

Annex 1



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1.0

Who we are

Inner Circle Consulting is an award-winning project and management consultancy, working across Local Government and the wider public sector on strategy, programme management, project delivery and leadership.

We were commissioned by Surrey County Council, with the scope agreed by the Surrey Delivery Board, to prepare an evidence base for a Housing, Homes & Accommodation Strategy for Surrey.

This is a summary slide deck, focused on the key issues that emerged from the data analysis and stakeholder interviews over the summer.

Sitting behind it is an extensive qualitative and quantitative evidence base, which will be updated this autumn with updated census data.

1.1

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.

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

Inner Circle has taken an iterative approach to this work: starting with an intensive period of quantitative data gathering on key areas of inquiry, supported by a high-level review of local authority policy and strategy, supplemented with a significant number of stakeholder interviews to help build a comprehensive and contextual evidence base.



Research approach, scope and initial stakeholder list agreed with the project steering group.



Desktop research and data gathering from publicly available sources to minimise resource demands on partners.



Over 30 one-to-one stakeholder meetings to hear first-hand from broad range of perspectives from local government, wider public sector and private sector.



Fortnightly feedback and review with the steering group on progress and emerging issues.

2.1

Research Methodology, continued

Light-touch: not burdening districts and boroughs with lengthy data requests.

Use of existing, transparent data to form the evidence base, with caveats for timeliness.

Looking for breadth, for trends, for commonalities, rather than seeking to replicate existing district and borough level reports and strategies specific to their geography and population.

Following the leads: taking an open approach to what participants wanted to talk about within the scope of the project, and closing down lines of enquiry that would stray beyond it.

Honest: Stakeholder interviews were conducted on the basis of anonymity to secure frank and honest contributions from a wide range of perspectives across the county.

2.2

Research Methodology: Sources

The qualitative and quantitative data used to form the full evidence base considered:

Housing Demand: Numbers on LA housing registers; Number of statutorily homeless households placed in temporary accommodation; rough sleeper estimates; Looked After Children Placements; Care Leaver Housing Demand; Student Household numbers and as a percentage of housing stock; demographics on ethnicity; extra care housing shortfall; Supported Independent Living housing shortfall; net domestic migration; refugee, asylum and supported migration demand; percentage of households with school age children; age demographics.

Affordability: indices of multiple deprivation; IMD barriers to housing and services; median house price; median income; ratio of earnings to house prices; weekly rent data for: social housing, supported housing, affordable housing, private rented housing; Help to Buy loan numbers and value; 10 year provision of affordable homes as a number and percentage of total stock.

2.3

Research Methodology: Sources, continued

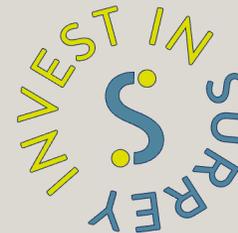
Supply: Major and minor dwellings permissioned; percentage of successful planning appeals; planning applications and decisions; planning permissions decided in time; supported housing stock; sheltered housing stock; private housing as a share of all stock; 10 year supply of homes as a number and percentage of all stock; Housing Delivery Test Data; shape of the RSL market; lettings into social and affordable housing; SIL pipeline; Disposals from RSLs; Net affordable homes; summary of policy documents (housing strategies, local plan evidence bases).

Health and Inequality: Over and Under-occupation data; older age population; extra care rent levels; LA housing stock decency levels; Health and Wellbeing policy review.

20-Minute neighbourhoods: Density per LSOA; Policy review from TCPA work on 20 minute neighbourhoods.

Climate: Climate policy review; climate emergency declarations; climate action plan review; fuel poverty data; energy efficiency data.

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



The evidence is very clear that across Surrey there is very strong demand for all types of housing, homes and accommodation. There is particularly strong demand for affordable housing, and social housing.

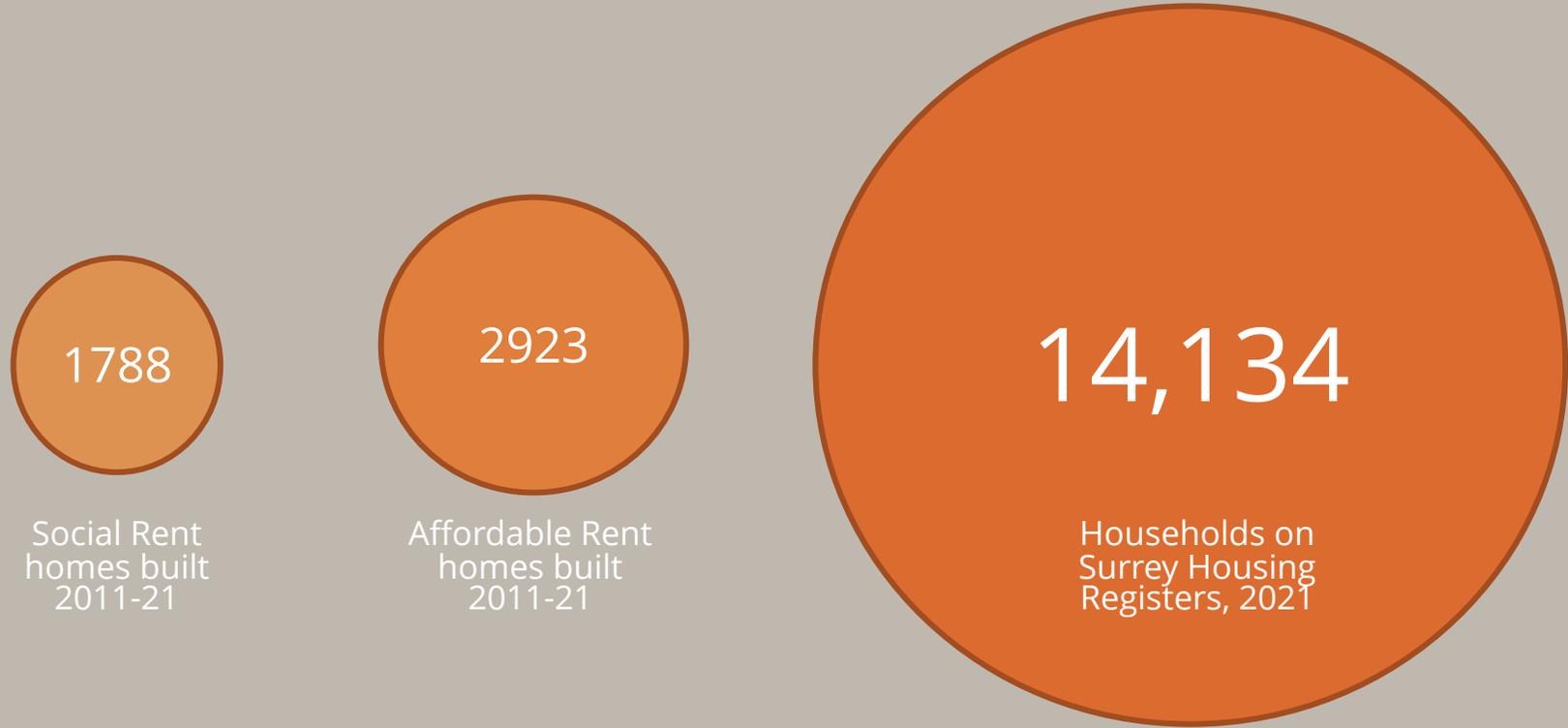
There is a rising problem with homelessness, which local authorities have been facing for some time.

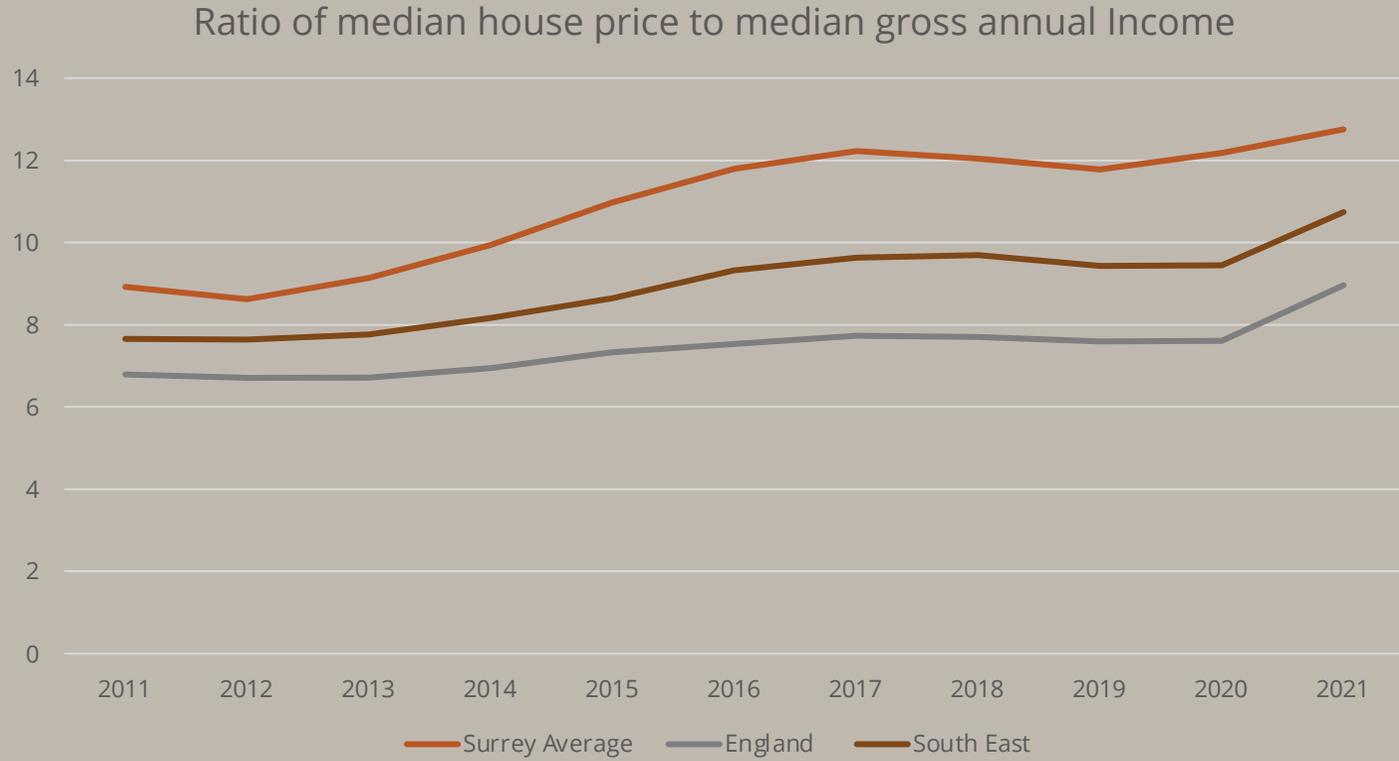
Internal migration is positive but much lower in relation to comparator areas, despite the anecdotal evidence of people leaving London as a result of the Covid-19 pandemic. Raises question as to Surrey's attractiveness compared to Kent, Hampshire and Sussex.

There are areas of shortage for specialised older people's housing of the right quality and type for today's older people, while at the other end of the spectrum there is a steady increase in the number of children in care with half of these needing to be placed out of county. SCC is seeking to increase fostering placements to see more children-in-care accommodated within Surrey.

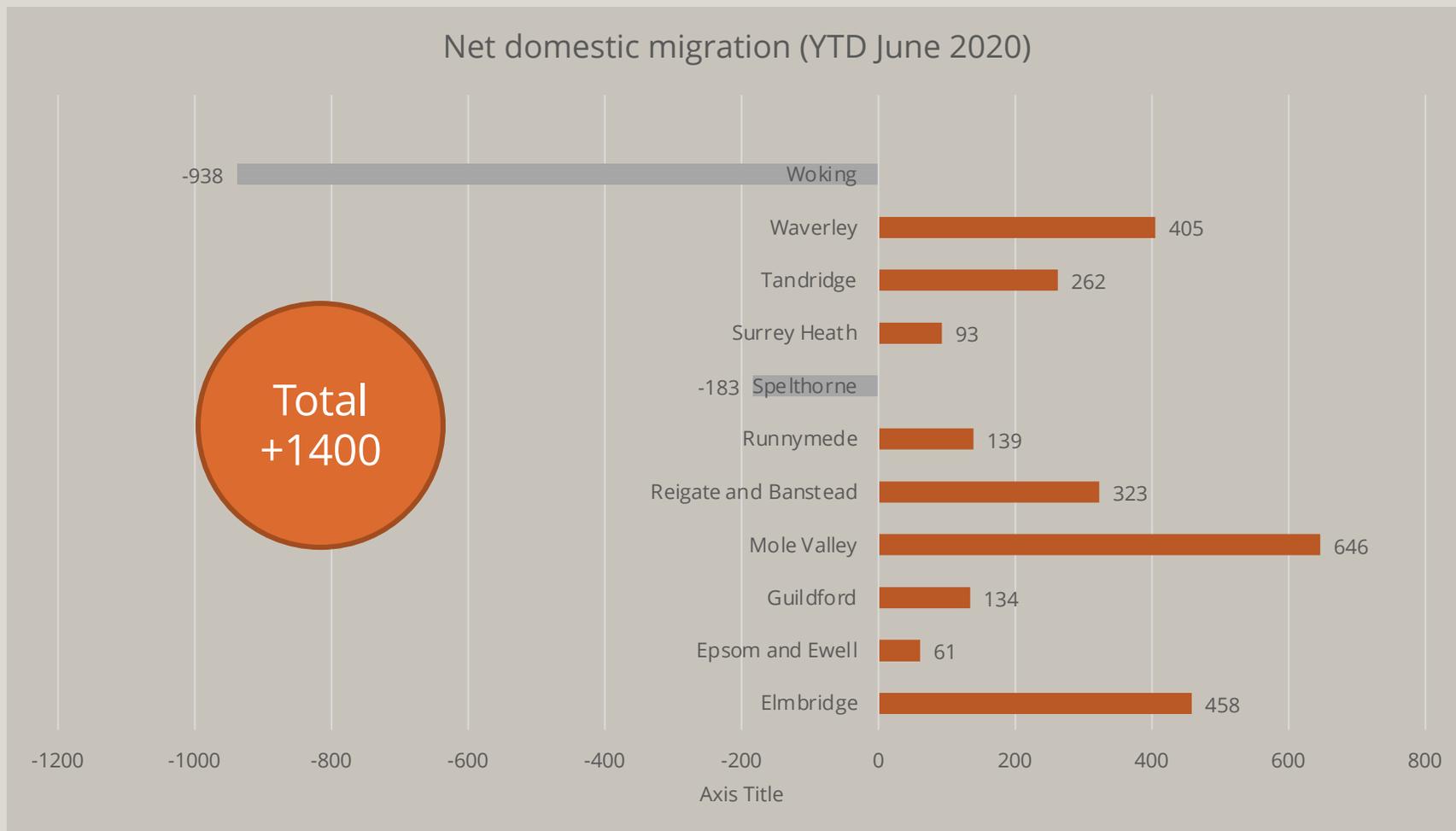
SUPPLY & DEMAND

3.1



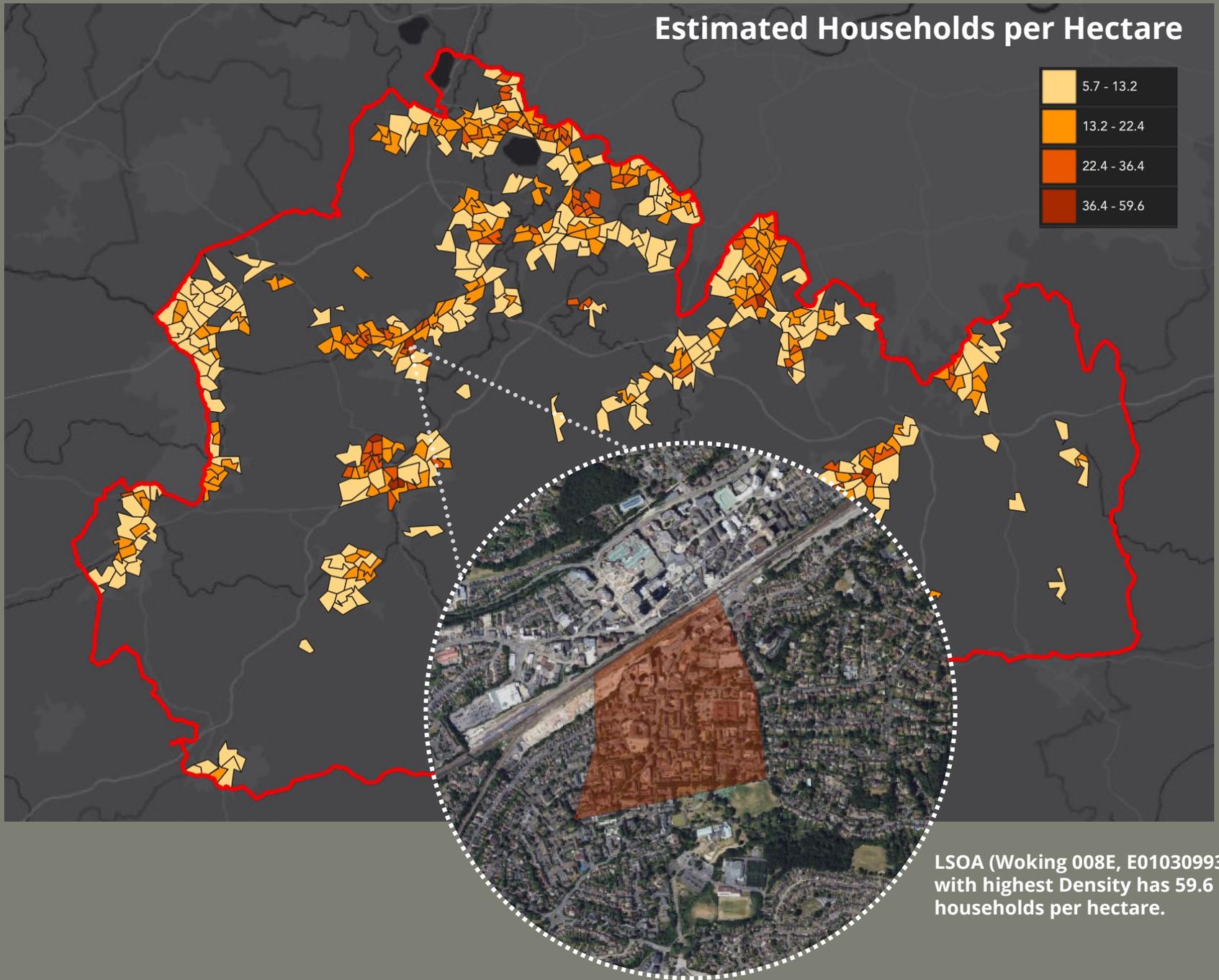


Surrey is not only more unaffordable for private ownership than England or the wider South East, it's also become more unaffordable more quickly, with the ratio rising 50% since 2011, compared to 40% across the wider South East.



Surrey has seen far less net internal migration than comparator counties: in the same year Kent and Hampshire both gained over 6000 net new residents, East and West Sussex combined gained 8000.

D&Bs	Major PRP (>30%)	Major PRP Name	Proportion of overall local PRP stock owned	Proportion of PRP's portfolio in district
Epsom & Ewell	Yes	Rosebery Housing Association Limited	65%	90%
Reigate & Banstead	Yes	Raven Housing Trust Limited	64%	83%
Spelthorne	Yes	A2Dominion South Limited	86%	42%
Elmbridge	Yes	Paragon Asra Housing Limited	75%	23%
Surrey Heath	Yes	Accent Housing Limited	74%	16%
Mole Valley	Yes	Clarion Housing Association Limited	77%	3%
Guildford	No	N/A	N/A	N/A
Runnymede	No	N/A	N/A	N/A
Tandridge	No	N/A	N/A	N/A
Waverley	No	N/A	N/A	N/A
Woking	No	N/A	N/A	N/A



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

- Partnership working
- Affordability
- Support for vulnerable residents
- Land supply
- 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

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.

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.

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.

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

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.

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

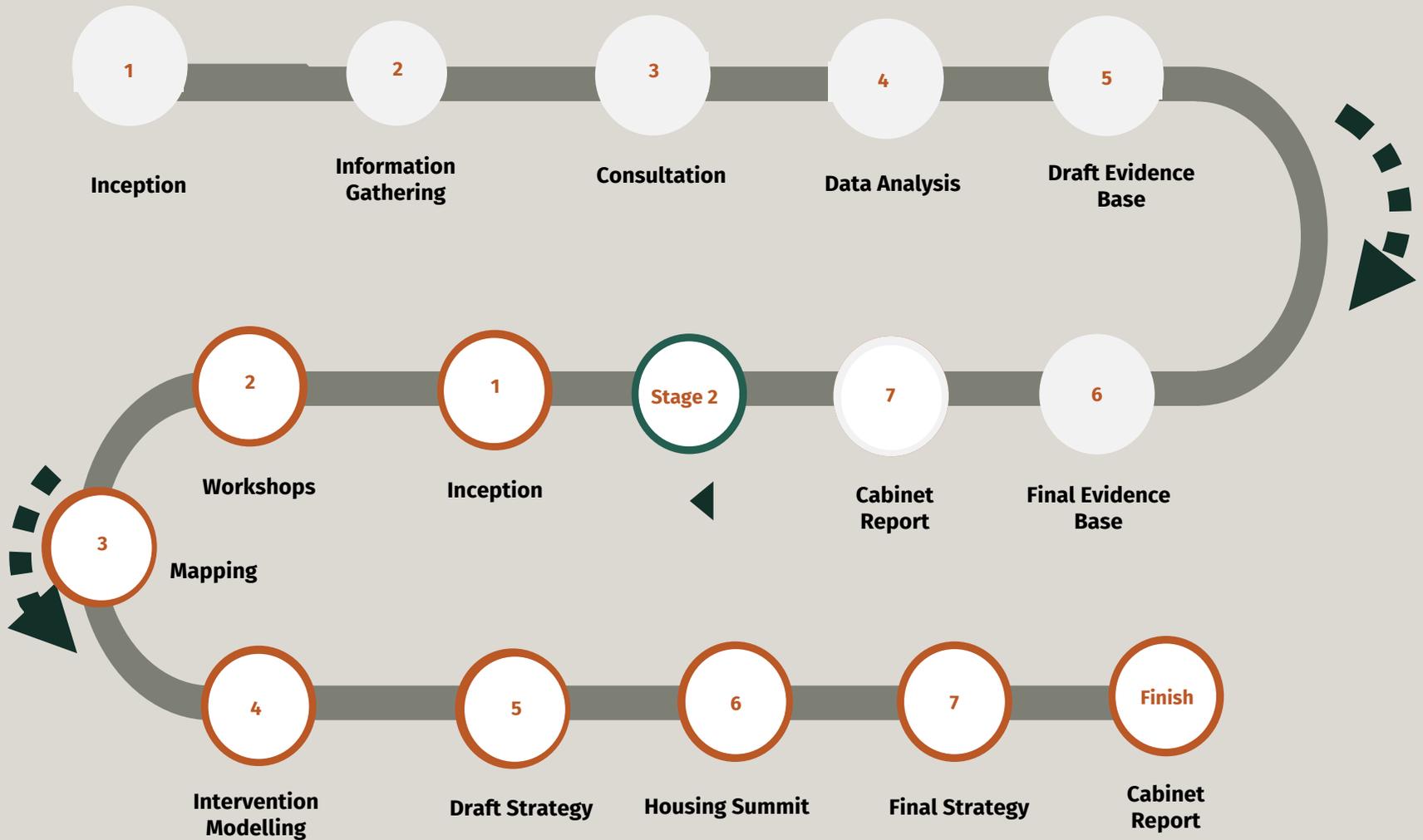
Although this issue is not just one about having the right housing stock but also the right support and incentives in place to encourage a move out of the family home.

This intensive period of evidence gathering and analysis has confirmed the scale of the challenge facing residents, services, businesses and local authorities across Surrey.

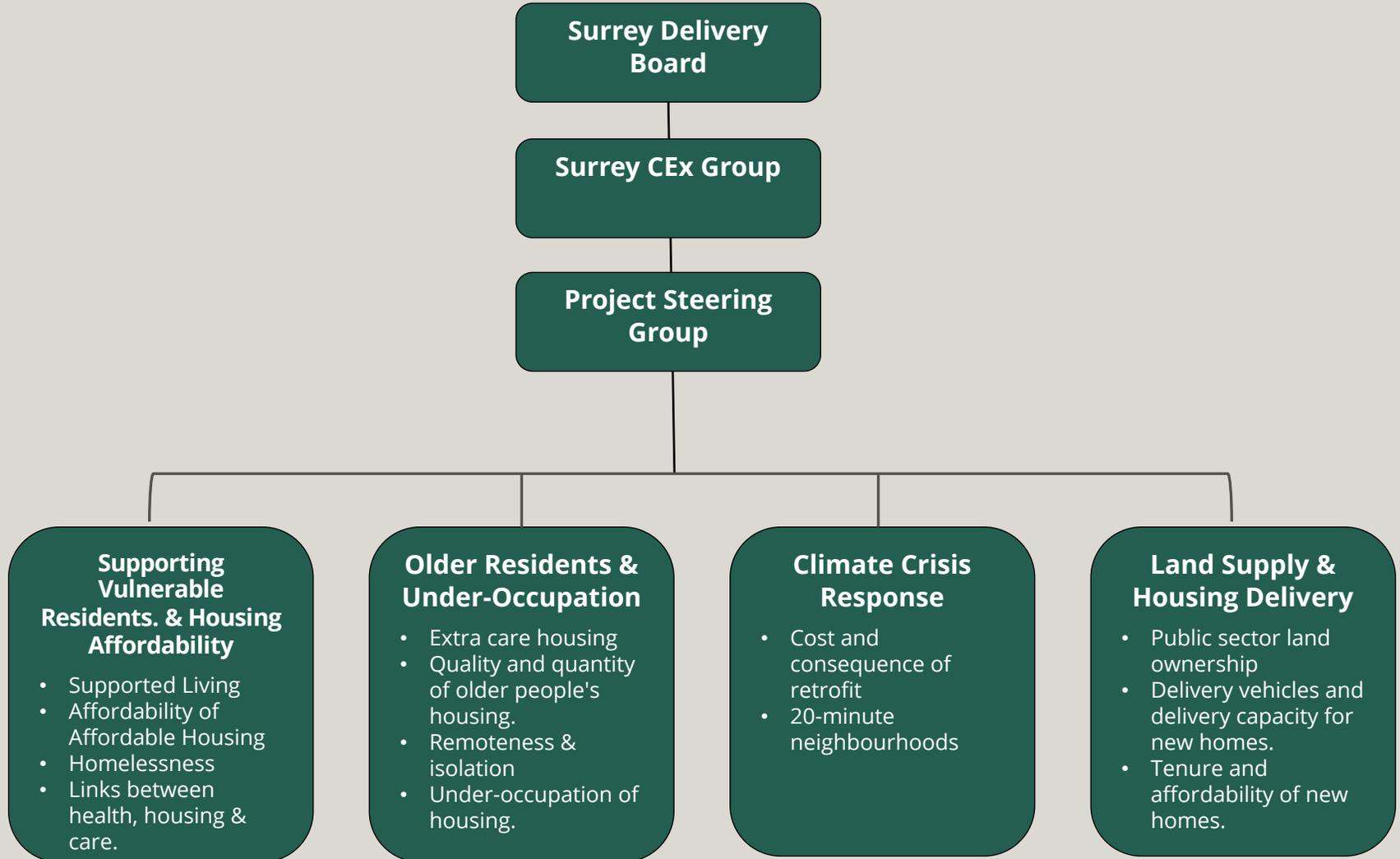
It's also confirmed significant capacity and desire to act to tackle those challenges.

The next phase of work moves us from talking about problems to talking about solutions, and setting out a clear plan of action that partners could take together to practically and pragmatically address the identified challenges.

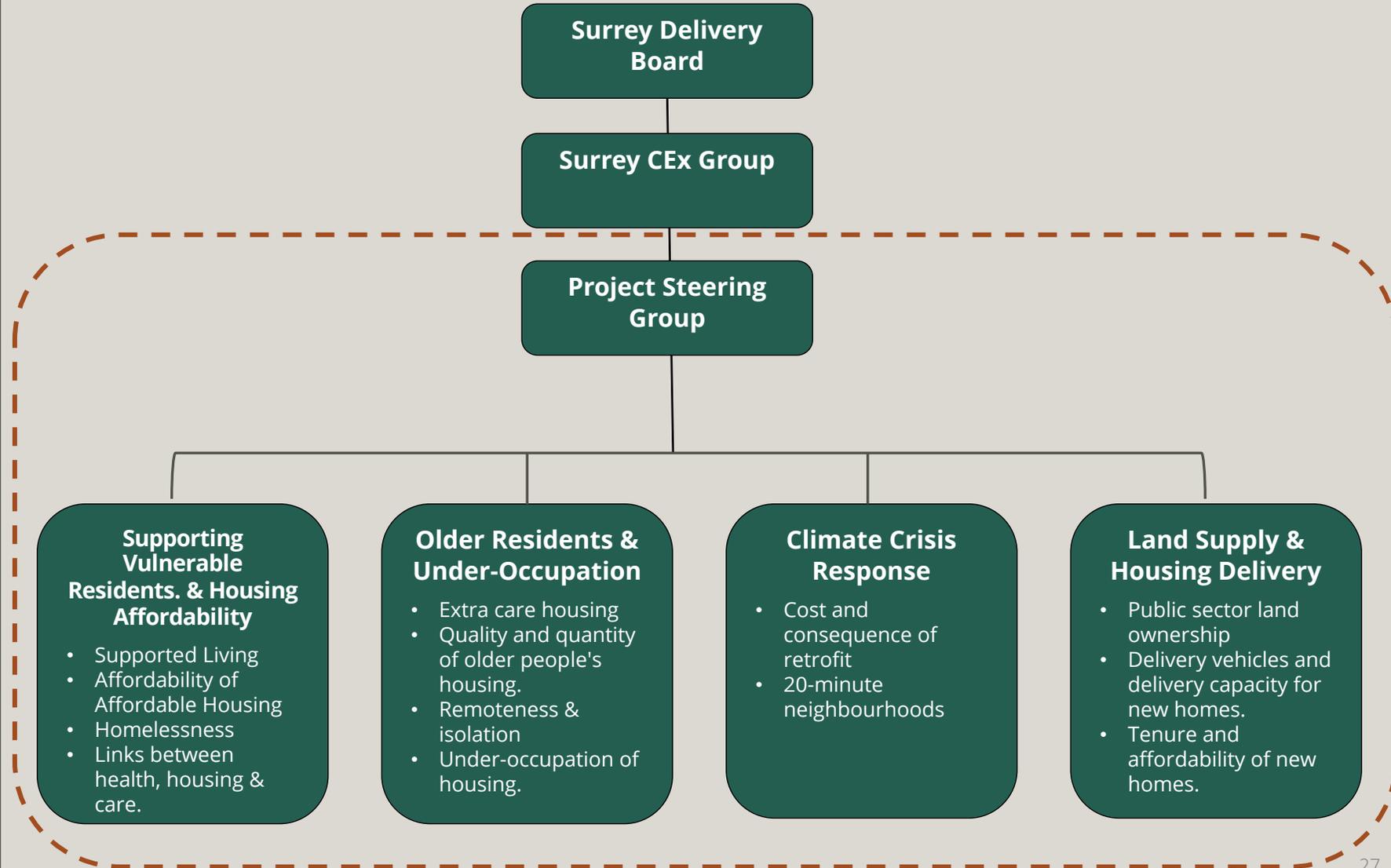
SECOND STAGE – SEPTEMBER - JANUARY



PROPOSED WORKSHOP STRUCTURE - October



PROPOSED SURREY HOUSING SUMMIT – 8th DECEMBER



**Indicative – TBC on conclusion of baseline* ²⁷

ICCRECENT AWARDS



Strategy Award for Hounslow Business Case Project and Climate Award for Birmingham Route to Zero project.



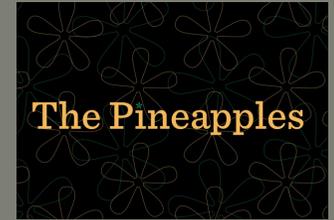
Finalist

Planning Permission of the Year, Fostering Healthy High Streets Award, Best Economic Growth, Best Community Led Development, and Planning Consultand of the Year



Winner

Mayor's Prize and Community Prize for The Nourish Hub



Finalist

Future Place Award for Pydar Street Project



Social Value Award for Nourish Hub Project



Strategy Award for Hounslow Business Case Project



Winner

Planning Consultancy of the Year



Finalist

Planning Permission of the Year



Data and Innovation in the Public Sector



Outstanding Achievement for Chris Twigg



Highly Commended

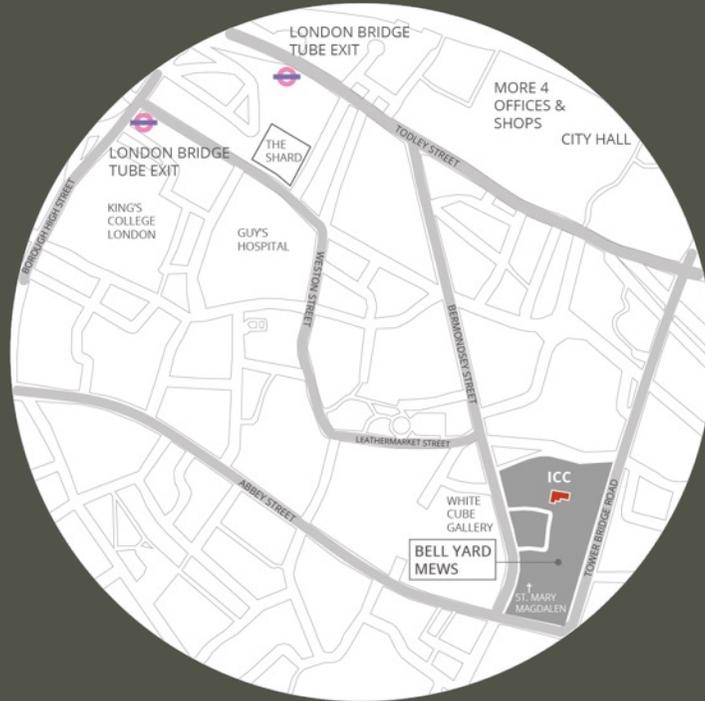
Planning Consultancy of the Year



Finalist

Regeneration Award

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