choice based letting schemes and stakeholders across the country. The majority were operating a choice based lettings approach to allocating homes while just a few organisations had opted for the traditional waiting list.

The organisations that we spoke to at length were:

- East Devon District Council
- Gedling Borough Council
- Hart District Council
- Isle of Wight Council
- Kettering Borough Council
- London Borough of Redbridge
- Manchester City Council
- Midland Heart
- Milton Keynes Council
- Orbit Heart of England
- Oxford City Council
- Portsmouth City Council
- Progress Group
- South Northampton District Council
- South Somerset District Council
- Wakefield & District Housing
- Wolverhampton Homes
- Yorkshire Coast Homes.

# Why should you be considering reviewing your approach to allocations?

There have been a number of policy, legislative and regulatory changes throughout the last three years which have presented both challenges and opportunities for organisations. This section summarises the key changes and explains how they could potentially impact on how, and who, housing is allocated to.

## Localism Act 2011

In light of the Localism Act 2011, strategic housing authorities have been reviewing their allocation schemes to make use of the new flexibilities granted to them. The Act gave local authorities the freedom to determine who qualifies for social housing in their area and develop solutions which make best use of their social housing stock.

Although the Localism Act maintained the statutory reasonable preference criteria, which ensures priority for social housing is given to those in the greatest housing need, it also created opportunities for providers to:

- better manage their waiting lists to meet local need
- prevent people with no housing need from joining the list
- make it easier for existing social housing tenants to move.

Using the flexibilities of the Localism Act can present some challenges for providers. Providers will need to consider:

- how best to explore new ways of working
- how to communicate changes with their stakeholders, customers and staff
- how their new approach to allocations may impact on housing services.

The majority (89 per cent) of our survey respondents said that they had recently carried out a review of their allocation scheme or were planning a review in the next 12 months. In the majority of cases this was as a result of the introduction of both the Localism Act 2012, and the need to manage the impact of welfare reform.

## The impact of welfare reform

According to providers we spoke to, welfare reform and specifically the removal of the spare room subsidy, has had an impact on their allocation schemes. Our survey showed that landlords are experiencing:

- increased demand for smaller properties as under occupiers seek to downsize
- an increase in difficult to let family size properties
- increased competition for smaller accommodation, between downsizing households and those in housing need.

This has led organisations to review how they allocate their housing and who gets priority.

Another aspect of welfare reform which has impacted on allocations is the introduction of the shared accommodation rate for private tenants who are under 35 years of age and claiming local housing allowance. In effect it means that claimants are unlikely to be able to afford self-contained accommodation in the private sector. This is adding to the overall demand for one bedroom social rented homes.

## Tenure reform and fixed term tenancies

The Localism Act introduced legislative and regulatory freedom for providers to offer fixed term tenancies to new tenants.

Offering fixed term tenancies can present challenges in terms of allocations, including:

- lower demand for fixed term tenancies
- meeting the needs for customers who have reached the end of their fixed term tenancy.

We have produced a separate briefing on the opportunities and challenges in using fixed term tenancies, which is available on the CIH website ([www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/New%20approaches%20to%20using%20fixed%20term%20tenancies.pdf](http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/New%20approaches%20to%20using%20fixed%20term%20tenancies.pdf)).

## The introduction of affordable rent

Since October 2010 registered providers and local authorities have been able to convert a proportion of their re-lets and all new build homes to an 'affordable rent'. An 'affordable rent' is up to 80 per cent of market rent locally. This can pose a challenge for providers in areas with high rent differentials between the market rent and social sector as concerns regarding affordability can lead to a lack of demand for properties let at an affordable rent.

## Amendments to the statutory guidance for allocations

In June 2012, the department for communities and local government issued guidance to local authorities in England which replaced all previous guidance on social housing allocations. Housing authorities are required to have regard to it in exercising their functions under Part VI of the Housing Act 1996. In December 2013 this guidance was updated to encourage local authorities to introduce a residency test as part of their qualification criteria and to give members of the armed forces priority for housing.

Almost half of our survey respondents said that changes to strategic housing authorities' allocation schemes have altered the profile and pool of applicants by excluding people who are deemed not to have a local connection.

## Delivering key objectives

In addition to meeting the challenges outlined above, there are a range of objectives that you might want to achieve when considering reviewing or amending your approach to allocations. The key ones which were mentioned by our survey respondents are:

- making best use of existing stock
- improving demand for all properties
- creating sustainable tenancies in light of welfare reform
- creating balanced and stable communities
- supporting business efficiency.

These objectives are not necessarily mutually exclusive and it may well be possible to achieve more than one of them. However some degree of 'trade-off' between objectives is inevitable, so it is vital to have a clear idea of the priorities for your organisation before you start. Understanding exactly what you are hoping to achieve and what success would look like is an essential first step when you are looking to change or develop a new approach.

The main section of this briefing looks in detail at these objectives and how different organisations are reviewing their approaches to deliver against one or more of them.



# What are others doing?

This section sets out in detail how organisations have shaped their allocation schemes to meet the particular objectives set out in the section above.

## Objective 1: Making best use of existing stock

A key driver for organisations to review their allocation schemes is to make the best use of their stock. Broadly speaking this means effectively managing stock which is in short supply and ensuring people are living in accommodation most suitable for their needs. You can achieve this through your allocation scheme by:

- encouraging people to release properties they no longer require so that they are available for letting
- ensuring properties are allocated to the most appropriate person
- utilising the opportunities within the wider housing market to resolve housing need.

You will need to understand what local objectives your organisation has around making best use of stock; some of the objectives providers that we spoke to wanted to achieve included:

- supporting under-occupiers to downsize into accommodation more suitable for their needs
- ensuring adapted properties are allocated to the person in greatest need for that accommodation
- freeing up properties adapted for people with disabilities where households no longer require the adaptations
- freeing up supported housing where the person no longer requires the accommodation
- utilising the private rented sector to meet housing need locally
- restricting access to the housing register if applicants can afford market rent or low cost home ownership options.

## Learning from others

To make best use of adapted properties and supported accommodation which are in extremely short supply, the **Keyways Housing Allocation scheme**, covering the sub-regional choice based lettings partnership for Kettering, Corby and Wellingborough, awards additional priority to:

- applicants living in any tenure where there is a medical need for major adaptations to their home and where the applicant would consider a move to other suitably adapted accommodation
- social or affordable rented tenants willing to transfer to suitable non-adapted accommodation who will be releasing a property with major adaptations
- applicants living in supported accommodation or care, who have been accepted as ready for independent living by a relevant support provider

To ensure properties with major adaptations are let to the most appropriate person, the allocation scheme also has a provision to allow the direct letting of adapted accommodation to applicants who need it, without the need for it to be advertised on the choice based lettings scheme.

As a result of the efforts to make best use of stock through the allocation scheme the partnership has been successful in allocating specialist accommodation to the applicants who will benefit from it most and ensuring residents can move on from supported accommodation in a timely manner.

Contact: Carly Hohn, [carlyhohn@kettering.gov.uk](mailto:carlyhohn@kettering.gov.uk)

**Wolverhampton City Council's** housing stock is managed by five managing agents, including Wolverhampton Homes. They use local flexibilities to give under-occupying social tenants appropriate priority to transfer. To ensure this policy is effective, Wolverhampton Homes has looked at the barriers that may exist which prevent under occupiers from downsizing. It operates a discretionary 'House Release' scheme to enable tenants that downsize to access funds to assist with the removals, disconnection/reconnection of utilities, minor repairs, white goods and anything that will make the move possible up to the value of £1000. This has enabled tenants to transfer to more suitable accommodation.

Contact: Pauline Evans,  
[Pauline.evans@wolverhamptonhomes.org.uk](mailto:Pauline.evans@wolverhamptonhomes.org.uk)

## Objective 2: Improving demand for all properties

Since the introduction of the removal of the spare room subsidy in April 2013 many organisations have seen a significant increase in property vacancies, as people move to avoid experiencing a shortfall in their rent payments.

Some of the organisations that we spoke to commented that as a consequence of the removal of the spare room subsidy, they have experienced a reduction in demand for once highly sought after properties, as applicants who would normally have been offered homes of that type and size can no longer afford the rent. Properties most affected have been larger family homes and also two bedroom flats and maisonettes which are not considered suitable for children.

Housing providers have been exploring the reasons why these properties are considered more difficult to let and finding innovative solutions to maintain demand.

Several of the organisations we spoke to are finding new ways to market their properties; giving greater consideration to how they market them, where they market them and to whom. They have had to become more commercially minded, particularly in areas where rent levels are comparable to the private rented sector. In these areas prospective tenants are likely to be making an informed choice between the two sectors. Therefore, it is imperative that landlords appreciate this and take steps to ensure their offer is competitive and attractive.

Some of the landlords we interviewed have started offering shared tenancies for the larger flats that are deemed inappropriate for families with children. In addition, Progress Housing Group is piloting a shared tenancy scheme offering large three and four bedroom hard to let houses to single people under the age of 35.

In a bid to increase demand, landlords are also focusing on properties with age stipulations and reducing the restrictions where appropriate. Wolverhampton Homes has, for example, increased demand for their sheltered accommodation by reducing the age eligibility from 60 to 50 years.

### Learning from others

**Wakefield and District Housing (WDH)** have launched an Immediate Available Homes campaign. All properties which have proven difficult to let through the choice based letting scheme are advertised on the immediately available homes list. Properties advertised through this campaign can be let within two to three days. If they receive a housing application from someone who would be suitable for a property which is immediately available they can be fast-tracked to a new home through this route without the need to continue with the application to the choice based lettings scheme.

The new measures introduced by WDH have been successful in improving demand for its larger family homes and maisonettes, reducing re-let times, cutting expenditure on void maintenance and improving tenant satisfaction.

Contact: Mick Walsh, [mickwalsh@wdh.co.uk](mailto:mickwalsh@wdh.co.uk)

In July 2012, **Midland Heart**, which manages a stock of 22,000 properties across 54 local authorities, launched Homes Direct, a regional choice based lettings service. Homes Direct has 34,000 applicants registered to move and since its launch, over 2,000 households have transferred or accessed social housing through the scheme. Midland Heart works in partnership with four local authorities and seven registered providers who all advertise their vacant properties through the website, increasing the pool of available properties for prospective tenants.

Midland Heart took the decision to launch a choice based lettings scheme for several reasons. Firstly, it had begun to find that being part of local authority allocation schemes was no longer sustainable; it was experiencing reduced demand for its properties which was impacting on void times and ultimately its rental income.

Furthermore, its stock was dispersed across 54 local authorities which were preventing tenant mobility within its stock. Due to the increased restrictions being placed on local allocation schemes, its tenants were finding it harder to move across local authority boundaries. It wanted to help tenants access Midland Heart housing wherever they wanted to move, even if they did not have a local connection to the area. It has achieved this through Homes Direct; over a third of people housed via the scheme have moved across local authority boundaries.

Homes Direct is an open register; organisations who are in partnership with Homes Direct sign up to an allocation policy which is simple and straightforward. The policy allows partner landlords flexibility in deciding their own allocation criteria for each property advertised.

Midland Heart continue to work in partnership with strategic housing authorities to support them to meet acute housing need; 50 per cent of its vacancies are let through Homes Direct ensuring the remainder of properties are available for letting through local allocation schemes.

Homes Direct has enabled Midland Heart and its partners to target a new market of applicants who would not necessarily be able to meet their housing needs through local authority allocation schemes. The open register allows applicants to make informed housing choices with regard to the type and location of properties applied for, which has in turn increased demand for properties landlords had previously struggled to let.

Contact: David Taylor, [david.taylor@midlandheart.org.uk](mailto:david.taylor@midlandheart.org.uk)

In response to an unexpected fall in demand for properties advertised through its choice based lettings scheme, **Kettering Borough Council** held an 'open house' event which was attended by over 100 people seeking a new home. The event, which was held on a Saturday, enabled prospective tenants to have a tour of some of the immediately available council and housing association properties for rent in the Borough.

To advertise the event 'to let' boards were put up outside the vacant social rented properties with interested parties directed to the open house event. All housing applicants were also invited and all registered providers were encouraged to market the event to their tenants.

The council made a guarantee that those who attended would have their application to the Keyways Housing Register processed on the day, providing they took the correct evidence of their circumstances. Over 60 applicants who attended the event took advantage of this offer. This meant that applicants could place bids on the 'open house' properties or any of the other immediately available properties if they wanted to.

All the properties which were opened to prospective tenants on the day were successfully let to people who attended the event and since the event the number of properties advertised in each bidding cycle has dropped to 30 from a peak of 70 as the need to re-advertise has fallen.

Contact: Carly Hohn, [carlyhohn@kettering.gov.uk](mailto:carlyhohn@kettering.gov.uk),  
Leona Mantle, [leonamantle@kettering.gov.uk](mailto:leonamantle@kettering.gov.uk)





### Objective 3: Creating sustainable tenancies in light of welfare reform

A significant objective for strategic housing authorities is to support tenants affected by welfare reform through their allocation scheme. Housing providers are focusing on:

- providing mandatory financial inclusion training to tenants, prior to offering them a tenancy, to reduce the risk of arrears
- assessing the affordability of properties for prospective tenants
- ensuring tenants can meet their housing costs prior to being successful for a tenancy
- increasing opportunities for mobility including giving priority to under occupiers.

Several of the landlords that we interviewed have changed the bedroom entitlement for households in their allocation policy to coincide with the government's bedroom standard for housing benefit. Reading Borough Council, for example has changed their allocation policy so that households are entitled to one bedroom per:

- adult couple
- other person over 16
- disabled child who cannot share a bedroom with another child because of their disability
- two children of the same sex under 16
- two children under 10, regardless of their sex
- any other child.

This is to ensure that tenants can afford to pay their rent if they move into social housing in the borough.

Others have introduced tenancy sustainability checks to ensure properties are affordable for applicants. Orbit Heart of England, for example, have introduced an excel-based sustainability checker to assess the property affordability for prospective tenants as well as considering the need for additional support in relation to money, debt advice and tenancy sustainment. As a result of these increased checks, tenants are being supported to access services offering debt counselling, benefits advice and assistance with discretionary housing payment applications.

Landlords are increasingly delivering employment and training programs to tenants. Programs like these which offer 'more than just housing' not only support tenants to access employment and training but they also improve demand for properties from prospective tenants who are seeking the opportunity to achieve wider aspirations.

The majority of strategic housing authorities that have reviewed their allocation policy have awarded priority to existing tenants affected by the removal of the spare room subsidy. Oxford City Council tenants seeking to downsize to a smaller property, or a sheltered property, freeing up larger family sized housing are awarded high priority to move on the transfer list. In addition, many landlords are advertising properties with preference for existing tenants who wish to downsize.

Progress Housing Group also prioritises tenants who are suffering extreme hardship due to the cuts in welfare benefits for properties through their Direct Match scheme. In exceptional cases, tenants can be offered properties without them having to be advertised through their allocation scheme.

Many housing providers are looking at innovative ways to promote the mobility opportunities which exist to tenants rather than reviewing their priority. To encourage mutual exchange some landlords are hosting 'speed dating' events to introduce tenants that wish to move or swap their homes. Tenants who want to avoid the removal of the spare room subsidy are encouraged to attend as are tenants needing larger homes to accommodate their families, and tenants wanting to move to be closer to work, schools or support. The larger events have representatives from a range of organisations offering advice and information on alternative housing options.

#### Learning from others

As a result of the introduction of the shared accommodation rate for under 35 year olds living in the private rented sector, **East Devon District Council** has experienced a shortage of shared accommodation suitable for single non-priority applicants. In response to this the council has purchased a six bedroom property in Exmouth. The house will be let on a shared basis to single people between the ages of 21 and 55 considered to be in

housing need. The rooms will be allocated through their choice based lettings scheme, Devon Home Choice and let on a licence. Each individual will have their own bedroom and en-suite and will share a communal kitchen and dining area. Housing officers will manage the property and the council will also be responsible for cleaning parts of the accommodation including the communal hallway and stairs.

Contact: Dennis Boobier, [dboobier@eastdevon.gov.uk](mailto:dboobier@eastdevon.gov.uk).

## Objective 4: Creating balanced and stable communities

Allocation schemes must align with other strategic drivers, such as housing and homelessness strategies to help create communities where people want to live, work and raise a family. A key driver for allocation schemes is to develop policies which attract a mix of residents to social housing to ensure communities are balanced and stable.

Some of the objectives organisations we spoke to wanted to achieve to create balanced and stable communities were to:

- improve demand for properties or estates
- create stable local populations
- create communities which support the local economy
- improve the life skills of their tenants so they can maintain their tenancies and access employment
- enable tenant mobility to support aspirations and local economies
- enable residents who make a significant contribution to the community the opportunity to live in social housing
- reduce the risk of anti-social behaviour.

The tools they have used to meet these objectives through their allocation schemes include:

- introducing a local connection criteria
- developing local lettings policies
- introducing additional preferences to certain groups of people such as those in low-paid employment
- introducing a qualification criteria to exclude people who have current or former tenant rent arrears or who have behaved anti-socially
- offering services to support training and employment opportunities.

Many of the organisations we spoke to have used the Localism Act's provisions to shape their allocation scheme to ensure social housing within their area is let to local people; a move which has been strongly encouraged by the government. Landlords have introduced residency tests requiring applicants to have lived in the area for a period of between six months to ten years. CIH and others have expressed concerns that measures of this kind might result in discrimination. Landlords have also used the residency test to support tenants who need to move to the area to work or to provide or receive care.

Local lettings policies have been used by organisations to achieve a wide variety of housing management and policy objectives. They allow properties to be allocated to certain categories of applicants, whether or not they fall within the reasonable preference categories, provided that overall the landlord is able to demonstrate compliance with statutory requirements. Local lettings policies can be used on new developments or in existing communities having regard to housing management considerations such as the social mix of tenants, density, age range, and vulnerability of tenants. They may also be used to encourage working people or people who contribute to their local community through volunteering to move to a particular area.

We have found a number of landlords incentivising applicants that are in work or contributing to their community through volunteering. Some are awarding priority in their allocation scheme whilst others are advertising properties with a preference for those that are working or are making a community contribution. In order to be successful for a Bromford tenancy, tenants sign up to the 'Bromford Deal' under which, amongst other things, they agree to contribute to the community by either working, being in training or helping others.

## Learning from others

Manchester Move is a partnership between **Manchester City Council** and 18 not for profit landlords. They have a housing stock of 67,000 homes in the city. Most homes are allocated to people using Manchester City Council's allocation scheme. There is significant demand for social housing across Manchester. Despite this Manchester Move retain an open register. It allows them to record housing need in the city which influences future development, reduces the incidents of hard to let and improves mobility.

Eligible applicants are put into one of six bands. Band 1 contains people who have an urgent need to move, to Band 6 for applicants of reduced priority (namely people that do not have a connection to the city, have rent arrears, have broken their tenancy agreement, or a number of other qualification criteria). Manchester City Council offers increased priority to people in Bands 3 and 5 to enable applicants to be preferred in Band 2 or 4 where the household is working, can pass the 'community contribution' test or is a young person with a pre-tenancy qualification.

Applicants are considered working if they have a permanent, temporary or self employed job, they work 16 hours or more per week and they have worked for at least nine out of the last twelve months. Households pass the 'community contribution' test if they live in a 'rehousing area cluster' and have completed a minimum of ten hours voluntary work per month and have done for at least six months continuously. Young people can attend a course that gives them the skills to live independently and be a good tenant. If they successfully complete the course they are awarded a young persons pre tenancy qualification.

In 2013/14 36 per cent of all lettings were made to households either working or making a community contribution (Bands 2 and 4). Interestingly, 82 per cent of homes were still let to households with a reasonable preference.

Contact: Mel Godfrey, [m.godfrey@manchester.gov.uk](mailto:m.godfrey@manchester.gov.uk).

**Progress Housing Group** offers the MyPlace course to people managing a home for the first time. The course consists of five two hour sessions helping them to develop vital pre-tenancy skills. The MyPlace course is a requirement for people under the age of 35 who wish to be considered for the OurPlace shared tenancy scheme. All allocations are allocated through the choice base letting scheme.

Contact: Tammy Bradley, [tbradley@progressgroup.org.uk](mailto:tbradley@progressgroup.org.uk).

**South Oxfordshire District Council** is committed to using its housing allocation scheme to create balanced communities which include working households. Their target is to ensure that 20 per cent of general needs lettings are prioritised for working households who are in housing need. Where property adverts are marked with this preference, priority will be determined first by band, then by whether the applicant is defined as a working household and then by the date of their application. It is therefore likely that people who work will have a shorter waiting time for 20 per cent of properties.

Contact: Phil Ealey, [phil.ealey@southandvale.gov.uk](mailto:phil.ealey@southandvale.gov.uk)

## Objective 5: Supporting business efficiency

Allocation schemes can support wider business objectives to improve efficiency. Many of the organisations we spoke to believe that they have improved the efficiency of their allocations service by using the flexibilities of the Localism Act. This includes restricting access to the list for certain groups of people, such as those with no housing need. Not only has this improved efficiency, by reducing staff time spent on processing applications, but it also better managed the expectations of applicants who had no real prospect of ever being housed.

It is worth bearing in mind that changes of this kind can also bring unintended consequences – by removing people with no identified housing need from the register, a sometimes considerable pool of people who may have accepted harder to let homes has been lost. This may be a factor behind the difficulty letting homes which some organisations may now be experiencing.

It has long been recognised that efficiencies can also be achieved through partnerships which deliver joint allocation schemes. Sub-regional schemes such as Devon Homechoice and Homefinder Somerset reduce the running costs of providing an allocation scheme through sharing IT costs and resources to implement and manage schemes.

Another increasingly important business opportunity for housing providers is the shift towards delivering services digitally. Choice based lettings schemes can support digital strategies by automating processes and transactions and providing a platform to provide other digital services to tenants and residents. With universal credit on the horizon it will be imperative that tenants have access to the internet so they can manage their benefits. Many landlords are working to reduce the barriers which currently prevent this from happening by providing free access to the internet and training courses to help tenants improve their IT skills.

## Learning from others

**The Manchester Move** website uses 'traffic light' graphics to show applicants their chance of being housed. If an applicant is within the top five bids, they will see a green traffic light. If the bid is within the top ten, they will see an amber light. If the bid is outside the top ten, the applicant will see a red light. This indicates the applicant is unlikely to be offered the property and will be encouraged to try different areas, property types and consider alternative housing options. This has reduced staff time spent answering calls from applicants enquiring their bid position.

Contact: Mel Godfrey, [m.godfrey@manchester.gov.uk](mailto:m.godfrey@manchester.gov.uk)

**Kent Homechoice**, a large choice based lettings scheme with 38 partners including all 14 councils in Kent, uses digital technology to maximise accessibility to the service for applicants.

Using Looking Local, which delivers a range of local government services to the public on DiTV, applicants can view and bid on properties using digital interactive televisions and web-enabled mobile phones. Five per cent of Kent Homechoice bids are made through digital TV screens.

Contact: Alan White, [alan.white@kenthomechoice.org.uk](mailto:alan.white@kenthomechoice.org.uk) visit [www.kenthomechoice.org.uk/choice](http://www.kenthomechoice.org.uk/choice)

# How do you make sure you get it right?

This section sets out some of the most important things that you need to think about before undertaking any fundamental review and/or change to your approach to allocations. The following questions should be considered at strategic level within your organisation:

## Do you have a clear understanding of your stock profile, customer demographics, local housing need and the likely impact of any changes to your policy?

It is important to use all the data at your disposal to build up a comprehensive picture of housing supply and need in your local area. This will include:

- information on the characteristics and needs of existing housing and transfer applicants
- the profile of households presenting as homeless
- the profile of those you are letting homes to
- using customer insight data for current social housing tenants will also help to build an understanding of the nature and extent of under occupation and overcrowding and will inform policies to address them
- having a thorough understanding of all the available housing options in your local area including how easy it is to access the private rented sector and the range of low cost home ownership options

As part of your evidence gathering, you should consult with your applicants, tenants wanting to move, and key stakeholders. It is important to understand the current challenges to your allocation scheme to develop the solutions needed to meet local need. You will need to consider how you effectively communicate any changes to applicants, tenants, stakeholders and the wider community to ensure your new approach to allocations is seen to be fair and transparent.

Liverpool's Property Pool Plus website for example, shares the way it allocates social housing to offer clarity and counter any misconceptions and misinformation. By providing information in a clear and transparent way, they believe the community are more likely to view their allocation scheme as fair.

## Learning from others

According to research carried out by **Portsmouth City Council** there is an even match in the city between households needing to downsize and overcrowded households needing additional bedrooms, which means there is accommodation in the city for under occupiers to move into. When an under occupier wishes to downsize, housing officers will explore with them the mutual exchange opportunities available. Only in exceptional circumstances, where no mutual exchange opportunities exist, will priority be given to existing tenants wishing to downsize through their waiting list.

Contact: Elaine Bastable, [Elaine.bastable@portsmouthcc.gov.uk](mailto:Elaine.bastable@portsmouthcc.gov.uk)

You must also assess the implications of your allocation scheme on different groups protected from discrimination by the Equality Act 2010. It is good practice to complete an equalities impact assessment of your scheme to ensure that your policies do not negatively impact on certain groups of people. CIH has produced a publication '**How to... undertake an Equality Impact Assessment**' <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/How%20to%20undertake%20an%20equality%20analysis.pdf>.

Consider, for example the impact policies which treat applicants who are in work and those on benefits differently; such as allowing or not allowing applicants to be allocated a property they are under occupying based on their employment status. Policies like this adversely impact upon people on benefits and could therefore be open to challenge.

You should also assess the impact the introduction of a residency test as a qualification criterion may have on different protected groups. Through our research we have come across authorities who have introduced residency tests of up to ten years; consider the negative impact this policy will have on migrants from the European Union, for example.

## Are you clear what objectives you are trying to achieve through your allocation scheme?

Once you have a clear understanding of the stock profile and housing need in your area you will be able to clarify what your objectives are and ensure they are aligned with the strategic objectives of your organisation and your local area.

For example, if one of your objectives is to allow tenants that are affected by the removal of the spare room subsidy to be rehoused, you will need to assess the barriers which prevent them from downsizing. This may include allowing tenants who have arrears to move.

## Have you developed your allocation policy in conjunction with both your local authorities' housing and homelessness strategies and registered providers' tenancy policies?

It is important to link the objectives you are trying to achieve with wider local objectives, including those set out in the local authority's tenancy strategy.

Regulatory requirements stipulate that housing providers should 'have regard' for local authority tenancy strategies, but it is important that there is some level of consistency and agreement. This helps to ensure that different organisations operating in the same area are not pulling in different directions and that your ability to let your properties is not compromised if your offer is not as attractive as that of other landlords.

It is important to work closely with other strategic housing partners in order to make informed decisions on your approach to allocations.

However, ultimately, if there are conflicting views in your area, you will need to take a pragmatic approach that balances the local authorities, and other landlords' views with the potential benefits that you have identified in your approach.



## Have you thoroughly assessed both the intended and unintended consequences of changing your allocations scheme?

The increase in under occupiers wishing to downsize due to the removal of the spare room subsidy has reduced the capacity for organisations to respond to the highest priority applicants, including homeless households. You may want to consider establishing quotas for lettings to various priority groups to make sure that one category of need doesn't dominate the rest.

Restrictions to your allocation scheme may adversely impact on mobility. Applicants previously able to apply for housing in neighbouring authorities have seen their chance of housing reduced or removed by new local connection requirements. This may adversely affect people's ability to move to find or be near work and will also affect the local economy. It may also reduce the pool of people who would be glad to accept a harder to let home leading to longer relet times and lost income.

If you are experiencing a fall in demand for some of your properties you may wish to consider if the following changes to your allocation scheme have had a negative impact:

- excluding people who are deemed not to have a local connection
- removing people with low or no housing need
- allocating properties to people according to the number of bedrooms that housing benefit regulations state they can have
- excluding home owners who may have some equity
- reducing waiting lists with restrictions will impact on local housing needs data used to inform strategic planning/new developments. Organisations need to think about where these people who no longer qualify for the waiting list will go i.e. housing options services tailoring advice for people who do not qualify.
- some strategic housing authorities have chosen to keep an open register to enable them to record vital housing need data to influence their future development plans.

If so, you may consider:

- introducing preferences rather than a blanket policy, e.g. a preference for applicants with a local connection rather than adding a local connection criteria
- allowing households with low and no priority the opportunity to join the register if eligible for properties in low demand
- directly letting properties in lower demand from a register separate from the normal allocation scheme
- fast-tracking new applicants to your register who would meet the requirements for a property in low demand
- allowing applicants to bid for properties which are too large for their needs, for example to enable families to grow
- opening up your scheme to certain groups of people such as applicants without dependants who are sharing accommodation with others
- not subjecting applicants accepted for older person accommodation to savings or income caps.

## Is your approach to allocations sustainable for the future?

Assessing the impact of new policies once in place is an important part of the process of changing your approach to allocations.

You will need to have adequate monitoring systems in place to help you assess how the approach is bedding in, the effect on your stock and your customers, and to pick up on any emerging issues. You will need to be flexible enough to make changes or adjustments as needed, to avoid storing up issues for the future. Put in place measures to assess the effectiveness and impact of your approach, to ensure that you continue to prioritise applicants appropriately.

It is advisable to continue to seek out emerging practice in allocations, and speak to neighbouring providers about how they are meeting similar challenges. Similarly bear in mind that the demographic of those in housing need may change, as may the legislative context. Keep an eye on the horizon for these new challenges.

Finally, take account of the cost of your approach to allocations and make sure you can continue with it in the context of reduced budgets in the future.



## Final Thoughts

From our research we identified five key conclusions to help you consider your new approach to allocations:

**Be clear about what you want to achieve from the outset.** Whether your objectives are to make the best use of your stock, or to increase business efficiency, make sure they fit with your wider policy objectives. Using a top-down approach to planning will ensure continuity and mutual support across the organisation.

**Collect robust information about your stock and your customers and use this to influence your policy decisions.** Any decisions you make should be based on a sound understanding of the demographic of your customer base, consider how you will build in flexibility to your approach to meet their changing needs.

**Explore opportunities presented by the Localism Act 2011.** The Act introduces the opportunity for new ways of operating allocations at a local level. Make sure you have taken full account of the new freedoms to meet your strategic objectives.

**Be clear on the risks of your approach and how you will manage them.** Involve your stakeholders, including local elected Members and your customers, in any decision making process. Build in review periods to assess the impact and effectiveness of your new approach, and consider how you will mitigate any challenges that arise..

**Don't shy away from new ways of working, or new partnership opportunities.** The reforms outlined in this report have brought new challenges which have prompted innovation across the housing industry. Seek out opportunities to learn from peers, develop partnerships and continue to align your approach with emerging good practice.

# Advertorial

## London's regional allocations scheme – combining choice and fairness

The social housing needs of London are complex, varied and changing in response to the Localism Act and welfare reform of recent years. With a growing population estimated in excess of eight million across 33 boroughs, demand for housing is high and efficient use of existing stock has never been more important. A system created for the Greater London Authority (GLA), which has been used to advertise the 68 pan-London social rented properties in the East Village, is set to change the way we all think about mobility.

The Greater London Authority (GLA) set about putting in place a scheme that would ease problems associated with a lack of mobility across boroughs. They turned to Home Connections, who competitively tendered to create the perfect solution. Housing Moves links seamlessly with the Mayor of London's Seaside and Country Homes scheme – giving tenants more property choice and more say in where they live.

With 32 of 33 London authorities and around 50 housing associations involved in Housing Moves, already the scheme is certainly amongst the largest of its kind in the UK. Each participating London local authority contributes the equivalent of 5% of their lettings into a pan-London housing pool to be advertised through Housing Moves, and the G15 housing associations contribute an additional c185 properties.

Tenants apply online to join the register with an online eligibility screening form ensuring the right applicants are accepted. Further verifications by their landlords are undertaken through a straightforward automated system – measures that prevent a bloated register. Boroughs and housing associations are able to manage shortlists better than with previous Choice Based Lettings (CBL) systems as all landlords have direct access to the relevant areas of the systems, allowing them to update in real time. By prioritising under occupiers, the system is also able to make more efficient use of available stock.

To ensure balance and fairness for participating councils an equalisation tool guarantees that no authority can gain an unfair advantage or suffer property loss. Ingeniously, this approach allows tenants the chance for movement into or out of a borough without net migration or immigration to or from any boroughs.

Housing Moves is a bespoke software solution developed by Home Connections to meet the specific needs of the GLA, but works similarly to many of the bespoke modern schemes Home Connections has installed across the country to answer specific local needs – such as in Birmingham, Southampton, Devon, Bedfordshire, Angus and River Clyde.

Housing options are neatly and automatically integrated into the housing application process – such as when older applicants are automatically introduced to the Seaside and Country Homes scheme which provides properties in coastal and rural locations. This scheme handled around 150 lettings in 2013/14 from a stock of around 3000 properties outside of London. The ease of use of the online tools has enabled this older generation of tenants to switch from a paper-based to a digital environment, where they wish to do so. The GLA's Senior Manager for Services, Commissioning and Retrofit, Debra Levison, points out that, "a good testament of how easy the Seaside & Country Homes software has become is that 62% of applications to this formerly paper-based system are now made online."

The Housing Moves and Seaside and Country Homes systems cleverly combine CBL with direct allocations, giving allocations staff the best of both worlds in terms of choice and efficiency and heralding an effective technological response to the changing needs of the social housing market in light of recent policy and law changes.

The system at the GLA went live in May 2012 and also became the vehicle to let the pan-London social rented East Village properties. The number of lettings through the scheme doubled in its second full year, and there are plans for potential expansion in years to come. The GLA's Senior Manager for Services, Commissioning and Retrofit, Debra Levison, is confident the system will forge ahead in the future. "Home Connections are well known for their pioneering work with CBL schemes" says Levison, "and we have strong day-to-day account management and input from members of the Home Connections team."

Building on the success of these schemes, Home Connections and Circle Housing joined forces in 2013 to pioneer a new national mobility scheme that combines allocations with mutual exchanges. Called Homefinder UK the new service advertises immediately available properties for free and case manages tenants to a successful move to a new home – anywhere in the UK.

<http://www.housingmoves.org/>

<http://www.home-connections.co.uk/>

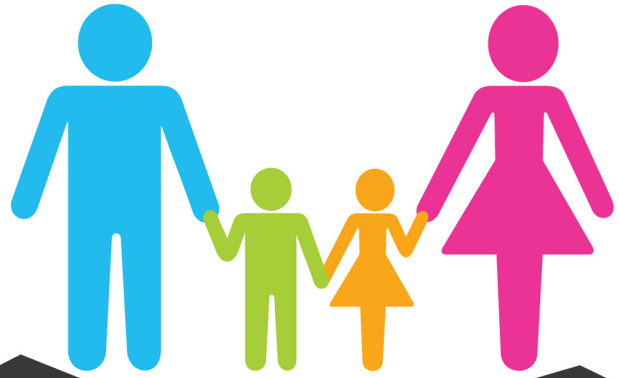
<https://homefinderuk.org/>





# homeconnections

*letting...you choose*



## 14 years' experience in delivering innovative housing solutions

Our market leading software pioneers new approaches to allocations as used by the G15, Affinity Sutton and the Greater London Authority

We are not-for-profit, which means we can charge less and deliver free upgrades to our latest platform

Our software is completely tailored to your local needs

A national mobility scheme to help your tenants move with difficult-to-lets advertised for free



For a demo or free trial contact Ninesh Muthiah or Chris Monk on 0207 619 9705 or [ninesh.muthiah@home-connections.co.uk](mailto:ninesh.muthiah@home-connections.co.uk)