

The housing crisis and social housing allocations

NHF Discussion Paper



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**NATIONAL
HOUSING
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Foreword

The government’s Decade of Renewal for Social Housing plan has given housing associations the long-term certainty and funding they need to begin making inroads into the decades-long undersupply of social housing. At the NHF, we have argued consistently for these measures and have greatly welcomed them.

They are needed. The overall number of households waiting for a social home continues to grow. Official lists now stand at a combined total of over 1.3 million households,¹ and NHF analysis shows 4 million households would benefit from a social home.

As part of the Decade of Renewal plan, the government also announced its intention to update the statutory guidance for social housing allocations. This makes sense. In a social housing system defined by scarcity, how the social homes that are available are allocated, and to whom, is vitally important.

Allocations policies can play a major role in determining how quickly a household might leave temporary accommodation or how soon a family in deeply unsuitable and unaffordable housing might find a long-term secure and affordable home. They also impact on community sentiment – being able to show that homes are allocated fairly and consistently matters.

There are fewer social homes available now each year than just over a decade ago. In the early 2010s, there were close to 400,000 new lettings in the social rented sector per year. By 2024/5 this had fallen to 263,000.² This fall was not mirrored by a drop in supply – the number of households living in social housing has slightly increased over the same period. It is not clear what has caused this fall, but the upshot is that there are now significantly fewer households able to find a social home.

To discuss all this, and to enable us to feed into the government’s update to the statutory guidance, in late 2025 and early 2026 we held roundtable discussions and interviews with housing associations and other stakeholders.

Our conversations revealed a system under intense pressure, with more households with a wide array of needs than can be appropriately housed and supported. Those pressures can lead to perceptions of unfairness and a breakdown in trust between people and institutions.

Trying to do their best within this creaking system, we heard several examples of strong strategic and operational partnership working between local authorities and housing associations. The pressure of day-to-day work can mean the capacity that’s needed to work effectively in partnership evaporates. We must ensure that the system enables partners to meet and co-operate.

This paper is a starting point for an important conversation about embedding fairness and consistency within social housing allocations so that they can reflect both local and priority need. We hope, through our recommendations, to inform the refreshed statutory guidance, enhance partnership working, and make a positive contribution to the debate around who lives in social housing.

The key themes and recommendations that emerged from our member discussions are set out in detail below.

We’d like to hear your views – please do respond to the questions or feed in your views to Viktorija.Kiselyte@housing.org.uk.

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1 MHCLG, *Social housing lettings in England, tenants: April 2024 to March 2025* - GOV.UK

2 MHCLG, *Social housing lettings in England, tenancies summary tables: April 2024 to March 2025*, Table 1a

Summary and questions

Key themes

Shortage of homes and welfare reform driving local pressures

- Members consistently highlighted that the root cause of challenges in allocating homes was high demand and a severe shortage of social housing. The impacts of this were longer waiting times, mismatches between applicant needs and available homes, and a greater sense of unfairness.
- Welfare reform has meant that, over time, income through welfare benefits has not kept pace with the cost of housing. The benefit cap, the bedroom tax, the two-child limit and frozen Local Housing Allowance rates have reduced the ability of many lower income households to afford or sustain a tenancy, in particular where the tenure is affordable rent.

Lack of access to support or supported housing risks greater tenancy failure

- Support needs of social housing residents have grown significantly over time, with more households needing help to sustain their tenancies – regularly more than can be met by a housing management team.
- At the same time, supported housing remains in critically short supply. This leads to people requiring specialist support being placed in general needs housing that doesn't meet their needs, increasing challenges around tenancy sustainment.

Strong partnership working with local authorities yields better outcomes

- Relationships between housing associations and local authorities are a central determinant of how allocations work in practice, yet these relationships vary considerably, driven by local resource pressures, staff turnover and a lack of clarity and standardisation around core processes.
- Members emphasised that allocations work best where relationships are strong. Regular communication, shared and up-to-date expectations for nominations, and agreed standards for information sharing were consistently linked to positive outcomes and more effective partnership working.

Pre-tenancy assessments play an important role in tenancy sustainment

- Pre-tenancy assessments were consistently described as crucial in ensuring that people are matched to homes that are appropriate and have sufficient support to sustain their tenancies.
- Members outlined that only in exceptional circumstances would a nomination be refused on affordability grounds, with every avenue for income maximisation first explored before arriving at that conclusion.

Choice Based Lettings (CBL) can lead to an 'illusion of choice'

- CBL, the dominant national system for allocating homes, is no longer seen as always delivering choice to people bidding for social housing. Members highlighted problems including inconsistent local rules, an 'illusion of choice' that encourages speculative bids, high refusal rates, poorly matched nominations and registers that are not regularly updated.
- Members also suggested that for longstanding bidders on CBL, there is a sense of resentment when others (with a higher housing need) are allocated a home ahead of them – it detracts from the sense that social housing is allocated 'fairly'.



Recommendations

1. The government should establish a cross-sector working group with a remit to:

- **Support the review process of the statutory guidance on allocations** including a strong focus on the role of partnership working, including best practice and nominations agreements.
- **Develop a proposed approach to making best use of 'chain lettings'** to maximise the potential of allocations to improve the housing outcomes of several households through each new vacancy, rather than just one.
- Develop a proposed approach for a larger-scale, resourced and funded scheme to **promote right-sizing**.
- **Develop further guidance** on pre-tenancy assessments and data collection.

Further areas for the working group to cover could be developed.

2. The government should work with the social housing sector to develop a firm evidence base on the support needs of residents in social housing.

This evidence base will inform both a) local partnership-based approaches which maximise the potential for tenancy sustainment and b) a review of floating support provision. Alongside this, the new local supported housing strategies should ensure sufficient supported housing is planned for and developed to better meet the needs of people who need it and relieve pressure on general needs homes.

3. Welfare policy should be designed to work in tandem with housing policy – it should not be the case that a social tenancy is not affordable for any household. The government has an opportunity to address this in its upcoming long-term housing strategy.

These recommendations are set out in greater detail later in the paper.

Questions

1. Do the key themes outlined in this paper reflect the main challenges your organisation faces in allocating homes?
2. Do you support the proposed recommendations in this paper? Do they align with the changes you think are needed to improve allocations?
3. Can you share any best practice examples of strong partnership working between housing associations and local authorities on allocations?
4. Can you provide any examples of where your organisation has used vacancy chains and / or rightsizing, and what you learnt?
5. Do you have any other comments?

Introduction

A social home offers long-term security and affordability. With over 1.3 million people waiting for social housing, over 4 million in housing need who would benefit from a social home, and over 132,000 households stuck in temporary accommodation, the questions around who is eligible for social housing and how it is prioritised really matter.^{3, 4}

The answers to those questions are determined by a combination of national and local government policy. Housing associations operate within that framework, playing a major role in meeting housing need by allocating 192,000 of 263,000 social homes last year.⁵ In doing so, they balance various priorities including supporting those in housing need waiting for social housing, current residents who need to move for a number of different reasons, and the nature of and dynamics within the communities they serve.

To help build our understanding of the challenges our members face in balancing these priorities, in the early autumn of 2025, the NHF ran several roundtables and one-to-one interviews with members to:

- Better understand the operational challenges facing housing associations in allocating social homes.
- Identify examples of good practice and develop policy recommendations to help members manage or overcome these challenges.
- Use our insights to inform conversations with the government on its work on allocations.



³ MHCLG, [Social housing lettings in England, tenants: April 2024 to March 2025 - GOV.UK](#)

⁴ MHCLG, [Statutory homelessness England level time series "live tables"](#). Table TA1.

⁵ MHCLG, [Social housing lettings in England, tenancies summary tables: April 2024 to March 2025](#). Table 1b.

Background

The UK is facing a housing crisis, caused by a chronic shortage of social and affordable homes and exacerbated by decades of undersupply across all housing tenures. Right to buy has played a major role in reducing the stock of social homes – over 2 million homes have been sold through it in England.⁶ There were 1.34 million households on local authority housing registers in 2025, the highest figure since 2014.⁷

Analysis released in 2025 by the NHF, Crisis and Shelter showed that local authorities in England with the most severe shortage of social housing have waiting lists exceeding 100 years for a family sized (3+ bed) social home. The figures reveal a dire situation for struggling families in many parts of England, who have little hope of securing a social home prior to their children growing up and leaving home.

With so few social homes available, many families are being forced to live in overcrowded conditions, in unaffordable and less secure private rented homes, in temporary accommodation for extended periods, or ending up homeless.

The NHF, along with many other organisations, has long made the case for more social housing to help meet housing need. The government has responded to these calls with long-term funding and policy certainty that will enable more social homes to be built over the next decade.

The shortage of social housing has been the key driver of tensions around who can access social housing for several decades. This paper takes that argument as a given and instead focuses on the current situation and changes that might be made to the allocations system to improve housing outcomes within that wider context of a severe undersupply.

There is no one system of social housing allocations across the country. Each local housing authority is empowered to set out its own approach, setting local criteria for eligibility and prioritisation, albeit within a framework which ensures those assessed as having a severe housing need are always prioritised and given 'reasonable preference'.

Historically, housing associations would typically have kept their own waiting lists and allocated homes according to their own rules and criteria. But as housing associations became the main vehicles for new social housing from the late 1980s onwards, housing associations increasingly allocated their homes to households on local authority waiting lists.

Today, housing associations may allocate homes through a local authority's allocation scheme, through a common allocations framework shared with the local authority and other housing associations, or in some instances through their own allocations policies. Local lettings policies might also be agreed for specific schemes.

When deciding who should be allocated social housing, local authorities and housing associations will have to carefully consider how to balance national policy objectives, public law requirements and regulatory expectations, alongside organisational and community priorities. These priorities include balancing the needs of existing residents against the needs of prospective residents, whilst also encouraging cohesion in the communities they are responsible for.

⁶ MHCLG, [Table 678: annual social housing sales by scheme for England](#). Total, (LA, Preserved and Voluntary) Right to Buy Sales.

⁷ MHCLG, [Social housing lettings in England, tenants: April 2024 to March 2025 - GOV.UK](#)

What is the government considering on allocations?

On the 2 July 2025, MHCLG published a policy paper titled [Delivering a decade of renewal for social and affordable housing](#). It outlined the foundations for renewal and included within it a commitment to update statutory guidance on allocations and review how effectively social housing providers use their properties, exploring ways to reduce the time homes are left empty.

The government's [Homelessness Strategy](#), published in December 2025, built on this commitment, noting that it would be exploring levers to require social housing landlords to rehouse statutory homeless households where joint working with local authorities is not working, including legislating if necessary.

Alongside the publication of the strategy, the government published a [report on social housing allocations](#) as part of the systems-wide evaluation of homelessness and rough sleeping. The report focuses on how local social housing allocations and practices affect homelessness, drawing on qualitative insights from across England. The report supported the introduction of national standards or guidance, and risk assessment tools for affordability and qualification checks, as well as targeted funding and technical support to improve data-sharing infrastructure between local authorities and housing providers.

Participant stakeholders in the study raised an important trade-off that has resulted from the overall limited supply of social housing. They identified that prioritising one group - homeless households - could have consequences for other groups who become deprioritised and remain in unsuitable or unstable living conditions for longer. Participants also raised how this could incentivise people to see the 'homelessness route' as a fast track to social housing. National representatives therefore cautioned against the introduction of overly prescriptive standards which could undermine providers' ability to manage risk, meet regulatory requirements and deliver improved outcomes.



Who is social housing let to?

The latest government CORE data provides a detailed breakdown of social housing lettings in 2024-25. Key figures include:



502,000 people in **263,000 households received a new social letting in 2024/25** – an increase from 491,000 people in 260,000 households in the previous year.⁸



However, **over the long term the number of households allocated a new social letting each year has decreased by over 100,000 since 2007/8**, almost 30%.⁹



63% of households obtaining a social letting in 2024-25 were new to the sector – down from 64% in 2023/24. These households were living in the private sector, their own home, temporary accommodation or sleeping rough immediately beforehand.¹⁰



56% of households with a new social letting in 2024/25 who were new to the social sector were on the housing register in that area for less than a year.¹¹



28% of new social lettings in 2024/25 were to statutorily homeless households, nearly double the proportion in 2018/19. Households living in temporary accommodation immediately prior to their new letting comprised 15% of new lets, compared to 10% a decade ago.¹²



55% of all households who were granted a social tenancy in 2024/25 had been granted 'reasonable preference' by their local authority, up from 34% a decade previously. Information was not known for a further 34% of cases.¹³ Data shows that the proportion of cases where information is not known has been increasing since 2018/19.¹⁴



Most lead tenants of households with a new social letting in 2024/25 were UK nationals (89%, or 233,000 lead tenants—an increase from 87% or 228,000 tenants in the previous year).¹⁵ European nationals comprised 4% of lead tenants (10,000) with the remaining 8% from nations outside the European Economic Area (EEA) (20,000).¹⁶



46% or 97,000 households with a new letting in 2024/25 included at least one person who had a physical or mental health condition or illness lasting or expected to last for 12 months or more, an increase from 44% in 2023/24.¹⁷

8 MHCLG, [Social housing lettings in England, tenants: April 2024 to March 2025](#) - GOV.UK

9 MHCLG, [Social housing lettings in England, tenancies summary tables: April 2024 to March 2025, Table 1a.](#)

10 MHCLG, [Social housing lettings in England, tenants: April 2024 to March 2025](#) - GOV.UK

11 MHCLG, [Social housing lettings in England, tenants: April 2024 to March 2025](#) - GOV.UK

12 MHCLG, [Social housing lettings in England, tenants: April 2024 to March 2025](#) - GOV.UK

13 MHCLG, [Social housing lettings in England, tenants: April 2024 to March 2025](#) - GOV.UK

14 MHCLG, [Social housing lettings in England, tenants summary tables: April 2024 to March 2025, Table 3o.](#)

15 MHCLG, [Social housing lettings in England, tenants summary tables: April 2024 to March 2025, Table 3e.](#)

16 MHCLG, [Social housing lettings in England, tenants: April 2024 to March 2025](#) - GOV.UK

17 MHCLG, [Social housing lettings in England, tenants: April 2024 to March 2025](#) - GOV.UK

Key themes arising from member discussions

Across the roundtables and 1-2-1 discussions, members provided insight into the challenges they face in allocating social homes within a system facing intense pressure caused by a lack of suitable available social and affordable housing, local variations in allocations policy, and rising levels of support needs. In spite of this backdrop, there were several examples of strong partnership working in place between local authorities and housing associations across the country, some of which are highlighted as case studies in this report.

Wider systemic issues

Members consistently highlighted that a lack of social homes in general, and in particular of the right size or with the right adaptations, had driven longer waiting times, higher refusal rates and the rise of increasingly difficult trade-offs at allocation stage. Members shared examples of situations where in some areas adapted homes sit empty because suitable nominations are not available, while in other places households with unmet support needs are clustered together in unsuitable blocks because no alternatives exist.

The lack of alignment between housing and welfare policies has exacerbated the challenge of a lack of suitable homes. The overall benefit cap, the bedroom tax, two-child limit, and Local Housing Allowance caps and freezes have meant the incomes of some households have not kept up with the cost of housing. These have effectively reduced income for some households on benefits. For some, this can mean a struggle to afford even social housing, particularly in high-cost rental areas like South-East England and London. Members reported this was even more likely to be a challenge where affordable rents are notably higher than social rents.

Members outlined how affordability challenges escalate into rising rent arrears and higher tenancy failure risks. It also brought up difficult trade-offs that social landlords have to make on deciding whether the allocation of a home to a household that cannot afford it perpetuates housing insecurity by pushing people into debt and exposing them to cycles of repeat homelessness. Our members spoke of the significant support that they provide to new and existing residents to help them maximise their incomes and sustain their tenancies.

The lack of alignment between welfare policy and housing policy has constricted the supply of homes that lower income households can afford. It has also reduced the likelihood of a successful and sustainable tenancy for households whose income leaves them unable to afford to pay their rent.



Rising unmet support needs

Members raised that discussion on allocations often narrowly focuses on moving households into general needs housing, neglecting the fact that some people who are homeless may have additional support needs that would be better met through the provision of floating support over and above what housing teams can provide, or by living in supported housing.

The support needs of new tenants have risen in recent years, whilst at the same time funding for support services provision has shrunk. Accessing a social home remains the most common route out of homelessness at 70% of all households, compared to 8% of households who accepted an offer of privately rented accommodation.¹⁸

Homelessness statistics show broadly increasing levels of support needs among homeless applicants. In 2018/19, 118,830 or 44% of all households owed a homelessness duty had one or more support needs, compared to 188,520 or 57% of households in 2024/25.¹⁹

Households are also presenting with a greater number of support needs. In 2018/19, half of all households with support needs had more than one support need. In 2024/25, 56% of households had more than one support need.²⁰ The correlation between homelessness and other complex needs suggests that without adequate support individuals may struggle to maintain stable housing.

Mental ill health in particular is rising sharply, where households reporting mental health issues in the *English Housing Survey* increased from 17% in 2013/14 to 38% in 2023/24.²¹ The latest *Adult Psychiatric Morbidity Survey (APMS)* shows the prevalence of mental illness is increasing over time, as well as clear inequalities, with adults in the most deprived areas being significantly more likely to have a common mental health condition (26% vs 16%).²²

The 2023 Supported Housing Review commissioned by MHCLG found that over half of commissioners surveyed believed there to be 'some' or 'lots' of unmet demand, with unmet need particularly high for single homeless adults among other groups. To meet current unmet need now and into the future, the review estimated a further 91,000 units of supported housing for working-age people would be needed.²³

Supported housing is key to preventing and alleviating homelessness for people with complex support needs, but demand continues to outstrip supply. This creates a chain reaction where some people with at times significant support needs are placed in general needs housing, not because it is suitable, but because it is the only available option.

Many members reported that growing unmet support needs among residents had changed the nature of the role of front facing staff like housing officers, raising issues around both capacity to provide such support and sustainability to keep providing it. Housing associations are increasingly being asked, implicitly or explicitly, to fill these gaps in general needs provision, despite having neither the statutory responsibility nor the funding to do so.

Members repeatedly warned that this dynamic is unsustainable and contributed to rising tenancy breakdown and ASB issues, alongside growing community tensions, particularly in areas where clusters of high needs individuals are placed together without sufficient onsite support.

In the absence of more supported housing, or funding for housing-related support services, increasing allocations to general needs homes for people without adequate support in place is likely to generate poorer outcomes for residents and risks adding further pressure onto a range of public services.

18 MHCLG, *Statutory homelessness England level time series "live tables"*. Table MD2.

19 MHCLG, *Statutory homelessness England level time series "live tables"*. Table A3.

20 MHCLG, *Statutory homelessness England level time series "live tables"*. Table A3.

21 MHCLG, *English Housing Survey 2023 to 2024: health and housing - fact sheet*.

22 NHS Digital, *Adult Psychiatric Morbidity Survey: Survey of Mental Health and Wellbeing, England, 2023/4, 1. Common Mental Health Conditions - Data tables*. Table 1.9 (All adults, Age standardised).

23 MHCLG and DWP, *Supported Housing Review 2023. Paras 34 & 36*.

Partnership working with local authorities

Members reported significant variation in relationships between housing associations and local authorities, shaped by geography, resource constraints, and pressures on the wider housing system.

Since the Localism Act 2011 introduced greater flexibility for local authorities to set local criteria, approaches have diverged considerably. The lack of clear national guidelines has led to differences in qualification criteria and nominations agreements between areas. The [statutory guidance on allocations](#) is also very broad outside of outlining statutory responsibilities, which has resulted in different interpretations locally of what an allocations policy should include and how it should be agreed and updated.

Members pointed to severe local authority resource pressures – such as reduced staffing and high turnover – which can disrupt partnership working, including nomination processes. Challenges included delayed or incomplete nominations, difficulty identifying suitable candidates, and uncertainty about who to contact to resolve issues. Inconsistent information sharing was another common concern; limited or late information on applicants meant some housing associations only became aware of complex needs, safeguarding issues, or previous tenancy challenges after a resident had moved in, placing those residents and communities at risk and increasing crisis intervention demands.

Housing associations' own allocations policies often include criteria designed to support tenancy sustainment, prevent failed tenancies, and minimise void loss in line with the Tenancy Standard. While most members reported accepting the vast majority of nominations, some limited refusals were described as necessary to ensure the home is a suitable match rather than as exclusionary practice.

Even with wider systemic pressures, members were clear that allocations work best where relationships are strong. Regular communication, shared expectations for nominations, and agreed standards for information sharing were consistently linked to positive outcomes and more effective partnership working.

Nomination agreements

A theme across feedback from members was that in order to be effective, nominations agreements had to strike a careful balance between enabling local authorities to meet statutory duties while retaining sufficient flexibility for housing associations to support existing residents that need to move. Most reported that nominations reflected longstanding arrangements, historical practices, and differing interpretations of nomination agreements, which shifted over time as relationships changed.

Many members reported that 100% nominations on new homes were the norm, with 75% or 50% rights thereafter. Members highlighted the trade-off between a high percentage of nominations and retaining flexibility to aid internal transfer capacity, particularly to enable moves for urgent medical or safeguarding cases. Supporting mixed approaches to nomination rights, with different percentages for different types of home (e.g. 75% nominations for larger homes and 50% for one beds), may enable better responses to local needs and local housing pressures.

Some members also shared that nomination agreements are often based on historical arrangements and shaped by funding conditions, local authority capacity and community specific arrangements that allow them to evolve over time. Legacy agreements will therefore often determine whether nomination rights are 100% or varied, but their arrangements evolve as new homes are built or acquired.

To ensure nominations agreements are designed to carefully balance different pressures, the updated statutory guidance should require agreements be co-designed, reviewed and updated at regular specified intervals.

Nomination agreements is a potential area for future research as it is complex and varied across the country, including differences across specific housing developments in the same local authority area. A better understanding of these dynamics may help identify where agreements are no longer working.

Local lettings plans

Members described local letting plans (LLPs) as an important tool that can support the development of balanced communities and help manage pressures within specific schemes but noted significant variation in how they were used and understood.

LLPs enable housing associations to work in partnership with local authorities to design communities that support the long-term needs of residents. This is especially true on new build developments, where in the interest of fairness to existing residents whose current homes are no longer suitable, and in the interest of supporting a mixed and balanced community, homes might be allocated using direct lets or certain criteria, rather than a typical banding system.

LLPs can also help address local tensions, especially in areas experiencing heightened community cohesion issues. In some cases, LLPs can help manage sensitivity around who moves into particular schemes by prioritising residents living close to a development site over people from elsewhere in the borough, to support local connections to schools, work and support networks.

Members working in rural settings explained that rural exception sites have specific local connection requirements, meaning some candidates that meet s106 criteria, but not local connection criteria, are excluded from the housing register. Better alignment of the two is needed in these instances.

Providers of specialist services also noted that the communities they house often have distinct cultural, religious or support needs. Local lettings plans should therefore reflect such particular circumstances.

Members consistently underlined that local lettings plans work best when they are developed collaboratively between local authorities and housing associations with involvement of the local community, based on evidence, and communicated clearly to applicants and existing residents.



NHF recommendations

Pre-tenancy assessments

Pre-tenancy assessments are an important part of the allocations process. Local authorities include assessments as part of verification needed to join the housing register and, dependent on the scheme, this information might include eligibility, affordability, medical needs, and/or bedroom entitlement. Housing associations also perform pre-tenancy checks as a tool to ensure that potential tenants are offered a property that is most suited to their needs, in terms of size, accessibility, affordability and location.

This is particularly important for housing associations where there are barriers to effective information sharing with a local authority. There are also often time gaps between people joining the register and an offer of housing being made, which may not account for any changing circumstances of the applicant.

Pre-tenancy checks therefore reduce the chances of tenancy failure by ensuring that tenants have the appropriate advice and support in place before a tenancy starts. For most applicants that are found unable to afford or sustain a tenancy, providers will discuss options with the local authority and the individual and explore ways of providing support for when a suitable property does become available.

More broadly, our members reported that affordability was more likely to be a challenge for affordable rent tenancies in higher-value areas. Even though rents will typically be set at far lower than the up to 80% of market that is permitted for such tenancies, the relatively higher rent compared with social rent can present a challenge for some applicants. We strongly welcome the emphasis on social rent within the new Social and Affordable Homes Programme.

Affordability assessments are used to enable more informed conversations with prospective tenants about their income and costs and how they might best manage their money. This helps prevent avoidable rent arrears, the build-up of which can lead to tenancy failure.

Choice Based Lettings

A key theme arising from roundtables was that CBL in its current form is not working efficiently anymore. Many members argued that it should be part of a hybrid system instead, with structured direct-let pathways for certain households. Members suggested that CBL should now be reviewed against its intended purpose. They also called for national minimum standards, more transparent rules, tighter controls on bidding (especially on autobids), better cleansing of registers, and stronger expectation management with local authorities.

Members raised the lack of policy consistency across local authorities on banding and bidding rules, and a lack of clarity on whether CBL or direct lets take precedence when allocating a home. Housing associations working across several local authority areas, in particular, reported that these inconsistencies can make CBL a hard system to navigate.

Some members also reported that CBL can, because of the fundamental scarcity of available social housing to let, create an ‘illusion of choice’ for applicants. This results in large numbers of unsuitable bids and higher refusal rates. CBL is also often poorly understood by residents who struggle to see how priority is determined and applied, contributing to growing perceptions of unfairness, particularly where households new to an area are allocated a home (because of their higher level of need) ahead of those who may have been bidding for years.

A further issue raised by members was that CBL can generate poorly matched nominations, particularly in situations where registers had not been regularly updated and cleansed. Examples include people who do not meet the disability criteria bidding on adapted homes, or residents with high support needs appearing on CBL shortlists for general needs homes that have no support provision. Members also noticed a growing trend of ‘autobidders’ or disengaged applicants repeatedly appearing on shortlists for homes they did not want, leading to multiple rejected offers. There were also examples of applicants bidding speculatively simply because CBL allows it, and not because a home is suitable for them.

Drawing on insights from member roundtables and interviews, we have made recommendations for the government that we think would strengthen how allocations work in practice and improve outcomes for more residents in housing need.

1) The government should establish a cross-sector working group on allocations

A new cross-sector working group established by the government should include local authority and housing association representatives as well as umbrella bodies.

The group would be set several tasks designed to enable stronger **partnership working** at local levels through the updated statutory guidance by:

- Providing **best practice examples** and initiatives.
- Developing **best practice guidance on nominations**.
- **Considering the case for greater standardisation of nominations agreements**, process or resources, covering various aspects like timeframes, reasons for refusal, and regular review recycles to keep them up to date.
- **Reviewing the relative effectiveness of Choice Based Lettings and direct lets** – this should include looking at consistency, the use of auto-bidding, guidance for applicants on how to bid, as well as realistic choices for bidding.
- **Developing guidance and support for the use of partnership agreements on allocations at local authority level** – to strengthen or establish forums for local authority and housing association representatives to meet their key partners and discuss their strategic priorities and operational challenges.
- **Developing guidance on pre-tenancy assessments** – to better align local authority and housing association approaches. A shared approach would help deliver on achieving a fair and consistent approach to allocations.
- **Developing further guidance on data collection** – clear guidance on how to collect, record and report CORE data should help reduce variation and improve confidence in the data itself.

Two further areas for the working group are “chain lettings” and “right sizing”.

Develop a proposed approach to making best use of ‘chain lettings’ to maximise the potential of allocations to improve the housing outcomes of several households through each new vacancy, rather than just one.

A key theme raised by members was the need to move beyond looking at each void in isolation and take a more holistic approach, which aims to meet the needs of several households at once. Some members commented on the benefits of ‘chain lettings’, where a single void can trigger a series of moves across existing homes, helping several households to find a home that better suits their needs, ultimately freeing up larger underoccupied homes for those families in urgent housing need. Chain lettings can significantly improve stock management and ease pressure across housing portfolios when housing associations – working closely with local authority partners – are provided with the flexibility to implement them.

Research from the Smith Institute on housing allocations and the vacancy chain showed how London boroughs could meet more unmet housing need by maximising the use of vacancy chains, arguing that more attention needs to be given to the rehousing impact of new and existing social homes. It showed that the housing system misses significant opportunities when focusing on each void in isolation instead of treating the system as a chain. The research suggests that the introduction of new vacancy chain models could deliver between a 50% to 150% improvement in the number of households being rehoused from chains developing from new supply, without discriminating against different groups of people in housing need who do not vacate a social home for re-letting, such as homeless households.

To support chain-maximising approaches, some of the recommendations from the research include:

- Retraining and incentivising of lettings officers to construct social housing chains alongside centralised allocations policies, that devolve judgement and decisions - with clear audit trails - to officers who understand their residents and homes.
- Linking bedroom mix and housing types in social housebuilding programmes to surveys of household occupancy and need in existing homes.
- Greater investment in void turnaround times.
- Prioritising delivery of more, larger family-sized homes that carry the greatest chain potential and significantly enhance personal support and financial incentives for downsizing.



Develop a proposed approach for a larger-scale, resourced and funded scheme to promote right-sizing.

A larger, well-resourced and funded right-sizing scheme could have a significant impact by releasing more family-sized homes and help maximise the impact of new and existing vacant social homes.

Currently, local schemes often depend on short-term, inconsistent local funding arrangements, making outcomes variable and limiting scale. The introduction of a national right-sizing programme, with dedicated funding and local support, could unlock thousands of homes and significantly improve movement through the social housing system.

In many areas, under-occupiers receive limited or no priority in schemes, making moves virtually impossible, even for those who are eager to downsize. In other areas, 100% nomination arrangements with local authorities leave little room for internal transfers to free up properties. A new approach could require local authorities, working with housing association partners, to give meaningful priority to under-occupying households, encourage reciprocal moves across boundaries, and ensure internal transfers are protected alongside local authority allocations agreements.

2) The government should work with the social housing sector to develop a firm evidence base on the support needs of residents in social housing

Availability of support is a crucial factor in determining whether a nomination will be suitable and accepted, and a lack of appropriate supply, alongside appropriate support, can lead to lower rates of acceptance for applicant groups with more complex support needs. Without the right homes with the right support, more people will be at risk of tenancy failure and therefore face homelessness, longer stays in residential or institutional care, or hospital. This places more demand on local health and social care systems. Improving funding for support and supported housing provision is therefore a key route to ending homelessness.

The NHF is embarking upon an ambitious new programme of work based on understanding what systems and funding work best for supported housing. The outcome of this work, alongside the government's own research into the value generated by supported housing, will together form the basis of a strong case for a long-term and sustainable approach to funding supported housing.

More broadly, there is a lack of sufficient research and data available to evidence the extent of support needs among people living in general needs housing, which is indicative of both a lack of supported housing and a need for support in general needs. Both issues act as a barrier to successful allocations of social housing. Further, detailed research in this area would enable more informed decision-making around how social housing is allocated. It would be especially useful to carry out research into understanding future need, including projecting what resident needs may look like in 10 years based on current data. The outcomes of such research could help better inform policy-making on allocations and clarify whether wider reforms will be necessary to address growing unmet need among residents.



3) Welfare policy should be designed to work in tandem with housing policy

We strongly welcome the government's removal of the two-child limit on benefits. We also support calls for the uprating of Local Housing Allowance so that it covers at least the cheapest 30% of local private rents and the removal of the household benefit cap. The growing gap between the cost of renting privately and the LHA rate means fewer households can find a home at a price they can afford, pushing them into precarious housing situations such as temporary accommodation. The household benefit cap also severely constrains the ability of families to afford housing. This is particularly acute in the private rented sector, but increasingly the cap can make even social housing unaffordable for some households.

Affordability barriers created by welfare reform and high rates of inflation have eroded the financial resilience of households and limited who can sustain even a social tenancy. Reforms to allocations should be accompanied by an in-depth look at how welfare policy can better complement housing policy to avoid placing strain on public service systems elsewhere.

The government has an opportunity to address this in its upcoming long-term housing strategy.

Case studies


Livv Housing Group

Partnership working on right-sizing

Livv Housing Group owns and manages around 13,000 homes across Knowsley and the wider Liverpool City Region.

It has been working closely with Knowsley Metropolitan Borough Council (KMBC) to deliver on right-sizing. KMBC is funding a right-sizing initiative designed to encourage under-occupying residents to move into smaller, more suitable homes. The council offers a cash incentive to eligible households who meet their criteria and are willing to downsize. Livv Housing works closely with the council and their residents to identify those who would benefit from the scheme and supports them through the move. It also supports right-sizing through its new development programme, by giving priority to under-occupying residents when advertising new homes for rent. The offer of new-build homes is an attractive incentive for downsizers, where the prospect of high-quality, energy-efficient homes helps overcome hesitation among some long-standing residents.

By promoting right-sizing opportunities across existing homes and new developments, Livv Housing is enabling residents to move into homes that better suit their needs and budgets. At the same time, these moves unlock larger homes for families in urgent need, directly relieving pressure on waiting lists and improving the efficiency of the allocations process.



These case studies, drawn from our members, illustrate how housing associations are working with their local authority partners to ensure social homes go to those who need them the most.

Wythenshawe Community Housing Group (WCHG)

Working in partnership to improve transparency

WCHG is Manchester's largest social housing provider, with 14,000 properties providing a home for over 29,000 people in Wythenshawe, South Manchester.

Partnership working is at the heart of WCHG's approach to allocations, working closely with its partners at Manchester City Council (MCC). Together, they have been working to improve public understanding of allocations and help local communities better understand who gets their homes. To support transparency, WCHG has expanded the information it shares with residents, adding data around allocations to their annual report to customers, and publishing articles in resident newsletters and on social media.

A significant element of the partnership involved a review of the Rehousing Review List, which includes people who may not qualify for rehousing under the allocations scheme for various reasons, including not having kept to tenancy conditions. This list sits within the Manchester Move system, the council's housing advice and options service. Through a strengthened approach to using Equality Impact Assessments, the partnership is now placing fewer people on the review list, improving the likelihood of them being rehoused. WCHG has also improved communication with residents to help build a better understanding of how factors such as outstanding debt can affect someone's future rehousing options.

Alongside this, WCHG and MCC have recently launched a citywide right-sizing campaign to encourage under-occupying households to move to smaller homes. The offer includes £2,500 in financial support and covers removal costs, freeing up larger family homes that can be allocated to households living in temporary accommodation. A citywide tenancy fraud campaign will also launch shortly, with any homes recovered through anti-fraud work being similarly allocated.

North Star

Providing support to improve tenancy sustainment

North Star Housing Group is a housing association which owns and manages around 4,000 homes in the North East of England.

North Star has introduced income and expenditure assessments as a core part of its pre-tenancy process, ensuring every prospective tenant has access to a detailed financial review alongside benefit checks and personalised welfare advice. This approach not only evaluates affordability but proactively identifies unclaimed benefits, gaps in income, and opportunities for financial support. These assessments are carried out by housing officers and supported by two dedicated welfare benefits officers.

In addition, anyone flagged as potentially vulnerable through the assessment is referred to a Tenancy Support Worker for additional support. This may include care leavers, under 25s, those with safeguarding concerns, survivors of domestic abuse, and people struggling with debt.

As a result of this proactive approach, North Star has increased the income of its residents by over £1m in the last year and delivered rent account gains of over £130,000. The combined service demonstrates how pre-tenancy affordability assessments, targeted support and knowledgeable staff can materially improve tenancy sustainment and household wellbeing.



Places for People

Using data to support right-sizing

Places for People (PfP) is a large housing association with homes spread across the UK.

PfP is using a right-sizing initiative to respond to growing pressures on the housing system. By supporting moves that encourage downsizing into suitably sized and manageable homes, the project aims to free up larger homes for families, enhance the sustainability of smaller schemes, particularly in retirement housing, and ensure homes are used efficiently in a context of growing need. Recent research commissioned by PfP and carried out by the Cambridge Centre for Housing and Planning Research (CCHPR), identified overcrowding and under-occupancy as two sides of the same coin requiring integrated responses.

PfP is developing a partnership-led, evidence-based model that brings together local authorities, internal teams, and data-led insights to identify opportunities to support moves that improve outcomes for more customers. Pilots were launched in 2025 to test approaches ahead of wider rollout in 2026. The pilots highlighted some challenges, including the need for better joined-up working with local authorities to scale the project up, more ring-fenced funding, and a shift in public perceptions around downsizing.

PfP has already received positive feedback from customers on their downsizing experiences, which underscored the importance of providing emotional and wellbeing support on top of logistics. Accounting for such lived experiences will be key in making the pilots a success.

This project highlights how right-sizing can ease the strain on the allocations system, helping households access better suited homes and easing pressure on local authorities. The initiative is also closely tied to PfP's wider asset strategy, enabling the organisation to address challenges such as the viability of ageing retirement homes and mismatches between property size, condition, and local demand.



Gentoo Group

A new housing model to support more complex needs

Gentoo Group is a housing association that provides 60,000 people in Sunderland with a place they can call home. It is the largest provider of social homes in Sunderland.

Gentoo updated its housing model in response to the increasing complexity of support needs among new residents, shifting towards a more proactive and locally focused way of working. The updates to the model were triggered by rising levels of mental health support needs, financial hardship and feedback from some residents who felt disconnected from their housing teams and unsure about where to seek help. The new model, implemented in July 2025, provides a strong example of how redesigned neighbourhood management can improve outcomes for residents.

The new approach introduced smaller, more manageable neighbourhood patches and brought in an increased number of specialist roles designed to provide earlier, more tailored intervention. Central to this was the creation of an enhanced support coordinator role, which provides targeted, proactive support to help residents sustain tenancies and live well in their homes. The support coordinator role delivers preventative and reactive support, focusing on life skills, independence, and timely interventions. Pre-tenancy assessments at the point of allocation trigger referrals to a support coordinator for new residents that meet specific criteria, ensuring support for residents is triggered early before any crisis is reached.

Between July and September 2025, 365 residents were referred to a specialist support team, leading to 1,043 proactive visits and 193 onward referrals. Customer feedback has highlighted significant improvements in emotional reassurance, reduced isolation and improved access to healthcare support. This model ensures that residents with higher support requirements, whether related to wellbeing, tenancy sustainment, domestic abuse, or other needs, receive timely, expert help from staff with the right skills and specialist training. It also breaks down silos between housing officers and support teams, ensuring consistent communication and coordinated action across services. Gentoo has already had visits from local authorities and other housing associations interested in learning more about the model.



Conclusion

The NHF and its members remain committed to working alongside local authorities and the government to meet housing need.

The welcome suite of policies and funding made available to the sector through the government's plan for a decade of renewal will help address some of the gap between housing need and the supply of social housing.

Both local authorities and housing associations are already under extreme pressure to allocate more homes to people – particularly those living in unsuitable temporary accommodation - in the context of severe shortages of social homes. We therefore welcome and support the government reviewing how social housing is allocated to try and maximise the impact of the homes we currently have alongside sector and government efforts to boost supply.

The case studies in this report highlight examples of strong and effective approaches to allocations - rooted in good partnership working - which illustrate that even within a system under pressure, improvements can be made.

In this paper we have set out some recommendations that we believe could improve the fairness and consistency of how social housing is allocated, while making more homes available to more households. To achieve this will require close, sustained partnership working between national government, local government, and housing associations.



With thanks

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