

# NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COMMUNITY SCRUTINY COMMITTEE – THURSDAY, 11  
SEPTEMBER 2025



<b>Title of Report</b>	<b>HOUSING ALLOCATIONS POLICY POST-IMPLEMENTATION REVIEW</b>	
<b>Presented by</b>	David Scruton, Housing Strategy and Systems Team Manager	
<b>Background Papers</b>	Review of Housing Allocations Policy	<b>Public Report:</b> Yes
<b>Financial Implications</b>	None identified	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	None identified	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	None identified	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To seek the Scrutiny Committee's comments on the impacts of the changes to the Council Allocations Policy agreed by Cabinet in December 2023.	
<b>Recommendations</b>	<b>THAT COMMUNITY SCRUTINY COMMITTEE CONSIDERS THE CONTENTS OF THE REPORT AND SUBJECT TO IDENTIFYING ANY CHANGES REQUIRED TO THE POLICY, MAKE RECOMMENDATIONS TO CABINET OF SUCH CHANGES.</b>	

## 1.0 BACKGROUND

- 1.1 Revisions to the Council's Allocations Policy were considered by Community Scrutiny Committee on 28 September 2023 prior to approval by Cabinet in December of the same year.
- 1.2 The policy changes coincided with the implementation of a new computer system to manage the housing register in April 2024.
- 1.3 It was agreed that a further report would be brought to Community Scrutiny Committee to consider the impacts of the changes and their effectiveness.
- 1.4 The new policy and new computer system have now been in operation for over 12 months allowing enough data to meaningfully reflect on the operation of the housing register.

## **2.0 SUMMARY OF ALLOCATION POLICY CHANGES**

2.1 The main changes to the Allocations Policy were as follows:

- a) An update to the income and savings thresholds based on the affordability of housing locally
- b) An increase in the number of months of residency required for local connection from six to 12 to manage demand and align better with other local authorities in the region.
- c) A change to how homeless households were prioritised with an emphasis of speeding up rehousing and avoiding the need for temporary accommodation.

2.2 Cabinet agreed that authority be delegated to the Head of Housing in consultation with the Portfolio Holder to make minor changes to the Policy as required to address changes in national policy and demand.

2.3 Some minor revisions were made under delegated authority in December 2024 and July 2025 to incorporate national legislative changes and to clarify wording in areas of the Policy where there was a degree of uncertainty.

2.4 These included:

- i) Widening of local connection criteria for members of the Armed Forces, victims of domestic abuse and care leavers in line with national legislation
- ii) Clarification of when employment would be considered for local connection
- iii) Clarification of when income thresholds would be applied for different household types and extra consideration for existing social tenants
- iv) Clarification of when an extra bedroom for an overnight carer would apply
- v) Greater flexibility to encourage moves where a property type is in need from another home seeker.

## **3.0 SUMMARY OF SYSTEM CHANGES**

3.1 The main changes brought in with the new system were as follows:

- Improved options for customers with regard to self service
- Revised application questions
- Ability for homeless households and housing applicants to be managed in the same system
- Increased options to manage and record the assessment and review of applications
- A greater degree of flexibility in setting up shortlists and matching applicants to properties to improve transparency in the offer process.

3.2 All existing applicants on the housing register were required to re-register on the new system. This was to ensure that there was up to date details and the necessary information to apply the new policy to existing as well as new applicants.

## **4.0 THE IMPACT OF CHANGING SYSTEMS**

- 4.1 A key part of the changes to both the policy and the system were to enable more active management of the housing register. The aim being for the register to more realistically reflect the actual position at any one time.
- 4.2 As a result, numbers of the housing register have dropped from 1,125 live applications (February 2024) to 800 current live applications (August 2025). The current figure is thought to represent a more reflective picture of demand and not a drop in applicants seeking housing. Analysis completed at the time of system change over showed only 825 applicants were actively bidding or logging in. The previous system had no automated annual renewal process and customers had limited options available to update their applications themselves if their circumstances changed. The new system requires all applicants to confirm they want to remain on the housing register on an annual basis. A total of 134 applications have been closed to date due to the failure of the applicant to complete their annual review.
- 4.3 In the 16 months since the new system has been open to applications, over 3,700 applications have been received (this figure includes duplicates as an applicant may have begun completing an application on multiple occasions). 1,589 of those have been closed without the applicant being rehoused either because they did not submit documents, did not qualify for the register or did not renew their application.
- 4.4 There are a further 875 cases where people have begun the registration process but have not yet provided all of the proofs and so they are not being considered for housing at this time.
- 4.5 Being able to monitor applications more closely through the new system has identified the volume of approaches that the team has to deal with that do not ultimately lead to a live housing application and the number of repeat touches required before an application decision can be made. This has identified improvements that could be made to the document request process to create efficiencies and improve the customer journey, and these will be implemented where possible.
- 4.6 Current processing times are under four weeks, and the target is to reach two weeks by the end of the financial year. The team has been reviewed and additional resource brought in to ensure the target can be met.
- 4.7 A high proportion of applicants are not able to self serve through the website and there are 266 cases where the team have had to provide assistance, most usually taking an application over the phone. However, applicants once supported to apply are often able to then review properties and place bids themselves as long as they have access to an email address. This is because applicants receive a weekly reminder email with a link to view available properties.
- 4.8 The new system allows a greater degree of flexibility when determining who can bid on a property and how households are ordered on the shortlist. This has meant there are far less situations where someone would need to be overlooked because they do not fully meet the property criteria. It also means that when someone places a bid, the queue position they see is more accurate. Previously, where properties had multiple criteria, it was necessary to allow people to bid who did not fully meet those criteria who then had to be overlooked.

- 4.9 The new advertising options allow the Council to restrict or widen the number of potential bidders depending on expected demand for a property. This minimises the chances of a low demand property having to be readvertised.

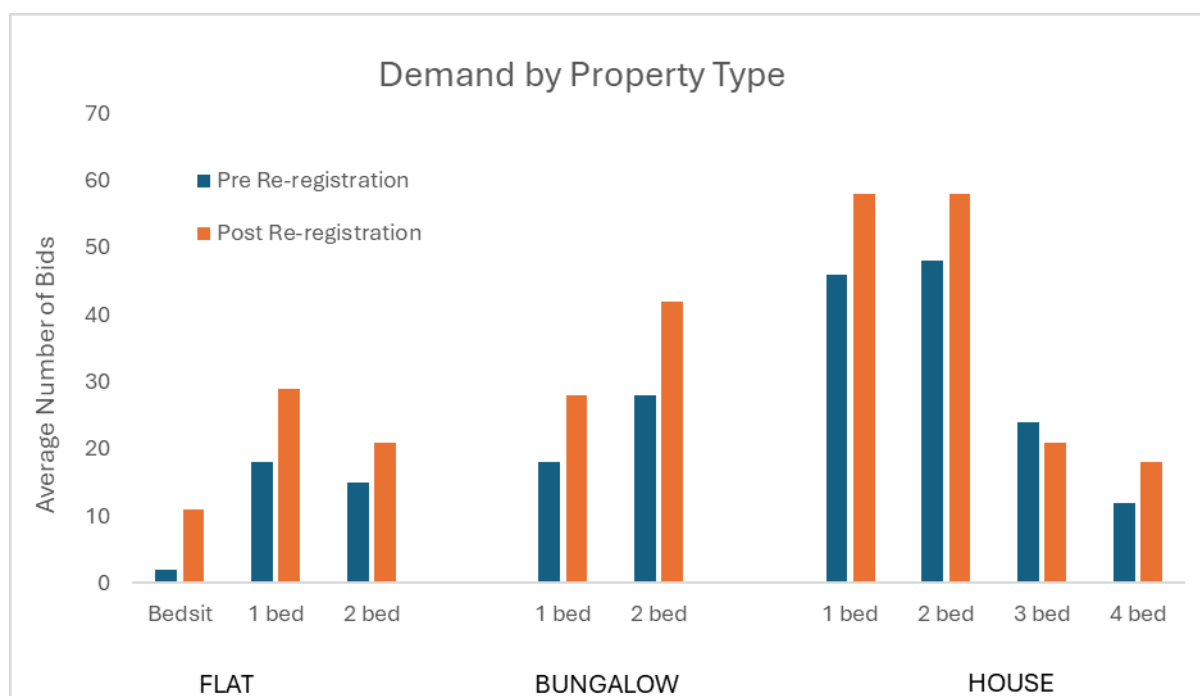
## 5.0 CHANGES TO DEMAND

- 5.1 In 2023, an average of 120 applications a month were received. This has been steadily rising to an average of 217 applications per month over the last six months.
- 5.2 Despite changes to the Allocations Policy, the increase in applications and the drop in overall numbers on the list the percentage of applicants in each priority band and the split of bedroom need has remained broadly the same as seen in the tables below.

Band	Percentage of total applicants Feb 2024	Percentage of total applicants Aug 2025
<b>Critical</b>	6%	6%
<b>Urgent</b>	19%	19%
<b>Medium</b>	51%	53%
<b>Low</b>	16%	13%
<b>Potential</b>	9%	10%

Bed Need	Percentage of total applicants Feb 2024	Percentage of total applicants Aug 2025
<b>1</b>	49%	46%
<b>2</b>	32%	36%
<b>3</b>	14%	14%
<b>4</b>	<1%	<1%
<b>5</b>	<1%	<1%

- 5.3 Despite this, competition for properties has increased across most property types as can be seen in the increase in the average number of bids.



- 5.4 The only property type that appears to demonstrate a drop in demand is three-bed houses. However, for this unit type the data is not directly comparing like with like. Historically a number of three-bed houses were opened up to smaller households with a preference given to those who fully occupied the property. As overall demand increased, this resulted in smaller households bidding on properties they were unlikely to receive an offer for. This, however, inflated the apparent demand. As a result, these properties are now only advertised to those with a three-bed need.
- 5.5 Due to differences in the systems there have been limitations in comparing data, however, there does appear to be an increase in applicants who do not qualify to join the housing register, particularly on the grounds of local connection, income and debt (double what was recorded on our previous system during the same timeframe).

## 6.0 THE IMPACT OF THE POLICY CHANGES ON LETTINGS

- 6.1 Homeless applicants currently make up 8% of the housing register with the following breakdown by band. The breakdown of bandings for homeless households are in the table below.

Band	Allocation Policy Homeless Category	
<b>Critical</b>	Homeless applicants in priority need	77%
<b>Urgent</b>	Homeless applicants not in priority need	9%
<b>Medium</b>	Homeless Main Duty (and have had 56 days in the critical band)	2%
<b>Low</b>	Homeless but do not receive priority e.g. due to rent arrears or behaviour	4%
<b>Potential</b>	N/A	0%

- 6.2 Before the policy change, 57% of applicants in the critical band were owed a homeless duty with the majority of homeless applicants being banded in high or medium.
- 6.3 Since the new policy came into force there have been 303 lettings recorded of which 142 (43%) have been to homeless applicants. 29 of these lettings have been through a direct offer to a homeless customer and so the property was not advertised. This is a higher proportion of direct lets than would be expected though as around the same time as the system went live there was a large newbuild scheme that was significantly delayed and had a number of expired shortlists.
- 6.4 The table below shows the proportion of lettings to each band. There has been a noticeable increase in lettings to the critical band as would be expected with the band changes introduced for homeless cases. However, the majority of this increase is offset by a reduction in lettings to the Urgent band.

	% of Offers by Applicant Band	
Band	Prior to new policy	Post new policy
<b>Critical</b>	26%	47%
<b>Urgent</b>	48%	31%
<b>Medium</b>	23%	21%
<b>Low</b>	1%	0%
<b>Potential</b>	1%	0%

- 6.5 Further analysis of lettings indicates an increase in the number of lettings to homeless households and a slight increase in the number of households owed a homeless prevention duty who were able to secure accommodation prior to becoming homeless. The evidence is not conclusive, however, at this stage. The team will continue to monitor this data to ensure the policy change is effectively delivering its objective.
- 6.6 However, this increase will in part be because homeless approaches to the Council have been increasing year on year and this increase would have been experienced without the policy changes.

## 7.0 PROFILE INFORMATION

- 7.1 Profile information for those receiving offers of accommodation have been compared to that of those on the housing register. These are broadly consistent suggesting that the policy is not disproportionately impacting on any particular group.
- 7.2 It is worth noting that the age profile of those receiving offers will to an extent be informed by the available stock being advertised.

Age	% of Main Applicants		Age	% Being Housed
18-24	12.27%		18-24	14.97%
25-34	31.04%		25-34	25.85%
25-49	27.16%		25-49	27.21%
50-64	16.52%		50-64	18.03%
65 and over	13.02%		65 and over	13.95%

Gender	% of Main Applicants		Gender	% Being Housed
Female	68.84%		Female	63.61%
Male	30.54%		Male	35.37%
Not known / Other	0.13%		Not Known	0.00%
Prefer not to say	0.13%		Prefer not to say	0.34%
Transgender	0.38%		Transgender	0.68%

Ethnicity	% of Main Applicants		Ethnicity	% Being Housed
Asian or Asian British	0.25%		Asian or Asian British	0.68%
Black or Black British	1.25%		Black or Black British	0.68%
Mixed	1.50%		Mixed	3.40%
Other	0.50%		Other	0.68%
White British	83.48%		White British	86.05%
White Other	9.51%		White Other	7.14%
Not Known	3.00%		Not Known	1.36%

## **8.0 OTHER IMPACTS**

- 8.1 There is some evidence that the tightening of access to the housing register is meaning that more households do not qualify. It is difficult, though, to determine the direct impact of policy change from wider pressures in the housing market increasing demand from those who would not previously have approached the Council for assistance.
- 8.2 An area where there does appear to be an increase which impacts on the capacity of the team is in relation to people requesting a formal review of decisions relating to their application. 196 requests for a review have been received over the last 16 months, 39 requests related to the decision not to allow access to the register with a further 157 requesting a review of housing needs (banding or bed need). This compares with 64 recorded reviews logged in the old system over a similar timeframe.

## **9.0 EMERGING CHALLENGES AND NEXT STEPS**

- 9.1 The Council has been using the same basic banding criteria with minor changes (other than the recent changes around homelessness) for over fifteen years. The increasing pressure on the register means that the difference between the medium and urgent band has become much more significant and consideration now needs to be given to a more sophisticated way of dealing with some categories in particular medical and welfare needs to ensure that the approach to cumulative need is achieving the desired outcomes. Welfare and medical are often difficult to separate out and the policy has limitations when it comes to multiple incidences in one household.
- 9.2 One of the changes that was introduced last year was a reduction in the time in the critical band before priority was reviewed. This allowed homeless cases, that make up the majority of the critical band to be managed in a more timely manner. It does mean, however, that the length of time an applicant spends in the urgent band is comparatively longer. The resources required to undertake band time reviews will be kept under review with a view to bringing the urgent band time limit down in the future to encourage customers to engage with the bidding system more proactively.
- 9.3 Band date reviews are now being prioritised as this is an area that the Council's Internal Auditors have identified previously as an area of poorer performance in relation to applying the policy. This has been in part because of the competing pressure of processing newly received applications with effectively maintaining the existing applicants on the register.
- 9.4 Now that reviews are being carried out in a more timely manner and the need to bid on all suitable properties is being more rigorously applied, a gap in expectations has arisen that needs work to close.
- 9.5 For example, whilst it is understandable that the preference from people with children is to have a house with garden, there is nothing inherently unsuitable about being allocated a flat in many circumstances. Furthermore, the policy would need to balance the right to rehousing of existing tenants with children in flats if urgent and critical cases were allowed to choose not to bid on them.
- 9.6 It is understandable that people's preference is to remain in their current localities and near support networks, however, given the mismatch between supply and demand unless people have exceptional need to remain in very close proximity to friends and family those deemed to have an urgent need to move will be expected to consider moving towns or villages. Unless children are in an exam year, they will also need to

consider moving schools. This is an unfortunate outcome of the pressure on the housing system and contributes to a number of review requests as mentioned above.

- 9.7 Another issue that appears to be increasingly impacting on demand is households providing evidence that their children who would normally be expected to share a bedroom are not able to do so because of medical reasons. With a limited number of larger homes available, increasing the number of families that are identified as having needs for these homes is increasing waiting times. The issue is particularly challenging as it is recognised that waiting times for a formal diagnosis in many cases are long and so there is a balancing act between pragmatism and robustness in assessments.
- 9.8 The register places restrictions on households with housing debt. The purpose is twofold, to try and ensure recovery for the Council's partner landlords but also to place some onus on applicants to demonstrate they understand the responsibilities of being a tenant. There have been a number of changes to debt management options in recent years and providing clarity in this area as to what is acceptable in recognising and responding to debts is another emerging priority.
- 9.9 Finally, as the new income rules have increased the number of applicants not qualifying for the register, there is a need to refine guidance on both exceptional circumstances and ineligible income.
- 9.10 Demand for housing is rising and the number of lettings to people in the lower bands is reducing for most areas and property types. This has inevitably led to an increase in people seeking to increase their banding, generating an increasing number of first and second stage reviews. With fixed resources this requires prioritisation of actions between new applications, maintaining the register and responding to requests for review.
- 9.11 The policy will be kept under review by the service to ensure that its objectives are being delivered and it is anticipated that an updated policy will be developed in 2026/27.



Policies and other considerations, as appropriate	
Council Priorities	- Communities and housing
Policy Considerations	This report relates to the Council's Allocations Policy
Safeguarding	None identified
Equalities/Diversity	The policy does not appear to have an adverse impact on any particular groups.
Customer Impact	None
Economic and Social Impact:	None
Environment, Climate Change and Zero Carbon	None
Consultation/Community Engagement	Consultation was undertaken with the public as part of the formulation of the policy changes.
Risks	None identified
Officer Contact	David Scruton Housing Strategy and Systems Team Manager <a href="mailto:david.scruton@nwleicestershire.gov.uk">david.scruton@nwleicestershire.gov.uk</a>