

**Department for Levelling Up, Housing and Communities - Competence and Conduct Standard for social housing (England) - Consultation**

**Response from Propertymark**

**April 2024**

**Background**

1. Propertymark is the UK's leading professional body of property agents, with over 18,000 members representing c. 12,500 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.
2. Our awarding organisation Propertymark Qualifications provide qualifications in the following property specialisms: lettings, sales, commercial, auctioneering, inventory and tenancy deposit<sup>1</sup>. Following the launch of Propertymark Qualifications, the (previous) National Federation of Property Professionals (NFoPP) Awarding Body continues to be an Ofqual regulated Awarding Body under the new name of Propertymark Qualifications. Propertymark Qualifications is an independent organisation recognised by the Office of the Qualifications and Examinations Regulator (Ofqual), Qualifications Wales and the Council for Curriculum, Assessment and Examinations (CCEA Regulation) respectively. The Awarding Body also offer credit and level rated qualifications in the Scottish Credit and Qualifications Framework (SCQF). Operating as a recognised and regulated Awarding Body since March 2002 (as NFoPP Awarding Body) Propertymark Qualification's first qualifications were awarded in 2003. Propertymark Qualifications has its own governance arrangements and any learner data (information on those studying for qualifications) collected by the Awarding Body is kept entirely separate from Propertymark member data again to avoid any suggestion of conflicts of interest.
3. Propertymark offers various levels of membership. To achieve Associate grade, individuals must have a minimum of 1 years' experience and have achieved a Level 2 (Level 5 in Scotland) such as Award in Introduction to Residential Property Management Practice, Award in Introduction to Sale of Residential Property or equivalent as accepted by Propertymark. This is an introductory qualification ideal for those who wish to enter the profession and have no/limited previous experience. It requires approximately 90 hours to complete, and learner will receive a nationally

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<sup>1</sup> <https://www.propertymark.co.uk/careers-learning/qualifications.html>

recognised qualification equivalent to GCSE/Intermediate. Alternatively, to qualify for the Associate grade, an individual must have a minimum of 2 years' experience and commit to achieving a Level 2 or preferably the Level 3 qualification (Level 6 in Scotland) within 2 years of joining PropertyMark. To achieve our letting agent Member Grade, they must have achieved the Level 3 Award in Residential Letting and Property Management (Level 6 for Scotland) or equivalent, and work in residential lettings. It requires approximately 120 study hours to complete, and learners will receive a nationally recognised qualification equivalent to A Level/Higher. To achieve our Member Grade for estate agents, they must have achieved the Level 3 Award in Sale of Residential Property (England, Wales and Northern Ireland) or equivalent accepted by PropertyMark. In Scotland it is a Level 6 Award in Sale of Residential Property. It requires approximately 120 study hours to complete, and learners will receive a nationally recognised qualification equivalent to A Level/Higher. To incentivise people to get qualified, estate and letting agents can join at the Student Grade where they have two years to get qualified and upgrade their membership. However, they will not be able to use designatory letters until upgraded to a full grade of membership. For Principal, Partners or Directors (PPDs) the requirements differ, Student grade is not available to them and in addition to the individual membership criteria, they are obligated to meet the company obligations for their property related businesses and obtain the PropertyMark Protected status.

4. PropertyMark Qualifications also offers to learners a level 4 certificate in property agency management. This is the highest level of qualification that PropertyMark Qualifications currently offer and is at a level comparable to a Higher National Certificate (HNC). PropertyMark Qualifications estimate it takes approximately 250 hours of study to complete. From registration date learners will have two years to complete their qualification. If they fail to pass in this timescale they'll need to re-register. Each unit is assessed through an online exam. Unit 1 is a short answer essay type exam, Units, 2, 3 and 4 are assessed by 30 questions set by PropertyMark Qualifications in each exam. Individuals who pass this qualification, with 5 years' or more experience qualify for the highest grade of membership, Fellow grade.

### **Consultation – overview**

5. Under section 197 of the Housing and Regeneration Act 2008, the Secretary of State has the powers to set standards for social housing providers, including safety, energy efficiency, the quality of accommodation, facilities and services provided. The Department for Levelling Up, Housing and Communities (DLUHC) is looking to use this power to increase standards of social housing,

following the Grenfell Tower fire in 2017 and death of Awaab Ishak in 2020. The proposals will mainly affect tenants of social housing in England. The consultation seeks views on proposals to introduce new qualifications and standards for senior staff and a new Competence and Conduct Standard for all staff which will include requirements to gain skills and knowledge in order to meet new standards.

**Propertymark response – summary**

6. Propertymark welcomes the opportunity to respond to DLUHC’s consultation on establishing a Competence and Conduct Standard for social housing. As the professional body for property agents, Propertymark supports the introduction of minimum qualifications and greater standards for property agents and people working within the housing sector. There is currently no overarching statutory regulation of private sector letting or managing agents in England or estate agents across the UK, nor is there any legal requirement for them to belong to a trade association or professional body. On 23 February 2023, it was announced by the UK Government that social housing managers must gain professional qualifications under new rules to protect residents and raise standards in the sector.<sup>2</sup> Legislation to make the private rented sector fairer through the Renters (Reform) Bill offers an opportunity to introduce a framework for the regulation of letting agents in England and bring parity with the social rented sector.<sup>3</sup> Furthermore, it should be concerning to the UK Government that almost anyone can set themselves up as a letting or estate agent and can either deliberately, or through lack of experience, run a substandard service and face limited recourse due to the lack of a robust legislative framework. Operating as a letting or estate agent is not a straightforward matter and agents require a wide range of skills. These include the ability to account for substantial flows of funds; an understanding of complex housing law; negotiation and people management skills; and the ability to manage a network of providers such as businesses providing repair and maintenance services.
  
7. Considering the benefits of qualifications and the need for greater standards that the Secretary of State acknowledges is required for the social sector, our response to the consultation can be summarised through the following key points:

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<sup>2</sup> <https://www.gov.uk/government/news/social-housing-managers-must-be-qualified-under-new-laws-to-protect-residents>

<sup>3</sup> <https://bills.parliament.uk/bills/3462>

- **Extend training requirements to all staff, not just senior managers** – staff delivering housing services to tenants will benefit from additional training and qualification requirements. This can be done in a phased way or if they carry out certain tasks and would ensure that all staff across the social rented sector are able to work towards higher standards of property management.
- **Learn from best practice from where the private rented sector is regulated to design qualification requirements and content of qualifications** – mandatory qualification requirements for letting agents in Scotland has led to considerable improvements in professional standards within the sector. While there are some differences in skills between the two sectors, the Secretary of State should note how the qualifications have been implemented in the private rented sector in Scotland when introducing qualifications for the social rented sector.<sup>4</sup>
- **Use this opportunity to establish qualifications for letting agents in the private rented sector** – considering that the Secretary of State acknowledges the value of qualifications, we see no reason why private tenants should not benefit from the improved services that the social providers will obtain through the introduction of the Competence and Conduct Standard.

## Questions

*\*Note there are questions specifically for registered providers and training providers only which we have not included within our response.*

### **Question 1: Do you agree with the content of the direction (Annex A) to setting the broad Standard relating to the competence and conduct of all social housing staff?**

8. No, we do not fully agree with the content and direction to setting the broad Standard relating to the competence and conduct of all social housing staff. While greater details have currently been

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<sup>4</sup> The Housing (Scotland) Act 2014 requires “appropriate people” in each letting agency to hold a “relevant qualification” and, where necessary, to undertake additional training on letting agency work. For sole traders, the people that must be qualified include the sole trader themselves and any person directly concerned with managing and supervising the day-to-day running of letting agency work. For companies, partners and other bodies, the people that must be qualified include the person holding the most senior position in the organisation’s management structure (unless not involved in letting work) and any person directly concerned with managing and supervising the day-to-day running of letting agency work.

provided on expected qualification requirements, much of the Standard remains vague and up to interpretation. The Standard should provide additional details on what the expected “behaviours needed” and what is considered “good quality” service. This can be achieved through a more detailed Competence and Conduct Standard which sits alongside the qualification requirements.

**Question 2: As set out in paragraphs 15a and 46b of the policy statement, do you agree that only individuals who have a substantive role in managing delivery of housing management services should be in scope of the qualification requirements?**

9. No, we do not fully agree that qualifications requirements should only apply to those who are senior housing managers or those who have a substantive role in managing the delivery of housing management services. While we agree that qualification requirements should only apply to those who are involved in housing management services, qualifications should apply to all those who provide housing management services, not just senior managers. This is for three reasons:

- Firstly, it would ensure that all those delivering services are best able to navigate the growing legislative landscape around social housing but also can deliver the best service to the tenants they work with, rather than just senior managers.
- Secondly, ensuring that all staff that play a role in housing management are qualified will help to drive up standards and ensure staff have the knowledge and training to meet legal requirements and effectively respond to issues.
- Thirdly, where qualifications have been mandatory for all letting agents in the private rented sector, we have seen a significant positive impact on each agents’ professional capabilities and a positive impact on their business. In Scotland for example, all letting agents are required to undertake a Level 6 qualification (equivalent to a Level 3 in England). In January 2023, the Chartered Institute of Housing Scotland reported that 87% of surveyed agents reported taking qualifications had a positive impact on their professional capabilities, with 95% of agents stating that qualifications had a positive impact on the professional capabilities of their colleagues<sup>5</sup>. This research highlights the benefits of establishing qualification requirements for all staff, which should be carried over to the social rented sector.

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<sup>5</sup> <https://www.cih.org/media/vrqorb5f/review-of-letting-agent-qualifications-report.pdf>

**Question 3: Do you agree with the guidance on the scope of housing management services (paragraphs 1-3 of Annex B1)?**

10. Yes, we with the existing guidance on the scope of housing management services. However, the Secretary of State should consider further clarifying what services come under “tenancy management” in order to further clarify the full set of management services and prevent confusion as to what could be considered tenancy management.

**Question 5: Do you think that there are any other functions not listed above which should be in scope?**

11. No, we are unaware of any other functions which should be in scope.

**Question 6: Are there any functions listed above that you think should not be in scope?**

12. No, we agree that all of the functions listed should be in scope.

**Question 8: Do you agree with the proposal outlined above that individuals must have been in their role for more than 6 months to be classed as a Relevant Person or Relevant SP Manager (except where they are subject to a probationary period) as detailed in paragraph 15c, 46d and 46e of the policy statement?**

13. No, relevant persons and relevant SP managers should be able to demonstrate their qualification level or commitment towards achieving a qualification from their first day as a Senior Housing Executive or Senior Housing Manager. We argue this for three reasons. Firstly, it establishes appropriate barriers to entry for the role of senior leadership within social housing, preventing unqualified individuals from being appointed to these positions. Secondly, it ensures that those appointed to senior leadership positions are encouraged to work towards the qualification from day one, ensuring they improve their knowledge from the offset. Thirdly, this matches best practice within professional bodies within the private rented sector which has a proven track record. Once agents join Propertymark, they have 24 months from the start date of their membership in order to achieve their qualification. If they do not, they will be unable to renew their membership for the third year.

**Question 9: Do you agree with the proposal that those staff who have a probation period should have, or be working towards, a qualification within 9 months from the point at which they take up their role as detailed in paragraph 15d and 46f of the policy statement?**

14. No, for the same reasons stated in our response to question 8, staff should have or be working towards a qualification from the point at which they take up their role as a Senior Housing Manager or Senior Housing Executive. Even if on probation, progress towards achieving a qualification would be a benefit to the member of staff as they can learn additional skills alongside experience in their role. This would serve to help them pass their probation as well as more quickly improve their capabilities of the new role compared to if they were not working towards a qualification.

**Question 10: Do you agree with our proposal that unpaid volunteers should not be required to gain a relevant qualification as detailed at paragraphs 15b and 46c?**

15. No, we disagree that unpaid volunteers should not be required to gain a relevant qualification. Anyone who has considerable control over the operation of a social housing provider and its housing management services must be suitably qualified. This would better ensure that expected standards and quality service requirements are met.

**Question 12: As outlined in section 3.1 of the policy statement, do you agree that a level 4 qualification is the correct level for a senior housing manager and individual who is a services provider?**

16. Yes, we agree that a level 4 qualification is the correct level for a senior housing manager and services provider. This matches existing best practice where directors, owners and senior staff are recommended to achieve a level 4 qualification, although this is not currently mandatory for all Propertymark members, only those who wish to achieve a Fellow Grade.

17. However, as mentioned earlier, we believe that qualifications should be a requirement for all staff that are involved in housing management services. In order to account for the variation in roles and skill requirements, qualifications requirements should reflect different stages of an employee's career. For example, those who are just entering the social housing sector should be required to achieve or work towards a Level 2 qualification. Those with more experience and in higher-skilled roles outside of management should be required to achieve or work towards a Level 3

qualification. As before, this matches requirements for the private rented sector in Scotland and the requirements from professional bodies such as Propertymark.

**Question 13: As outlined in section 3.1 of the policy statement, do you agree that a level 5 qualification or a foundation degree is the correct level for a senior housing executive?**

18. No, we disagree that a foundation degree is the correct qualification level for a senior housing executive. In Propertymark's experience, a Level 4 provides sufficient knowledge for individuals to step into branch/agency management. In order to bring parity across the social and private sector, the qualification should mirror each other. Level 4 qualifications also enable PPDs who do not necessarily need to have specialisms, or discipline specific knowledge, with a qualification that they can access, and which is relevant to their role. This can be carried over to the social sector as a benefit over a foundation degree.

**Question 14: Do you agree with our proposals outlined above and in section 3.4 of the policy statement that qualifications can be regulated by an equivalent body to Ofqual or a predecessor body?**

19. Yes, while ideally, we would promote qualifications regulated by Ofqual, we understand the benefits of allowing qualifications that are regulated by an equivalent body.

**Question 15: Do you agree that the criteria that qualifications must meet as set out in section 3.2 of the policy statement is appropriate for ensuring senior housing managers and senior housing executives gain the skills, knowledge, experience and behaviours they need to deliver high quality and professional services to tenants?**

20. Yes, we agree with the qualification areas specified in section 3.2 of the policy statement.

**Question 17: Do you agree with our approach to defining what it means to be 'working towards' a relevant qualification as outlined in the policy statement?**

21. Yes, we agree with the approach to defining what it means to be 'working towards' a relevant qualification as outlined in the policy statement, which specifies that the qualification provider intends that the relevant person will be making progress towards completing the qualification within 12 months of their enrolment date. What is important is that the learner can evidence their commitment to completing their qualification and the qualification provider is satisfied they will complete the qualification or any required lower-level pre-requisite qualification.



**Question 19: Considering the costs and benefits outlined within the impact assessment, do you agree that all existing staff within the sector should have, or should begin working towards a relevant qualification within 24 months as outlined in section 4.1 of the policy statement?**

22. Yes, we agree that the transition period is an appropriate time, although, this will depend on the capacity of training providers on top of the capacity for social housing providers to set aside the time to train their staff.

**Question 20: Do you have any additional comments or evidence about the potential impact of the policy proposals as assessed in our impact assessment (Annex C)?**

23. While we believe that 24 months is a suitable transition period, we acknowledge some limitations in our understanding of the capacity of training providers and social housing providers. The Secretary of State should consider any challenges in training staff raised by these kinds of organisations in order to make an accurate judgement.

**Question 23: Do you agree with the proposal that an adjusted transition period (twice the amount of time) should apply to registered providers which provide fewer than 50 units of stock, and will also apply in relation to their services providers?**

24. No, we disagree with the proposals to double the transition period for registered providers which provide fewer than 50 units of stock. Rather than basing transition periods based on the number of units, providers which can demonstrate their existing capacity, and any negative impact of new training and qualification requirements, should be able to apply for a longer transition period. An aforementioned phased approach to introducing qualification and other training requirements can help ensure the transition period causes minimal disruption.

**Question 24: Do you agree with our proposal as outlined above and described in section 3.6 of the Policy Statement that there should be transitional arrangements in place for those with partially relevant qualifications (which meet or exceed the requirements in section 3.1 of the policy statement, but do not meet all the course content criteria in section 3.2)**

25. We agree with the proposals to require those with partially relevant qualifications to complete additional accredited training or Continuing Professional Development (CPD) modules to cover the remaining criteria of the proposed new qualifications. Additionally, the UK Government should be

doing more to promote the role of professional bodies who provide accreditation and ongoing training.

**Question 26: Do you agree with our proposal as outlined above and described in section 3.7 of the policy statement that there should be transitional arrangements in place for those who have completed an apprenticeship programme without a qualification element provided, they meet other criteria (as above)?**

26. Yes, we agree with the outlined proposal that a relevant person can meet their requirements if they have passed a Level 4 apprenticeship which meets the content requirements of the new proposed qualifications, even if the apprenticeship was without a qualification element.

**Question 32: Are there any other issues you want to raise, or anything you believe has not been considered in relation to proposals 16 and 17?**

27. Yes. We urge the Secretary of State to consider the benefits of establishing regulations for estate agents and sales agents within the private rented sector. We believe that this should be pursued for three reasons:

- Firstly, it is clear that the Secretary of State values the benefits of qualifications, stating that qualifications would address the concerns around the professionalism within the social rented sector. Considering the high regard the Secretary of State has for qualifications, the sector would benefit immensely if they were carried over to the private rented sector as well.
- Secondly, introducing qualification requirements would be considerably easier to deliver within the private rented sector in England as there are successful models from Scotland and professional bodies such as Propertymark which have shown clear positive outcomes for agents, landlords and tenants. There is already existing appetite from the sector for qualifications. In 2022, over 3,800 agents voluntarily registered to complete a regulated qualification with Propertymark Qualifications with over 1,600 completing this achieving the qualification certificate.
- Thirdly, qualifications can be delivered in junction with the Renters (Reform) Bill and the Leasehold and Freehold Reform Bill to ensure greater compliance with the new requirements for agents. This would help the UK Government to achieve their aims set out in the Bill and helps to promote greater standards within the private rented sector.