

SURREY COUNTY COUNCIL**CABINET****DATE: 28 MARCH 2023****REPORT OF CABINET MEMBER: SINEAD MOONEY, CABINET MEMBER FOR CHILDREN AND FAMILIES****LEAD OFFICER: MICHAEL COUGHLIN, EXECUTIVE DIRECTOR FOR PARTNERSHIPS, PROSPERITY AND GROWTH****SUBJECT: A HOUSING, ACCOMMODATION AND HOMES STRATEGY FOR SURREY****ORGANISATION STRATEGY PRIORITY AREA: A GREENER FUTURE, THRIVING COMMUNITIES, NO-ONE LEFT BEHIND AND GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT****Purpose of the Report:**

To set out a draft strategy for Housing, Accommodation and Homes for Surrey, for adoption and promotion by the County Council.

Recommendations:

It is recommended that Cabinet:

1. Endorse the benefit of and approach taken to initiating and developing a county-wide strategy for Housing, Accommodation and Homes,
2. Adopt the strategy and encourage others to do likewise in a spirit of collective endeavour to address the evidenced housing crisis in Surrey.
3. Delegate authority to the Cabinet Member for Children's Services and Housing and Executive Director for Partnerships, Prosperity and Growth to make any necessary final amendments to the strategy following a period of public consultation.

Reason for Recommendations:

The baseline assessment undertaken as part of the work of developing a strategy makes clear the challenges in housing, accommodation, and homes in Surrey, with advisors describing the situation as a crisis. While recognising the sovereign responsibilities and service responsibilities for Housing and Planning of other organisations, the strategy sets out a 'Call to Government' and a 'Call to Action' to which everyone involved in housing in Surrey is encouraged to contribute.

Executive Summary:

1. Housing plays a fundamental part in people's wellbeing, their employment, health and relationships. Housing conditions, accessibility and mix are key determinants of a thriving and sustainable workforce and economy. Housing also links strongly to

poverty, including fuel poverty, the cost of living as well as climate change and net zero ambitions.

2. In response to strong economic, health and community drivers and powerfully voiced concerns to improve housing, accommodation and homes in Surrey, a baseline assessment was initiated and produced highlighting the current state of housing accommodation and homes across Surrey, as the foundation for a partnership strategy.
3. The baseline assessment presents a rich picture of housing need including for the following groups and typologies:
 - Homelessness and those seeking Temporary Accommodation • Extra Care & Nursing • Children's accommodation and Care Leavers • Refugees and asylum seekers • Social and affordable housing • Supported Housing • Student Housing • Private Rented • Private Ownership.
4. Having regard to the baseline assessment, it is clear that Surrey is facing a complex and challenging housing crisis, affecting the lives of local residents, local businesses and local public services and entrenching the hardships that Surrey's most vulnerable residents face. This arises from the extremely high land values across a large geography, the very low rates of housing affordability, the very high proportion of Green Belt designations and other protected land types, an ageing population with reducing proportions of younger professionals; and the close proximity to London and Heathrow and Gatwick Airports yet failing to sustain its positive economic status compared to neighbouring regions.
5. As a result, homelessness is on the rise, demand outstrips supply for affordable homes, assisted living for older residents, placements for children, student housing and market private rental and the pipeline of further development fails to meet the gap by several orders of magnitude.
6. The strategy sets out, for the first time, i) an overview for all interested parties of the current state of housing, accommodation, and homes in Surrey, ii) an analysis of the commonalities, shared challenges and opportunities that confront decision-makers and service providers across Surrey, supplementing the work District and Borough Councils do at a local level and iii) a proposed Call to Government and Call to Action, in support of addressing the issues and challenges identified.

APPROACH TO DEVELOPING THE STRATEGY

7. Commissioned as advisors, Inner Circle Consulting undertook extensive desk-top research from gold standard, publicly available sources, including the Office for National Statistics (ONS), from the Department of Levelling Up, Housing & Communities, and from statistical returns prepared by District and Borough Councils in Surrey.
8. This quantitative data was supplemented, interpreted and 'stress-tested' through interviews with 31 stakeholders, to hear first-hand their experience and view of housing in Surrey. Meetings were held with housing officers in the districts and boroughs, with council Chief Executives, with Housing Associations, the NHS,

Homes England, universities, private developers and business representatives. Having analysed the data, with the support of detailed local knowledge through stakeholder interviews, eight priority areas were identified for further interrogation. (A summary of the Baseline Assessment is set out in the strategy at Appendix A and is available at www.surreyi.gov.uk).

9. In the autumn of 2022, four thematic workshops were held, with a broad cross-section of partners brought together, in-person, to discuss and debate both the evidence and potential ways of addressing identified problems. The four workshops focused on: i) supporting vulnerable residents & housing affordability; ii) an ageing population & under occupation of housing; iii) public sector land & delivery capacity; and the iv) climate crisis and the twenty-minute neighbourhood concept.
10. In December 2022, a Surrey Housing Summit brought together over 100 Members/Councillors, officers and external partners. Work to date was presented alongside two speaker panels offering local testimony to the scale of the crisis, as experienced by both the private and public sectors and potential opportunities to tackle it. Questions and comments were collated from the audience in order that they could be taken into account in drafting the strategy.

A STRATEGY FOR HOUSING, ACCOMMODATION AND HOMES IN SURREY

11. As a foundation for the Housing, Accommodation and Homes strategy, the baseline assessment demonstrates the extent of the challenge in Surrey, which manifests most critically in the supply of homes that are truly affordable for local people, at all tenures and most income groups. This shortage of housing affects the lives of many local residents. It also deters or prevents people moving to, or staying in, Surrey. Critically, local businesses, the NHS and other public services are struggling to recruit and retain the staff needed to maintain good quality public services and a thriving local economy.
12. The proposed Strategy for Housing, Accommodation and Homes attached at Appendix A, sets out the multiple dimensions and issues at play in the Surrey housing eco-system. Action to tackle the housing crisis in Surrey requires simultaneous interventions on multiple fronts and the set of interdependencies can mean that in practice, improving individual aspects of housing, can have potential negative consequences on other aspects.

Recommendations for action

13. The strategy sets out two broad areas of recommendations, drawn from the analysis of the baseline assessment – these are grouped as a ‘Call to Government’ and a ‘Call to Action’.

A Call to Government

14. Local Government in Surrey needs more powers and more funding to tackle the housing crisis to accelerate development from private developers and to play a greater role in land assembly, using compulsory purchase powers to bring forward suitable land for housing and infrastructure.

15. There is a need for reform in the structure and longevity of government funding, focused on planning for the longer-term to meet local strategic need.
16. Where funding is available, it often falls short of the amount needed to fund Social Rent, as distinct from Affordable Rent homes. To meet local need, Surrey needs more grant funding for Social Rent, at scale, and at a level that makes it viable as part of all types of residential development in the County.
17. Grant funding rules should be changed to require an uplift in floorspace, rather than new units, or to provide funding for replacement homes, where this leads to the provision of better-quality and lower carbon-emitting homes. This would help to unlock brownfield and town centre sites where landowners, including councils, cannot make the finances work to rebuild or redevelop land to provide much needed housing.
18. Given the relationship between mobility, transport and sustainable housing, proportionate funding is required for good quality local bus services, the retrofit of housing and/or the funding of replacement homes within regeneration schemes.

A Call to Action

19. The strategy sets out a number of proposals for how partners across the County can lead and drive improvements in housing, accommodation and homes and address the housing crisis, by working better together, including:
 - sharing best practice and starting to coordinate and align interventions and resources and look to future initiatives such as pooling budgets between services and authorities, especially where support is provided to vulnerable residents and teams through county, D&Bs, housing associations and voluntary sector organisations.
 - expanding Homeshare schemes amongst anchor institutions and key employers could unlock significant numbers of rooms in underoccupied homes for key workers.
 - a greater range of older people's housing is required to meet the wider range of preferences and lifestyles of a diverse ageing population already residing in Surrey. This is closely tied to the need for more step-down housing as an interim step between hospital and home care.
 - Partners should try to increase the proportion of Social Rent housing, especially family-sized homes, recognising that Affordable Rent homes are increasingly out of reach for families in the greatest need. Partners should explore ways to subsidise turning Affordable Rent units into Social Rent homes over time to respond to this affordability challenge.
 - Comprehensively mapping public sector land, continuing work to develop an effective and dynamic One Public Estate partnership, and working together to create common principles for land disposal and development would streamline and accelerate housing delivery without being so dependent on speculative external applications through the planning process.

- To protect green space and encourage more sustainable living in the face of the climate crisis, partners should look to incorporate 20-minute neighbourhood principles into local policies and masterplans for new sites and look to support more active transport infrastructure across Surrey to make it easier to walk and cycle from residential, community, leisure and commercial areas.
- To accelerate the delivery of higher density (as opposed to high rise) flatted development in town centres, to support local economic vitality and vibrancy, more Build-to-Rent (BTR) housing in town centres should be supported and encouraged.
- Almost all councils in Surrey have declared a climate emergency and have set targets for reaching net zero carbon. All stock-holders are exploring routes to retrofit and investigating the condition of their stock and Surrey County Council is already working to provide grants and support for retrofit. The opportunity should be taken to pooling buying power. In addition, this is a significant opportunity for Surrey to develop a strong local retrofit economy, by working with schools and colleges, reskilling for trained adults, space and support for industry to develop and grow locally, so that as this market develops and matures, local residents are able to benefit from jobs as well as better homes.

20. The strategy presents the evidence and, after considerable and extensive engagement with key partners, proposes ways that these issues can be addressed by willing partners. It is for the wider partnership in Surrey, between councils, housing associations, other public sector land-owners, service providers and the private sector to work together to meet these objectives.

Consultation:

21. The Baseline Assessment and draft strategy have been presented and discussed with a range of interested parties, including District and Borough Council Housing and Planning officers, Chief Executives and Leaders, Homes England, Registered Social Landlords, and the Health and Well-being Board, as well as at the Housing Summit in December 2022. The comments, concerns, and contributions expressed at every stage have been taken into account in the final draft strategy.

Risk Management and Implications:

22. Initiating a strategy, the outcomes of which rely on a collaborative approach and mutually reinforcing contributions from a range of partners carries the risk that there is insufficient commitment and buy-in to its delivery, arising from different and potentially mis-aligned priorities, perspectives and policies.
23. Given the wider policy and strategic context in which housing, accommodation and homes sit, there is a risk that that the conditions for success are not present and partners' time, effort and resources committed to the work do not secure value for money.
24. The extensive research and analysis that contributed to the baseline assessment and programme of engagement with key stakeholders and partners on the assessment and draft strategy are intended to mitigate both the above risks.

Financial and Value for Money Implications:

25. Many of the costs associated with the fulfilment of the strategy are already contained within existing budgets held by the County Council (e.g. Land and Property) and/or other partners (e.g. Housing, Planning). and/or by re-directing resources and staff.
26. As the work of implementing the strategy develops, further consideration will be given to any additional costs, and where and to whom they fall. Business cases, where required, will be produced in support of any funding requirements.

Section 151 Officer Commentary:

27. Although significant progress has been made to improve the council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
28. There are no immediate direct financial impacts in agreeing the recommendation. Further work will be undertaken to establish any financial implications arising from implementing plans to support the delivery of the strategy which would need to be factored into the Medium-Term Financial Strategy as part of future budget planning processes. As such, the Section 151 Officer supports the recommendations.

Legal Implications – Monitoring Officer:

29. The Council has wide powers to promote or improve the economic, social and environmental well-being of their area which includes the adoption of a strategy for Housing, Accommodation and Homes for Surrey. There are no specific legal implications at this stage.

Equalities and Diversity:

30. The proposed strategy for Housing, Accommodation and Homes addresses the needs of a number of excluded and minority groups and communities, including children, older people, refugee and asylum seekers, and those experience housing and fuel poverty.
31. The equalities and diversity implications for specific proposals, schemes and/or developments will be addressed as they come forward.

Other Implications:

32. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	The baseline assessment took into account children's placements and accommodation issues
Compliance against net-zero emissions target and future climate compatibility/resilience	The strategy references the contribution that housing makes to CO2 emissions and the importance of retro-fitting properties.
Public Health	The contribution that housing makes to individual and population-wide physical and mental is one of the key drivers for the preparation of the strategy.

What Happens Next:

33. The strategy, subject to its adoption by Cabinet, will be used to guide a number of internal workstreams within the County Council (e.g. ASC and Children's accommodation, Halsey Garton Residential, etc.) Progress is already being made in respect of the One Public Estate across the County, including the establishment of a Surrey Estates Network. An initial meeting with Homes England in response to the strategy has taken place and support for the creation of a single database and mapping of all publicly held land discussed.
34. It is proposed to organise a follow-up Housing Summit later in 2023, to enable a wide range of stakeholders involved in the preparation of the strategy to come together to review the progress being made and re-commit to future delivery. In addition, consideration will be given to establishing a multi-agency, county-wide Housing Forum, comprising representatives of Registered Social Landlords, District and Borough Councils, House builders, Government Agencies, etc.
35. The strategy will be promoted and publicised widely, as part of encouraging others to sign up to its recommendations and commit to collaborating on its delivery. Progress on its delivery will be periodically reported to the One Surrey Growth Board, Surrey Leaders and Health and Well-being Board.

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Annexes:

Annex 1: A Housing, Homes & Accommodation Strategy For Surrey

Sources/background papers:

ONS Housing Data sets

District and Borough Councils' Housing data returns to Government

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