

GREATER MANCHESTER COMBINED AUTHORITY

Date: 27 January 2023

Subject: Action to Improve Greater Manchester's Rented Housing

Report of: Steve Rumbelow, Portfolio Lead Chief Executive for Place Based
Regeneration & Housing

Purpose of Report

This report sets out recent developments in GMCA-led activity currently to improve the private rented sector, the award of new funding from Government to GM and seeks agreement for spending to deliver a local enforcement pathfinder.

Recommendations:

The GMCA is requested to:

1. Note the contents of this report, including the positive impacts on equality and inclusion, health and other key indicators which can be secured if the standards of our rented homes can be improved.
2. Note the award of £2.12 million to GMCA by DLUHC for a local enforcement pathfinder and the delivery obligations placed on GMCA.
3. Note the intention of the GMCA to enter into grant agreements with the 10 GM authorities in relation to the delivery of the local enforcement pathfinder in line with the approach outlined.
4. Note the proposals for the GMCA to fund the 10 GM districts to deliver the GM Good Landlord scheme.
5. Note the proposal for GMCA to collaborate with other GM housing providers and private rental sector to create a Good Landlord Charter.

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

note the positive impacts on equality and inclusion, health and other key indicators which can be secured if the standards of our rented homes can be improved

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	The English Housing Survey shows a disproportionate number of households/people with protected characteristics live in rented housing - effective interventions will help to address some of the inequalities inherent to the existing housing market.
Health	G	The purpose of this work is to support enforcement against the known hazards to physical and mental health found in poor quality housing including excess cold, damp and mould, trip and fall hazards, and electrical or other fire risks.
Resilience and Adaptation	G	The pandemic and experiences through lockdown demonstrated clearly the impact of poor quality or inappropriate homes on residents' quality of life and resilience, which effective interventions should help to mitigate.
Housing	G	This entire work programme is aimed directly at improving the experience of renting homes in GM.
Economy	G	Through our Good Landlord Scheme Trainee Programme and on-the-job training we are planning to train up to an additional 20 new enforcement officers with recruitment for 10 posts underway now.
Mobility and Connectivity		
Carbon, Nature and Environment	G	Our work will strengthen use of powers to enforce against energy inefficient homes.
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		

Further Assessment(s):

Equalities Impact Assessment and Carbon Assessment

G	Positive impacts overall, whether long or short term.	A	Mix of positive and negative impacts. Trade-offs to consider.	R	Mostly negative, with at least one positive aspect. Trade-offs to consider.	RR	Negative impacts overall.
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Carbon Assessment		
Overall Score		
Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance		Social rented homes are on average the most energy efficient tenure, but homes in the private rented sector are the least efficient, with more than 80% at EPC D or lower. Improving enforcement will support progress toward achieving minimum EPC C by 2030.
New build non-residential (including public) buildings	N/A	
Transport		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
Land Use		
Land use	N/A	
No associated carbon impacts expected.	High standard in terms of practice and awareness on carbon.	Mostly best practice with a good level of awareness on carbon.
Partially meets best practice/ awareness, significant room to improve.	Not best practice and/ or insufficient awareness of carbon impacts.	

Risk Management

An assessment has been carried out to identify key risks and mitigations in respect of the Enforcement Pathfinder project and programme management will include regular review of this assessment with GM districts and DLUHC.

Legal Considerations

The GMCA is seeking to support three projects:

- (1) Local Enforcement Pathfinder Programme. It is the intention for GMCA to enter into a grant agreement with DLUHC and subsequently to enter into grant agreements with the 10 GM Local Authorities pursuant to section 31 Local Government Act 2003. Noting that the use of s31 LGA 2003 is a Mayoral Function.
- (2) Good Landlord Scheme. The GMCA is intending to provide grant funding to the 10 GM Local Authorities pursuant to section 31 Local Government Act 2003 for them to deliver the good landlord scheme. Noting the use of section 31 Local Government Act 2003 is a Mayoral Function.
- (3) Good Landlord Charter. The GMCA is seeking to collaborate with the GM housing providers, tenants and private rental sector to look at the creation of a good landlord charter.

In respect of the application of the Subsidy Control Act 2022, the proposals set out in this report are unlikely to constitute subsidy for the purposes of this act as the activities are intrinsically linked to public sector powers.

GMCA's Planning and Housing Team are working with legal colleagues to ensure appropriate management and oversight of the projects set out in the body of this report.

Financial Consequences – Revenue

Section 2 of the report sets out the funding to be received from DLUHC for the Enforcement Pathfinder and plans for deployment with GM districts. Revenue funding for Good Landlord Scheme and Good Landlord Charter has been previously approved by the GMCA, in March 2021 and March 2022 respectively.

Financial Consequences – Capital

NA

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

NA

Background Papers

- **GM Good Landlord Scheme, March 2021**
- **Supporting the Delivery of the GM Housing Strategy, March 2022**
- **GM Housing Strategy**

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

Yes

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency? No

GM Transport Committee

NA

Overview and Scrutiny Committee

NA

1. Introduction & Overview

1.1. The private rented sector in Greater Manchester has grown significantly over recent decades. It is now home to many more families with children and people who previously would have lived in social housing. While the majority of private renters are happy with their homes and landlord, too many struggle to afford properties that are unsuitable or not up to standard, or experience poor service from their landlord. The GM Housing Strategy committed the Combined Authority and its partners to making a positive difference to the lives of private tenants by tackling problems in the sector.

1.2. This paper sets out recent developments across three initiatives being led by the Combined Authority to deliver on this priority, namely:

- DLUHC Local Enforcement Pathfinder – a new programme to improve enforcement in the private rented sector across GM and generate evidence on practice that can be applied nationwide. Building on work through the GM Good Landlord Scheme (see below), officers have secured £2.12 million from Government for seed-funding investment in enforcement teams to increase civil penalty use. The pathfinder will test the extent to which such investment can lead sustainably expand enforcement by increasing the financial contribution civil penalties make on a ‘polluter pays’ basis
- The GM Good Landlord Scheme – a £1.5 million scheme primarily focussed on improving enforcement against bad standards. The first GM Good Landlord Scheme projects are now underway. Projects to deliver a new apprenticeship/trainee programme and new on-the-job training will help tackle the shortage of qualified housing enforcement officers. A further up-and-running project will support more councils to make use of the enhanced enforcement tools of selective and additional licensing

- The Good Landlord Charter – a new opt-in initiative to make it easier for tenants to find good landlords and properties. The Good Landlord Charter will seek to build on the success of the Good Employment Charter and respond to forthcoming improvements to private tenants’ legal protections. A budget of £150k has been set to develop the Charter with the first part of this – a major piece of research with GM tenants, landlords and agents – underway. In addition, and considering the call from the coroner for Awaab Ishak’s death to represent a defining moment for the housing sector, GM Housing Providers have made a commitment to work with GMCA and the ten GM districts towards the Charter also covering social rented housing.

2. DLUHC LOCAL ENFORCEMENT PATHFINDER

2.1. GMCA is currently delivering a Good Landlord Scheme and Good Landlord Charter to improve private renting across the conurbation. Details of the delivery of these projects are set out in sections three and four of this report. Building from these locally-driven efforts, GMCA has worked to secure further funding from Government so enforcement of housing standards in the conurbation could be improved further. To that end, GMCA has secured a grant from government of £2.12 million over the years to end 2024/25 to deliver a local enforcement pathfinder focussed on increasing the use of civil penalties as an enforcement tool.

2.2. The UK Government announced funding for local enforcement pilots in the A Fairer Private Rented Sector White Paper, with these pathfinder schemes focussed in parts of the country with concentrations of poor condition PRS. The pathfinders are intended to explore different approaches to enforcing standards and bringing properties up to the Decent Homes Standard. In GM, combined authority officers have worked with DLUHC officials on how a pathfinder here could increase the use of civil penalties as an enforcement tool against poor housing quality.

2.3. Civil penalties are designed as a more rapid enforcement alternative to prosecution, with any fine revenue from the penalties ringfenced for further housing standards enforcement work. As such, they offer the opportunity to make enforcement more efficient and to raise additional resources for enforcement, on the principle that the ‘polluter pays.’ However, GM councils report that there are significant barriers to using civil penalties at present. These include:

- Capacity shortages in reactive enforcement teams, given high caseloads

- Lack of training
- The high rate of appeals against civil penalties
- Debt recovery challenges
- Revenue forecasting challenges

2.4. Funding has been secured from DLUHC to overcome each of these barriers.

Chiefly, the funding will allow for seed-funding investment into enforcement teams to recruit more officers across GM and free up capacity for increasing civil penalty use. Additionally, the local enforcement pathfinder will deliver a programme of training and improved equipment and will consider improved approaches responding to appeals and debt recovery. Cooperating with DLUHC on the pilot will also open up a new route to informing national policy that may also be directly or indirectly creating barriers to effective enforcement. For example, it is widely reported that backlogs in the First-Tier Tribunal (Property Chamber) are significantly delaying appeals and the point at which fines become liable to be paid.

2.5. If GM councils are able to increase civil penalties revenue as a result of the pilot, it may make a contribution to making the enforcement capacity expansion sustainable long-term. DLUHC is particularly interested in understanding what contribution income from civil penalties can make to sustainably expanding enforcement capacity, and the pilot will deliver nationally important evidence on this question.

2.6. GMCA is now working with GM councils to implement the detailed design of the pilot and overcome the challenges it involves, particularly around recruiting new officers and backfilling existing roles. Given the shortage of skilled officers described in section three, extra work is needed to ensure that recruiting large numbers of new enforcement officers over a short period is successful. The likely timetable is for new officers to be in place towards the start of the 2023/24 financial year.

3. THE GM GOOD LANDLORD SCHEME

3.1. The GM Good Landlord Scheme ('the Scheme') was established in March 2021 with a budget of £1.5 million. The Scheme's primary purpose is strengthening and focusing council enforcement against bad landlord practice and poor conditions, with 75% of the funding initially earmarked for enforcement. Co-production of the delivery model took place in the second half of 2021 and budget allocated for projects early in 2022. The first projects to improve enforcement are underway and focus on measures to tackle the shortage of skilled and qualified enforcement officers and to help councils make greater use of enhanced enforcement tools.

3.2. Tackling the ongoing shortage of qualified housing standards enforcement officers is seen as a prerequisite of any other measure. The shortage has led to difficulties recruiting to enforcement teams and, in some cases, failures to recruit, teams carrying unfilled vacancies and use of agency staff. This means that even where councils have set aside budget for officers, some teams have been understaffed. The Scheme is funding two projects to reverse the current shortage, which will jointly deliver up to twenty newly qualified enforcement officers over the next three years. The projects will deliver:

- Ten new housing standards enforcement trainees. These entry-level posts, delivered across GM, will include an enforcement apprenticeship followed by additional advanced training. Recruitment is scheduled to begin this winter with the apprenticeship expected to start next spring
- New on-the-job training for existing officers. This year-long course, developed by the Chartered Institute for Environmental Health and the Greater London Authority is designed to help officers move into or progress within housing standards enforcement. The first six trainees began the course in September

3.3. A third GM Good Landlord Scheme project has been initiated on supporting councils to progress the use of the enhanced enforcement tools of additional Houses in Multiple Occupation (HMO) licensing and selective licensing. Although licensing has been available for several years, making use of it requires significant resources and investment. For example, gathering the required evidence and conducting the consultation required for a new selective licensing scheme can cost several hundred thousand pounds in direct costs and staff time. GMCA officers have been working with council colleagues over the summer to look at how some of the barriers to introducing new licensing schemes can be removed and what support the combined authority can provide. While the tools are not consistent with all enforcement strategies or suited to every location, pressures on capacity and resourcing has also been a barrier to their wider use across GM. The enhanced enforcement tools project will provide funding and support to councils to overcome this barrier.

3.4. Further projects funded from the Scheme's budget will be initiated in 2023 to pilot a new tenancy relations service and develop a package of information and advice for GM tenants and landlords.

4. THE GOOD LANDLORD CHARTER

4.1. While the Scheme is focussed on improving enforcement against bad practice, GMCA is also embarking on the development of a Good Landlord Charter ('the Charter') to make it easier for tenants to find good landlords and properties through opt-in accreditation. A budget of £150k was allocated for the development of the Charter in March 2022, and the Charter targeted for publication by the end of 2023. This follows success in developing a GM Good Employment Charter, which has delivered an equivalent model, with employers making commitments to better standards across a range of employment practices.

- 4.2. The Good Landlord Charter's development will start with a major piece of research with GM tenants, landlords and agents including piloting the Charter. The research will provide the evidence required on a range of issues, including tenants' priorities and the most effective ways to persuade landlords to take part. The findings of the research are expected to be delivered in the first half of 2023. This work will aim to dovetail with forthcoming private renting legislation announced in the Queen's Speech 2022 and expected in the current parliamentary session. The legislation will make major changes to English renting law, which the Charter development will need to take account of. For example, the bill is expected to strengthen private tenants' protection from no-fault eviction by repealing Section 21 of the Housing Act 1988 and require that all tenants receive written contracts. If these legal improvements are delivered, there will be less need for voluntary commitments in the Charter.
- 4.3. The anticipated legal change with perhaps the greatest implications for the Charter is the creation of a new private rented property portal. This would require all private rented properties and their landlords to be registered, with a penalty for failure to comply. Depending on how the portal is delivered, there could be opportunities for integration with the Charter and for promoting it to landlords and tenants. GMCA actively participated in the development process for the A Fairer Private Rented Sector White Paper, which set out plans for the private renting property portal. The Combined Authority will continue to work with DLUHC as the portal is developed to seek to align plans for it and the Charter and get good outcomes for GM private tenants.
- 4.4. Learning from the Good Employment Charter development process, we intend to establish a coordinating group from across the relevant parts of the sector to oversee the full development of the Good Landlord Charter. Their work will include sifting through the standards and regulations in place and forthcoming from Government, considering evidence of research commissioned by GMCA into the views and priorities of tenants and landlords about the issues they want to see addressed in the private rented sector, overseeing a public consultation on a draft charter in summer 2023 and final publication of a charter in the second half of 2023.

4.5. GM Housing Providers have committed to work with us to develop the Charter as a tool which can also ensure high standards in the social housing sector. While the characteristics of good renting and good landlordism will be common between the private rented sector and social housing, the different structures, governance and legislation around each means a tailored approach to each sector will be needed. This will likely require the coordinating group mentioned above to have sub-groups addressing the specifics of social and private rented housing, while aiming at similar overall objectives.

5. CONCLUSIONS

5.1. Over the coming year, the biggest changes to private renting legislation in more than 30 years are expected. These national changes, long pushed for by GM, promise to significantly improve protections for private tenants, with the extension of the Decent Homes Standard to the private rented sector and end of Section 21. However, without action at a local level legal change alone will not improve renting for all GM private tenants. Across the city region GMCA is investing significant amounts into improving the private rented sector. Through the GM Good Landlord Scheme and new local enforcement pathfinder, efforts are being made to tackle challenges with enforcement on several fronts. Meanwhile, the Good Landlord Charter will help to provide GM private tenants with the information they need to identify better landlords and properties, and through joint work with GM Housing Providers, we will extend the Charter to cover social housing. Together, and in tandem with national legal change, these initiatives will work to deliver meaningful improvements for GM tenants.