



# **Delivering on solutions to the housing crisis**

Paul O'Brien,  
Chief Executive, APSE

# Defining the housing crisis



- Need
- Affordability
- Mix
- Skills
- Homelessness

# Need



- 1.5m on council house waiting lists
- Population growth
- Demographics changing
- Government 1m by 2020 plus 0.5m by 2022
- Sajid Javid 266,000 new build per annum

# Affordability



- Average age of first time buyer 38
- Home ownership trend now in reverse 63%
- Cost of a deposit for mortgage
- Average house cost Oxford 16.2 times average annual salary

# Mix



- People living longer with illness and disability
- Single elderly in 4 bedroom houses
- Larger families in 1 and 2 bedrooms
- No flexibility in the system to adjust
- Need for capacity

# Skills



- Ageing workforce
- Lack of skilled workers
- Lack of apprenticeships
- Dependency on European labour
- Brexit

# Homelessness



- Pre recession visible homelessness almost disappeared
- Doubled since 2010
- Shelter suggest 250,000
- Political issue
- B&B costing local authorities £2m per day

# Historical context pre 1997



- Homes fit for hero's
- Housebuilding boom
- Harold McMillan
- 1979 Right to buy
- Emphasis on home ownership
- Government took majority of receipts



# Context pre 2010



- 1997 focus on £19B backlog of repairs
- Focus on decent homes standard
- Stock transfer
- Demolition
- Lack of new build
- 1m fewer social homes by 2010

# Since 2010



- 2012 transfer to local HRAs
- 30 year business plans
- Included headroom for new build
- Based on rent certainty
- Deregulation of planning
- 2015 Government reduced rents
- Housing Green Paper






## Housing the nation


Ensuring councils can deliver more and better homes





## Building homes, creating communities

Ensuring councils provide innovative solutions to meeting housing need



# Local authority housing companies



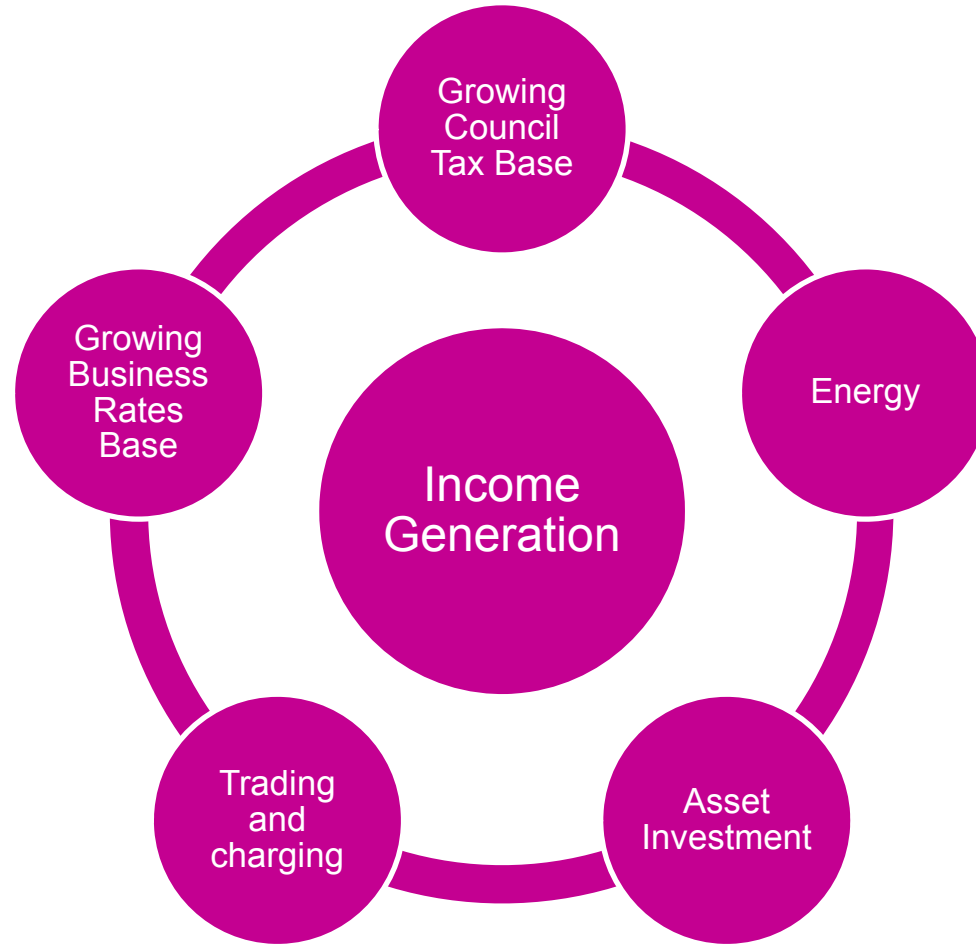
- 100 already
- 200 by 2020
- Wholly owned by local authority or JV's
- General fund borrows from PWLB at 2%
- Council loans company at 6% to 7% return
- Out with right to buy
- Will Government close loophole?

# Case studies



- Birmingham
- Lambeth
- Midlothian
- Oxford
- South Cambridgeshire
- Thurrock
- Harrow
- Manchester
- Edinburgh
- Aberdeen

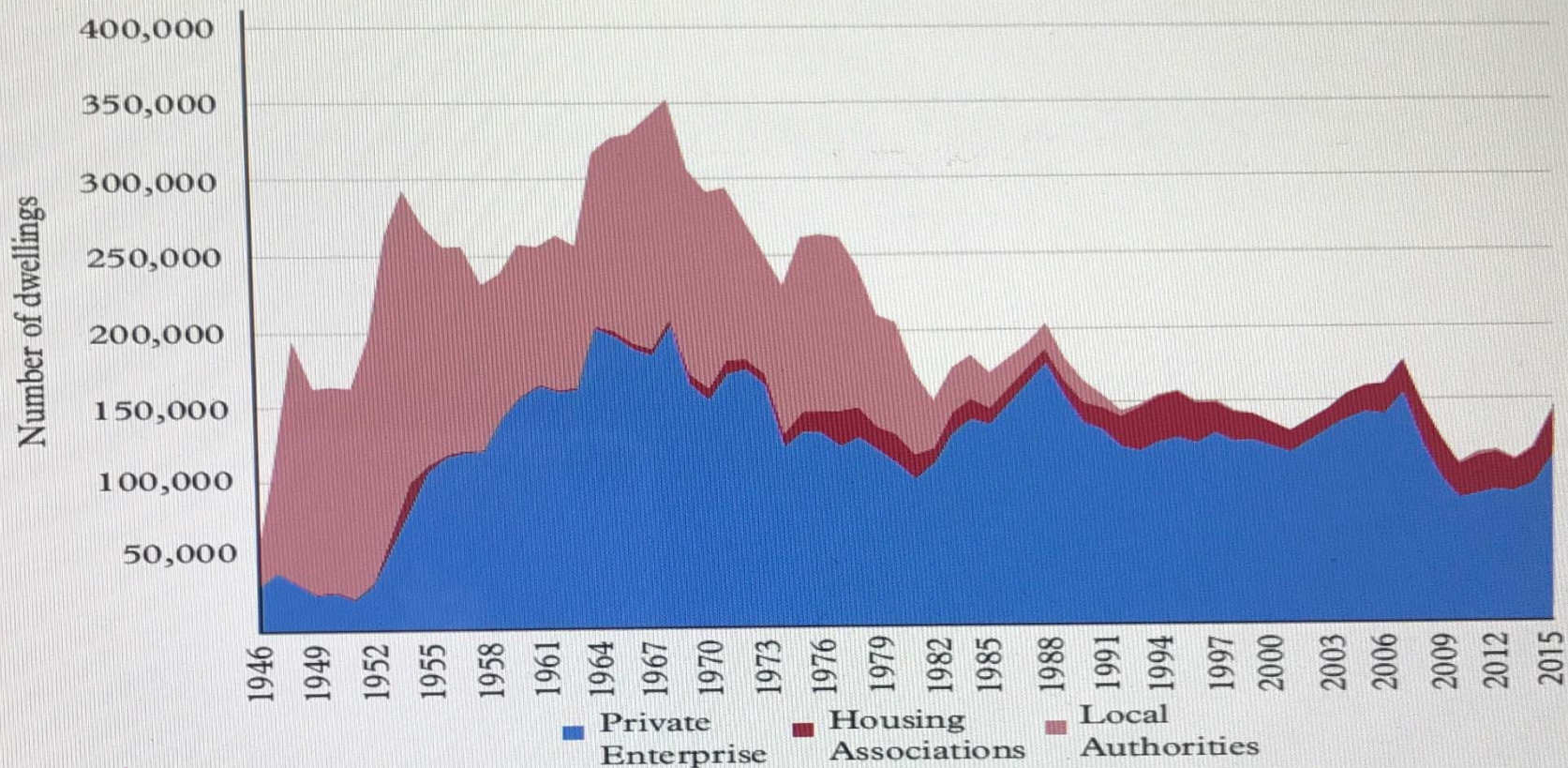
# Commercialisation Strategy



# Who built UK housing?



Figure 1: Permanent dwellings completed in England by tenure, 1946 to 2015



[www.apse.org.uk](http://www.apse.org.uk)

Source: DCLG, 'Live tables on house building, Table 244': <https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building> [accessed June 2016]

# Conclusions



Housing crisis growing

Build rate needed keeps increasing

Will not be reached without council housing

LA housing companies a start

Allow councils to borrow

Allow councils to build

Allow councils to train workforce

Allow councils to deliver for local communities



**LOCAL SERVICES**

**LOCAL SOLUTIONS**



# Contact details

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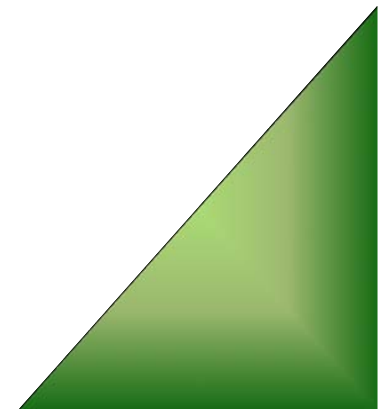
**GB 14074**



# **Midlothian's Strategic Housing Investment Plan**

John Blair  
Director Resources, Midlothian Council

Apex Hotel, Edinburgh  
Friday 19 January 2018

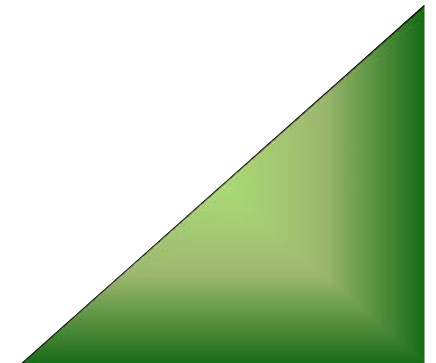




Midlothian

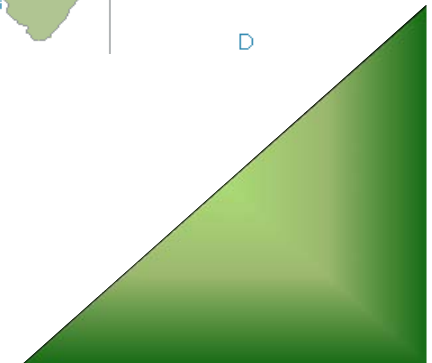


## Where is Midlothian?





Midlothian





# Midlothian: A Great Place to Grow



- Midlothian – Fastest growing Local Authority in Scotland
- Midlothian – Ambitious for our communities
- Midlothian – Shared Challenge with Community Planning Partners
- Midlothian – Working with our Communities
- Midlothian – Working with Partners



# Midlothian: A Great Place to Grow



## Housing Growth

Strategic Development Plans

Midlothian Local (Development) Plans 2003, 2008 and 2014

	Allocations	Built	Committed
Midlothian Local Plan 2003	4,490	2,760	1,730
Midlothian Local Plan 2008	2,340	606	1,734
Midlothian Local Plan 2014	3,760	59	3,701
<b>TOTAL</b>	<b>10,590</b>	<b>3,425</b>	<b>7,165</b>

Shawfair Town Development

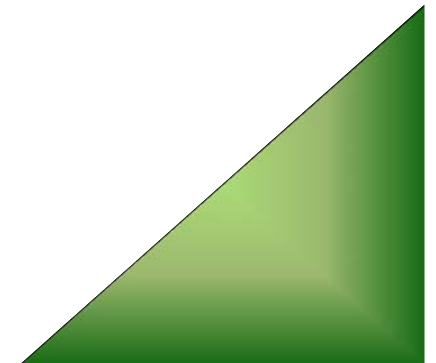
Borders Rail [Four Stations in Midlothian]

A new house is built every 10 hours in Midlothian [All sectors]



## **Improving long term strategic planning**

- Build with Capital Fund borrowing via Rents
- National House Trust Initiative (Subsidiary of SFT)
- RSL/Council Joint Procurement
- Advertise for Developers with land

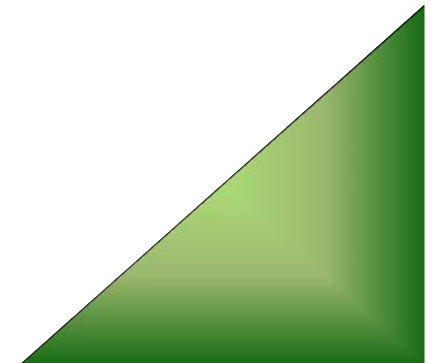






## Mechanisms for Delivery

- Partnership with consultants/contractors /Suppliers
- Clear design standards
- Project management/procedures across project
- Issue resolution protocol
- Share supplies – joined up thinking
- Standardisation of existing housing stock





## Our affordable housing achievements

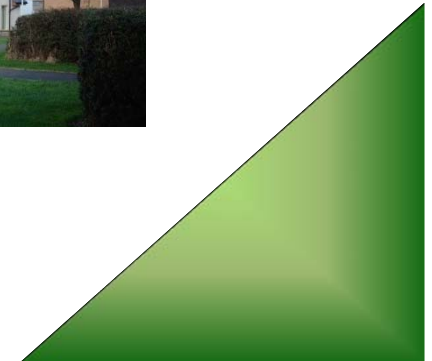
- 1038 houses built to date [Since 2007]





## Affordable housing

- 164 Houses Phase 2
- 240 Houses Phase 3
- ??? Houses Phase 4



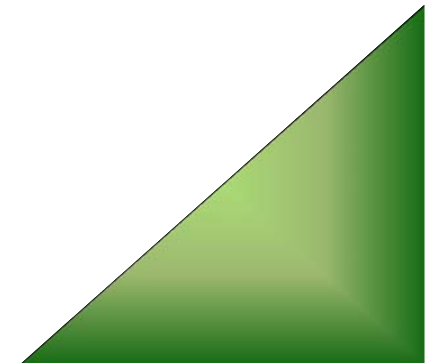


# Midlothian: A Great Place to Grow



## Challenges

- Project brief
- Planning and public perceptions
- Procurement
- Site availability and Utilities
- Internal and external resourcing
- Contribution to S75 (planning gain)
- Ground Conditions
- Land Availability



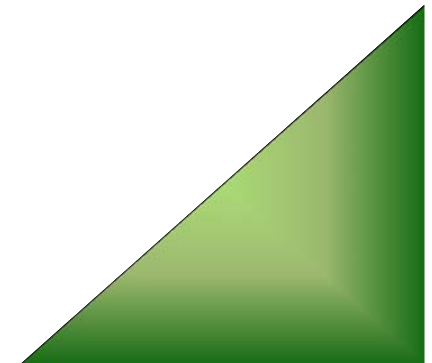


# Midlothian: A Great Place to Grow



## Positives

- Being Proactive
- Being commercial
- Elected member support
- Award Winners including APSE
- Thinking Big
- Working across the Council
- Partnership Working
- Taking the Lead!!!!!!!!!!!!!!!!!!!!!!



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12 June 2014

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#### Nurses who quit NHS could staff 20 hospitals

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### Features





# Council House New Builds



Number Houses	1996 to 2003	2006 to 2017	Total
Scotland	815	8,052	<b>8,867</b>
Midlothian	117	1,038	<b>1,155</b>
Percentage	14.35%	12.89%	<b>13.02%</b>
Population			
Scotland		5,404,700	
Midlothian		88,600	
Percentage		<b>1.64%</b>	

One in every Eight Council Houses in Scotland built in Midlothian  
Other Councils are also Building significant number of Council Houses



**QUESTIONS  
WELCOME TO VISIT**

Contact John Blair  
Director Resources

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