

SURREY

8th December 2022

Surrey Housing, Homes & Accommodation Summit



Project Scope

This is a broad, contextual piece of work looking across the county and all 11 districts and boroughs, complementing the detailed in-depth work and analysis already carried out by those local authorities into their own local housing need, demand and supply.

Nothing in the work that has been done cuts across the sovereignty of the Districts & Boroughs.

This project was tasked at looking at evidence in five key areas:

1. Affordability of housing & accommodation
2. Supply of housing & accommodation
3. The interface with health and deprivation
4. The interface with inward investment
5. Climate change & 20-minute-neighbourhoods

Research Methodology



Fortnightly Steering Group Meetings



Desktop research and data gathering from publicly available sources



Over 30 one-to-one stakeholder meetings



Four thematic workshops

STAKEHOLDERS

A selection of the stakeholders who participated in interviews for this project:



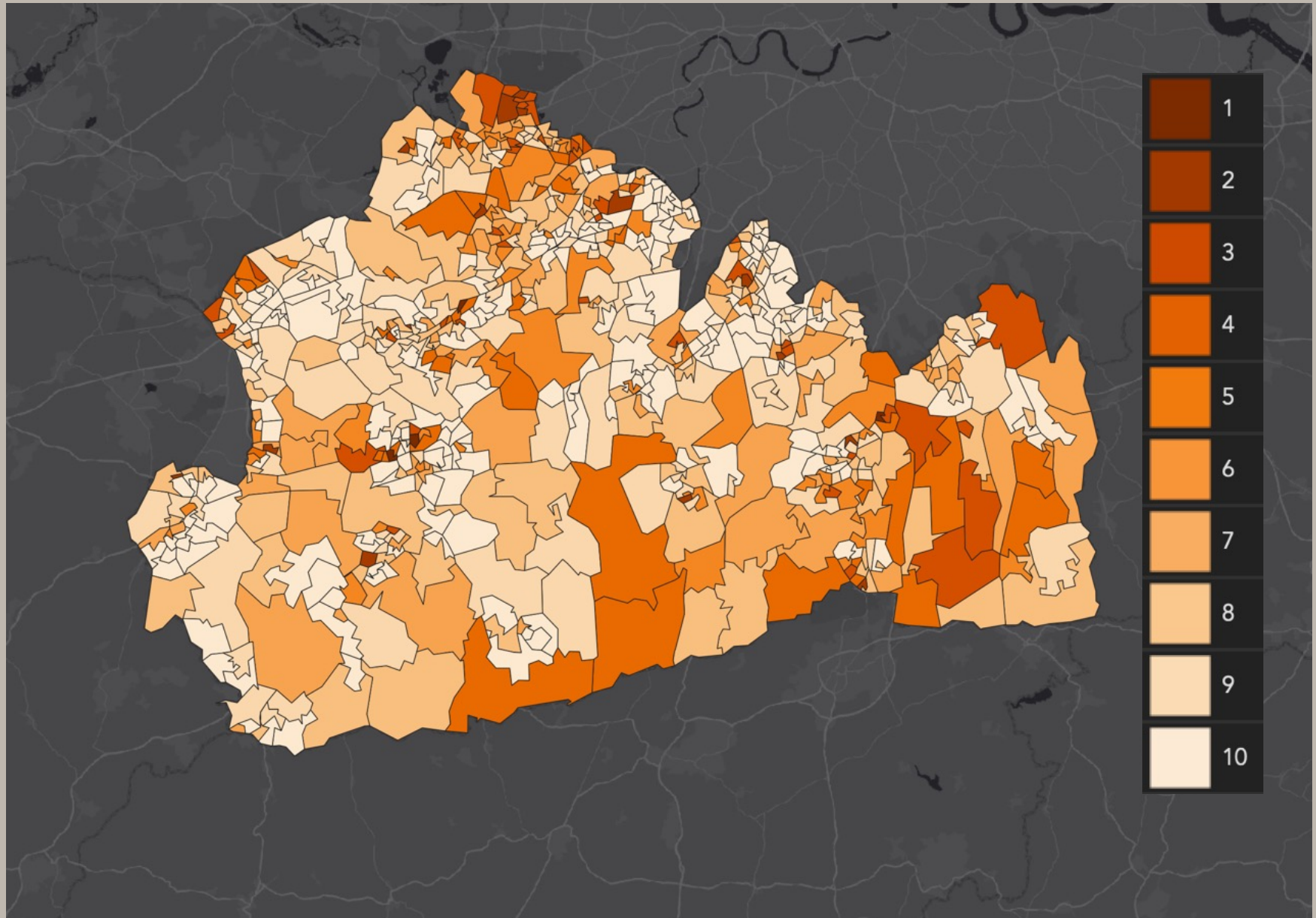
£1 MILLION BRITAIN

What it's really like to live in Elmbridge, Britain's answer to Beverly Hills

One in three homes in the pricey Surrey leisure-and-pleasure borough is worth £1m or more

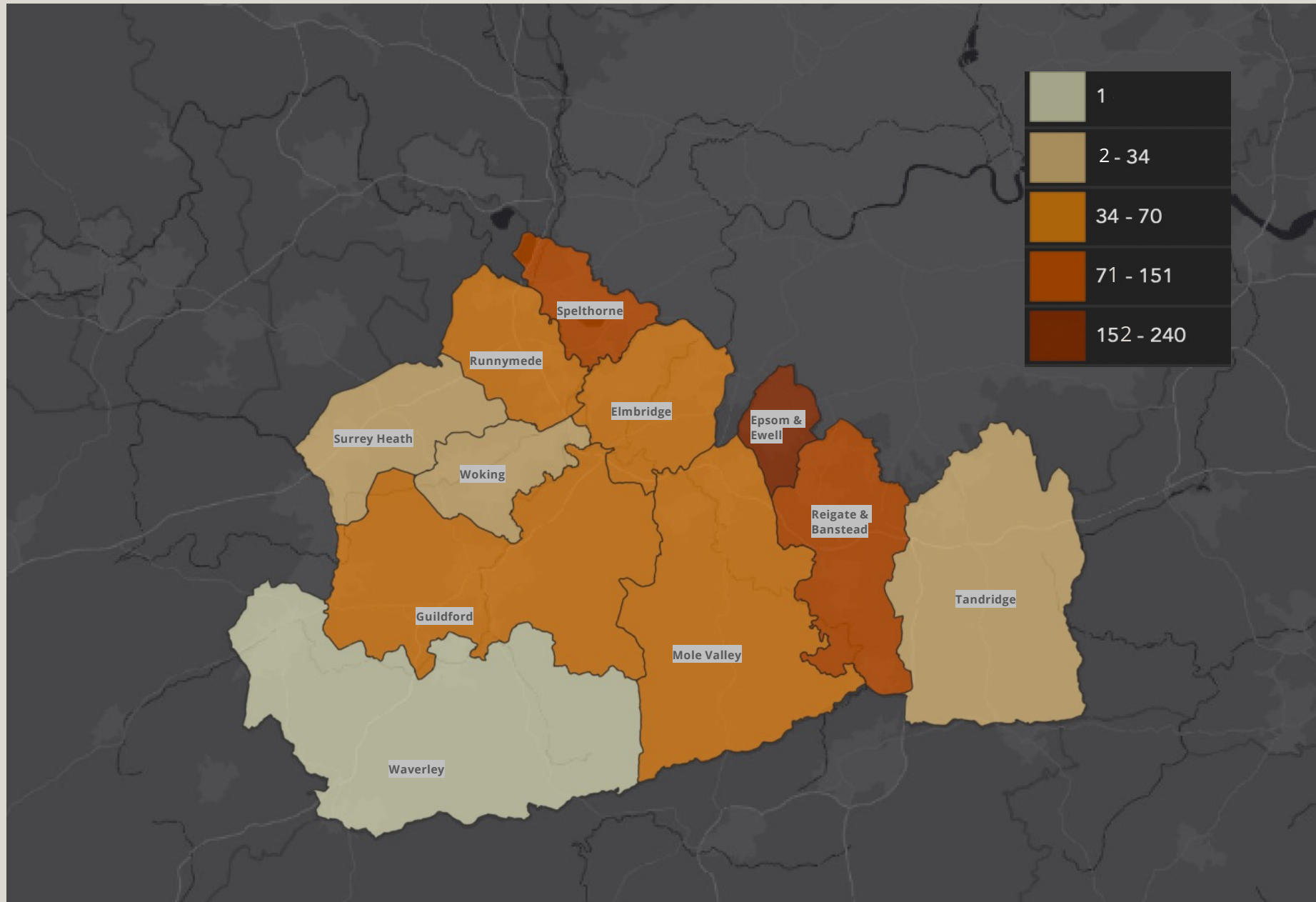


Indices of Multiple Deprivation 2019



The number indicates the decile rank. For example: 1 means that the area is within the 10% most deprived in the country. 2 means 20% and so on.

Number of Statutorily Homeless Households in Temporary Accommodation, Q1 2022

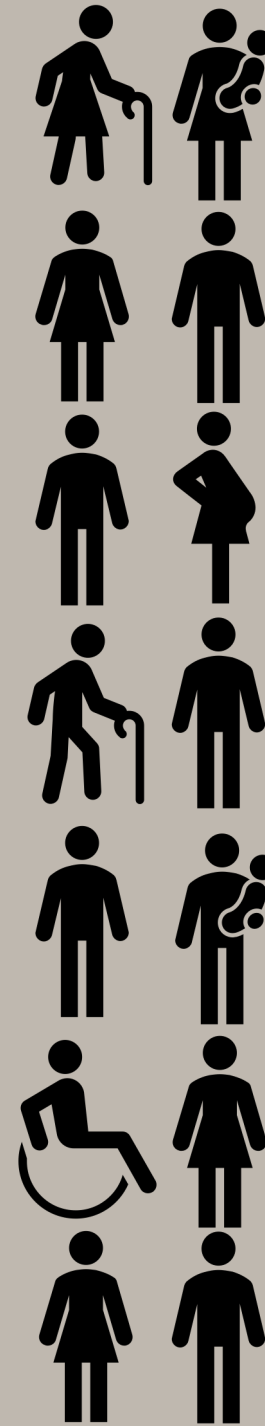


Source - DLUHC, Detailed local authority-level tables, January to March 2022

1788
Social Rent
homes built
2011-21

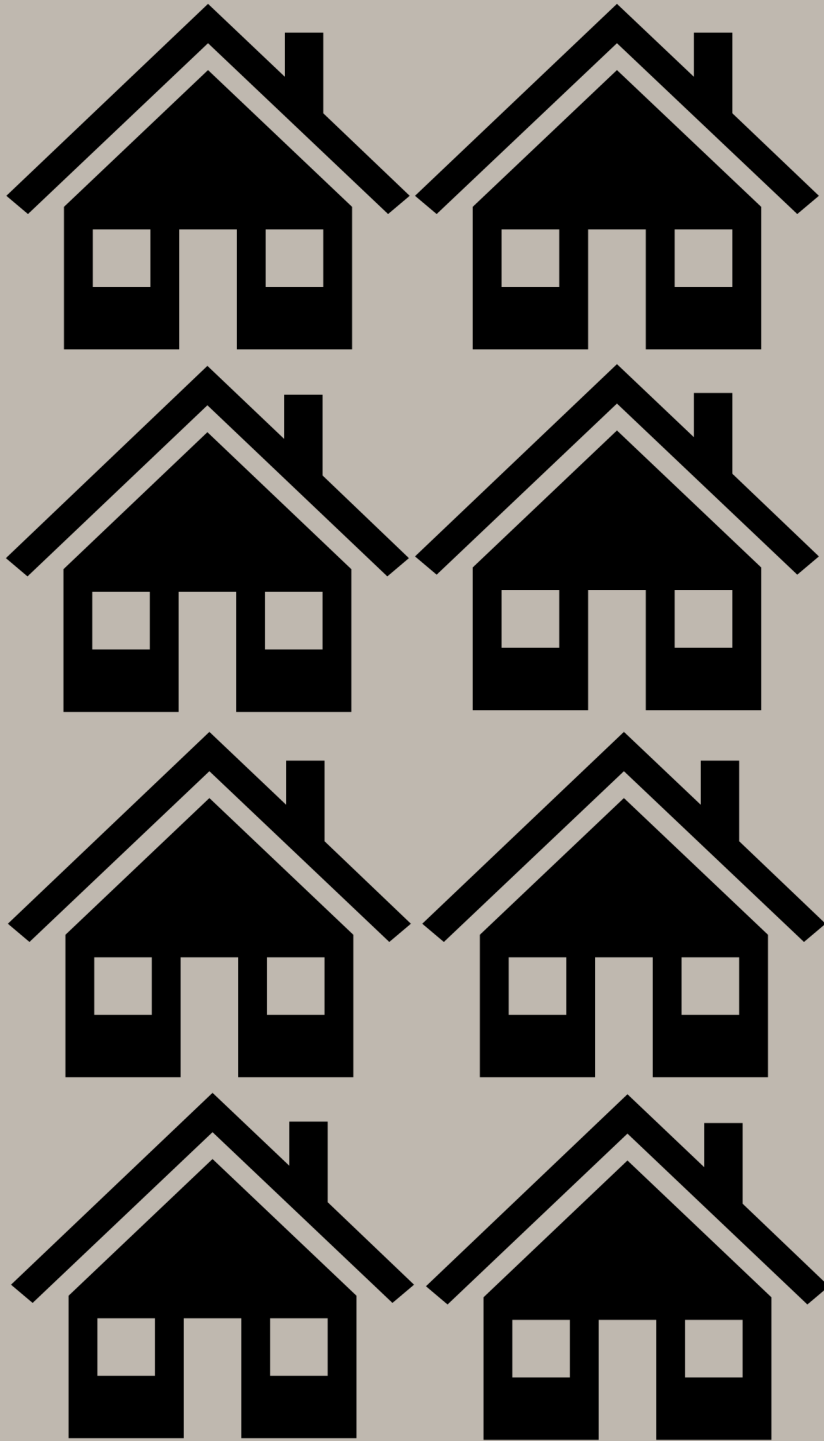


2923
Affordable Rent
homes built
2011-21



14,134
Currently on
Housing
Waiting Lists
across Surrey

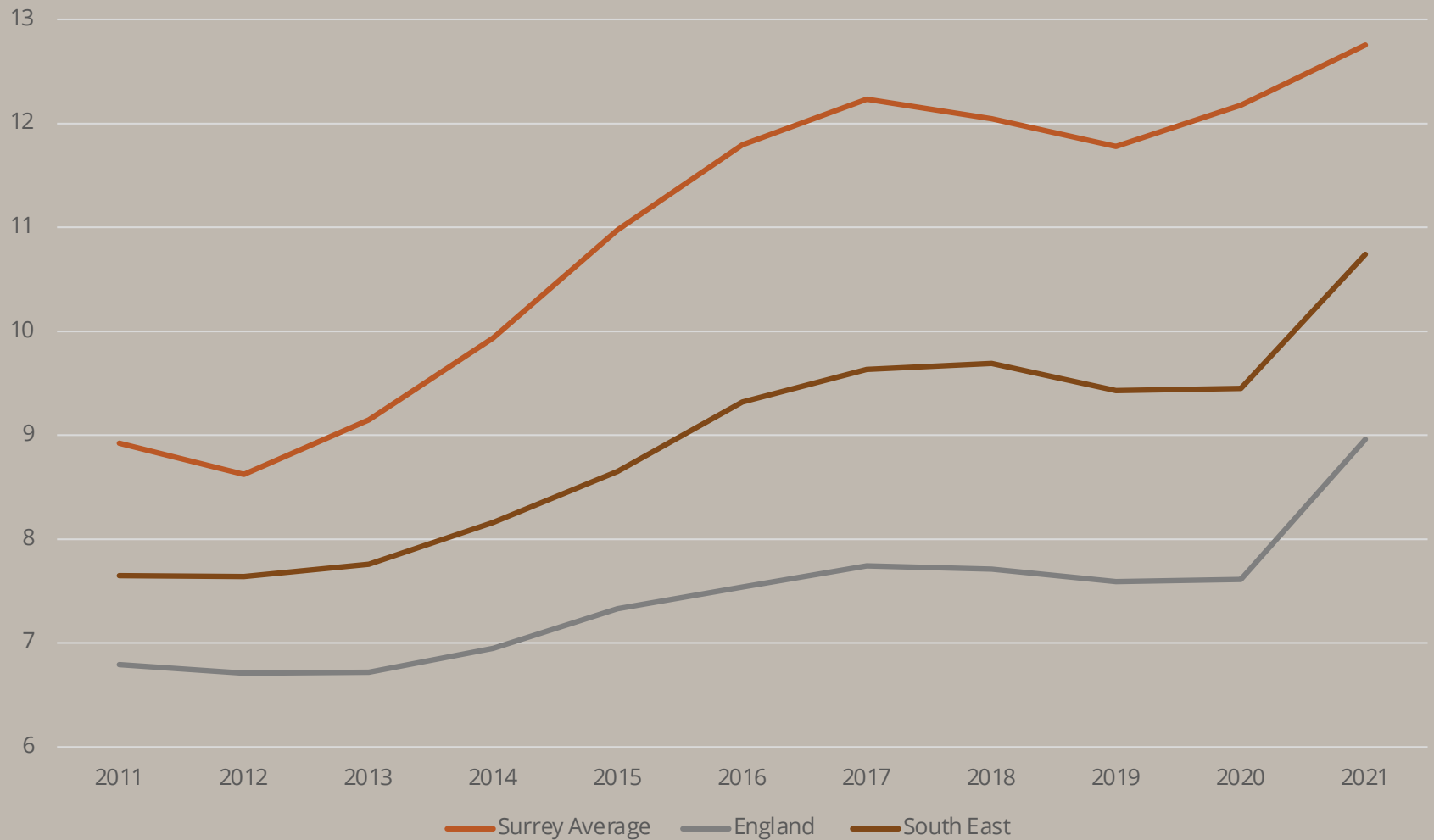
DEMAND & DELIVERY



87%

*Average Surrey
performance against the
Housing Delivery Test*

Ratio of median house prices to median gross annual income



Surrey is not only more unaffordable for private ownership than England or the wider South East, it's also become more unaffordable more quickly, with the ratio rising 50% since 2011, compared to 40% across the wider South East.

AFFORDABILITY

50%

*10 year increase
(2011-2021) in
house price
unaffordability*

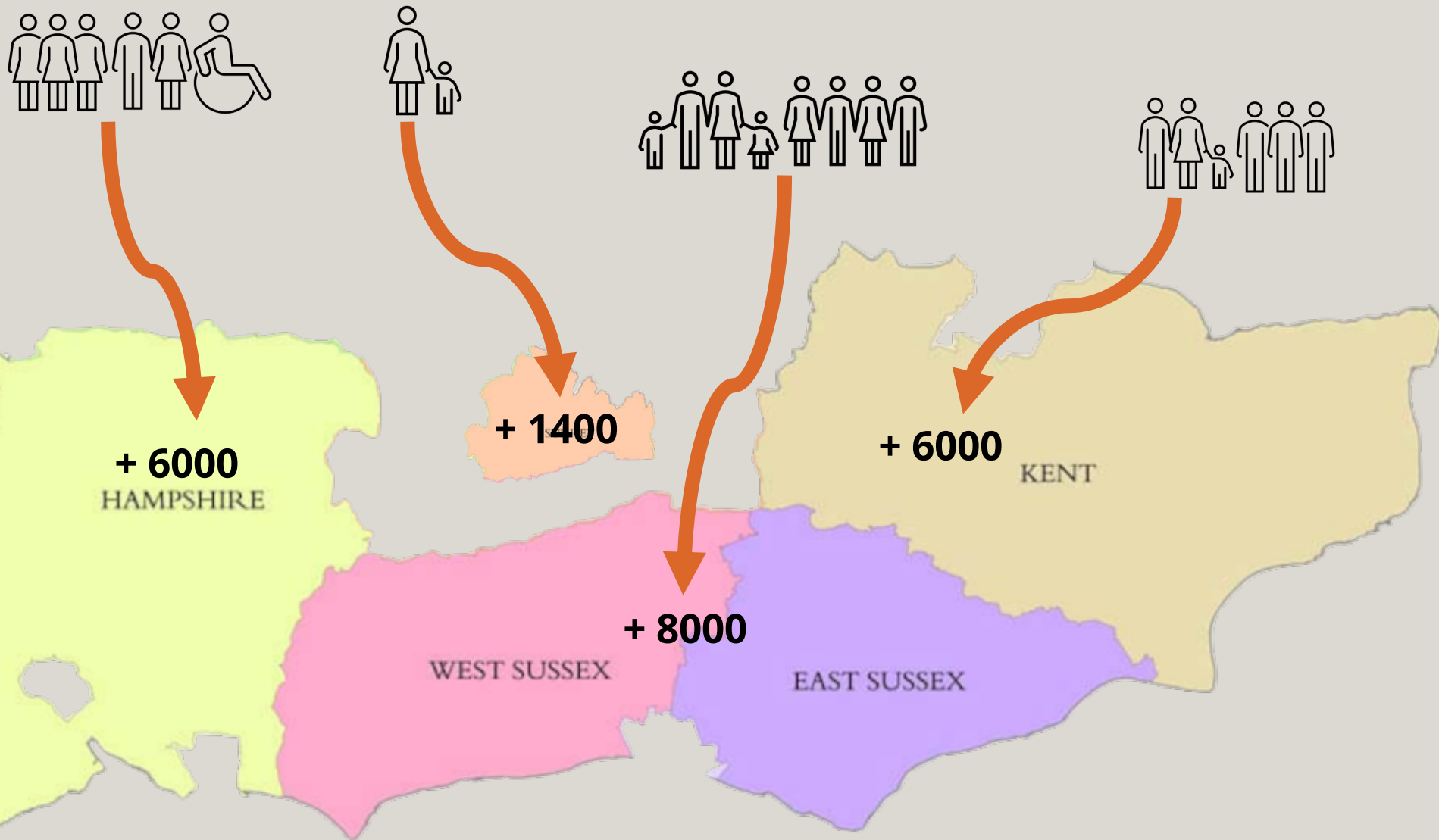
12.75

*Median earnings to
house price ratio*

*Greatest number of residents
leaving in the whole South East
(YTD June 2020)*

59,058

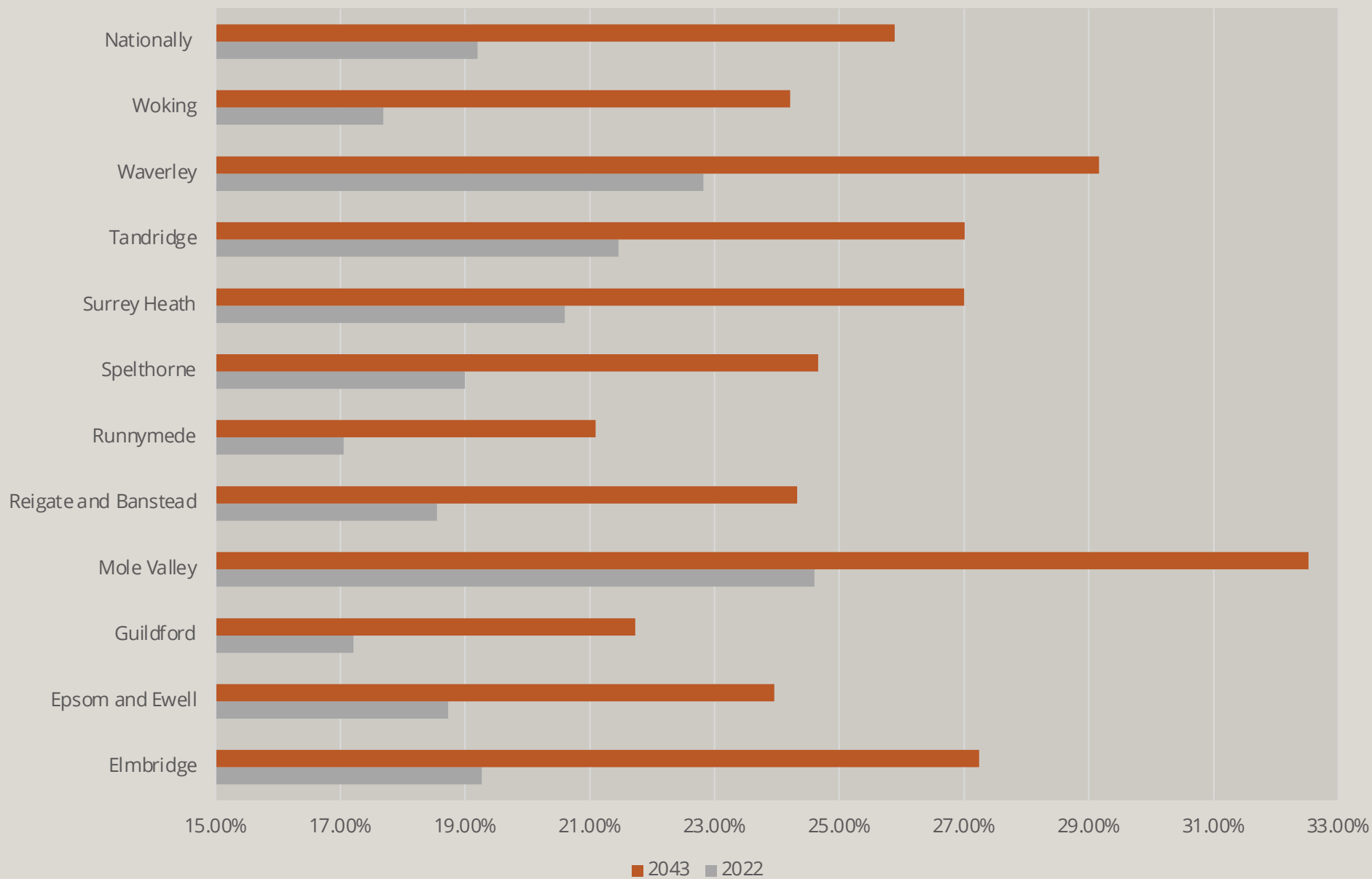
INTERNAL MIGRATION



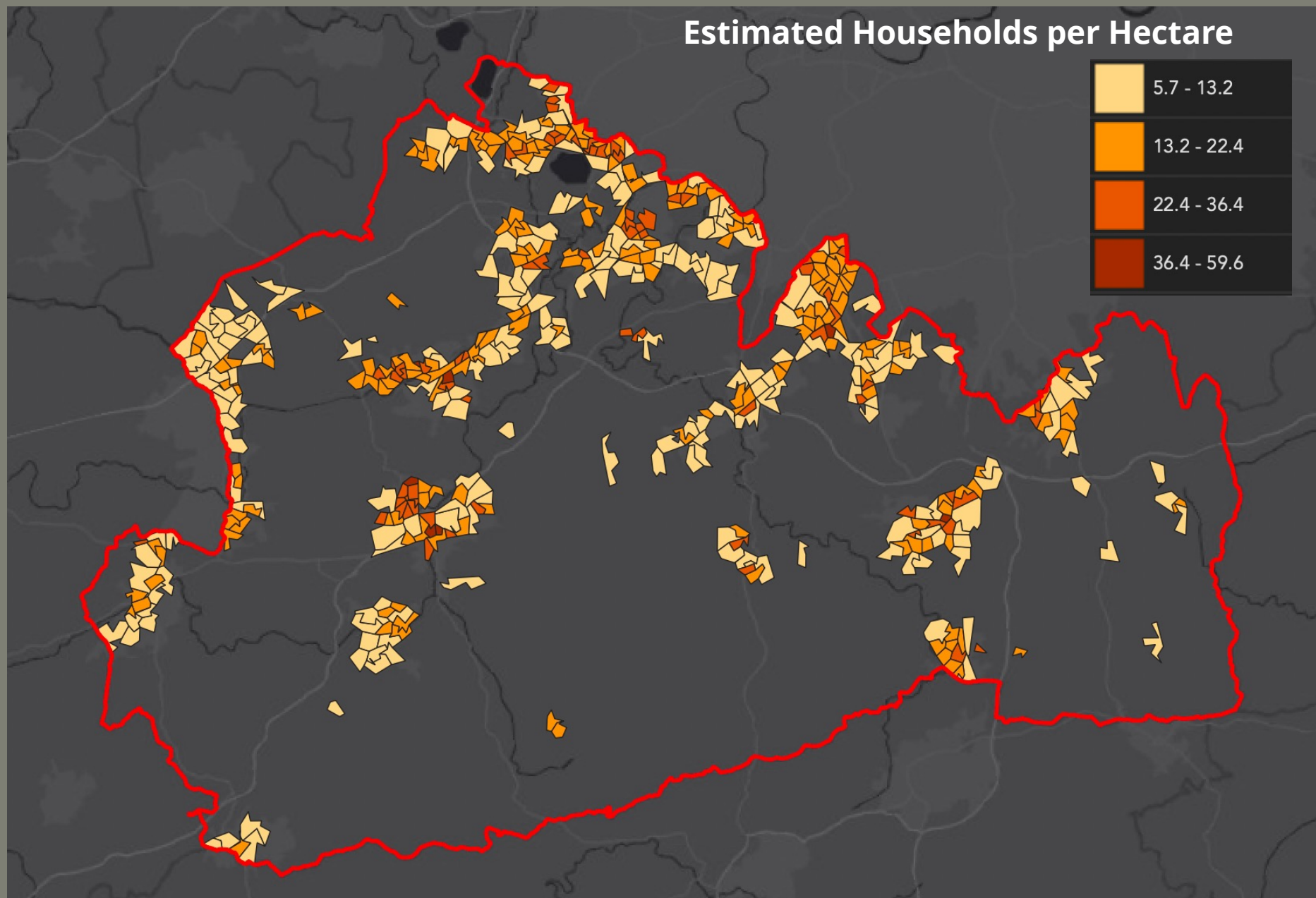
Surrey's net domestic migration in 2019-20 was 23% that of Kent or Hampshire and just 17.5% that of East & West Sussex combined.

These figures exclude urban unitary authorities like Portsmouth, Southampton, Brighton & Hove, or Medway.

Share of Population Aged 65+ in 2022 and 2043

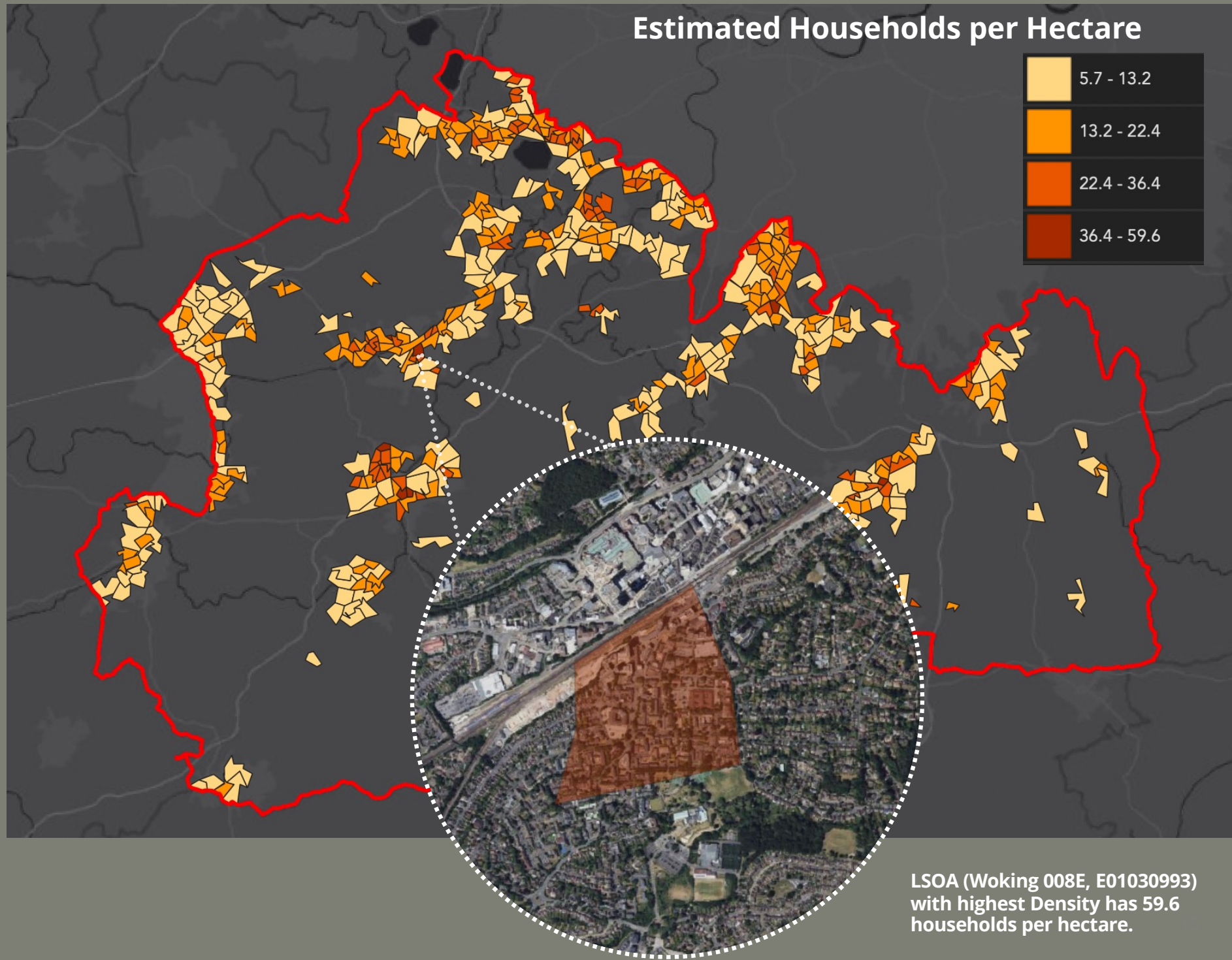


20 MIN NEIGHBOURHOODS

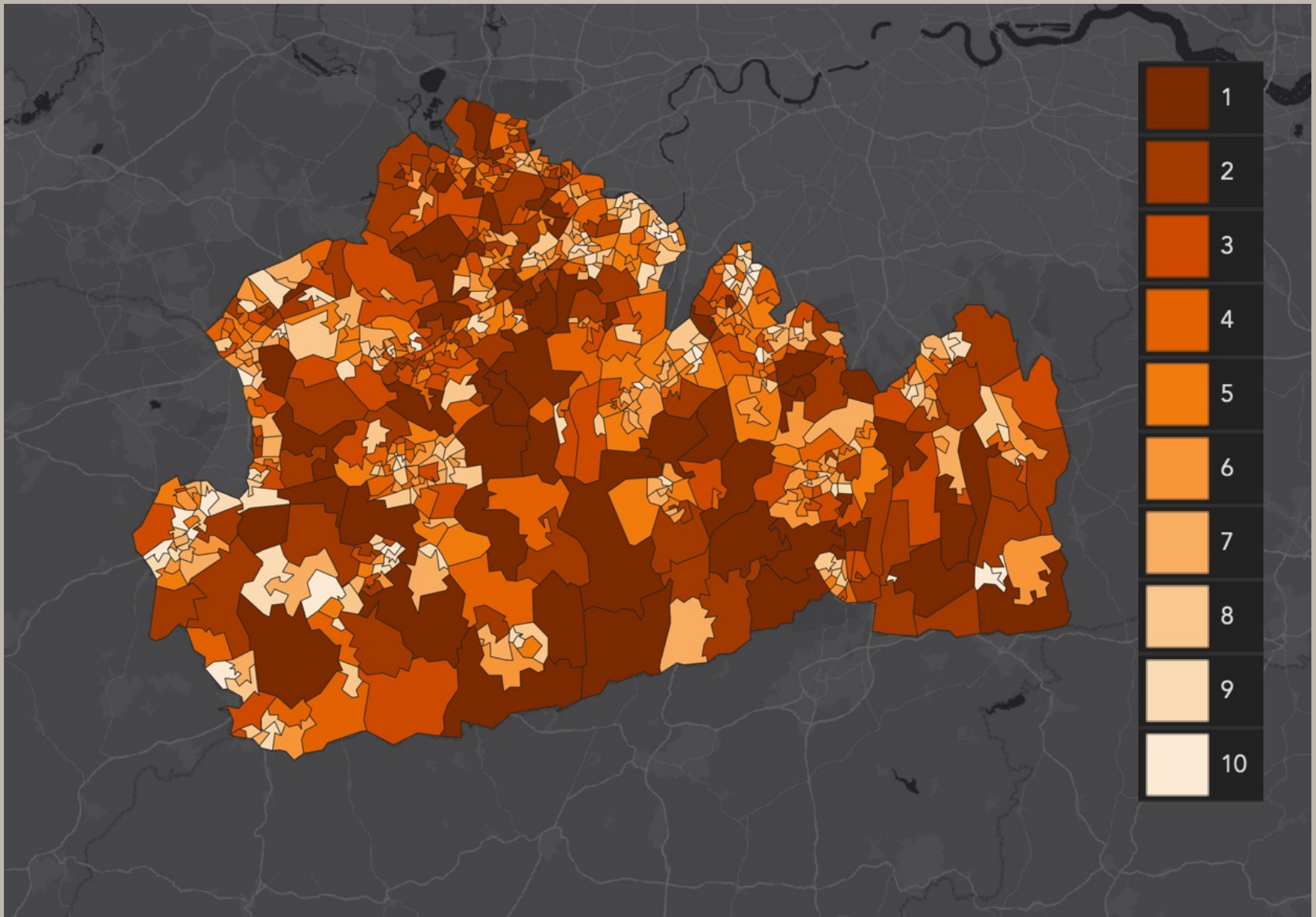


Source - ONS 2020 Population Estimates and 2011 Census for average number of people per household

20 MIN NEIGHBOURHOODS



Indices of Multiple Deprivation 2019 – Domain of Deprivation: Barriers to Housing and Services



The number indicates the decile rank. For example: 1 means that the area is within the 10% most deprived in the country. 2 means 20% and so on.

Looking at the quantitative data, the policy review, and the conversations we've had there are a number of priority themes that emerge across Surrey:

- Partnership Working
- Support for Vulnerable Residents
- Affordability
- Public Sector Land & Delivery Capacity
- Delivery Capacity
- Climate Response
- Under-Occupation & Ageing Population

Running through all of these is the importance of the interface between housing, health and well-being.

PARTNERSHIP WORKING

"We all worked so well together in COVID, we're good in a crisis... but this is a crisis"

"We can't just carry on as we have been and doing it all ourselves"

"Everyone's budgets are stretched, everyone is over capacity but sometimes it feels like we're protecting resource instead of working in partnership for the people of Surrey"

PARTNERSHIP WORKING

A theme running through all conversations was about both the desire for greater partnership working across Surrey, and frustration at the unrealised potential in the face of high demand and need.

This was brought home strongly with the praise for the effective partnership between district and borough councils, and Surrey County Council Public Health, during the pandemic in the provision of emergency accommodation for very vulnerable adults between 2020 and 2022. There was also a lot of positivity around work between local authorities on refugee and asylum provision.

However, many participants pointed to a lack of partnership between key players across the county, in relation to the provision of housing and accommodation and that, despite multiple forums for discussion, the scale of opportunity for partnership working was not yet being realised.

A question we heard asked in different ways by a wide range of participants was *“How is the case for investment in housing in Surrey being made? And by whom?”*

There are competing priorities around housing and accommodation in Surrey and there is a clear opportunity for a more joined up and strategic approach to attracting further investment in all types.

In this research we have seen significant amounts of common ground in policy aspiration and in the challenges faced. The foundations for a strong partnership approach to tackling common issues is there.

SUPPORT FOR VULNERABLE RESIDENTS

"We aren't doing preventative work anymore; it's just mopping up the consequences of market failure"

"Post COVID it's just a tsunami of health issues... more homelessness... more complex needs, mental health problems.... housing is just picking up the slack"

"Everyone's budgets are stretched, everyone is over capacity but sometimes it feels like we're protecting resource instead of working in partnership for the people of Surrey"

"There's funding for minimal support for high-needs people, but they need almost full-time care, but then they get nothing. It's so frustrating"

SUPPORT FOR VULNERABLE RESIDENTS

While there was considerable praise for the effective 'partnership in a crisis' approach taken by councils during COVID, there was a wider feeling that a system under considerable strain is marked by territorialism.

There was particular frustration expressed that *"housing is picking up the slack"* from a lack of funding or provision for high-needs families or individuals and that problems were being passed around, rather than being resolved in partnership.

This was the one area where it felt that not only was delivery fragmented, but there was no shared sense of purpose or common endeavour that would bring potential partners together out of their siloes. The fraught and pressured environment, that many of the professionals we spoke to operate in, means that there's limited space or time to address these questions with a strategic long-term view: *"Every day is crisis management now"*.

Given the rate of housebuilding, the cost-of-living crisis and the extant levels of need there is a looming question about how multiple agencies and organisations, all acting within constrained budgets and resource, work better together to maximise what they have for the benefit of residents who need that support.

AFFORDABILITY

"It gives a lot of stress to people, you see it on them, the lack of housing, the lack of a decent place, where they want to be... it means they're less productive and it's worse for business in that respect too."

"We made a very senior job offer recently, and on a good salary, and [they] had a look round here and decided it wasn't worth moving."

"It's just impossible for first time buyers in Surrey, there might be pockets.... but now you have to factor in travel time and fuel costs... I just don't know"

"We all had concerns about Affordable Rent when it was introduced, but now we see homes going to low priority families because high need families just can't afford them, so they stay in TA"

AFFORDABILITY

Despite the median income levels for the county being higher than the national or regional levels, the house price affordability ratio across the county is also higher than comparator areas and has accelerated by more than the wider South East, suggesting an issue across the board but a particular concern for those earning under the median wage.

Consultation responses suggest this is impacting on filling job roles across a range of sectors, from essential workers to senior level managerial roles. This is supported by the data suggesting the lowest level of in-migration to the county across all its comparator areas (and net population loss in some parts).

Whilst efforts to deliver affordable housing across the county are demonstrable and ongoing; the percentage of the overall stock of the county remains low and far below the supply required to meet demand. The majority of affordable rented housing over the past decade has been at Affordable rather than Social rent, placing this tenure out of reach of many families subject to benefit caps. Private home ownership is particularly high in the county, a historic feature of Surrey but one that is now contributing the lack of supply of affordable housing.

Affordability is, without doubt, a growing national issue but the data and consultation suggests that the situation is particularly pronounced in Surrey, making it a less feasible option for households to move to the county and/or businesses to locate here.

UNDER OCCUPATION & AGEING POPULATION

"Our sheltered housing isn't desirable, but we can't afford to redevelop so we've expanded the age range... but now it's multigenerational... 55-year-olds and 105-year-olds.... it wasn't designed for that."



UNDER OCCUPATION & AGEING POPULATION

The data clearly indicates an issue of under-occupation in Surrey which is exacerbating the housing supply problems and reducing the stock available to house families. Again reflective of the regional picture for the south-east but a significant contributing factor to housing supply problems.

Through the consultation undertaken, this is felt to be attributable, at least in part, to the gap in provision of appropriate specialist/extra care/supported housing units that would enable older residents to move out of their family home as well as a lack of suitable accommodation for those looking to downsize.

This anecdotal evidence is supported by the data on ageing population for Surrey which indicates considerable growth. This is not unique to Surrey (and reflects the national picture) but clearly demonstrates pockets of particular growth in older residents within the county and a rate of growth exceeding the national picture in some areas

Although this issue is not just one about having the right housing stock but also the right support and incentives in place to encourage a move out of the family home.

PUBLIC SECTOR LAND & DELIVERY CAPACITY

"We'd love to build.... but where? We have no land"

"We can't wait for the market.... you could be waiting 1,000 years for a home"

"Some have really grasped the nettle and are tackling the tough stuff, it's impressive, but it comes at a cost and that has a chilling effect on others."

"[we worry about] the sheer administrative burden of getting back into housing: the time, the money, the resource"

LAND SUPPLY

From across the county we heard the same response about land. First, that most councils who are seeking to develop don't have much, if any. Second, that there was a feeling that the County Council didn't have a process for working with districts and boroughs on identifying land within their boundaries that could be developable beyond the Call for Sites in the Local Plan process.

From within SCC we heard that the process for identifying land as obsolete was best described as 'iterative', with service areas effectively able to put a hold on land that 'might be needed' in the future. When land was identified as suitable for disposal the County's policy, after 12 years of austerity, is to seek the best return on the land for the public finances.

There is serious appetite from local authorities and RSLs to bring forward land in the public interest, but they are not able to compete with the open market on price.

Stakeholders who work within Surrey and elsewhere across the country described the situation in Surrey as 'unusual' in not having a well-developed partnership around public land held by all local authorities.

We see significant alignment in policy aspirations and strategic ambition around housing from all partners in Surrey, and the potential for a collaborative approach to assets to deliver this agenda.

DELIVERY CAPACITY

From all sectors in Surrey there are outstanding examples of work being undertaken to deliver more homes, of all tenures, meeting a wide range of need and demand in the county.

Several councils have more than exceeded the tests set by government, and were praised by external organisations for having *“grasped the nettle”* on town centre regeneration and brownfield land.

In Spelthorne we were struck by the ambition of the council in setting up Knowle Green Estates, a wholly-owned council delivery company, which has already delivered a range of affordable homes in Spelthorne.

Elsewhere, we’ve seen effective partnerships being put in place between RSLs and Housing Associations, as with Raven and Reigate & Banstead, with a real focus on delivering more genuinely affordable homes.

However, we also see significant risk to capacity across the county:

First, changes in housing associations over recent years have seen many local HAs absorbed into larger national organisations, who some participants felt weren’t so focused on Surrey.

Second, many participants felt that councils who no longer held stock were concerned about *“the sheer administrative burden of getting back into housing: the time, the money, the resource”* which could lead to ‘delivery deserts’ if a siloed approach is pursued.

Third, we heard again and again about the challenges of estate regeneration, particularly for older people’s bedsits from the 1960s and 1970s, given the rules that Homes England operates within to not fund replacement units.

CLIMATE RESPONSE & 20 MINUTE NEIGHBOURHOODS

"You need density to make this real or it's just 20 minutes in a traffic jam...."

"Historically Surrey has marketed itself as the detached-house-with-space-for-two-cars sort of place"

"We will keep investing in new supply, but money is being pulled into existing stock, into retrofit, and having to cover the cost of replacement... so there'll be fewer affordable homes built as a percentage of new supply."

"You can't spend the same pound twice, if we spend it on retrofit then we can't spend it on a new home"

CLIMATE RESPONSE & 20 MINUTE NEIGHBOURHOODS

The response to the climate crisis in this study fell into one of three related areas:

- 1) Changing investment priorities away from new housing development and into retrofit and refurbishment of existing homes.
- 2) Anxiety over climate-based resistance to new homes and new housing.
- 3) A scepticism about what 20-minute neighbourhoods would really mean in decision-making terms.

Priorities for stock-holding bodies, whether councils or housing associations have changed. There is significantly more focus on improving existing stock where possible, and a growing conversation about consolidating stock where that isn't financially possible.

There was concern that the Climate Crisis would become a focal point for opposition to new homes, without a compelling case from the outset about the long-term social, economic and climate benefits of that housing.

Several participants pointed to densification in Woking as a '5 minute neighbourhood' in the making, but questioned what this would mean elsewhere in existing low-density suburbs across much of the county, and whether there was a plan for testing and delivering in practice.

SURREY HOUSING, HOMES & ACCOMMODATION STRATEGY

Following today's Surrey Housing Summit we will start drafting the full strategy.

This will include:

- The evidence gathered over the summer
- The feedback from 121 meetings over the summer
- The outputs from the four thematic workshops held in the autumn
- Our learning from the Surrey Housing Summit on 8th December.

- A Call to Government: what we've heard from partners about what needs to change nationally

- A Call to Action: how we believe partners can work differently to deliver better outcomes for Surrey residents

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