

At an extraordinary meeting of the ECONOMIC PROSPERITY SCRUTINY COMMITTEE held in COMMITTEE ROOM 1, CITY HALL on TUESDAY 21ST NOVEMBER 2023 at 3.00 p.m.

Present: -

Councillor Burrell in the Chair

Councillors, Dixon, Leonard and Watson

Also in attendance: -

James Diamond, Scrutiny Officer, Sunderland City Council
Paul Wood, Principal Governance Services Officer, Sunderland City Council
Chris Smith (Executive Director of Business Growth) Thirteen Group
Michael Farr (Executive Director of Assets and Growth) Bernicia Homes
Ian Porter (Director of Neighbourhoods) Believe Housing
Kelly Taylor (Assistant Director for Housing) Karbon Homes

Members of the Press

The Chairman welcomed everyone to the meeting.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillor Fagan, Foster and Scanlan

Declarations of Interest (including Whipping Declarations)

There were no declarations of interest.

Housing Providers - Consultation

The Scrutiny and Members' Support Co-ordinator submitted a report (copy circulated) for a number of housing providers to discuss with the Committee, the housing issues that the City was facing.

(For copy report – see original minutes)

Representatives from housing providers attended the meeting including– Chris Smith (Executive Director of Business Growth) for Thirteen Group. Michael Farr (Executive Director of Assets and Growth) for Bernicia Homes. Ian Porter (Director of Neighbourhoods) for Believe Housing and Kelly Taylor (Assistant Director for Housing) Karbon Homes. Each representative was given a half hour slot to provide a brief presentation on their views of the challenges facing the city and answer any questions from members.

Thirteen Group

Chris Smith (Executive Director of Business Growth) briefed the Committee on the background of Thirteen Group, stating that they had 123,000 properties across the North East but mainly in Teesside with less than 300 in Sunderland.

Mr Smith advised that the main issues faced included the Cost of living crisis which was still biting communities and they had put in lots of support for people.

The Damp and Mould issue was still there and happening but tended to be seasonal and they only had two live cases in Sunderland but these were being dealt with.

Homelessness was a massive issue on the rise and they were receiving most tenants from the private rented sector and they were receiving increased scrutiny as housing associations which was coming through from new legislation.

Mr Smith advised that whilst they did not have much stock situated in Sunderland there was one particular supported housing scheme that they worked with the Council on that had recently obtained funding to continue this for another year and it was going well with a massive demand for this type of accommodation.

Mr Smith also advised that they were currently going through the planning process for a development at Harrogate Street which was a more traditional build with a contractor in place to provide 96 mixed properties and they hoped to be on site in spring next year.

In terms of investment, they were intending to preplace the kitchen and bathrooms in their properties in the Glebe area the year after next.

In response to Councillor Dixon's enquiry over the types of houses they held in Hendon, Mr Smith advised that these were street houses/cottages that used to be the Banks of the Wear stock.

Councillor Dixon referred to the Harrogate Street development and if they owned all of this land or just pockets of the site. Mr Smith advised that they owned the main oblong and a triangle portion of the site which they had acquired over a period of time with the holdup being mainly due to costs and making the scheme viable.

Councillor Dixon enquired as to which type of residents they would be looking for as part of the 96 homes. Mr Smith advised that they wanted a mix of people who would sustain the area and they would take nomination lists from the Council. Gentoo hold waiting lists which they didn't have access to which was an issue but they would talk to the Council and with Gentoo.

In response to the Chairmans query if they vet their tenants, Mr Smith advised that they did consider application forms, look at past history and that they had to be in housing need. They could disbar tenants if they had a history of ASB etc and they also checked for affordability.

Councillor Watson informed of previous meetings in which it was advised that Housing Company's all had the same lists and it was surprising to hear this was not the case now. Mr Smith advised that it was different everywhere and that Tees

Valley had a common waiting list which they had only just come out of and that some wanted to have control of their own lists.

Councillor Watson commented that she believed Gentoo were changing and becoming much better in their approach to partnership working.

The Chairman enquired if Thirteen Group held crisis funds and such like for residents. Mr Smith confirmed that they did and that whilst the Board had agreed to increase rents by the 7% permitted, they had increased their hardship fund by £1 million. They had Community Resilience Teams working within communities and people they could work with if residents had particular needs.

Councillor Leonard referred to Thirteen Group only having 230 properties in Sunderland and enquired if they were based in Teesside, how they covered managing these. Mr Smith commented that they didn't have any physical office space in Sunderland with mainly hybrid/remote working but the Housing Coordinators were on site and officers were accessible.

Councillor Dixon stated that there had been money put into the Hendon area and enquired if they met with Homes England. Mr Smith informed that they met regularly with Homes England who were very supportive of their scheme.

The Chairman enquired if they installed solar and heat pumps into their developments or if it would be more traditional energy sources. Mr Smith confirmed that it was more traditional sources as these were more affordable to heat the homes but he could get the specifications along with the details of the grants received.

There being no further questions, the Chairman thanked Mr Smith for his attendance.

Bernicia Homes

Michael Farr (Executive Director of Assets and Growth) for Bernicia Homes briefed the Committee that they held 700 properties in Sunderland including general need, older persons properties and supported accommodation.

Bernicia Homes had recently built a scheme at Southwick for 36 new homes which had proven to be very popular with local residents. They had a planning application in for North Moor at present for 45 units which included houses and bungalows and whilst they were still an active developer most of their stock was located in Northumberland and North of the Tyne.

Mr Farr advised that they were still looking at opportunities, but it had become harder with a difficult planning system and the number of months before permission was granted. Mr Farr also added that it wasn't just the complexity of the planning system that was an issue but also the lack of planning officers due to the cutbacks that have had to be made.

Mr Farr informed that they were still very active since the last visit to Committee in February but things hadn't gotten any easier with some of those risks identified having crystallised with inflationary pressures affecting new build property costs, the

damp and mould situation and the failure of contractor Tolent who were one of the principal contractors many used.

They had seen increased prices due to contractors not even tendering for projects and having to negotiate and trying to obtain labourers etc had also become harder. Mr Farr commented that they hoped they were through the worst of it with Government grant rates slowly increasing and they would note what was included in the Autumn Statement.

In response to Councillor Dixon query of what they would like to see included in the Autumn Statement, Mr Farr commented that decarbonisation was huge and that the release of funding for this would be helpful. In terms of new builds, a longer term certainty over funding would also be welcome and to stimulate the market with help for first time buyers. Mr Farr also added that he hoped there wouldn't be anything on restricting rents as this would affect the building of their homes.

In response to the Chairmans query as to how their residents were finding things, Mr Farr stated that he believed they were finding it tough due to the Cost of Living crisis and issues around utility costs. They were seeing cases of damp and mould because residents couldn't afford to put their heating on. Mr Farr informed that they do supply support in terms of help accessing benefits etc but rents was a particularly significant issue as any reduction in the formula affected their business plan.

In terms of the main areas they held properties in Sunderland, these were scattered around Southwick and Houghton and mainly just south of the Wear.

The Chairman enquired if they had a depot in Sunderland. Mr Farr confirmed that they did not, but they did have their main labour force insourced and a depot in County Durham where they tended to service Sunderland from.

Councillor Dixon queried what their relationship was like with Gentoo and other housing providers. Mr Farr advised of the North East Housing Partnership, which was how they came together on issues such as procurement and he felt that this would be the start of a more mature relationship and a genuine attempt to collaborate more. In terms of relationship with Sunderland Council Mr Farr advised that this was good and from the number of visits made to City Hall he has found it hugely positive and very ambitious which has raised the Councils profile and showed positive signs.

The Chairman enquired if they had increased their Crisis Fund for residents. Mr Farr acknowledged that this hadn't been increased massively but they did have their Bernicia Foundation which provided grants for various people such as pupils gifted in certain areas and for grandparents with caring duties.

In response to the Chairmans query over ASB, Mr Farr advised that this wasn't a major problem and it was perhaps the perception of ASB that was more so the issue but they did have ASB teams that investigated reports.

With regards to the Chairman's query over the Damp and Mould issues and Investment timescales, Mr Farr advised that it depended on the nature of the issue and the seriousness if they were to act straight away. They had carried out 700

inspections in the first seven months of the year and found the issue to be seasonal with a reduction of cases during June etc.

Trying to get surveyors and specialist damp companies was challenging, to the point where they were setting up their own internal specialist team. They were all chasing the same resources and whilst they were getting on top of this it was taking longer than they would've liked.

In terms of the cases of the mould, these were down to general condensation with 50% of the jobs investigated of the lower category and a very small number where it was due to a burst water pipe or such like. All tenants were moved out whilst dealing with the more serious cases.

There being no further questions for Mr Farr, the Chairman thanked him for his attendance.

Believe Housing

The Committee welcomed Mr Ian Porter of Believe Housing to address Members. Mr Porter informed that they were the Durham based equivalent of Gentoo, with 74 new builds in Sunderland and mainly section 106 units around Ryhope, Hetton, Houghton and Chapelgarth. They were Durham based and its periphery and Sunderland was a good opportunity to cross boundaries.

Mr Porter referred to what he believed the issues in his sector to be and that there was a lot of regulatory changes they were having to prepare for, the continuing compliance around damp and mould was requiring a phenomenal amount of work. Fire Doors/inspections and water hygiene were all taking on new levels which was fine but did take on more of their time and resource.

Mr Porter added that they were still dealing with the Covid hangover and the expectations with customers tolerance levels having changed.

Repairs was still a continuing issue with a backlog from Covid and then the Storms that followed. The employment market was very challenging and they were bringing the smaller SME's in to help support.

Mr Porter informed that the cost of everything was going up and it was a fine balance between rent increases and operating costs so turnover was much lower. Demand was higher than ever due to increased mortgage rates and uncertainty of employment for residents and also the non fault evictions legislation that was upcoming which had spooked the private landlords to act before implementation.

Environmental Plans were also a big issue and another strain on original plans that could bring into question the sustainability and viability of proposed schemes.

In terms of the section 106 properties, the issue was that it was very challenging to get the blend and balance in the estates with referrals from the Council and whilst he has spoken to the Council he felt there was more support needed for the residents.

Mr Porter referred to the Cost of Living crisis commenting that they spend a lot of time in sustainment discussions at the front end around income expenditure and

work in preparing people for tenancies and generally trying to do more to support people. They also contact those residents that they hadn't heard from to ensure they were alright.

In response to Councillor Dixons query over how the S106 homes worked and if it was the developers that got in touch, Mr Porter confirmed that they did and that they usually had an existing relationship with the provider and they would then approach Sunderland Council about who was on their lists.

Councillor Dixon enquired if there were slight tensions between some problem tenants not blending within the developments. Mr Porter advised that not all cases, but there had been some serious issues, one particular case had caused large costs/repairs leading to court proceedings and costings up to £20,000 so there was a need for more work around community cohesion. They did as many checks as they could but didn't always get the information they needed as this was sometimes confidential. They had meetings with Housing Teams in the Council and it was an item for discussion as it was an issue for all housing providers but they had to find the right balance.

With regards to agreements with Developers on how many properties they take on, Mr Porter advised that it depended on the size of the development and whether they wanted one housing association partner or multiple, these would be spread over a number of years and phases also.

Councillor Leonard enquired if they had a contract on who to put in to occupy the houses. Mr Porter informed that this would depend on the individual s106 agreements in relation to what list they went off. In terms of the numbers bidding, he did think that Durhams new selective licensing had some part to play.

Councillor Dixon queried as to Mr Porters opinion on right to buy. Mr Porter advised that they had flown out the door for them and it was his experience that they tended to be more rent to rent and the current environment meant that they stayed as rental properties.

There being no further questions, the Chairman thanked Mr Porter for his attendance.

Karbon Homes

The Committee welcomed Ms Kelly Taylor Assistant Director Housing for Karbon Homes to the meeting. Ms Taylor informed that they had formed in 2017 with three strategic aims of providing quality homes, helping customers and shaping communities. Their footprint was in the north of England and into Yorkshire but their stronghold was in the North East. They had 500 properties in Sunderland and had grown substantially over the last two years with supported housing, right to buys and leasehold/shared ownership.

Ms Taylor commented that the challenges they faced were replicated across all local authorities with issues such as homelessness and the number of people in temporary accommodation. Health inequalities and people being able to access services was a huge deal along with employability and the cost of living crisis.

Ms Taylor added that there was a lack of decent housing options with the numbers in private sector diminishing.

In terms of support for customers, they had a Foundations for life Team that funds a Employment Advisor working across Sunderland to help navigate people into work. Helping Hand was another service to help people and a fund to provide assistance with travel costs or requirements such as a new suit for interviews etc.

Ms Taylor also informed of Money Matters Case Workers which had a huge demand on their services, this supported residents in claiming benefits or attending any required tribunals for instance.

There was a Silver Talk Service to help combat loneliness and isolation who worked primarily with the older generation however during the Covid lockdowns this service took off with younger people also accessing the provision.

They were currently working with Gentoo on the successful Bread and Butter Project with 400 people waiting to access services there was huge demand and they were looking to expand this.

In terms of new building programmes in Sunderland, this was extensive with £444 million investment. There had been 105 new homes in North Hylton which had been really popular and some of these had been Carbon neutral homes. Not all homes were carbon neutral but all had some level of green tech included.

45 new homes were planned in Redburn Row, Houghton Le Spring which were a mix of three bed family homes and two bed bungalows. Albany Park would see 75 new homes, again a mix of houses and bungalows.

Councillor Dixon referred to the Association being formed in 2017 and enquired if they only held new properties. Ms Taylor advised that they inherited other properties when they amalgamated in 2017 so some properties were 20+ years old and they also had supported housing from converted town houses via a project they ran with Gentoo.

Councillor Dixon commented that it appeared they had a commendable concentration on social help and enquired if this was their main ethos. Ms Taylor advised that this was a huge ethos for them as an organisation and one of their main core priorities as an anchor in communities they work in and have the ability to assist those residents. They also had a commitment from the Board that they would continue to do this. They did get lots of match funding in order to get these sorts of projects up and running.

Councillor Dixon enquired if there were challenges relating to the families coming from abroad, such as Africa that were being housed around the Park Lane area. Ms Taylor informed that there were people arriving from various cities for different reasons through specific programmes. The Syrian crisis had a programme in place to support those, albeit they may be temporary places and others may have come to visit family or to study although they were not seeing so much demand from those for their properties.

In response to Councillor Dixons queries, Ms Taylor advised that it wasn't within her remit but they had a whole development team who navigated the Planning System so she couldn't comment on if they found it difficult but could take any specific questions back to them. In relation to their relationship with Sunderland City Council she felt that they worked well with the Council who had recently adopted one of their systems due to the working relationship that they had.

Councillor Watson enquired as to which other housing providers they worked with. Ms Taylor advised that they worked with all that were in the North East, bits and pieces with Gentoo and also with Social Value in Communities.

In response to the Chairmans question over how they've addressed the damp and mould issues, Ms Taylor informed that after the recent tragedy that occurred in Rochdale they procured a dedicated team of surveyors and had recently undertaken stock conditions, some of which had already been uncovered and the aim was to get out within 5 working days to inspect any issues raised. They also looked at family circumstances as some residents were unable to afford to turn their heating on due to the cost of living crisis so they worked with people and referred them to the Money Matters Team to help claim any benefits available to assist with heating bills etc.

Ms Taylor also informed that they had a dedicated case management system so nothing could slip through the cracks.

The Chairman enquired as to where their offices were located. Ms Taylor advised that they had offices in County Durham, Newcastle and Morpeth/Hexham but their ethos was take the service to the customer and could do this online or phone based. In terms of their delivery model, their Housing Officers had really small patches to cover so they tended to do their business out in their communities.

In response to the Chairmans query over their repairs teams, Ms Taylor confirmed that these were in house and they had a huge workforce and it was only the very specialist trades that they did not employ and had to go out to third party contractors for. It was a struggle in terms of recruitment for gas engineers and electricians but they had lately completed some recruitment fairs, so it wasn't as troublesome more recently.

Ms Taylor also informed that they had recruited for a Housing Officer and had received over 700 applicants which had been a positive.

There being no further questions for Ms Taylor, the Chairman thanked her for her attendance.

In response to Councillor Dixons suggestion that all the key issues raised by representations be compiled into a report or document, Mr Diamond advised that he would put this together.

2. RESOLVED that the report be received and noted.

The Chairman thanked everyone for their attendance and closed the meeting.

(Signed) M. BURRELL,
Chairman.