



Crisis

Moving the deckchairs?: Social housing allocations in England

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Introduction

There is critical shortage of social housing in England. We are losing more homes for social rent than we are building with a net loss of 180,067¹ social rented homes over the last 10 years against a backdrop of rising homelessness. There are record levels of households trapped in temporary accommodation and rough sleeping continues to rise, trends which are driven by a shortage of genuinely affordable housing.²

The UK government has rightly acknowledged that the lack of social housing has contributed to current record levels of homelessness,³ and has taken immediate action in a number of areas including the first phase of planning reforms, reducing the impact of the Right to Buy in eroding the supply of homes, and making a critical commitment to deliver the biggest wave of affordable and social housing in a generation.⁴

The £39bn funding settlement over ten years for the Affordable Homes Programme is a hugely welcome step providing nearly than double the investment in recent years and stability for housing associations and developers. But achieving growth in the supply of social rented housing will require a step change in the scale of investment for the longer term and will take time.

Over the medium to long term, we must address the housing crisis through investing in the supply of at least 90,000 homes at social rent a year for the next 15 years.⁵ Given the current shortfall, how we distribute the available social homes has never been more important.

Currently in England 27 per cent of new social lettings are allocated to homeless households which has increased from 23 per cent on the year before.⁶ In contrast, Scotland allocated 54 per cent of new social lettings to homeless households⁷ due to the mandatory nature of 'Section 5' nominations, introduced by the Housing (Scotland) Act 2001 explored more in this report.

This policy briefing is based on a survey conducted with general needs housing associations in England, to which 68 associations responded,⁸ and case study research involving interviews and focus groups with local authority and housing association representatives in four areas in England. Fieldwork took place across summer 2022. It is part of a wider study on social housing allocations across Great Britain (GB) conducted by Crisis, Heriot-Watt University and the UK Collaborative Centre for Housing Evidence (CaCHE).

1. Ministry of Housing, Communities and Local Government, Live tables on social housing sales
2. The Homelessness Monitor: England 2023 [homelessness-monitor-england_report-2023_v11.pdf](#)
3. MHCLG, Consultation on future social housing rent policy, 30 October 2024
4. <https://www.gov.uk/government/publications/delivering-a-decade-of-renewal-for-social-and-affordable-housing/delivering-a-decade-of-renewal-for-social-and-affordable-housing>
5. [England Short Of Four Million Homes](#), Crisis and NHF
6. Table 98 Social housing lettings to tenants, new tenants and homeless households in England, UK Housing Review
7. Table 101 Scottish social landlord lettings, UK Housing Review
8. This represents 18% of total housing associations with general needs stock in England and 27% of the total general needs housing stock overall

Key findings

- In the face of severely constrained housing supply, the way social housing is distributed is key. There were more efficient procedures in areas of England that had a strongly harmonised local allocations system, implemented through a common allocations policy and/or common housing register across local authorities and social landlords. This joined-up approach helped to minimise how often nominations for people to live in social homes were refused, and how long homes were unoccupied.
- Relationships between housing associations and local authorities are generally viewed as positive but there are major concerns about the adequacy of information provided by local authorities about the households they nominate for housing association tenancies.
- The legal framework in which housing associations in England are operating also had an impact on the perceived suitability of nominations. Notably, while one-quarter (24%) of housing associations in England reported often refusing LA nominations because the offer was unsuitable, this was reported by only 6% of housing associations in Scotland with respect to nominations or Section 5 referrals.
- Affordability issues in England are preventing access to social housing for low-income groups against a wider backdrop of welfare cuts. Nearly one third (31%) of responding housing associations said that pre-tenancy affordability checks often bring to light new information which leads to an offer of housing being deemed unsuitable for an applicant, rising to 39% amongst larger associations. Nearly a quarter (24%) said that households below a certain income threshold are sometimes excluded from the housing register from which they receive applications for social housing lettings, with these exclusions often applied in the context of local authority housing list restrictions.
- There is evidence that general needs housing associations in England are struggling to secure the additional support required by some applicants – almost two-thirds (63%) of respondents operating choice-based lettings systems reported that availability of support for vulnerable applicants was challenging. This is particularly challenging given the cumulative concentration of applicants with higher support needs in the top bandings used by the CBL system.
- Wider structural factors are adding to these barriers, including the key role played by welfare cuts and the cost-of-living crisis driving affordability issues.
- Compounding these concerns is the difficulty of increasing new housing supply because of land and building costs alongside trying to bring existing stock up to new efficiency standards.
- Recommendations arising from the research centre on: increasing housing supply for social rent; removing barriers to accessing social housing for households on low incomes and for people experiencing homelessness; addressing unmet support needs; and improving communication flows between local authorities and housing associations.





How is the social housing allocations system in England governed?

The Housing Act 1996, Part 6, ("HA 1996" as principally amended by the Homelessness Act 2002 and Localism Act 2011) provides the framework for social housing allocation in England. It establishes that each local authority must publish an allocation scheme that gives 'reasonable preference' to certain groups in housing need, including people who are homeless, those with a particular need for accommodation on medical or welfare grounds, people with insanitary, overcrowded or unsatisfactory housing conditions, and people with a need to move to the local authority area to avoid hardship. Allocation schemes may also be framed so as to give 'additional preference' to particular groups within these reasonable preference categories who have urgent housing needs (HA 1996, s 166a(3)).

As long as local authorities devise housing allocation schemes which give some degree of preference to these statutorily-prescribed categories of applicant, they otherwise have considerable discretion over how they allocate their housing stock.⁹ However, there is statutory guidance to which authorities must have regard when developing and implementing their allocation schemes.¹⁰

9. <https://www.cih.org/media/ezugl10q/rethinking-allocations.pdf>; <https://researchbriefings.files.parliament.uk/documents/SN06397/SN06397.pdf>
10. <https://www.gov.uk/government/collections/social-housing-allocations-guidance>

Since the Localism Act 2011 came into force (in June 2012), local authorities in England have been free to specify classes of people who are, or are not, qualified to access the register for social housing in their area (often also referred to as the 'waiting list')¹¹ HA 1996, s 160ZA(7)).¹² The Act was intended to give councils more freedom to "better" manage their waiting lists¹³ by allowing them to set tighter requirements for applicants applying for social housing in their area. Many councils took this opportunity to remove significant numbers of applicants from their housing registers.¹⁴

English housing association allocation policies are governed by regulation not statute, and they have wide discretion in setting qualification criteria for access to their housing registers and prioritisation within it. The Tenancy Standard¹⁵, which is part of the Regulatory Framework under which associations in England operate, sets out the requirements to which housing associations must adhere, including letting their homes in a fair, transparent and efficient way, and taking into account the housing needs and aspirations of tenants and potential tenants.¹⁶

In January 2024 there were proposals by the then government to further restrict access to social housing on the basis of a UK connection test, and further tests regarding anti-social behaviour (ASB), fraud, local connection and income. These proposals were rejected by the incoming government which has removed the application of local connection and residency requirements to access social housing for veterans, survivors of domestic abuse and care leavers under the age of 25.¹⁷

11. However, though they are not permitted to disqualify, as a class, a group that is entitled to 'reasonable preference' in allocations, such as those to whom they owe a homelessness duty *R (Jakimaviciute) v Hammersmith & Fulham LBC* [2014] EWCA Civ 1438, [2015] 3 All ER 490, CA.
12. They must also ensure that the classes of qualifying people do not constitute direct or, through their application, indirect discrimination contrary to Equality Act 2010: *R (Ward & Gullu) v Hillingdon LBC* [2019] EWCA Civ 692, [2019] HLR 30, CA.
13. <https://www.gov.uk/guidance/allocation-of-accommodation-guidance-for-local-authorities/chapter-2-overview-of-the-amendments-to-part-6-made-by-the-localism-act-2011>
14. <https://researchbriefings.files.parliament.uk/documents/SN06397/SN06397.pdf>
15. <https://www.gov.uk/government/publications/tenancy-standard>
16. <https://researchbriefings.files.parliament.uk/documents/SN06397/SN06397.pdf>
17. [Consultation on reforms to social housing allocations - GOV.UK](https://www.gov.uk/government/news/uk-armed-forces-veterans-given-social-housing-exemption); <https://www.gov.uk/government/news/uk-armed-forces-veterans-given-social-housing-exemption>

Allocations in practice

There are at least two key dimensions to the design of local social housing allocations mechanisms. The first is whether social landlords within a locality are seeking to allocate their property through a single harmonised system or each operate their own system. Degrees of harmonisation are possible: operating a 'Common Housing Register' does not, for example, require a 'Common Allocation Policy', or vice versa, and operating both represents a greater degree of harmonisation of practice at local level.

The second pertains to the process of matching households to properties. Housing association systems can operate on the basis of officer-led 'traditional' direct letting; applicant-led, 'Choice Based Lettings' (CBLs); or be governed by nominations agreements between housing associations and local authorities. Nominations are a specific category of direct let, wherein the initial matching decisions are made by local authority officers rather than by housing association officers.

While there are a limited number of design dimensions to allocation systems they can be combined in a wide variety of ways. Then there are many decisions about policy detail that can substantially change the way local systems operate. As a consequence, the systems and processes for allocating social housing at local level vary substantially. Many housing associations responding to our survey were operating in several local authority areas and so were having to engage with a diversity of approaches simultaneously.

Degree of harmonisation

The process used most frequently by housing association respondents in England to make the majority of their lets was a Common Housing Register and Common Allocations Policy with the local authority and/ or other housing associations (34% of respondents; Table 1). That is, strongly integrated and harmonised local allocation systems were prevalent. In most cases, "a majority" was between 90-100% of lets. This result was driven by the practice of larger and large-scale voluntary transfer (LSVT) associations. Among smaller housing associations, in contrast, use of their own waiting list governed by their own allocations policy was more common.

This distinction becomes clearer when we consider responses in terms of the stock managed by respondents. While letting mainly through own waiting list and letting mainly through nominations both account for a fifth of respondents, when weighted in terms of the housing stock managed by those associations, allocation mainly through own waiting list only accounted for five per cent of the total stock managed, whereas nominations accounted for more than a third of the housing stock being managed.

The case study evidence showed areas in England where there was a strongly harmonised local allocations system, implemented through a common allocations policy and/or common housing register across local authorities and social landlords, operated more

Table 1: Allocations processes used by housing associations for the majority of their lettings (England)

Majority of lets conducted via:	All HAs - N	All HAs - %	% of housing stock in sample	Large HAs	Small HAs	LSVT	Non- LSVT
... Common Housing Register and Common Allocations Policy with the local authority and/or other housing associations	23	34%	35%	21	2	16	7
... own waiting list governed by organisation's own allocations policy	14	21%	5%	3	11	3	11
.... nomination from local authority housing register, with lets determined by organisation's allocations policy	15	22%	35%	11	4	10	5
... nominations from a local authority housing register, with lets determined by the local authority's allocations policy (i.e. not a Common Allocations Policy)	3	4%	11%	2	1	2	1
Other	5	7%	4%	2	3	2	3
Unknown	8	12%	10%	5	3	3	5

Source: Housing Association Survey (England) 2022 Base = 68

efficiently and effectively. Examples of this included the use of collaborative agreements and working closely to address arising issues in relation to minimising voids across the portfolio of stock and nomination refusals. In contrast, where stock was spread out across multiple providers without agreements in place there was less harmonisation of approaches and frustrations were expressed in relation to housing management and maintenance of homes.

Method of matching

The housing associations responding to our English survey were most frequently using both direct lets and CBLs (62% of respondents). This result was driven by large housing associations – of which, four-fifths operated both systems – with only a quarter of small associations doing so. Large associations were more likely to be operating across local authority areas and therefore more likely to be exposed to different approaches. While similar proportions of respondents relied exclusively on either CBLs (19%) or direct lets (18%), in the case of direct lets almost all the respondents were small associations.

More than three-quarters of the responding housing associations in England (80%) allocated properties via one or more nominations agreement with local authorities. In a minority of cases

they were entirely reliant on nominations to let their properties. While the overall view of nominations arrangements was broadly positive, some of the verbatim comments hinted at specific areas where tensions might arise, particularly around information flows (see below). Notably, while one-quarter (24%) of housing associations in England reported ‘often’ refusing local authority nominations because the association considered it to be unsuitable, this was reported by only 6% of housing associations in Scotland. A key difference between England and Scotland in this respect is the mandatory nature of ‘Section 5’ nominations, introduced by the Housing (Scotland) Act 2001, which requires Scottish housing associations to rehouse statutorily homeless households referred to them by local authorities within a ‘reasonable period’ unless they have a ‘good reason’ not to do so.¹⁸

Choice-based lettings schemes

Choice Based Lettings

CBLs have been the most significant innovation in the structure and operation of allocation systems in Great Britain over the last twenty years. They were imported into the UK in the early 2000s accompanied by a range of arguments about the benefits they could deliver over traditional allocation methods.¹⁹ The approach has subsequently been widely adopted, particularly in England.²⁰

Someone applying for social housing under a CBL can bid for specific properties they are interested in. The bidder who has the highest priority under the allocation scheme is usually the one offered the accommodation in question, provided they match the lettings criteria for that property (for example, related to specific accommodation types such as adapted properties).

When delivering CBL a local housing authority cannot allocate accommodation in a way that differs from their allocations scheme. And, as with all other letting systems, the prioritisation applied in local authority CBL must give reasonable preference to the groups set out in the Housing Act 1996, including statutorily homeless households.

Practical experience working with CBLs has raised a series of questions regarding the realisation of their assumed benefits, as well as bringing to light a range of operational challenges.²¹ In some instances, these questions and challenges have been sufficiently great for local authorities to decide to shift away from CBL and return to more traditional methods for some or all types of lettings.²² The survey therefore sought respondents’ views on the benefits and challenges of such schemes.

Table 2: Variety of allocations methods used by HAs

		All HAs (n=68)	All HAs %	Large HAs (n=44)	Large HAs %	Small HAs (n=24)	Small HAs %
Allocation via CBL or Direct Let	Use both	42	62	36	82	6	25
	CBL only	13	19	7	16	6	25
	Direct Let only	12	18	1	2	11	46
	Unknown	1	1	-		1	4
Allocate via nominations	Yes	51	75	37	84	14	58
	No	15	22	6	14	9	38
	Unknown	1	1	-		1	4

18. A. Britain, L. Robertson, J. Tate, S. Livingstone Craigforth (2009) Review of Section 5 of the Housing (Scotland) Act 2001.

19. Brown, T & Yates, N (2007) ‘Allocations and lettings – taking customer choice forward in England?’ *European Journal of Housing Policy*, 5 (3): 343-357.

20. Pawson, H., & Hulse, K. (2011). Policy Transfer of Choice-based Lettings to Britain and Australia: How Extensive? How Faithful? How Appropriate? *International Journal of Housing Policy*, 11(2), 113–132.; Manley, D., & van Ham, M. (2011). Choice-based Letting, Ethnicity and Segregation in England. *Urban Studies*, 48(14), 3125-3143.

21. [Choice Based Letting \(CBL\). Policy Briefing. University of Stirling.](#)

22. A number of councils have considered or have stopped using CBLs systems. See: [Inside Housing - News - Council plans to drop choice-based lettings system](#) and [Inside Housing - News - Barnet scraps choice-based lettings scheme](#)

When asked about the challenges and benefits CBL schemes present, housing associations reported more challenges than benefits. The leading challenge identified by 72% of respondents was the lack of (pre-offer) information on applicants, followed by lack of supply of properties to meet demand from applicants (71%). Nearly two thirds (63%) of respondent landlords also found the lack of support for vulnerable applicants a problem. Other challenges noted were the diverse range of CBL systems across local authority areas (59%) and how levels of demand have changed (56%).

It is arguable whether the three most frequently cited challenges are intrinsic to the CBL lettings mechanism rather than a product of the challenging environment more generally. In contrast, the lack of standardisation in CBL systems can certainly create operational challenges for those working across local authorities, including technical questions about, for example, interoperability and effective data exchange. The level of demand can be a greater challenge under CBL systems than more traditional systems when it means that there are large volumes of bids on available properties, more refusals and other ‘wasted’ activity, as well as a greater need to manage unrealistic expectations about accessing accommodation.

In terms of benefits, CBL schemes were noted for their ability to structure the allocation cycles well for advertising vacancies (noted by 46%) and for the processes to shortlist and alert landlords of households to make offers to (noted by 44%). Half the respondents (53%) highlighted the benefits of the ICT systems used to deliver CBL. However, respondents were often just as likely to describe these aspects of CBL as challenges as being beneficial.

Table 3: Challenges and benefits CBL schemes present

Which of the following aspects of CBL schemes present benefits or challenges to your organisation?	% of All saying challenge	% among Large HAs only	% among Small HAs only	% among LSVT HAs only	% among Non LSVT HAs only	% of All saying benefit	% among Large HAs only	% among Small HAs only	% among LSVT HAs only	% among Non LSVT HAs only
Lack of (pre-offer) information on applicants	72%	84%	50%	83%	59%	10%	11%	8%	11%	9%
Available properties not matching demand from applicants	71%	82%	50%	78%	63%	13%	11%	17%	11%	16%
Availability of support for vulnerable applicants	63%	75%	42%	75%	50%	18%	23%	8%	22%	13%
The use of a diverse range of CBL systems across local authority areas	59%	80%	21%	78%	38%	10%	16%	0%	19%	0%
Changes in level of demand	56%	70%	29%	67%	44%	16%	18%	13%	19%	13%
ICT systems used to deliver CBL	51%	66%	25%	67%	34%	53%	68%	25%	69%	34%
Structure of the cycles for advertising vacancies	47%	55%	33%	50%	44%	46%	59%	21%	64%	25%
Approaches to shortlisting and alerting landlords of households to be made offers	47%	55%	33%	53%	41%	44%	55%	25%	53%	34%
Structures for sharing costs of running CBL or charging for use of the system	37%	48%	17%	50%	22%	24%	34%	4%	36%	9%
Local authorities suspending CBL for homeless applicants	21%	23%	17%	22%	19%	13%	16%	8%	17%	9%

Base = 68. Responses for ‘challenge’ combine those saying it is a challenge, but not a benefit, with those saying it is both a challenge and a benefit. The same approach is taken for the ‘benefit’ columns

Barriers to accessing social homes



There has been controversy in recent years over letting practices by both local authorities and housing associations that can see individuals and households denied access to social housing in general or to particular properties.²³ We start by considering exclusions and suspensions from the housing registers through which housing association properties are let, before examining ‘pre-tenancy checks’, and in particular affordability tests, that can block access to social homes.

Exclusion from housing register

As noted above, The Localism Act 2011, which came into force in June 2012, gave councils greater powers to decide which groups of people, within their areas, should qualify for social housing. English housing associations also have wide discretion in setting qualification criteria for access to their housing registers.

Our survey of housing associations in England indicated that applicants with a history of ASB were those most likely to be excluded from the housing registers (either local authorities’ or their own) through which their properties were let. Three-quarters (76%) of English housing associations said these housing registers would sometimes or always exclude such applicants if they had no support package in place. Even when support was in place, over half (54%) of housing associations in England said applicants with a history of ASB would still sometimes be excluded from their registers.

Table 4: Exclusions from housing register (England)

Are individuals with the following characteristics excluded from accessing the housing register(s) through which your properties are let?	% of HA respondents selecting Always	% of HA respondents selecting Sometimes	% of housing stock where HAs selected Always	% of housing stock where HAs selected Sometimes
Persons with a history of ASB (without support in place)	25%	51%	19%	57%
Persons with a history of rent arrears (without an agreed and/or maintained repayment plan)	24%	47%	18%	69%
Persons with a history of anti-social behaviour (with support in place)	4%	54%	1%	68%
Households without a local connection	18%	32%	6%	44%
Households above a certain income threshold	10%	40%	11%	57%
Persons with rent arrears (with an agreed and maintained repayment plan)	1%	37%	0%	50%
Homeless households without a local connection	9%	29%	2%	30%
Households below a certain income threshold	1%	24%	1%	35%
Other groups	7%	6%	14%	6%
Out of work households	4%	3%	2%	1%
Applicants who fail to undertake pre-tenancy training	3%	3%	2%	5%

Source: Housing Association Survey (England) 2022 Base = 68

23. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/england/the-homelessness-monitor-england-2019/>; <https://www.cih.org/media/ezugl10q/rethinking-allocations.pdf>



Seven in ten (71%) housing associations always or sometimes excluded applicants with rent arrears (with no agreed repayment plan) from their housing registers let through housing associations, while those with a payment plan to which they were adhering were sometimes excluded by the registers let through by four in ten (37%). Households without a local connection were always or sometimes excluded by the housing registers let through by half of English HAs (50%). Even homeless households without a local connection were at least sometimes excluded by the registers through which 37% of English HAs let their properties.

A quarter of English housing associations said that the housing registers through which their properties were let sometimes excluded applicants below a certain income threshold (and see further below on affordability checks), but it was only rarely reported that out-of-work households (7%) or those who failed to undertake pre-tenancy training (6%) may be excluded.

In general, larger English housing associations were more likely than smaller associations to report that their housing registers at least sometimes excluded households, other than with respect to local connection which was a more common ground for exclusion amongst the registers used by smaller associations. This may in part reflect that larger housing associations were more likely to be working across multiple local authority areas, with relevant restrictions being applied by authorities in some of those areas.

Pre-tenancy checks

Even if an applicant for social housing has managed to qualify to access the relevant housing register and has attained sufficient priority within the allocation scheme to be made an offer of housing, a final layer of decision-making can take place immediately prior to someone signing for a new home, known as a 'pre-tenancy check' (PTC). Local authorities in England have increasingly complained about housing associations turning

down nominations of homeless and other applicants on the basis of PTCs, particularly on grounds of affordability or unmet support needs.²⁴ However housing associations have raised the issue of insufficient information being provided to them by local authorities, expressing frustration that local authorities often knew the situation of applicants but did not share this information.²⁵

We asked housing associations how often pre-tenancy checks revealed new information about an applicant that led to a determination that they were unsuitable for an offer on various grounds.

PTCs were widely used by housing associations in England, with larger housing associations systematically much more likely than smaller housing associations to report that new information 'often' came to light during these checks which led them to determine that an applicant was unsuitable for a tenancy offer (see Table 3 below).

The most frequent areas in which new information often comes to light that leads to an applicant being deemed unsuitable for an offer are those around affordability and/or financial capability concerns, reported by four in ten (39%) large English housing associations, as compared with only 17% (affordability) and 13% (financial capability) of smaller housing associations. One third (34%) of large English housing associations reported that pre-tenancy checks often reveal new information about a need for adaptations that aren't available, leading to an offer not being proceeded with, while almost a third (30%) indicated that new information often came to light regarding a lack of access to required support, which lead to an offer being deemed unsuitable. The same proportion reported that new information often came to light regarding an inability to pay rent in advance or at tenancy commencement, which led to an offer being deemed unsuitable.

24. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor-england/the-homelessness-monitor-england-2019/>; <https://www.cih.org/media/ezugl10q/rethinking-allocations.pdf>

25. <https://www.housing.org.uk/globalassets/files/homelessness/housing-homeless-research-report.pdf>

Table 3: Pre-tenancy checks (England)

How often, if at all, do the pre-tenancy checks carried out by your organisation reveal (new) information about an applicant that leads to a determination that they are unsuitable for an offer on grounds of...		Often - %	Rarely - %	Never - %	Not applicable as don't use/take into account - %	Don't Know - %
Affordability	All HAS	31%	53%	9%	7%	0%
	Large HAS	39%	55%	5%	2%	0%
	Small HAS	17%	50%	17%	17%	0%
Financial capability/ Need for Alternative Payment Arrangements	All HAS	29%	43%	16%	9%	3%
	Large HAS	39%	43%	16%	2%	0%
	Small HAS	13%	42%	17%	21%	8%
Lack of access to support to meet needs	All HAS	26%	62%	7%	4%	0%
	Large HAS	30%	61%	9%	0%	0%
	Small HAS	21%	63%	4%	13%	0%
An inability to pay rent in advance/ at tenancy commencement	All HAS	22%	51%	22%	3%	1%
	Large HAS	30%	48%	20%	2%	0%
	Small HAS	8%	58%	25%	4%	4%
Need for adaptations that aren't available	All HAS	25%	68%	1%	3%	3%
	Large HAS	34%	66%	0%	0%	0%
	Small HAS	8%	71%	4%	8%	8%
Adapted property but household doesn't identify medical need on application	All HAS	19%	59%	9%	7%	6%
	Large HAS	23%	68%	0%	5%	5%
	Small HAS	13%	42%	25%	13%	8%
Breach of bedroom standards	All HAS	10%	56%	21%	4%	9%
	Large HAS	14%	59%	18%	0%	9%
	Small HAS	4%	50%	25%	13%	8%
Area unsuitable because of domestic abuse	All HAS	9%	78%	10%	1%	1%
	Large HAS	9%	89%	2%	0%	0%
	Small HAS	8%	58%	25%	4%	4%
Household doesn't fit profile for Local Lettings Policy	All HAS	15%	53%	18%	9%	6%
	Large HAS	18%	61%	14%	2%	5%
	Small HAS	8%	38%	25%	21%	8%
Exceeding maximum income threshold	All HAS	6%	50%	26%	12%	6%
	Large HAS	5%	59%	25%	9%	2%
	Small HAS	8%	33%	29%	17%	13%
Other	All HAS	0%	12%	10%	16%	62%
	Large HAS	0%	9%	3%	9%	44%
	Small HAS	0%	3%	7%	7%	18%

Source: Housing Association Survey (England) 2022 Base = 68

The extent to which PTCs revealed new information was reflected in the case studies . Across England, PTCs were characterised by housing association interviewees as information gathering exercises that supplemented the information they received through the nominations process (which was often characterised as poor). Housing association staff were keen to stress that PTCs were not intended to be used to refuse lettings to particular applicants and instead were focussed on ensuring a good ‘match’ of tenant to property and to maximise tenancy sustainment. But most English case study housing associations were clear that tenancy offers could be withdrawn, or applicants bypassed for particular properties, on grounds of affordability. This was often associated with welfare reform, and particularly the impact of the Benefit Cap on larger families.

Across the case study areas, housing associations said they went to great lengths to explore all avenues to overcome affordability barriers that became apparent during PTCs. These included exploring maximising welfare benefits and signposting to other support and advice.

Interestingly, one housing association in England explained that they have actually stopped doing affordability checks with applicants and moved to doing a ‘living well assessment’ because their rents were low and if applicants cannot afford them then they have nowhere else to go.

In the wider study it was notable that only 4% of Scottish housing association respondents reported that affordability issues, and 9% that financial capability concerns or inability to pay rent in

advance, ‘often’ led to an offer being deemed unsuitable. These sharply contrasting responses from those in England will reflect Scotland’s different housing market context and mitigation measures on both the Bedroom Tax and Benefit Cap, as well as the unlawfulness of taking income into account in social housing allocations in Scotland.²⁶ Pre-tenancy conversations were, as in England, used to pick up financial and other support needs in Scotland. However, interviewees stressed the importance of the statutory duty on Scottish local authorities to assess and address homeless households’ housing support needs.²⁷ Thus these checks were characterised as being conducted with a view to meeting those support needs, rather than excluding applicants from social housing.

Welsh survey respondents and case study interviewees stressed that PTCs were used to identify ways to support rather than exclude applicants, and local authority interviewees in Wales seemed keen to distinguish the approach of housing associations in their area from what they perceived to be exclusionary practices in England.

26. Section 20(2) of the Housing (Scotland) Act 1987
27. An amendment to the Housing (Scotland) Act 1987 Act in the Housing (Scotland) Act 2010 (Section 158) brought in the housing support duty: <http://www.legislation.gov.uk/asp/2010/17/section/158>

Functioning of local working relationships

Relationships between local authorities and housing associations are central to the operation of social housing allocation systems. A range of processes rely on effective joint working and communication between frontline staff, while senior staff need to agree on approaches to policy and practice, especially when allocating homes via mechanisms that involve both parties (such as via nominations agreements or Common Housing Registers and Common Allocations Policies).

Quality of relationships

In England, most people who participated in the case study interviews characterised their working relationships with local authorities or housing associations positively. In the housing association survey, 75% of respondents believed the quality of partnership working with the local authority where they held the most stock to be strong or very strong.

Relationship management was shaped by a range of elements specific to different case study areas: the history of the allocation system, the nature of the housing market, the mechanisms used in the allocation system, the distribution of stock (and whether the council was stock holding or not), and whether nomination agreements were in place.

Where the establishment of the allocation system had historically been a collaborative effort – the transfer of stock to one or more housing associations working with a Common Housing Register – this was often reflected in a cooperative working style that was engrained early on and continued into the present-day system.

In areas where the allocation system involved a large number of housing associations, relationship management became about ensuring nomination agreements were being honoured. Relationship management was more formalised in these settings, with certain principles enshrined within the nomination agreements.

Tensions arise in relationships especially in areas where the majority of stock is held by one provider or a few larger ones. While formal arrangements are in place for all providers to regularly meet, closer and more regular contact occurs with those with most stock, which can cause frustrations for smaller providers.

Information sharing and staffing issues

Housing associations in English case study areas raised a number of concerns about information sharing – particularly in relation to information about nominees for tenancies, though this was often related to wider frustrations about poor communication.

Issues around poor information and untimely communication were frustrating for housing associations not only because of the potential for a negative housing outcome for an applicant, but also because of the potential impact on their financial planning. They stressed that they need up-to-date information and quick responses to ensure they can fill voids quickly and that tenancies are sustained.

Housing associations were alive to some of the challenges that councils they worked with could be facing. For instance, they knew a team being understaffed or under-resourced could mean delays in responses for more information. Housing associations also found it frustrating when there was high turnover of council staff. This meant that new relationships needed time to be built and could make it harder to resolve issues through a quick phone call or email.

This reflects the survey findings where just over two-fifths (43%) of English housing associations surveyed found that issues around staffing and resources within local authorities had impacted on their allocation systems and lettings, with an identical proportion reporting the same for staffing and resourcing issues within their own organisation.

Structural factors: housing supply, affordability and support needs

English councils and housing associations reported that they faced several pressing systemic challenges that impacted on their allocation schemes, and over which they felt they had little control.

Insufficient supply

It should be noted since the fieldwork took place there has been a range of policy announcements aimed at increasing overall housing supply and improving the national planning policy framework. This includes the £39bn Social and Affordable Homes Programme and reforms to the National Planning Policy Framework.²⁸ These mark a positive intervention, but the legacy of decades of undersupply of homes at social rent and the impacts of policies that have further exacerbated this mean that for the immediate future the challenges highlighted in this section still stand.

Both the survey findings and stakeholder interviews across the case studies underlined that the most pressing structural challenge, which framed the context in which allocations took place, was inadequate social housing supply. Almost three-quarters (71%) of England survey respondents operating with a

CBL, representing 89% of housing stock captured in the sample, felt that they faced a challenge of available properties not matching demand from applicants. Some felt the scale of housing need in their area so overwhelming as to call into question whether their allocations system could meaningfully prioritise between applicants any longer.

Across the case study areas, trying to manage and prioritise access to social housing when overall supply was inadequate was likened to rearranging the deckchairs on the Titanic. They stressed just how difficult it was to respond to growing demand without ready new supply.

Case study stakeholders identified the on-going legacy and impact of the Right to Buy scheme as being an important factor in the struggle to meet demand for social housing. Failure to replace stock sold under Right to Buy was understood to be the main driver of this decrease. It was also noted by stakeholders in England that the funding for building new homes invariably favours building homes available at so-called Affordable Rent levels rather than social rent, driving some of the affordability pressures discussed above.

It was emphasised by most interviewees that, as supply of new lettings was decreasing, demand was moving in the opposite direction, with record numbers in temporary accommodation²⁹, and growing numbers on official waiting lists for social housing.³⁰ Stakeholders also explained that they often faced difficulties with getting planning permission for new social housing.

This resulted in difficulties in ensuring the availability and delivery of the types of social housing that was increasingly needed, for example, three bedroom or larger houses. This lack of supply contributed to overcrowding.

As well as the general undersupply of social rented housing, the research highlights particular challenges securing access to suitable homes for people with disabilities. A prominent theme in focus group discussions was the acute shortage of wheelchair accessible properties in particular and the lengths to which local authorities and housing associations had to go to source suitable properties. This included spot purchases and specific new build requests. This echoes wider evidence about the need to improve access to suitable housing for people with disabilities across Great Britain.³¹

Housing affordability and the cost of providing social housing

Welfare cuts since 2010 was named by English housing associations as the most significant issue to impact allocation and letting processes in recent years. Over two

thirds of housing association respondents (71%), representing 90% of all English housing stock in the sample, said that welfare reform had impacted allocations and lettings processes in recent years.

In particular, Housing Benefit restrictions and the Benefit Cap meant that more affordability checks were having to be done by housing associations, as discussed above. This could lead to prospective tenants being turned down for properties that were deemed financially unviable for them even if they were otherwise suitable. For some stakeholders in England, this inability of a proportion of their applicants to afford social housing brought home the stark reality that they may not be able to afford any housing at all.

These affordability and associated issues were said to have been compounded by the post-COVID cost of living crisis. This had wider implications for housing association business models and resources. The increasing cost of fuel and building materials was impacting housing association running costs, which meant there might be future rents rises for their tenants, whom stakeholders were acutely aware had their own struggles with rising prices.

A further compounding factor for housing associations was the challenge of meeting net-zero targets and safety standards for the stock they held, particular for those associations with a lot of older stock. Some explained that they were spending more now on renovations to meet new green requirements than on delivering new completions.

28. As part of the Government's *Plan for Change* towards the end of 2024, it committed to building 1.5 million homes in England and fast-tracking planning decisions. See also: <https://www.gov.uk/government/publications/delivering-a-decade-of-renewal-for-social-and-affordable-housing/delivering-a-decade-of-renewal-for-social-and-affordable-housing>; <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

29. <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

30. https://england.shelter.org.uk/media/press_release/650_social_homes_lost_in_england_last_year_while_13m_households_are_stuck_on_waiting_lists#:~:text=More%20than%201.3%20million%20households,in%20the%20last%20two%20years

31. <https://committees.parliament.uk/oralevidence/14278/pdf/>; <https://inclusionscotland.org/wp-content/uploads/2023/05/Our-Place-Our-Space-PE-single-page-pdf.pdf>; <https://www.equalityhumanrights.com/sites/default/files/housing-and-disabled-people-wales-hidden-crisis.pdf>



Support needs and housing need

It was clear that managing increased demand for a dwindling supply of social lettings was ‘raising the bar’ in terms of the criteria applicants needed to meet to qualify for the highest level of prioritisation within allocation schemes.

Thus, despite applying for ‘general needs’ social housing, the likelihood of applicants being able to gain a social tenancy in most areas was low, or would involve a very long wait time,³² unless they had support needs such as severe health issues, being at risk of or fleeing domestic abuse, or old age. Over time this was leading to a cumulative concentration of applicants with substantial support needs in the higher priority bands of the CBL system and at the top of point systems.

The challenge presented by increased concentration of support needs was felt by some stakeholders to be at odds with the rationale for and purpose of social housing. Allocations were now increasingly focused on housing those in dire need, even though there was still a desire to achieve other goals such as providing affordable housing, building communities, and helping people to realise potential in their lives.

Acute concerns existed about the level of support that applicants and tenants increasingly needed, which is often beyond what housing associations feel they can provide. This often led to tenancy sustainment challenges and growing difficulties balancing the interests of these high-need applicants and those of the wider community. Unmet support needs were, as noted above, a common reason for tenancy offers to be withdrawn at the

point of pre-tenancy checks.³³ The impact of austerity and public sector funding cuts was also flagged: social landlords were felt to be taking more of the strain as other parts of the state and voluntary sector safety net grew progressively weaker and there are limits on the ability of housing associations to respond to the overall reductions in welfare and local authority budgets.

32. Recent evidence suggests that in the most extreme cases this can reach over a hundred years wait for a family size (3+ bedrooms). See <https://www.housing.org.uk/news-and-blogs/news/over-a-hundred-years-wait-for-a-family-sized-social-home/>

33. See also <https://www.cih.org/media/ezugl10q/rethinking-allocations.pdf>



Recommendations

A range of policy and practice recommendations arise from the research presented in this policy note. These recommendations can be clustered into the following five themes.

Reducing the pressures of social housing rationing by increasing supply of homes that meet locally-identified needs including for homeless households.

Many social landlords feel overwhelmed by the current mismatch between supply and demand for social housing in their area. The UK Government should:

- Set out in its Housing Strategy a clear way to deliver the social rent homes needed to end homelessness, ensuring it meets the target of 60% of the Affordable Homes Programme being spent on homes for social rent. With the number of families trapped in temporary accommodation at record highs, including more than 165,000 children, we also urge Government to boost the funding in future to deliver even more social housing to end homelessness for good.
- The Government could build on reforms to the way land value is captured through the Levelling Up and Regeneration Act 2023 by making it clear in the NPPF that hope value will be disappplied in Compulsory Purchase Orders that meet government criteria. This would enable land to be purchased more cheaply and unlock more social housing supply so that Government

investment goes further in building a greater number of social homes. This would support the Government's ambition of building a new generation of new towns.

- Make ending homelessness an outcome of the long-term housing strategy – aligning funding and policy levers across government to achieve that outcome.

Supporting access to social housing for people experiencing homelessness.

- Reviewing the Code of Guidance on social housing allocations to encourage social landlords operating CBLs to improve access to social housing for people who are homeless and applicants with additional support needs by providing either supported bidding or direct lettings for this group. Multi-sectoral panels can play a role in overseeing direct lettings, ensuring careful matching to individuals' housing and support needs.
- Introducing a new duty akin to Section 5 of the Housing (Scotland) Act 2001 which makes clear that a housing association must rehouse a statutory homeless household referred to them within a 'reasonable period' unless they have a 'good reason' not to do so. The precise parameters in terms of the 'reasonable period' and 'good reason' should be adapted to English circumstances but the latter should, as in Scotland, specify that a housing association's own allocation policy is not a 'good reason' for a refusal.³⁴

34. The White Paper on Ending Homelessness in Wales contains this proposal (see p.145) https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper_0_0.pdf

- Restrict the power of local authorities to exclude statutorily homeless households from their housing registers on grounds of failing to meet residency requirements.
- It is welcome that since this research was undertaken the Government has disapplied local connection and/or residency requirement rules for survivors of domestic abuse and care-leavers under 25. We recommend that MHCLG monitors and publishes data on the effectiveness of this reform in improving access to social housing for these groups when they have to move between local authority districts.
- The UK Government should direct the Regulator of Social Housing to establish requirements in the Tenancy Standard to prevent exclusions on the grounds of low income. This should include provisions to ensure requirements such as rent in advance and financial viability checks are not used as a barrier to social rented housing for people on low incomes.
- The UK Government should direct the Regulator of Social Housing to identify the steps taken by housing associations so as not to exclude applicants based on affordability checks and instead provide support to enable applicants on the lowest incomes to access social homes. This should be included as recommended practice in its Code of Practice guidance to registered providers.
- Local authorities and housing associations should remove minimum income requirements from the eligibility criterion for access to their housing register or waiting list.
- Local authorities and housing associations should ensure that their pre-tenancy processes prioritise supporting people into sustainable tenancies rather than informing decisions about whether to allocate the tenancy.

Removing barriers to accessing social housing for households on low incomes.

Action is needed at several levels on this critical issue: if households cannot afford social housing, they are unlikely to be able to afford any housing at all and likely consume more costly public services.

- The welfare system must ensure homes and especially social homes are affordable. The UK Government should review the interaction between social housing rent levels and social security arrangements to ensure that no household entitled to mainstream social security benefits is unable to afford a social home that is of an appropriate size to their needs.

Addressing unmet support needs.

Landlord concerns about unmet support needs is a major barrier to vulnerable people accessing social homes, including many people experiencing homelessness. The UK Government should:

- Ensure that guidance issued to local authorities on conducting strategic supported housing needs assessments, which will be required under The Supported Housing (Regulatory Oversight) Act 2023, encompasses assessing the need for housing-related support for people living in general needs housing.
- Reintroduce a ring-fenced funding stream for housing-related support (accommodation based and floating support) to sit alongside the new duty to conduct strategic assessments of supported housing needs in every local authority area.
- Create a statutory duty to identify and meet the housing support needs of households accepted as statutorily homeless, akin to the Scottish legislation introduced in 2013.³⁵

Improving information flows between local authorities and housing associations.

Introduce a system of standardised information to be provided by local authorities to housing associations when nominating households for a social housing allocation.

- Local authorities should regularly maintain and update their housing register, including data sharing consent, checks on affordability and eligibility, and support to address any issues that might prevent applicants being offered a home.
- There should be processes in place between housing association and local authorities to share information to inform local housing need assessments. This should draw on data from the housing register and monitoring reasons and for refusals of lettings.
- Working within UK-GDPR, local authorities need to share more information on the circumstances and needs of homeless households applying for social housing. This should mean housing associations have to undertake fewer pre-tenancy checks and lead to faster, more suitable allocations.
- Housing associations need to share information on any refusals so that they can work with local authorities, applicants, and other housing associations to overcome barriers to accessing social housing.

35. <http://www.legislation.gov.uk/asp/2010/17/section/158>

A note on methods

This policy note on England draws on GB-wide research on social housing allocations. A variety of research methods were used in this study. First, a rapid evidence literature was conducted to understand recent and current thinking in the area. Second, a survey was conducted with general needs housing associations across England, Scotland, and Wales in the latter half of 2022. The survey was tailored to each country's particular legislative and policy arrangements. The response rate was similar across all three countries, with just under a fifth of all housing associations completing it, and in England the survey results captured data on just over a quarter (27%) of general needs housing stock. Third, seven case study areas were selected – four in England, two in Scotland and one in Wales. Areas were selected to capture a geographical spread and also to reflect different housing market contexts. Across the four English case study areas, eight local authority representatives and 16 representatives of housing associations participated in depth interviews, while 13 frontline staff from both local authorities and housing associations participated in four focus groups.

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All views expressed and any errors remaining are the sole responsibility of the authors of this policy note. They should not be assumed to represent the views of any of the organisations noted above.

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