

At a meeting of the ECONOMIC PROSPERITY SCRUTINY COMMITTEE held in the COUNCIL CHAMBER, CITY HALL on TUESDAY 8TH MARCH 2022 at 4.30 p.m.

Present: -

Councillor D. Snowdon in the Chair

Councillors Ali, M. Dixon, Edgeworth, Fagan, Greener, Laws, Price and Warne.

Also in attendance: -

Ms Gillian Robinson, Area Co-Ordinator, Sunderland City Council
Mr Paul Wood, Principal Governance Services Officer, Sunderland City Council
Mr Graham Scanlon – Assistant Director of Housing Services
Ms Katherine Corfield – Senior Strategy Officer, Sunderland City Council
Mr Nigel Wilson – Chief Executive, Gentoo
Ms Joanne Gordon – Development Director, Gentoo
Mr Neil Guthrie – Development Director, Sunderland City Council
Mr Anthony Crabb – Project Director – Sunderland City Council

The Chairman welcomed everyone to the meeting and introductions were made.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Taylor and Thornton.

Minutes of the Last Ordinary Meeting of the Scrutiny Committee held on 8th February 2022

A copy of the minutes of the last ordinary meeting of the Scrutiny Committee held on 8th February, 2022 was submitted.

(For copy report – see original minutes).

1. RESOLVED that the minutes of the last ordinary meeting of the Scrutiny Committee held on 8th February 2022 (copy circulated), be confirmed and signed as a correct record

Declarations of Interest (including Whipping Declarations)

There were no declarations of interest

Housing Issues Update

The Assistant Director of Housing Services submitted a report (copy circulated) to provide Members with an update on a range of housing issues facing the City.

(For copy report – see original minutes)

Graham Scanlon, Assistant Director of Housing Services presented the report and PowerPoint presentation along with representatives from Gentoo – Nigel Wilson, Chief Executive and Joanne Gordon, Development Director.

Councillor Laws commented that all could see that improvements had been made at Gentoo which was a positive and that whilst he did not wish to dwell on negatives, the situation brought up most by residents was with regards to the replacement of windows and enquired if the decarbonisation fund would be something that could speed up the process of having these replaced or if the results of Storm Arwen and its resulting costs would affect the schedules of replacing the windows.

Councillor Laws referred to the SARA/HALO projects ongoing in other areas of the City and enquired if there was anything in the pipeline for the Washington area, and if not, how we could get that going.

Councillor Laws also referred to the housing schemes in the pipeline and queried if there were any coming to Washington.

Mr Wilson commented that it was pleasing that the improvements made within the organisation had been noticed as a lot of effort had been made on this. In terms of costs of the storms, this was unprovided for in terms of budgetary terms as they didn't have provision to rectify the damage of seven storms in the space of three months and he didn't envisage many companies would. Therefore they had to just find the money from within their resources in the best way they could.

Mr Wilson advised that the decarbonisation programme would help support the work of the window replacement scheme but there was also the factors to consider with regards to availability of materials or contractors as there weren't enough of these available at present to do the work any quicker. This was regrettable as it did cause dissatisfaction amongst tenants so they had to prioritise in terms of worst damage first and then deal with the rest.

In relation to the SARA/HALO project, this was a collaboration in conjunction with the Police where it was determined which areas would best benefit from the projects based on intelligence.

Ms Gordon advised that from a development perspective they mainly developed holdings on land that Gentoo already owned and they were committed to develop all across the city and would work with the Council on this where possible.

In response to Councillor Warne's enquiry, Mr Wilson advised that whilst he did not have the exact detail, he believed that those people suspended from bidding for properties, lasted for a three month suspension and that he did not have the detailed

plan on specific areas which would have their windows replaced first/last he could look to confirm this at a later date.

Councillor Ali commented that in dealing with Mr Wilson, Gentoo and the Neighbourhood Co-Ordinators, it had always been very positive and easy to deal with. In relation to the £2 million spent to deal with Storm Arwen, Councillor Ali enquired if this would be covered by insurance or if it would result in tenants rent being increased.

Mr Wilson informed the Committee that they would receive some insurance but not a great deal as they self insured with only a small amount covered. The organisation would meet the repair bills through management of existing budgets as they were a business with an annual turnover of £160 million they had to be able to cope with that by drawing upon reserves.

Mr Wilson added that as a business they needed to generate an element of surplus each year to demonstrate to their regulators that they were still financially viable, this was done through careful and prudent management of budgets and resources.

Councillor Ali referred to the historical decision of installing single glazed windows and enquired what had happened there. Mr Wilson advised that unfortunately this decision had been made by his predecessors and the priority of funding was given on other areas such as fencing and other such repairs, areas that residents had wanted at that time. They could only deal with the legacy of those decisions made and put right what they could now.

Councillor M. Dixon informed of a tour of the North East previously carried out for Members highlighting the developments in areas such as Gosforth and enquired if those days were now gone. Mr Wilson advised that they still aimed to produce £2-3 million per year to generate a surplus and that they had developments in Prudhoe and Darlington ongoing still. The sites came down to affordability and marketability with most delivered in Sunderland but there were some alongside those sites.

Councillor M. Dixon referred to a number of planning applications brought forward at Planning and Highways Committees for rented properties, which he felt was commendable and enquired as to when they realised what their role had been in the mistake made in their business formula.

Mr Wilson advised that when the organisation had been downgraded to a 3 rating the Board realised the need for a refocus of business and to deliver clearly for it's tenants in Sunderland. 13 subsidiaries were disbanded and he came into the organisation over three years ago with the clear remit and focus on Sunderland.

In relation to Councillor M. Dixon's comment over the big turnover of staff within the organisation, Mr Wilson advised that they had looked at structures and organised as every business must do to ensure it was equipped in the right way to continue to modernise. There had been turnover, which they didn't hide from and this was either through choice with promotions or through poor performance but in the main they tried to stabilise the best they could.

Mr Wilson also added that he regularly gave out long service awards for 20,30 and 40+ years but on the flip side if you are forever stable you don't always get the fresh eyes and approach needed.

Councillor M. Dixon commented that Gentoo's reputation for workers on the ground was good after inheriting what he believed had been a poor public works so he hoped that they didn't lose too many good people and enquired as to their policy of using local people.

Mr Wilson informed that they were ruled by the terms of European procurement like everyone else and that they did use local people and wanted to encourage this and encourage wherever possible whilst being ethical and responsible.

Ms Gordon advised that in terms of new build construction they aim to work with 5 or 6 contractors across the local region.

In response to Councillor M. Dixon's enquiry as to the connection Gentoo has with Vistry and the Civic Centre development, Ms Gordon advised that there was no contractual connection and that they were currently negotiating terms to adopt the affordable housing element of the development but this was not yet agreed.

Councillor M. Dixon commented that the Conservative Party as a group would like to meet with Mr Wilson and he was sure other parties would also welcome having more close contact with him and Gentoo to be part of discussions and briefed going forward. Mr Wilson advised that he would be happy to do this and would talk to any group in any context should he be invited.

Councillor Edgeworth also wished to stress that he had found good relationships with the Neighbourhood Co-Ordinators and that he received a great deal of complaints from those residents in properties in the Grindon area which were ex gentoo properties and enquired if the tenant voice team were looking at engagement on their issues raised.

Mr Wilson advised that they could do, they didn't tend to have relationships with owner/occupiers but they were happy to have a conversation and if any areas were to come up then to get in touch.

Councillor Edgeworth referred to affordable homes and plots within Grindon which came out of the blue as they were not previously identified in plans and enquired if there were any other areas under threat of development that would result in further loss of green space. Ms Gordon advised that their 5 year plan was almost fully secured and they were here to deliver affordable housing for the City so if there was not enough brownfield land they would consider greenfield but it was not a priority to do this and they look to carry out their aims with as least disruption as possible.

Mr Wilson also wished to inform that the City continued to lose properties through the rent to buy scheme and there was a need to look at how to replenish these.

Councillor Fagan advised the Committee that many of the complaints she received from constituents were tenants of Gentoo experiencing damp/condensation and that the organisation seemed to push the blame onto the tenant and it never appeared to come to a satisfactory conclusion for the tenant.

Mr Wilson commented that the issue had become more prevalent with the reports on the news of awful conditions in London housing etc and there were issues in Sunderland with older properties, which needed to be kept warm and they did have properties where there was significant damp and these were being dealt with.

Mr Wilson advised that the tenants couldn't be blamed, especially with the current cost of living crisis they were experiencing and the costs to heat homes increasing evermore. Mr Wilson advised that first of all the properties needed inspecting and they hadn't always done this in the right way in the past.

In response to Councillor Fagan's enquiry over the two Councillors on the Gentoo Board and what role they brought to this, Mr Wilson informed that these were equal Board Members, not as Councillors, so they contributed in the same way as a regular Board Member. Mr Wilson stressed that he was not accountable for these and that they were nominated through Full Council.

Councillor Fagan referred to an existing housing estate at Hall Farm where there were a lot of owner occupier properties whose residents were complaining of very little work being done to the common areas and that they felt ignored. Mr Wilson stressed that they wouldn't ignore people but could not promise resources for everyone and unless the owner occupiers were willing to pay service charges the organisation was stuck between a rock and a hard place.

In response to Councillor O'Brien's enquiries, Ms Gordon advised that the difference in cost of rent between affordable and social housing stock was dependent on area of the City but it was around £10. In terms of rent increases this was set nationally and that she would be able to provide a breakdown of recent comparables.

Mr Wilson informed that if the Government supported the building of social housing rather than affordable housing then Gentoo would do so. Ms Gordon advised that the Government wanted more home ownership therefore there was a drive towards more shared ownership and rent to buy.

In response to Councillor O'Brien's suggestion of borrowing more to build more, Mr Wilson advised that they already borrow significantly and if they were to borrow over their funding amount they would not be able to deliver successful schemes and that Homes England only funded so much.

Councillor M. Dixon referred to previous comments made over the Right to Buy scheme and enquired if Mr Wilson was opposed to the Policy, as there were a lot of working class people of Sunderland who had been very happy to be a part of this.

Mr Wilson advised that personally he was opposed. If replacement homes were made available then he did not have a problem but people were being denied the opportunity to get rented accommodation as things stood.

The Chairman enquired as to the amount of properties left to receive the double glazing works and the timescales for this. Mr Wilson advised that there were over 4000 properties left and it was envisaged these would be completed by December 2023.

In response to the Chairman's enquiry over the tenant satisfaction surveys and what percentage of people responded, Mr Wilson advised that an external agency carried these out with a sample of tenants on a three year cycle. They were due to commission an external body to do a bigger scale survey across the City.

Turning to the presentation given by Mr Scanlan and Ms Corfield relating to Council Housing Issues, Mr Scanlan responded to Councillor O'Brien's query over the accredited social home status, that they all followed the government approach, the same as Gentoo and that the terminology over these needed separation.

Mr Scanlon further clarified that the City followed the affordable home guidance of 80% and that they used strategic analysis/work on market requirements to come up with the model used. The use of wider input of data by speaking to Together for Children and Adult Social Care about case load complexities in order to see what they would like to be provided also helped, consequently having huge affects on their budgets so it was strategic combined with anecdotal data.

Councillor Fagan commented that she liked the idea of the tenant passport schemes and enquired if there were any more schemes in the pipeline. Ms Corfield advised that these had been launched in November 2021 and were being promoted with landlords and also via social media channels.

Ms Corfield also advised of road shows promoting the offer, this was very new and they were looking to promote at all levels. Mr Scanlan informed that the road show was being sponsored by the East Area Committee and he would welcome other Areas of the City to do the same.

Councillor Ali referred to the number of empty properties and commented that this figure seemed low and he received a lot of complaints about the red tape involved to get funding in place and enquired if there were any plans to make changes to make this more effective and have more opportunities come to fruition. Ms Corfield advised that this was under review and some were harder to do than others. A review of the process for the Loan and Grant scheme was also under review but there was a need to ensure there was no risk to the Council but they were looking to review and simplify the process.

Ms Corfield also added that the number of empty properties brought back into use did look low but this was a long term process to do and there was only a small team who were really committed to see this through however it was a difficult process.

Councillor Ali commented that he welcomed the simplifying of the processes and commented that he believed we would see more landlords come on board via this.

In response to Councillor Ali, Ms Corfield advised that requests can be made for direct payments be made to landlords if rent was overdue after two months from tenants suffering from drug/alcohol issues for example and this was a difficult situation to unpick whether a vulnerable tenant should be in control of paying their own rent directly.

Mr Scanlon commented that critically it was about safeguarding support which was one of their strategic priorities.

Councillor Ali enquired if there were lists of residents evicted multiple times and commented that there were vulnerable people which it was not their fault they were in these positions and residents could not get any housing due to their records and queried if this was something that could be reviewed.

Mr Scanlon informed that this was something they were looking at via unlocking the private sector, arrangements to cover rent arrears and to support independent living. Mr Scanlon also commented that all individuals were different and could involve complex situations but they do have support mechanisms to wrap around people.

In response to Councillor M. Dixon's query if many people were ejected from hostels, Mr Scanlon advised that there were, every day for many reasons. There were many challenges, financial undertones which had to be managed with some people in hostels for years becoming institutionalised, so there was a range of complexities they were dealing with.

Councillor M. Dixon referred to a number of empty homes within the St Michaels Ward and enquired if properties had been vacant for the last 5-10 years if these could not be compulsory purchased and if there was a point where they would draw a line on this.

Ms Corfield advised that they do get to a point on occasions but there needed to be a level of evidence to show that they had exhausted every avenue. It was often a very long process but they did want to enforce when nothing else was working and was absolutely something they looked at.

Councillor M. Dixon referred to the Council House building programme and commented that he felt this was a good project, not competing with Gentoo and therefore he commended this and enquired if the adapted properties were included under the Right to Buy schemes. Mr Scanlon advised that the adapted properties were exempt from the Right to Buy scheme.

In response to Councillor Edgeworth's comment that those people reporting rough sleeping hadn't received a good response, Mr Scanlon advised that CSN pick this up through their normal route and the Team were looking at providing something, rather than a generic service.

Councillor Laws wished to commend Mr Scanlon and his Team for the Albert Place development which he believed would have lasting and positive impacts on those people's lives.

Councillor Fagan requested that as part of their reviews, they work with such organisations as Sunderland Soup Kitchen who had expressed frustrations that they had nowhere to signpost. Mr Scanlon advised that he had spoken to and was working more proactively with such organisations but also wished to caution that sometimes situations reported on social media and such like weren't always the reality. Mr Scanlon added that they would always work with such organisations as much as possible and he applauded the soup kitchen and hoped the complexities of cases put through there could be managed in a better way.

The Chairman commented on the Covid situation and certain landlords that had not maintained properties in the way they should during this time, resulting in damp etc

and that he knew the Environmental Health Team were doing the best they could, he enquired if there were any more feet on the ground now. Mr Scanlon informed that they now had two additional Environmental Health Officers to try and tackle the empty homes priorities.

Having fully considered the report, the Chairman thanked Mr Scanlon, Ms Corfield, Mr Wilson and Ms Gordon on behalf of the Committee for their attendance.

2. RESOLVED that the progress report be received and noted.

Household Waste and Recycling Managements Arrangements – Bin Replacement Policy

The Assistant Director of Housing Services submitted a report (copy circulated) to provide the Committee with an update on the Council's Waste Management arrangements and the review and proposed changes to the Bin Replacement Policy.

(For copy report – see original minutes)

Graham Scanlon, Assistant Director of Housing Services presented the report and was on hand to answer Members queries.

In response to Councillor Edgeworth's enquiry, Mr Scanlon advised that the review started around six months ago by gaining data from residents, the CSN requests, emails from Councillors and complaints from residents. This had picked up pace recently and had been a balancing act between budget availability and who needed it the most.

Mr Scanlon also advised that the budget proposals would not be widened at this point in time.

In response to Councillor O'Brien's queries, Mr Scanlon advised that the calculated cost to the Council had been based on worst case scenario and they would adjust the budget accordingly in 12 months' time when they had the extra data.

With regards to Councillor Fagan's query over opening this to more people on low income and the inclusion of Brown Bin service, Mr Scanlon advised that users of the Brown Bin service received this as part of that subscription and in terms of widening out, this had been the most appropriate way with cut off points in terms of assessments.

Councillor Laws referenced issues over bins at Gentoo properties where in some cases there was not enough provision, secure locations or bins were stolen and in essence it appeared the Council were subsidising Gentoo. Councillor Laws queried if there were some way to work with Gentoo so the full cost wasn't put upon the Council/Tax payer.

Mr Scanlon informed that they had tried to increase the number of bins or the size of the bins in the areas Councillor Laws referred to and they were working with Gentoo, who had provided some funding and they were trying to make Gentoo more responsible in some of those cases.

Having fully considered the report, the Chairman thanked Mr Scanlon for his attendance.

3. RESOLVED that the progress report be received and noted.

Siglion – Progress Report

The Executive Director of City Development submitted a report (copy circulated) to inform Members of the progress being made in delivering the regeneration of a number of key sites within the City.

(For copy report – see original minutes)

Neil Guthrie, Development Director and Anthony Crabb, Project Director presented the report along with a PowerPoint presentation and were on hand to answer Members queries.

Councillor Greener queried if there were any thought of investing and developing underneath the Spire Bridge as it was an important area that often gets overlooked. Mr Guthrie advised that this was under Council ownership and a development strategy was coming forward soon. It was a huge opportunity but did suffer from Industrial land use legacy's which needed to be unlocked for residential use. Mr Guthrie added that there was real market demand to bring that site forward but a lot of remediation was needed to bring this forward.

In response to Councillor Law's query over the Thompson print works, Mr Guthrie advised that the Council was in the process of acquiring this with the long term ambition for residential/industrial use on Sheepfolds.

Councillor Laws commented that he agreed this was the way to go and suggested they look towards similar schemes completed at Ouseburn. Councillor Laws also queried why the Stack/Seaburn Inn pathways improvements were done afterwards and not at the time of development. Mr Crabb advised that as this had been a Council led scheme it was subject to funding available at the time.

Councillor Edgeworth commented that it was really good to see nice things happening to the city and enquired if the historic names would be kept in relation to street names for the housing on the Vaux development. Mr Guthrie confirmed that it was the intention to retain the historic names and incorporate these into the development.

In response to Councillor Fagan's query over the Potter's Hill Development and what type of businesses were involved, Mr Guthrie advised that they would be smaller retailers as it was not a massive space and it would be market led.

The Chairman commented that it was nice to see development going on in the City with the Vaux site and the surrounding areas and that it was exciting times for the City.

Having fully considered the report, the Chairman thanked Mr Guthrie and Mr Crabb for their attendance.

4. RESOLVED that the progress report be received and noted.

Annual Work Programme 2021-22

The Scrutiny and Members Support Co-ordinator submitted a report (copy circulated), to provide options, provide support and advise Members on the development of the scrutiny work programmes for 2021/2022

(For copy report – see original minutes).

Ms Gillian Robinson, Area Co-Ordinator presented the report for Members information

5. RESOLVED that the information contained in the work programme for 2021-2022 be noted.

Notice of Key Decisions

The Scrutiny and Members Support Co-ordinator submitted a report providing Members with an opportunity to consider the items on the Executive's Notice of Key Decisions for the 28-day period from 21st February, 2022 (copies circulated).

(For copy report and notice – see original minutes).

Ms Gillian Robinson, Area Co-ordinator reminded Members to get in touch if they required further information on any of the items included in the notice.

6. RESOLVED that the Notice of Key Decisions be received and noted.

The Chairman thanked Members and Officers for their attendance and closed the meeting.

(Signed) D. SNOWDON,
Chairman.