

Report to CABINET

Housing Allocations Scheme 2026

Portfolio Holder:

Cllr Elaine Taylor, Cabinet Member for Decent Homes

Officer Contact: Emma Barton, Deputy Chief Executive for Place

Report Author: Neil Consterdine, Director of Communities

23rd March 2026

Reason for Decision

The purpose of the report is to seek approval to amend the existing social housing Allocations Scheme to ensure the Council is compliant with legislation requirements and making the best use of social housing stock in the borough.

Recommendations

It is recommended that:

- 1) The suggested amendments to the Allocations Scheme are approved.
- 2) Approval is given to begin re-registering existing Housing Register applicants under the requirements of the new scheme once the service's system provider has undertaken any required system changes.
- 3) That approval is given to delay full implementation of the new scheme by up to 12 months of the date of this decision in the event the service's software provider requires this time to deliver the necessary system changes.
- 4) That approval is given to recruit a Right Sizing Officer who will co-ordinate a right sizing scheme on behalf of all social housing providers on the Common Allocation Framework. This post will be funded via a contribution from each social housing provider taking part.
- 4) That a delegated power is given to the Director of Communities in terms of amending the annual lettings plan following consultation with social housing providers that are part of the Common Allocation's Framework.

Housing Allocations Scheme 2026

1 Background

- 1.1 All local housing authorities in England are required to maintain an allocations scheme, pursuant to S.166A of the Housing Act 1996. This is regardless of whether or not the authority owns the stock in its area or, as in the case of OMBC, forms part of a wider CAF in which several different social landlords apply the same allocations policy.
- 1.2 Subject to certain statutory requirements governing rules of eligibility (such as immigration status) and priority (Reasonable Preference'), it is for the Council to determine who qualifies for social housing in its area and what degree of priority to award to qualifying applicants based on their circumstances.
- 1.3 Although some minor amendments to OMBC's current Policy were made in 2021, the most recent major changes to the Policy were made in 2019. These changes resulted in the closure of the previous 'open' (i.e. first come first served) register- which was available to applicants with no identified housing need- and the introduction of a new priority banding system. This resulted in approximately 18,000 people not in housing need being removed from the register.
- 1.4 In 2019-20, the first year following the most recent major policy changes, OMBC's housing register comprised 5,421 applications. Today the figure is 6488. Due to rising demand and contracted supply of social housing availability, most people currently on the housing register will never be rehoused by OMBC. There is a need to review who the council will house in the context of rising homelessness and strained supply of homes.

2. OUTLINE OF PROPOSED CHANGES

2.1 A summary of the main proposed changes is as follows:

- The Working Xtra scheme is removed from the proposed new scheme. Applicants will no longer receive greater priority due to working, caring or volunteering in the OMBC area. People who are contributing to the community in this way will not be subject to local residency requirements and so will still be able to access the register- but with no additional priority beyond this. The current scheme has resulted in a high proportion of lets to applicants in the top two bands being made to people who meet these requirements. Often that means we struggle to re-house people with high levels of need who for many reasons are unable to work, particularly homeless households. In addition, partners have expressed concern that, in the current climate, Working Xtra priority has at times been awarded to households who are not in paid employment, which has further reduced the effectiveness of the scheme in meeting its original objectives.

The outcome of the public consultation showed a mixed response to this proposal. A total of 41.6% of respondents agreed with the removal of the Working Xtra scheme, 16.7% neither agreed nor disagreed, and 41.7% disagreed

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- People who own a share of a property in the UK or abroad will be disqualified. Due to their being limited resource, and the increase in customers with a Housing Need. Homeownership is treated as a housing asset with exceptions. Partners agreed that allowing homeowners onto the register could be perceived as unfair to those who are renting privately, living in temporary accommodation, or have no housing assets. By prioritising applicants without property, the scheme aims to focus resources on those with the greatest housing need.

The outcome of the public consultation showed strong support for this approach: 75% of respondents agreed with the policy, 16.7% neither agreed nor disagreed, and 8.3% disagreed.

- More restrictive income and capital thresholds- people with savings in excess of the DWP threshold for Universal Credit entitlement will receive the lowest priority, as will people with net household income of over £60,000 (£35,00 for those without children). This amount is widely used as it is a nationally recognized measure of financial means; it indicates that a household has resources to secure or sustain housing.

Partners generally support this approach as it allows the council and its partners to allocate a very scarce resource responsibly, meet statutory duties, and maintain sustainable communities.

The outcome of the public consultation showed strong support: 75% of respondents agreed with this approach, and 25% neither agreed nor disagreed.

- Downsizing incentives- this will involve a commitment within the policy to provide practical support to those who want to move from larger properties (thus freeing up a home for a family in need), including financial incentive. This will improve the council's KPI in this regard, with only one downsizing tenant recorded in Q1 of 2024/25. Larger homes (3-4 bedrooms) are in the shortest supply and highest demand. Many are occupied by households who no longer need space. Downsizing frees up family homes. This has a much bigger impact than building new larger homes.

The partners have agreed in principle to co-fund a Right-Sizing Officer, who will be hosted by the Council and will coordinate the scheme on behalf of the partnership. Future plans include exploring additional incentives to support the effectiveness of the right-sizing scheme.

The public consultation showed strong support for this proposal, with 66.7% of respondents agreeing, 16.7% neither agreeing nor disagreeing, and 16.7% disagreeing.

- Creation of a 'homeless at home' priority category which will enable the council to perform its duty to accommodate some homeless households at no cost, where it is appropriate to do so. This will assist in the reduction of the use of temporary accommodation. This has had a massive financial strain on the council and nationally councils are under pressure to reduce families in temporary accommodation.

The outcome of the public consultation showed moderate support for this proposal, with 58.3% of respondents agreeing, 25% neither agreeing nor disagreeing, and 16.7% disagreeing.

- Creation of 'continuing duty' category whereby applicants who were previously homeless and the council's duty to accommodate were discharged with a private sector offer will be permitted to rejoin the Housing Register. This will promote speedier homelessness resolutions, reduce demand for temporary accommodation and increase the availability of social housing by incentivizing people to accept private rented sector offers. This is so the system is fairer, more realistic, and better at preventing repeated homelessness. We have found that many households remain vulnerable to becoming homeless again, even though the legal duty has technically ended. Partners agreed with this approach.
- Introduction of an annual lettings plan which details the proportion of lets per annum to be let to each category of person on the housing register. This will enable officers to restrict lets of housing to those in strategically important groups (such as those in temporary accommodation) and to control the lettings outcome when there is a need to do so. This will also reduce the likelihood of having to make major policy changes in the future in order to adapt to changing local factors. Due to fewer and fewer homes becoming available to let, this means those who are in need but in lower bands have little or no prospect of ever receiving an offer. This penalizes people such as those who are not homeless but need an extra bedroom due to out growing their home, those who are likely to become homeless but are not yet in temporary accommodation.

The public consultation showed strong support for this proposal, with 75% of respondents agreeing and 25% neither agreeing nor disagreeing.

- Applicants in emergency housing conditions will not be permitted to 'compete' with others in the bidding process, instead the urgency will be addressed through a commitment to make one direct offer of accommodation, in order to more speedily resolve acute housing need. This is to ensure the quickest possible move to ensure safety and means that they are not competing against others with equally high priority (such as downsizers) in the bidding system. Public consultation 66.7% agreed, 33.3% neither agreed or disagreed.
- Clarification of who may be included in an application- in particular this addresses situations where individuals state they have shared parenting roles, safeguarding against dishonest applications or permitting a greater housing need (and longer wait) for people than required.

2.2 The following aspects of the current policy are not proposed to change:

- The policy will still operate as a Choice Based Lettings system whereby applicants will be able to bid for properties they are interested in rather than be directly allocated properties they may not be as per a nomination agreement.
- There are no changes to local connection qualifying criteria.

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- There are no significant changes to the banding structure; those in the most acute need will be considered before all others in descending order of priority.

3 Current Position

- 3.1 OMBC's newly adopted Corporate Plan includes a commitment to 'tackle the housing crisis affecting Oldham's residents'.
- 3.2 In 2019 there were approximately 100 households owed the main housing duty (i.e. statutorily homeless, in priority need and not intentionally homeless) using temporary accommodation in the borough. As of November 2025, the figure is 505.
- 3.3 The cost of accommodating homeless households is expected to contribute significantly to the overall Council's budget pressure with an estimated total cost of c£5m for temporary accommodation costs 25/26.
- 3.4 Various factors are attributable to the rise in homelessness which is replicated in most regions of the UK. Locally, Oldham has experienced the highest proportional rise in private sector rental costs in the GM area. The private rented sector has therefore become unaffordable and inaccessible for many low-income households.
- 3.5 A related issue is that rising mortgage interest rates have made home ownership unviable for low income households living in social housing who might be interested in buying on the open market. Buy-to-let landlords are having to reduce their portfolios (consequently evicting the tenant using the S.21 'no-fault' notice) or increase the rent charged.
- 3.6 Rising housing market costs and lack of mobility in the social rented sector reduces the recycling of social housing which become homes available to let. In 2018-19 CAF partners in Oldham let 1,718 properties to applicants from OMBC's housing register. In 2024-25 this figure was 808.
- 3.7 For these reasons there is a need for the council to evaluate whom it should be housing within the increasing limitations of the stock available to it with the objective being to improve the authority's homelessness prevention and relief outcomes and the continuation of promoting sustainable communities. The proposed new policy is the result of this exercise.

4 Options/Alternatives

- 4.1 Option 1- Approve the proposed changes to the Allocations Policy.
- 4.2 Option 2- Do not approve.

5. Preferred Option

- 5.1 To endorse Option 1 – approve the proposed changes to the Allocations Policy. The Council has given a commitment in its newly adopted Corporate Plan to “tackle the housing crisis affecting Oldham's residents”. One of the key policy levers at the council's disposal in this regard is its housing Allocations Scheme. Failing to amend the scheme given the context outlined in this report would constitute a questionable use of its service to residents and bring no tangible benefit.

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- 5.2 By endorsing Option 1 and approving the proposed changes to the Allocations Policy the Council and its partners would be making best use of social housing stock in the borough, be more focused on homelessness prevention by utilizing the Allocation's Policy as a tangible tool to secure social housing for residents in most housing need.

6 Consultation

- 6.1 Between July and October, a series of consultations took place with partners, staff, Members, and the public regarding the proposed changes to the Housing Allocation Policy.
- 6.2. Partner Consultation took place in July. Draft proposals were circulated to key partners Social Landlords and Oldham PFI. Several consultation events followed to discuss and explore the proposed changes in detail. Between July and October Oldham hosted several consultation events. Feedback was positive, and an Allocation Working Group was established to support further development of the proposals. This working group consists of operational service leads from the social housing landlords of the Common Allocation Framework.
- 6.3 Some concerns were raised regarding the removal of the 'Working Extra' preference. The Council presented data demonstrating that the number of applicants on the Housing Register currently in paid employment is very low, which helped contextualise the proposed change to remove the working extra priority.
- 6.4 Three staff consultation events were held during August Staff were invited to submit comments, concerns and suggestions. Feedback from staff was overwhelmingly positive, with no significant issues highlighted and overall consent for the proposed changes to the Allocations Policy.
- 6.5 An elected Member briefings was held in October. Members were briefed on the proposals and invited to share their views.
- 6.6 A public consultation document was also issued during this period. We worked with Comms to ensure the documents was published online. The document was also sent to All Members Briefing email for feedback.
- 6.7 Public feedback was low as suspected and there was a mixed response in terms of feedback which broadly split into thirds with 33% agreeing with the proposals, 33% neither agreed nor disagreed with the proposals and 33% disagreed with the proposals.
- 6.8 There has been very little disagreement to the proposed changes on all platforms. This is why we wish to move forward with this.

7. Financial Implications

- 7.1 The proposed Right Sizing Officer post is expected to cost in the region of £50k per annum. The cost is to be split amongst 12 contributors, so the cost to the Council would be c£4k. This can be contained within existing Strategic Housing budgets. There are also additional costs associated with downsizing incentives, the proposal being that £1,500 is paid toward in each claim, with an additional £750 paid toward the cost of removals, flooring or white goods. The total impact will depend upon the level of take up, and will be an additional pressure on the Strategic Housing budget.

(Mike Roberts, Finance Manager).

8. Legal Implications

8.1 The council, as a housing authority, must maintain an allocations scheme pursuant to S.166A of the Housing Act 1996. The scheme must give reasonable preference to particular vulnerable groups within the scheme. It is important that the scheme is up to date and accurate, and that it is followed. Failure to have an accurate scheme or failure to adhere to the scheme would likely lead to the Council being deemed to be acting unlawful and individuals being able to bring a Judicial Review against the Council. This would of course lead to unnecessary costs but also reputational harm to the Council.

It is important that the Council fully consider its Public Sector Equality Act Duty failure to consider how the scheme will impact those with protected characteristics such as a disability could in itself be a breach of the relevant section of the Equality Act

The list of associated legislation and regulations considered in undertaking the drafting of the proposed new scheme is included in appendices. (Alex Bougatef – Director Of Legal Services)

9. Equality Impact, including implications for Children and Young People

9.1 Yes- see Impact Assessment Tool at appendix 2

10. Key Decision

10.1 Yes

11. Key Decision Reference

11.1 HL-08-25

12. Background Papers

12.1 None.

13. Appendices

- I. The final draft Allocations Scheme 2026
- II. Impact Assessment Tool

Signed _____ Cabinet Member (specify whom)	Dated _____
Signed _____ Executive Director/Deputy	Dated _____

Chief Executive	
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