

Background to the Good Landlord Charter

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1. Introduction

- 1.1 The Good Landlord Charter is a proposal for a new scheme to make renting in our city region better.
- 1.2 It would be a voluntary scheme for landlords who want to commit to higher standards than they are currently required to by law. It would be the first such scheme in the country open to all landlords, no matter whether they are private or social landlords, big or small.
- 1.3 This document describes the background to the development of the Good Landlord Charter. It has been published alongside the public consultation on the charter proposal and includes:
 - the context for renters in Greater Manchester in which the charter has been developed
 - the other initiatives that GMCA is taking to tackle problems in renting
 - a statement of the case for a voluntary charter
 - how the charter was developed

2. The situation for GM renters

2.1 The development of a new Good Landlord Charter has come at a point when more people are renting in GM than at any time in the last forty years.¹ Alongside this consultation we are publishing the findings of new research that comprehensively sets out many of the problems facing private renters in the conurbation and which renters they most seriously affect. For the first time Greater Manchester Housing Providers are also publishing a summary of their new Tenant Satisfaction Measure (TSM) survey, which shows how satisfied social renters are with their homes and situation. However, in summary, several issues face renters concurrently.

Affordability

2.2 Private rents are currently rising at the highest levels on record, in the very middle of a cost of living crisis. At the same time, support for private rents through the benefits system has been frozen since April 2020. Our new research finding 20% of private tenants saying that paying their rent is a 'constant struggle' and many more say affordability struggles have got worse.²

2.3 Renters living in social housing are more protected as rents are generally lower and housing benefits are not affected by the Local Housing Allowance rate, although some are still affected by the overall benefit cap. However, as social renters tend to be on lower incomes, many are struggling financially in the general cost of living crisis.

¹ Census 2021 Tenure dataset, Office for National Statistics, January 2023

² Research for GMCA by DJS, 'Which of the following best describes how easy or difficult you find it to pay your rent?', sample: 1164, all GM tenants, weighted, fieldwork February-June 2023, by online, telephone and face-to-face

Housing quality

- 2.4 Conditions in the private rented sector are the worst of any housing tenure. Stock modelling by the Department for Levelling Up, Housing and Communities using data from the English Housing Survey suggests that more than a quarter (26.4%) of privately rented homes fell below the Decent Homes Standard across GM in 2019.³
- 2.5 Our new research found widespread problems, with more than four in ten private renters having experienced damp and mould in the previous year, and three in ten having had a broken boiler, loss of heating or hot water. Only 22% of those surveyed had not experienced a problem with their home in the last year leaving more than three quarters having experienced at least one issue.⁴
- 2.6 Although significantly fewer social tenants live in poor housing, the TSM surveys show around two in ten social renters are not satisfied they live in a safe home.⁵ This follows the death of two-year-old Awaab Ishak due to damp and mould in his social rented home in Rochdale, which precipitated an urgent reappraisal of the threat that serious damp and mould can pose to public health and demonstrated the need for further work to improve social housing conditions.

Housing availability

- 2.7 Years of government underinvestment in new social homes has created a desperate shortage across Greater Manchester. The number of households in social housing has fallen from over 330,000 at the 1981 Census to around 243,000 now⁶. Around 91,000 social rented homes have been purchased through Right to Buy⁷, many subsequently finding their way into the private

³ English Housing Survey data on dwelling condition and safety, Department for Levelling Up, Housing and Communities, July 2023

⁴ Research for GMCA by DJS, 'Have you experienced any of the following problems in a private rented home in the last year?', sample: 1200, all GM tenants, weighted, fieldwork February-June 2023, by online, telephone and face-to-face

⁵ GMHP pilot TSM results analysis report, Greater Manchester Housing Providers, September 2023

⁶ Census 1981, Census 2021 Tenure dataset, Office for National Statistics, January 2023

⁷ Social Housing Sales: Annual Sales by Scheme for England: 1980-81 to 2021-22.

rented sector. There are 69,000 households on housing registers across Greater Manchester, of which 34,000 are in reasonable preference for social housing.⁸

- 2.8 The overall shortage of housing has also created a shortage in the private rented sector, with prospective renters finding it increasingly difficult to find housing. More than half (52%) of the private renters in our new research said they found it difficult to find somewhere to rent last time they looked for a new rented home.⁹

Housing management

- 2.9 Although most renters are happy with the management of their home, too many are not. Our new research found that one in four private tenants are dissatisfied with how their property is managed overall, with poor or slow communication being the most common reason for complaints. Our private landlord research also suggested dangerously poor management practice in some cases, with at least 5% saying they are unconfident of compliance with gas safety, smoke alarm or fitness for human habitation obligations.
- 2.10 While most social tenants are also satisfied with their home, how their landlords listened and responded to them has been highlighted as an issue by Greater Manchester Housing Providers with between 29% and 49% saying they are not satisfied. The TSMs also suggests that significant proportions of tenants who made complaints are not satisfied with the way they have been handled.¹⁰

⁸ Local Authority Housing Statistics data returns, England 2021-22

⁹ Research for GMCA by DJS, 'When you last looked for a property, how easy was it to find somewhere to rent?', sample: 1164, all GM tenants, weighted, fieldwork February-June 2023, by online, telephone and face-to-face

¹⁰ GMHP pilot TSM results analysis report, Greater Manchester Housing Providers, September 2023

Renting and inequalities

2.11 Alongside this consultation we are publishing a full equality impact assessment which describes the disproportional impact of the issues that renters are experiencing on groups of people with different characteristics protected under the Equality Act 2010 and social class.¹¹ The issues described above are affecting some people with protected characteristics worse either because they are more likely to be renting, or because they are more badly than the average renter or both. In summary, the effects we found include:

- the role of race in the make-up of renters, with all ethnic groups except white households disproportionately higher in the renting population (and disproportionately lower in owner occupied population). Black and mixed race households are also disproportionately represented in the population in temporary accommodation
- people who are disabled or permanently sick reported worse results across a wide range of areas of renting experience, including affordability, ease of finding a home and satisfaction with property management
- gay, lesbian and bi-sexual renters reported worse results on our private rented survey across a wide range of different areas of renting experience, including satisfaction. Bisexual private renters are also more likely to find it difficult to find housing and to be frequent movers
- people with experience or at risk of socio-economic disadvantage reported worse experiences across a wide range of areas; particularly private renters who receive housing benefits, who reported worse results for affordability and satisfaction with the quality of their home, and high rates of discrimination.

¹¹ Please see the Equalities Impact Assessment published alongside this paper and consultation for details.

3. Action we have taken so far

3.1 The GMCA's overall approach to alleviating the issues facing renters is set out in the GM Housing Strategy. It focuses on two strategic priorities:

- Priority A: a safe, healthy and accessible home for all
- Priority B: building the homes we need for the future

3.2 Sat underneath those strategic priorities are the specific initiatives that GMCA is working on with our partners. Those specific to renters include the following:

- **Investing to improve existing social homes** – in June 2023, GMCA received £15m to establish a Social Housing Quality Fund from the Department of Levelling Up, Housing and Communities (DLUHC). The focus of the fund is on improving tackling damp and mould and other serious health hazards. All GM social housing providers, including Registered Providers of social housing, Arms Length Management Organisations and councils were eligible to apply for funding to remediate damp and mould issues in their properties in GM, with a 25% match funding requirement.
- **Improving enforcement against poor conditions the PRS** – the combined authority is improving the quality of private rented housing by boosting GM councils' enforcement capacity through two initiatives. The Good Landlord Scheme is a £1.5 million GMCA-funded programme. It is tackling the shortage of qualified enforcement officers through a new trainee programme and advanced on-the-job training, as well as providing support for councils to pursue discretionary licensing. GM's PRS Enforcement Pathfinder Project has a value of £2.1 million and is DLUHC-funded. The aim of the project is increasing the use of formal enforcement and civil penalties, fines of up to £30,000 for relevant offences which can be reinvested back into further resources for enforcement

- **Delivering 30,000 truly affordable net zero homes** – to tackle the shortage of social housing and support the move to net zero, GM has committed to delivering 30,000 new truly affordable net zero (TANZ) homes by 2038. This is being supported through the TANZ Task Force, which brings together industry leaders, experts, developers, local authorities, as well as Homes England, the government agency that funds new affordable housing in England. Through GM’s devolution trailblazer agreement with government, the combined authority has also secured more influence over the funding supplied by Homes England will be spent, and will seek to use this to support the plans for TANZ homes
- **Initiatives to improve practice in the PRS** – GM Housing Providers’ are working to improve accessibility, management, and quality of the PRS by sponsoring and coordinating workshops, developing place-based interventions, supporting the development of the GM PRS Partnership, and developing the Let Us Ethical Lettings Agency (ELA) in partnership with GMCA. Established in 2019, Let Us is a partnership between four GM Housing Providers and Wigan Council, working to increase access to the Private Rented Sector for those who need it in order to prevent and alleviate homelessness. Let Us have leased 349 properties from PRS landlords, with a further 38 under management agreements.¹² Let Us offers properties to applicants from the Local Authority housing register, ensuring homes accessible to those who really need them. Rents are charged at Local Housing Allowance level, helping to provide quality and affordable tenancies. However, with Local Housing Allowances having been frozen and failing to keep up with rising rents, this has restricted the growth of the Let Us model. GMCA is looking to use that learning to develop alternative models to complement the Let Us approach.
- **Lobbying for change** – while power over the broader legal and regulatory framework for social and private renting is held by the government, GM has been using our voice and evidence to argue for progressive change.

¹² Between April 2019 and August 2023

This includes consistently arguing for Local Housing Allowance rates to be increased to reflect rising market rents and for changes through the Renters Reform Bill to improve councils' enforcement powers. Through our recent trailblazer agreement we have taken this lobbying role a step further by creating a special partnership with DLUHC, DWP and other agencies to look at how to further improve private renting regulation and implement the vision outlined in A New Deal for Renters¹³

¹³ A New Deal for Renters: Greater Manchester's trailblazing package of housing reform, GMCA, June 2023

4. The case for a Good Landlord Charter

- 4.1 As described above, organisations across Greater Manchester are already taking a lot of action through the GM Housing Strategy to try to tackle the big issues facing social and private tenants. However, in recent years a new gap has arisen in the support that exists for landlords to do the right thing and to help tenants find a good landlord. There is clear demand from landlords and tenants for this sort of service, with our new research finding 39% of landlord respondents would like to join a new accreditation scheme and 78% of tenants saying that accreditation would make at least some difference to their likelihood to rent from a landlord.¹⁴, 1
- 4.2 In addition to their enforcement role, until recently many local councils played a much bigger part in encouraging landlords to adopt best practice and to inform them about their legal duties through activities like landlord forums and accreditation schemes. Some of these activities still exist; for example, the Association of Greater Manchester Authorities' common framework for council landlord accreditation still operates today. However, in response to austerity and major budget cuts, council resources for these discretionary activities have been significantly scaled-back, reducing the impact and reach that they can have.
- 4.3 At the same time, the development of the GM Good Employment Charter indicates that a new model to deliver equivalent services for landlords may be possible at a GM level. The Good Employment Charter was launched in 2019 as a voluntary membership and assessment scheme, working to improve employment across Greater Manchester. Good Employment Charter members voluntarily commit to deliver on seven characteristics of good employment, with specific member criteria that they must adopt to make that

¹⁴ Research for GMCA by DJS, 'Which of the following describes your interest in joining the charter', sample: 355, all GM landlords, unweighted, fieldwork March-June 2023, by online, telephone and face-to-face

commitment real, and supporters pledge to work towards the commitments. For example, pay is one of the charter characteristics, and is supported by membership criteria that include “Demonstrate payment of the Real Living Wage to employees and details of plans to pay... contractors a living wage...”

- 4.4 In the time since it launched, the Good Employment Charter has achieved significant scale, engaging with more than 1500 employers and covering more than half a million employees through its supporters and members, as of October 2023.¹⁵ The intention of the GM Good Landlord Charter is to learn from and build on its success for the benefit of GM renters.

¹⁵ Greater Manchester Good Employment Charter, ‘Impact of the Charter’, <https://www.gmgoodemploymentcharter.co.uk/about/impact-of-the-charter/>, accessed 19/10/2023

5. The Good Landlord Charter development process

- 5.1 The development of the Good Landlord Charter was overseen by a coordinating group that has met over the course of 2023. The coordinating group included private and social tenants and landlords, as well as advice agencies, academics and other experts who were subsequently convened to oversee the development of this consultation. A full list of organisations that contributed members to the coordinating group can be found in the acknowledgements of this consultation.
- 5.2 To develop the consultation, the coordinating group received evidence from the results of the new research that GMCA is publishing alongside this consultation and deliberated over key elements over the charter's design.
- 5.3 Although the development of this consultation was a new project, the coordinating group's work followed closely from the positive partnership that developed through the Fair Housing Futures project, which was funded by Nationwide Foundation and hosted by Shelter.
- 5.4 Members of the coordinating group did not agree on every element of the charter's design and this consultation is ultimately a GMCA document. However, the group's discussions were always constructive and the GMCA would like to thank everyone who participated in these sessions for their time, commitment, goodwill and expertise.
- 5.5 Alongside this public consultation, GMCA is commissioning focus groups with key groups, including people that are typically underrepresented in public consultation responses. Responses to this public consultation and the findings from the focus group will subsequently contribute to the final Good Landlord Charter design, which is due to be completed in 2024.