Proposals for changes to the Public Sector (General Needs) Housing (Allocation) Policy 2019

Consultation Response Report

About This Report

This report describes the consultation on the Public Sector (General Needs) Housing (Allocation) Policy 2019, which took place between April 7th and May 19th 2026. 320 responses were received. These included 5 responses from Local Authorities.

We asked for views on a package of proposed changes to public sector housing policy, including:

- Updating income threshold eligibility to better reflect current economic conditions, including the introduction of annual CPI-linked uplifts;
- Amending the points schedule to place greater emphasis on housing need; and
- Introducing some discretion in relation to residential qualification (3 months immediately before allocation of any property, 3 years within a Local Authority area to qualify for that area) and reflecting within policy the existing legislative 10 years residential discretion.

You Said

1. Income Threshold Eligibility
Overall sentiment

The majority of respondents (62%) agreed with the proposed income threshold increases as presented.

A significant number of respondents (37%) did not agree. However, views were split in direction, with respondents arguing both that thresholds remain too low and that they are already too high.

Thresholds viewed as too low

Many respondents, particularly single applicants and working households, felt the proposed increases do not adequately reflect:

- The cost of private sector rents;
- Mortgage affordability challenges on single or moderate incomes; and
- Wider cost-of-living pressures, including utilities, food and transport.

Some respondents indicated that the proposed increases would make little practical difference to their ability to access housing, particularly for single applicants whose threshold uplift was considered modest relative to housing costs.

Thresholds viewed as too high

Conversely, a substantial number of respondents considered the proposed thresholds—especially for joint applicants—to be overly generous. Concerns included:

- Extending eligibility to households who could reasonably access private rental accommodation or mortgage finance;
- Diluting support for lower-income or more vulnerable households; and
- Increasing pressure on already limited public housing stock.

Equity between household types

A strong theme was perceived inequity between different household compositions. Respondents questioned the rationale for differing thresholds between single applicants, couples and families, with many arguing that single-income households face proportionately higher housing costs and fewer opportunities to share financial risk.

Methodology concerns

Common concerns included:

- Use of gross income rather than net (take-home) income;
- Assumptions about the cost impact of children, additional adults and household size; and
- A lack of transparency regarding how the threshold figures were calculated and how they align with private rental and mortgage affordability.

2. Annual CPI-Linked Uplift of Income Thresholds

Support in principle

76% of respondents gave support for the principle of regularly updating income thresholds to prevent them from becoming outdated through inflation.

Concerns about an automatic mechanism
Many respondents expressed reservations about an entirely automatic uplift. Concerns included:

- Income growth not being uniform or consistently linked to inflation;
- Risk of eligibility gradually widening without sufficient oversight; and
- A preference for periodic review rather than purely automatic adjustments.

Some respondents suggested that CPI uplifts should be subject to committee oversight, scheduled review points, or additional safeguards to ensure ongoing proportionality and fairness.

3. Pointing Schedule and Housing Need

Housing need as the primary consideration
Most respondents (65%) supported housing need being the primary factor in allocations, particularly where households are experiencing overcrowding, unsafe or unsuitable accommodation, health or disability impacts, safeguarding concerns or risks to children's welfare. 123 comments were made.

Concerns about removing wider financial considerations
However, a significant proportion of respondents (33%) did not support housing need being the sole determinant. Concerns were raised that removing considerations such as income, private renting status and financial circumstances could disadvantage low-income households struggling in high-cost or poor-quality private accommodation.

Assets and affordability
Financial assets and lifestyle choices were frequently referenced. Many respondents considered that applicants with significant savings or non-essential high-value assets should be expected to utilise those resources before accessing public housing. Others cautioned against penalising modest savings that may be needed for deposits, moving costs or financial security.

Overall theme
The prevailing view was that housing need should be central, but that financial capacity and affordability remain relevant to ensure fairness and effective targeting of scarce housing resources.

4. Residency Requirements and Discretion

Clarification on the 10-year residency requirement
Some respondents misunderstood the proposals, as introducing a new discretion to waive the 10-year Island residency requirement. This discretion already exists in

legislation; the proposed amendment seeks to reflect and classify this in policy to improve transparency, consistency and clarity in decision-making.

Concerns framed around the introduction of a “new” discretion therefore arose from an incorrect interpretation of the proposal.

Views on discretion in policy

235 comments were submitted; responses were strongly divided:

- Some respondents supported discretion where exceptional circumstances apply, most commonly referencing domestic abuse, safeguarding, serious health needs, hospital or care leavers, and Manx-born individuals returning after time off-Island.
- Others strongly opposed any flexibility, citing risks of abuse, inconsistency, perceived queue-jumping and erosion of public confidence.

Many responses focused less on the existence of discretion and more on how it should be governed, with repeated calls for clear criteria, transparency, auditability and consistency.

Views on individual residency periods

- **10-year Island residency:** Widely supported as a core safeguard prioritising long-term residents and contributors.
- **3-year local authority residency:** Frequently viewed as outdated or impractical, with strong support for island-wide allocations.
- **3-month immediate residency:** Often considered too short and potentially open to misuse, though some support was expressed for flexibility in clearly defined exceptional cases.

5. Wider Policy Considerations

Across all themes, respondents linked individual proposals to broader system issues, including:

- Protection of housing for Manx residents and long-term contributors;
- Fairness between household types and working patterns;
- Ensuring public housing functions as a safety net rather than a default long-term solution; and
- The importance of transparency, governance and public confidence.

Local Authorities broadly support modernising thresholds and a need-led allocations framework, but they want the methodology and impacts to be transparent, and they emphasise that any widening of eligibility or increased discretion must be matched with strong prioritisation definitions, consistent governance, and operationally workable processes.

We Did

While respondents recognise and support the need for the policy to evolve in response to economic pressures and real-world circumstances, there is strong caution regarding unintended consequences, fairness, and the overall integrity of the system.

Across all areas, respondents consistently emphasised the importance of:

- Clear communication of what is changing and what is not;
- Strong governance and consistency in decision-making; and
- Effective targeting of limited public housing resources.

To address these themes, we will ensure that all changes are clearly communicated through:

- Press communications; and
- Publication of the revised policy.

To support consistency in application, clear guidance will be issued to all Social Housing Providers operating the policy.

We will also publish annual statistics demonstrating the use of discretion and will monitor both the frequency and reasons for its application to ensure the policy is being applied evenly across housing providers. This will include information on the exceptional circumstances that led to the use of discretion, providing transparency and reassurance to our communities.

To ensure that financial hardship continues to be appropriately reflected within housing priority, a specific assessment will be developed to capture household circumstances more holistically, rather than relying solely on income. This will be introduced as part of the next phase of the policy review. The current priority will remain in place until this new assessment is implemented.

Finally, to ensure that the automatic uplift of income thresholds remains appropriate, the Department will review threshold levels annually and introduce safeguards to prevent unintended consequences, such as upper percentage increase limits.

At a Glance: What is changing?

The introduction of more relevant income thresholds for access to social housing - Income thresholds will change from:

Number of dependent children	Maximum gross annual income	
	Single applicant	Joint applicant
None	£34,500	£38,000
1 child	£40,000	£43,500
2 children	£43,500	£47,000
3 or more children	£47,000	£50,500

To:

Household composition	Maximum income threshold	Household composition	Maximum income threshold
Single, no children	£35,800	Couple, no children	£50,200
Single, 1 child	£43,000	Couple, 1 child	£56,700
Single, 2 children	£47,800	Couple, 2 children	£59,800
Single, 3 children	£50,200	Couple, 3 children	£63,900

Consumer Price Index (CPI) linked thresholds – the income thresholds will be reviewed annually in line with the previous September's CPI rate to ensure they remain in step with the local economy and household incomes.

Housing priority will no longer be impacted by the following in isolation:

- Income levels
- Living in a private tenancy
- Having financial assets or property

Note: There is income threshold ***eligibility criteria in place to make sure that people who can afford to secure their own housing cannot join the public sector housing list****. Additionally policy states "An applicant's or joint applicants' savings and other assets must not exceed £30,000."* ***These safeguards remain unchanged***

Local Authorities will have increased discretion to enable them to address the needs of households under exceptional circumstances –

The three month, allocation of property rule and the three year local residency rule will be subject to Local Authority discretion where they can demonstrate urgent housing need.

The existing legal discretion relating to the ten year residency rule will be included within the policy to improve clarity for housing providers.

*Note: There will be **no change to the application of the ten year rule**.*