

# BRIEFING PAPER

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**SUBJECT:** HOUSING ALLOCATIONS POLICY  
**DATE:** 11 APRIL 2024  
**RECIPIENT:** OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

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## THIS IS NOT A DECISION PAPER

### SUMMARY:

1. The Allocations Policy details Southampton City Council's (the council's) updated allocation scheme. All Housing Authorities in England are required by section 166A (1) of the Housing Act 1996 to have an allocation scheme. This scheme must determine the priorities and procedures to be followed in allocating housing accommodation.
2. The council is proposing to replace a points-based system with a banding scheme to prioritise applicants on the Housing Needs Register. The banding scheme operates by grouping applicants into 4 bands in order of priority. The banding scheme is considered easier for residents to understand, and simpler for the housing authority to administer and prioritise those in most need. The banding scheme is the predominant allocation scheme in England.

### BACKGROUND and BRIEFING DETAILS:

3. In Southampton, the demand for social housing outweighs its supply. The council owns 16,381 dwellings and there are a further 7,901 dwellings owned by housing associations. However, there are only a limited number of vacancies. In 2022/2023, there were just over 8,000 people on the waiting list for social housing but only 768 lets were made. The proposed new policy provides a framework for allocating a limited number of vacancies in the city.
4. There are 5 main changes proposed for the policy which may impact residents on the Housing Needs Register or in social housing in Southampton.
  - i. **Proposal to change from a point-based system to a banding scheme.**

The banding scheme is designed to give the greatest priority to those applicants who are in the highest need. Under the current scheme, applicants receive one point per month for waiting, in addition to the other points which relate to their circumstances. Therefore, applicants can accrue many points by waiting a long time. They are often successful in bidding on properties to the detriment of those who applied later but are in more acute need. To ensure people with acute need are **housed quickly**, officers seek exceptions to the current policy. This undermines confidence in the policy and risks the council's ability to be equitable in its treatment of all applicants. The new scheme ensures that those in the highest need are given the highest priority. If there are applicants with the same band, they will be prioritised by the date they were

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awarded the banding. If applicants in the same band have the same banding date, then priority will be given to the applicant with the earliest registration date.

Additionally, the banding scheme is used widely by other authorities and is simpler to understand. The current policy has 18 different points categories and 3 different applicant categories who may be entitled to those points categories. Whereas the banding scheme has 4 bands in order of priority and no distinct applicant categories.

## ii. **Proposed changes to the number of refusals applicants can make**

Under the current scheme, applicants use the Homebid website to view available properties and make bids for homes they are eligible and interested in. If the applicant is offered a property, currently they can refuse as many offers as they would like without penalty.

The proposal is that if three suitable offers are refused by an applicant, the applicant will be placed into Band D (the lowest priority band) for a total of 6 months. If a suitable offer is refused a fourth time, the applicant will be removed from the Housing Needs Register. This change is proposed because refusal of properties is time-consuming for the council and can result in a potential rent loss. Applying this penalty will be done where the council is satisfied the offer was reasonable and the reason for refusal unreasonable. Applicants will have a right to review any decision to penalise refusals.

There are times when refusal penalties would not apply. This includes if an applicant placed in Band A1 and A2 (those needing to move due to urgent medical or welfare needs and people escaping violence or intimidation), will receive one offer. If this offer is refused, they will be placed back into their previous band. If the applicant did not previously have a band, they will be removed from the Housing Needs Register. The council will continue with the policy that if an urgent Adapted Property Direct Let is refused by an applicant, they will no longer be considered and wait in turn.

## iii. **Proposed changes to the bedroom eligibility**

Under the current scheme, two children of the same sex are expected to share a bedroom regardless of their age gap. Under the new policy, children, from the age of 16 years old and older, will be entitled to their own bedroom. This mirrors the rules that currently apply to tenants in the private sector, with regard to Housing Benefit and Local Housing allowance regulations. This may over time increase the numbers of applicants who need larger properties. However, the council will still offer smaller properties to families if they would prefer to move sooner and if this would improve their housing situation.

## iv. **Proposed changes to Local Connection**

Currently, applicants must have lived in Southampton for three continuous years before they are allowed to be on the Housing Needs Register. It is proposed that applicants can apply to the Housing Needs Register if they have lived in Southampton for three out of the past five years. This means that those who have had to leave

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Southampton to find temporary accommodation, would not be excluded from the Housing Needs Register for that reason.

v. **Proposed change to ask applicants to re-register on an annual basis**

Currently, once applicants are accepted onto the Housing Needs Register, they do not have to re-register on an annual basis. It is proposed that all applicants will have to re-register annually. This will confirm whether circumstances have changed and ensure applicants are assigned to the correct band. This means if the policy is approved and implemented, then existing applications will be closed. For the majority, the process to re-register will include a simpler exercise and not a full new application to be made. There is very little change to the overall eligibility rules to join the Housing Needs Register so most applicants will still qualify for rehousing. However, not all will receive the same level of overall priority. Of those who wish to reapply, the applicants most impacted will be those who have waited a long time and accrued significant points simply by waiting. However, if their circumstances have not changed, they are likely to still be permitted to remain on the Housing Needs Register.

5. Under the Officer Scheme of Delegation, the Director of Housing has the delegated authority to make an exception to policy, give additional priority or take other action necessary. This delegated authority will only be used in very exceptional circumstances to ensure the council is equitable in its treatment of applications for re-housing.

## **RESOURCE/POLICY/FINANCIAL/LEGAL IMPLICATIONS:**

6. Section 166A of the Localism Act 2011 states that the allocation scheme must have regard to the tenancy and homelessness strategy. A strategy review has been undertaken to ensure that this policy aligns with our policies and strategies, including our Corporate Plan 2022/2030, Tenancy Strategy and new Homelessness and Rough Sleeping Strategy 2024-2029.
7. The implementation of the policy is subject to having the new computer system in place. The Procurement team will be required to find an appropriate provider and the system will need to be correctly set up. Training will also be required for the Allocations team and other relevant officers on how to use this new system.
8. There are also financial implications of this policy, with the requirement of a new computer system. On 6 March 2024, the Cost Control Panel gave their approval for the service to procure a new system.
9. A public consultation was launched on the 30 January for 7 weeks and closed on 19 March 2024. The consultation was shared with all those on the Housing Needs Register via email or text, on our social media, including Nextdoor targeting areas with large concentrations of social housing. The consultation was also shared on our eBulletins, like YourCityYourSay, City News, Housing Internal Bulletin and Tenants' Link. We also held focus groups with social housing tenants in the Support Housing Forum, Scrutiny Panel and Tenant Inspectors group. We received 426 completed survey responses, over half of whom are current applicants on the Housing Needs Register. The service and consultation

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team are currently analysing and considering the feedback. The full report will be available on 5<sup>th</sup> April 2024.

From the quantitative data most respondents agree with the changes proposed in the new policy whilst acknowledging that that changes could have an impact on them, their family or community which may be negative.

The tables below provide the headline numbers from the quantitative tick-box questions:

## **i. Proposal to replace a point-based scheme with a banding scheme**

Q1 (Proposal to replace a point-based scheme with a banding scheme) To what extent do you agree or disagree with this proposal?

Strongly Agree/Agree	Disagree/Strongly disagree	Neither Agree/Disagree
45%	38%	16%

Q2 (Proposal to replace a point-based scheme with a banding scheme) What impact do you feel this may have on you, your family or the wider community?

Very/fairly positive impact	Fairly/very negative	No impact at all
32%	46%	15%

## **ii. Proposed changes to the number of offers an applicant can refuse**

Q4 (Proposed changes to the number of offers an applicant can refuse) To what extent do you agree or disagree with this proposal?

Strongly Agree/Agree	Disagree/Strongly disagree	Neither
61%	27%	12%

Q5 (Proposed changes to the number of offers an applicant can refuse) What impact do you feel this may have on you, your family or the wider community?

Very/fairly positive impact	Fairly/very negative	No impact at all
39%	29%	24%

## **iii. Proposal to require applicants to re-register every year**

Q13 (Proposal to require applicants to re-register every year) To what extent do you agree or disagree with this proposal?

Strongly Agree/Agree	Disagree/Strongly disagree	Neither
48%	39%	13%

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Q14 (Proposal to require applicants to re-register every year) What impact do you feel this may have on you, your family or the wider community?

Very/fairly positive impact	Fairly/very negative	No impact at all	Don't Know
31%	38%	22%	9%

iv. **Proposed change that allows children to be entitled to their own bedroom from the age of 16**

Q7 (Proposed change that allows children to be entitled to their own bedroom from the age of 16) To what extent do you agree or disagree with this proposal?

Strongly Agree/Agree	Disagree/Strongly disagree	Neither
62%	20%	17%

Q8 (Proposed change that allows children to be entitled to their own bedroom from the age of 16) What impact do you feel this may have on you, your family or the wider community?

Very/fairly positive impact	Fairly/very negative	No impact at all	Don't know
41%	22%	29%	8%

v. **Proposed changes to the amount of time an applicant must have lived in Southampton**

Q10 (Proposed changes to the amount of time an applicant must have lived in Southampton) To what extent do you agree or disagree with this proposal?

Strongly Agree/Agree	Disagree/Strongly disagree	Neither
58%	21%	22%

Q11 (Proposed changes to the amount of time an applicant must have lived in Southampton) What impact do you feel this may have on you, your family or the wider community?

Very/fairly positive impact	Fairly/very negative	No impact at all	Don't know
36%	19%	35%	10%

vi. **Proposed requirement that existing tenants have an inspection before they move that confirms a property has been kept to an acceptable standard**

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Q16 (Proposed requirement that existing tenants have an inspection before they move that confirms a property has been kept to an acceptable standard) To what extent do you agree or disagree with this proposal?

Strongly Agree/Agree	Disagree/Strongly disagree	Neither
71%	9%	20%

Q17 (Proposed requirement that existing tenants have an inspection before they move that confirms a property has been kept to an acceptable standard) What impact do you feel this may have on you, your family or the wider community?

Very/fairly positive impact	Fairly/very negative	No impact at all	Don't know
49%	10%	34%	8%

10. The council is required by the [Housing Act 1996](#) to consult with private registered providers on its plans to produce a new policy.
11. The service invited private registered providers to take part in the public consultation on 12 February. The service will share a final version with them prior to June Cabinet.
12. The council has due regard to the public sector equality duty under the Equality Act 2010 and the Human Rights Act 1998 in formulating and carrying out this policy.

## OPTIONS and TIMESCALES:

13. If the policy is adopted, there will be a delay between the adoption and implementation of the policy, due to the time required for the Procurement team to purchase and set up a new computer system. The policy is due to be presented to the Cabinet in June 2024, and if approved, it is estimated the implementation phase will be completed by March 2025. The implementation date will be brought forward if the computer system is purchased and set up before this date. If approved, the Executive Director for Resident Services will seek delegation to decide on the implementation time scales of the policy.

## RISK MANAGEMENT IMPLICATIONS

14. The implementation of this policy is subject to having the new computer system in place. The Procurement team and the Allocations team will ensure that all steps are ready to be taken to purchase and set up a new system if the Cabinet approves the policy in June 2024.
15. The policy may require all residents on the social housing list to reapply to the new banding system. Some applicants may be frustrated by this process. There is a risk that some people may feel they have been placed further down on the waiting list, than on the points-based system waiting list. It may be onerous for vulnerable people who may need support in re-applying. Communication and messaging around this new policy will need to be clear. It will need to explain that people's time on the waiting list is considered, as is the

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housing need and other criteria to place them into certain bands. Once the policy is adopted by the Cabinet, current applicants on the Housing Needs Register will be written to them to inform them of the changes and what they need to do.

16. The council may consider procuring a supplier which can undertake data migration from the old to the new system, to prevent applicants from having to re-apply. If such a supplier cannot be procured or it is too costly or technically complex to do, the council will support applicants in the re-application process. It will do this through use of its Housing Needs and Housing Management staff and will support vulnerable customers through the re-application process.

## Appendices/Supporting Information:

Annex 1: Allocations Policy

Annex 2: Allocations Policy (short version)

Annex 3: Equality and Safety Impact Assessment (ESIA)

Annex 4: Summary of quantitative data from consultation feedback.

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