

## Turn Challenges into Opportunities

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Today I'd like to set your work as part of this road show in context of :

1. The environment for change – global challenges such as climate change and local pressures to put quality of life first are now a real part of the national and regional policy context to which we must all respond – and increasingly will bring customers too.
2. These add up to a major business opportunity The Challenges: Sustainable Construction, Sustainable Procurement, 21st Century Skilled Workforce, Design and Management and Community Engagement.
3. The scale of the opportunities for the fastest growing, highest value housing market in the UK. RDAs are about intervening where the market fails, for SEEDA the ability to create value alongside the private sector in ways which would be almost unachievable in some parts of the country is rewarding indeed – from Margate to Milton Keynes.

### **IT'S THE ECONOMY, STUPID?**

First the national picture – we are all familiar with the long list of major reviews all focused on the CSR – even if we aren't all quite so familiar with the detail – or the impact. As Bill Clinton understood, everything today comes back to an economic issue – and DCLG, as it reshapes itself to become more strategic, sees itself as central to economic strategy too.

**Kate Barker's review of land use planning** considered how planning policy can better deliver economic growth and prosperity alongside sustainable development goals. The review particularly pointed out the role of planning in responding to globalisation & climate change.

The **Lyons Inquiry into Local Government** majors on LAs' role as place-shapers, with advice as to the efficient use of scarce development land.

The **Leitch review** examined the future skill needs of the UK economy. The final report, *Prosperity for all in the global economy – world class skills*, published in December 2006 recommended a step change to employer-led skills development. We are urging that this is made a reality through the CSR in shaping the agendas of the main skills providers. But employers have a role to play too – both with their own employees and in communities.

The **Stern Review on the Economics of Climate Change** identified a world market for low carbon energy products likely to be worth at least \$500bn per year by 2050. Climate change is an economic issue but public opinion – and action – is changing fast. 12 months ago who would have predicted Ruth Kelly's commitment to zero carbon homes?

Finally, the **Eddington review identified** the long term links between transport and the UK's economic productivity, growth and stability and offers new hope for delivering key infrastructure, including that which holds up major housing projects.

And of course we now have the new plans for Communities England

## **SOUTH EAST REGIONAL ECONOMIC STRATEGY: A WORLD CLASS REGION ACHIEVING SUSTAINABLE PROSPERITY**

Regionally we have our new Regional Economic Strategy – and I am grateful to all of you who played a part in its formation.

3 objectives:

### **Global Challenge**

The world economy is undergoing fundamental change with countries such as China, India, Brazil and Russia, as well as the Central and Eastern European Accession States, emerging as huge new markets offering significant opportunities and threats to South East businesses. To maintain competitiveness our businesses must collaborate to compete with the best in the world, constantly innovating and creating new products and services. And that means you too. The work you are doing here at the Housing Forum on client collaboration and supply chain integration must give leading companies the edge, both to compete and to resist the competition – and the takeovers.

### **Smart Growth**

Higher levels of prosperity per head across the SE can only be delivered without increasing the ecological footprint through higher productivity and by bringing more of the resident population into the economic activity. Smart growth means raising levels of enterprise, productivity and economic activity throughout the region, lifting underperforming areas, communities and individuals. This is about creating value, not simply cutting costs. Migrant workers are keeping the construction industry going in the South East – and improving standards of work. But what is this doing to our communities? Are we managing the impacts?

### **Sustainable Prosperity**

We must invest in the quality of life that is key source of the SE competitive advantage. As Stern says – this is a business opportunity. Why does the construction industry find it so hard to exploit? We aim to reduce the rate of increase in the region's ecological footprint (from 6.3 global hectares per capita in 2003, currently increasing at 1.1% per capita per annum), to stabilise it and seek to reduce it by 2016. I will come back to what this means for us in this room.

## **THE GREATER SOUTH EAST OF ENGLAND**

Looking wider, the Greater South East is the UK's only global city-region, centred on London as one of the three world cities (London, New York, Tokyo). It has major growth challenges with 21 million people, some 35 % of the UK's population, living on 16% of the land. An annual GVA of £450 billion and over 750,000 businesses makes the Greater South East the world's 10th largest economy – for now!

London's economy is projecting a 2.5% long-term annual real growth, with nearly 1 million new jobs anticipated in the next 20 year and an additional ½ million people over the next 10 years. If London's own workforce does not expand in line with this growth, or if its housing targets to accommodate the anticipated growing population are not met, it is likely that London will import more of its labour from the Greater South East, intensifying commuting and cross-border working. This will increase the need for the South East and East to meet their own labour needs through in-migration too, worsening housing pressures and community tensions.

The Sustainable Communities Programme aims to take pressure off London through the provision of 250,000+ new homes in four Growth Areas by 2016:

- 120,000 new homes in the Thames Gateway
- 133,000 new homes in Milton Keynes/South Midlands
- Further growth in London-Stansted-Cambridge and Ashford

The big challenge is to ensure that this adds quality and value to these areas and communities – and not just numbers.

### **GSE OPPORTUNITIES AHEAD!**

This map shows the future construction projects to 2011. the red dots showing projects larger than £100 million. So massive development is planned and we must ensure that quality improves.

Housing figures are substantial:

- 30,500 pa in London Plan:
- 23,900 pa in RSS for East of England (478,000 additional homes during 2001-2021)
- 28,900 pa in the South East Plan

But based on economic evidence about the number of employees needed to meet anticipated levels of economic expansion, SEEDA is arguing for the largest figures of the 3 regions - 32,000 pa up to 2011 and 36,000 from 2011 onwards. These figures assume the success of the new RES in bringing economically inactive residents back into the workforce and other smart growth measures; otherwise housing figures would have to be even higher – over 40,000pa. As you may know this is all being discussed currently in the Enquiry in Public.

## **TOWARDS ONE-PLANET LIVING**

Alongside the need for more housing is the need to tackle carbon emissions. Sir Nicholas Stern concluded that taking action now will be cheaper than waiting to deal with the impact of climate change. And there is a \$500bn prize each year which is the estimated world market for low carbon energy products.

Environment Secretary David Miliband and now Ruth Kelly too are placing a new and considerable emphasis on the need to achieve 'One Planet Living' This year, WWF-UK published 'Counting Consumption', a study of resource flows and ecological footprints in each region of the UK. It showed considerable variations across the country. Although this map appears to show the problem only in the South East, all areas with lime green or yellow are above the UK average. But the South East has the highest ecological footprint of all UK regions – some 6.3 hectares per person, (15% above the national average) which put the region at the '3 planets' level of consumption.

While historically there has been a correlation between economic growth and carbon emissions, this need not be the case. Government Chief Scientific Advisor Sir David King has pointed out that in recent years, whilst the UK economy has grown by 40%, Carbon emissions fell by some 14% (although they have risen for the past 2 years).

The clear challenge is to maintain and strengthen the de-coupling and to deliver sustainable economic growth without increasing carbon.

## **GLOBAL GREENHOUSE GAS EMISSIONS (by source)**

This is the global picture of greenhouse-gas emissions by source – China is building a new coal-fuelled power station every 4-5 days and deforestation is the second largest challenge. In the UK transport (23%) & buildings have larger impact and industry has a lower carbon impact now that traditional industries have declined. 45% of UK CO2 comes from our buildings – residential and commercial, and more than half of that originates from heating and running our homes (27%)

So you and yours are under scrutiny. In the last 12 months attitudes have transformed. In the last 2, Ruth Kelly has announced that she and DCLG agencies – the Housing Corporation/EP and no doubt Communities England are leading the new standards. We will be taking the same line at SEEDA and I expect my colleague RDAs to follow suit in relation to developments we influence and the standards we endorse.

## **SHAPING A LOW CARBON FUTURE IN THE SE**

- The target to cut carbon dioxide emissions by 60 per cent by 2050 in the Climate Change Bill can only be achieved if we change the way we build and use our buildings. But beware: only 1% of housing is "new" – therefore it is even more important to act on the existing stock. It's just

that Government doesn't yet know what will work here. Speaking with another hat on, we would be wise to consider our options for the existing stock. And some of the most promising may be over the horizon and as yet untested.

The SE emits more CO<sub>2</sub> than any other region in the UK and in the new Regional Economic Strategy (RES) has set itself a challenging target:

- To reduce Co<sub>2</sub> emissions attributable to the South East by 20% from the 2003 baseline by 2016 (as a step towards the national target of achieving a 60% reduction by 2050); and
- To increase the contribution of renewable energy to at least 10% of energy supply in the South East by 2010 as a step towards achieving 20% by 2020.

This will contribute to the headline target I mentioned to:

- Reduce the rate of increase in the region's ecological footprint (from 6.3 global hectares per capita in 2003, currently increasing at 1.1% per capita per annum), stabilise it and seek to reduce it by 2016

## **POLICIES FOR REDUCING CARBON EMISSIONS**

To achieve this target we all have a part to play:

1. SEEDA is ensuring that its own development activities in the Thames Gateway, coastal regeneration sites and other renewal projects support a carbon emissions reduction strategy;
2. We promote the inclusion of climate risks and costs into public policy and business decision making.
3. We also need to promote and contribute to the delivery of local, regional and national infrastructure that is resilient to climate change as well as
4. encourage innovation for new markets, products and services that support adaptation to climate change for example I lead for the RDAs on the Energy Research Partnership (ERP) and the Technology Strategy Board (TSB).
5. There are also opportunities for South East businesses arising from energy policy through cluster and supply chain support for renewable and other low carbon energy technologies
6. and through support for energy management in businesses as part of the wider resource efficiency agenda.
7. Finally, we support initiatives that integrate local demand and supply of energy (i.e. CHP), with energy efficiency, building on exemplar projects in the region.

## **CHALLENGES FOR THE HOUSING INDUSTRY – SUSTAINABLE CONSTRUCTION**

So, what does this mean for the challenges facing the Housing Industry.

First a very real need to start deploying into best and common practice some of the technologies we have only piloted to date. Here are some examples

### **BedZED – (left)**

That means learning lessons from problems and understanding successes. The Beddington Zero Energy Development in Sutton, well known as BedZED was completed 5 years ago now. It was highly innovative for its time and is still well visited, aiming to be 'carbon neutral' by implementing a wide range of sustainable features. Developed by Bill Dunster for the Peabody Trust it provides just 100 homes and workspaces in Sutton. At nearly 60 dwellings per hectare, the scheme provides high density urban dwellings with efficient use of land and reduces transport costs both by its location and by its very popular car pool.

The real success revolved around creating a whole community ethos into which residents commit to reducing demand for water and energy. Despite the well known difficulties during construction, residents' utility bills are very low, which is going to be increasingly important as fuel costs rise, and the photovoltaic cells can provide up to 50% of the development's electricity. Legislation and utility companies still have to better understand how to embrace a self contained development like BedZED (i.e. if they have surplus energy to be fed into the grid etc.), but this is emerging. We need these pilots to test and showcase what can be done to achieve sustainable development. But then we need to learn the lessons – good and bad – and deploy the successes in large numbers. At BedZED a key problem for the CHP system – as well as the lack of locally sourced tree surgery waste – was the lack of a critical mass of homes to bring down the unit costs.

### **Z-squared (zero waste, zero carbon), Thames Gateway (London/SE) – (middle)**

The middle photo shows how this critical mass could be achieved. London and the South East are supportive of this Z-squared project, which aims to deliver One Planet Living – a concept pioneered by WWF and BioRegional - in the Thames Gateway.

Z-squared has produced an infrastructure-led concept design for a 2000-home, mixed-use and mixed tenure development. It takes tried and tested technologies and integrates them to achieve zero carbon emissions from the energy required for heating, cooling and electricity, and virtually zero waste to landfill.

And we have to combine excellence in standards and in cost control with strong and simple communication to residents of how to operate their homes in order for the 'green' techniques to bear fruits – it's all about smarter technologies and smarter behaviour.

### **CIS Tower, Manchester (NWDA) – (right) example for retrofitting**

The CIS tower has been dominating Manchester city's skyline for over 40 years. Built in 1962 it was then one of the tallest buildings in Europe, and remains the UK's tallest office building outside London. In recognition of its unique design the tower was grade II listed in the mid-1990s. As a past CE of English Heritage I know the challenge – and opportunities – that offers to new users'.

When the original mosaic tiles were in need of urgent repair Gary Thomas, CIS' Head of Property and Facilities, suggested not simply to replace them but to make this a groundbreaking solar power project. The tiles were replaced by 7,244 solar photovoltaic panels, designed to convert daylight into electricity, creating 180,000 units of renewable electricity each year - enough energy to make 9m cups of tea or to power an average 3-bedroom home for 60 years or to power 1,000 PCs for a year.

Solarcentury provided specialised PV knowledge to design a weatherproof cladding by integrating photovoltaics (PV) around the tower's structure so that the CIS tower has become Europe's largest vertical solar array.

The ambitious £5.5m project, completed in May this year, was supported by a £885,000 grant from the Northwest Regional Development Agency (NWDA) through its Enworks programme, and a £175,000 grant from the Department of Trade and Industry (DTI).

### **We still have to work out how to retrofit existing homes:**

As I mentioned earlier, only 1% of housing is "new" and at least 75% of properties are still expected to be in use in 2050, the year by which the government hopes to have cut carbon emissions by 60% from 1990 levels. Therefore the need to retrofit and upgrade existing stocks becomes crucial. The Sustainable Development Commission concluded that retrofitting current technologies, such as better insulation and more efficient heating systems, was the most cost-effective way to reduce households' environmental impact. Ruth Kelly hopes Energy Performance Certificates, would encourage households to cut consumption. We have to grasp this one soon. I put my own faith in the development of new technologies such as fuel cells which could massively reduce retrofitting costs within the next 5 years.

## **THE NATIONAL SHIFT TOWARDS ZERO CARBON HOMES**

For new homes Ruth Kelly announced on 13 Dec in the consultation document *Building a Greener Future: Towards Zero Carbon Development*, that the shift towards zero carbon homes (and that includes appliances inside the home) will be supported by three measures:

- Tightening building regulation over the next decade to improve the energy efficiency of new homes
- Publication of a Code for Sustainable Homes in Dec 06, which includes a green star rating for properties

- A draft Planning Policy Statement on climate change that will take into account carbon emissions when considering planning permissions

The Code for Sustainable Homes proposes a new national standard for sustainable design and construction of new home. By integrating elements of this voluntary Code into new homes and obtaining assessments against the Code, developers will be able to obtain a 'star rating' for any new home which will demonstrate its environmental performance. It will provide valuable information to home buyers, and offer builders a tool with which to differentiate themselves in sustainability terms. So, it is about consumer's choice – currently only about 7% of consumers would pay more for a greener product but many more would prefer it if it were the same price as the non-green alternative. Or perhaps if it were easier for them to understand the implications for their energy bills.

Yet this is the crux for the housing industry; building to green standards currently still translates into higher costs at the outset with longer term benefits. This means that house-buyers will benefit from energy efficient buildings through lower energy bills but developers may have higher building costs up front. So we need to explore smarter ways of building green homes. And since Tuesday, John Callcutt is in post to head a new government-sponsored review into delivering green housing to report this September. Watch this space.

## **CHALLENGES FOR THE HOUSING INDUSTRY – PROCUREMENT**

Public sector procurement has an essential role to play in driving standards and encouraging modern construction methods to achieve quality and cost-effectiveness through critical mass and we can be sure that Communities England will follow EP, HC & RDAs in seeking such results.

The UK Government Sustainable Development Strategy, published in March 2005, committed the public sector to leading by example in delivering sustainable development objectives. The public sector has a key role in furthering sustainable development through its procurement of buildings, goods and services. The Strategy established a business-led Sustainable Procurement Task Force to bring about a step-change in public sector procurement practice, such that by 2009, the UK is recognised as amongst the leaders in sustainable procurement across EU member states.

### **Construction (Achieving Excellence) Case Studies**

OGC Smarter Construction is working in collaboration with other public bodies to produce a series of case studies aimed at demonstrating how applying Achieving Excellence in Construction principles results in the delivery of first class, whole-life value for money programmes and projects, and ultimately, better public services. These case studies will focus on the key success factors and achievements and lessons to be learned from a variety of past and present, successful central and local government construction projects.

## **CHALLENGES FOR THE HOUSING INDUSTRY – HEALTH & SAFETY**

Health & Safety offers a business opportunity as well.

I've recently been to visit the building site of T5. Construction is inherently dangerous and if T5 was built according to industry norms, two people will lose their lives during its construction. From both a moral and business standpoint, this is not an acceptable statistic for BAA which has set about creating new benchmarks in safety standards on T5 that exceed industry norms and national averages. I was very impressed with their Health & Safety measures. And I really liked their health & safety gear – modern design, nice to wear and fit for purpose! This is, how it should be and there is a market there to be conquered. If workers like their health & safety equipment and if it is easy to work wearing it, then they will use it. They wear it! At the project's halfway point (over 50% complete) over a million man hours were worked without a single reportable accident.

Additionally, as part of its pioneering approach to OH, the team works closely with T5 planners and designers as well as tool manufacturers to investigate health risks associated with traditional products and processes. This has enabled the development and implementation of safer working practices and severely reduced the incidence of common place ailments such as hand-arm vibration syndrome and cement dermatitis.

To achieve higher quality work, people are what really matters!

## **CHALLENGES FOR THE HOUSING INDUSTRY – SKILLS & WORKFORCE**

Workforce skills are a big issue for the construction industry

- Annual requirement for the next five years of nearly 14,000 additional people to keep pace with the development

Current challenges are:

- an ageing workforce
- Reliance on immigrant labour – often producing high productivity but not sustainable as a solution to increasing need
- New technologies and changing construction methods require new skills

Skills development is a key part of our work with trainers across all sectors. Higher & Further Education providers need to work collaboratively with industry to design the curriculum and to deliver more flexible training.

**South East Excellence, one of 9 Regional Centres of Excellence**, was established by SEEDA to support the urban renaissance of our towns and cities and to help deliver quality places. It will bring together organisations supporting the skills needed to build, maintain and renew our communities, and help them reach those who want to learn.

It aims to

- Expand the knowledge and skills base by identifying and showcasing best practice, signposting toolkits and guidance

- Establish strong cross- disciplinary learning networks,
- Promote pride in place – for example promoting innovative techniques for consulting stakeholders in projects that involve significant physical change
- Excite young people in designing places for the future

It provides a focal point for all those involved in both the learning and teaching of place-making skills. It's website will act as signpost to best practice and guidance, as well as showcasing case studies.

Thames Gateway offers a testing ground for local projects such as:

### **North Kent Construction Skills Project**

- employer led approach to training and employment to enhance the skills level of existing employees and provide training for local people so that they can rise to and benefit from the construction job opportunities in this growth area.

Also supporting

### **SUSCON**

- feasibility study to develop a centre of excellence for new and sustainable, contemporary construction skills across the Thames Gateway to include:
  1. Skills and Knowledge Academy;
  2. Innovation and R&D centre;
  3. Product and technology demonstration & visitor centre + conference & exhibition space;
  4. Design excellence hub;

## **CHALLENGES FOR THE HOUSING INDUSTRY – QUALITY DESIGN**

Design has a crucial role to play in successful places.

- Planners and politicians are getting smarter in championing good design for their areas (**SE Design Champions**),
- We need regulation to push through higher standards, particularly in sustainability, the **Code for Sustainable Homes** will help us to move faster and harder on this.
- We need the building industry – particularly housebuilders to recognise the potential of good design as competitive advantage
- And we need to research and develop the design technology of the future – reducing the pressures on precious natural resources

But we know enough about what we need – we understand good design – its time to stop experimenting and start doing it. We need to invest in what works and we need to use what we know to be best practice. Its time to stop making excuses.

And to own up to the problems, I am concerned by the number of schemes coming forward which are obviously – not blindly but not honestly either – designing in major buy to let investment in small units as crucial to the short term profitability – but not longer terms sustainability of new mixed tenure communities.

In Joint Venture with CP at St. Mary's Island in Chatham Maritime SEEDA achieved high design standards, building new homes with an eye to the historic and maritime resonances, exciting developments with access to good quality jobs and leisure facilities at Chatham Maritime. These homes have also achieved high eco-homes standards. The public sector, including agencies such as SEEDA, English Partnerships and the Housing Corporation can lead the way in demonstrating quality design. But again we must have an eye to cost effectiveness if they are to be replicable. Frankly, these homes didn't achieve a commercial rate of return.

Unlike our Joint Venture with Berkley Homes at Ropetackle in Shoreham-by-Sea, East Sussex, a mixed-use development with both residential and business space. It incorporates a range of sustainability measures including renewable energy technology, wildlife features such as swift boxes and facilities for community integration using the Sustainability Checklist for Developments in the South East. It reinforces the priority the agency assigns to sustainable development. Last year Ropetackle was declared Best Sustainable development at the Building Magazine Sustainability Awards 2006.

We need inspirational development and iconic landmarks but also impressive everyday design which people want to live next to – and in – if we want new homes to be welcomed.

## **CHALLENGES FOR THE HOUSING INDUSTRY – OWNERSHIP & ENGAGEMENT**

Successful engagement is not an optional extra – its key to securing sustainable design – getting it right for the people who live and work there. Its also crucial to delivery – if it doesn't have the support of local people – it will be much more difficult to deliver.

In Queenborough and Rushenden on the Isle of Sheppey we have been engaging the local community using the Enquiry by Design approach – this slide shows local schoolchildren getting involved in saying what they want for the area.

All of SEEDA's development projects include extensive and ongoing community engagement – vital to successful delivery. So the Housing Forum's work on client collaboration is of considerable interest to us.

## THE SOUTH EAST TOOLBOX FOR SUSTAINABILITY

There are already plenty of tools we can use to create sustainable construction:

Our SE **Sustainability Checklist** uses weighted scores to assess a development's impact on sustainability

**Regional Architecture Centres** offer design advice to significant schemes

**SE Centre for the Built Environment** is a strategic, industry-led body which works with a range of key organisations such as Constructing Excellence, ICE, RIBA, CIOB and Carbon Trust to improve the built environment. Key priorities for SECBE are planning process, client Leadership & team integration, people performance and business improvement. SECBE has also developed a range of programmes in waste minimisation, lean and sustainability.

**SE Design Champions Club and SE Regional Design Panel**  
**Sector Skills Council for construction**

I've already mentioned **SE Excellence** a new network that brings together the resources of – and resources useful to – those involved in planning, designing and building community environments. Since its launch in September 2005, SE Excellence has been working to implement its Action Plan through a website presence and at exhibitions. It has been actively engaging with professional institutions to encourage more cross-disciplinary professional development using a national events website linked to a network of learning providers.

Part of SEEDA's broad business support is the **Innovation Advisory Service** which offers a free advisory service to technology-based companies looking to grow through investment in new products and services. The IAS have access to a range of experts within the UK, helping companies to improve innovation, within their organisation, identify resources and in some instance help them secure grant finance.

We also focus support on helping all forms of businesses to achieve resource efficiency and sustainable practices through the **Business Resource Efficiency & Waste Programme (BREW)**

SEEDA has set up a number of business-led sector consortia focused on SMEs & supply chain. One is the **Envirobusiness SE Sector Consortium**- One of the SEEDA backed Sector consortia. Envirobusiness work with businesses from across the environmental spectrum, from small to large, from energy technology to consulting, to waste and recycling. Envirobusiness help businesses in South East England increase their share of the global market for environmental technologies and services.

## **OPPORTUNITIES FOR THE HOUSING INDUSTRY**

Finally I'd like to look at one of the largest developments in Europe, the Thames Gateway (80,000 hectares, measuring 65 kilometres long and up to 30 kilometres wide; contains about 700,000 households and is home to around 1,6 million people and provides about ½ million jobs):

The continued success of the GSE area as a 'global innovation capital' is critical to achieving national growth in the UK. The successful economic development of the Thames Gateway is essential to securing that continued success, because it completes the eastern segment of a well-connected network of regional cities, large towns and revitalised urban centres supporting London's role as a global city – all playing clear, distinctive roles.

Well-executed development of the Thames Gateway will also give us a hugely influential shop-window to the world. The Gateway will demonstrate that the UK can harness cutting-edge practice and leading designers, engineers and technologists to create a world-class landscape. The three RDAs believe that the achievement of success on this scale and with this level of ambition will only be secured by a very strong partnership between business and government, based on a clear political will to commit to this vision over a 30 year+ period. After all, we are already 20 years into the rescue of Chatham Maritime and still building.

Our shared vision for the Thames Gateway is based on a scenario of 'global growth', based on high value-added inward investment, innovation and growth of existing businesses in order to achieve:

- A Gateway to international trade and investment between the UK, Europe and the World
- A completed London city-region which will ensure that the global city can grow and the existing communities in the Thames Gateway helped to benefit from the London success story. We believe, with CLG, that if we achieve our ambitions in the Gateway we will generate £12bn additional GVA per annum. So there is an economic price.

### **Thames Gateway Spatial Transformers**

The Thames Gateway Interim Plan set out 4 major transformers which government and the private sector must work together to achieve over the next 20-30 years:

- Canary Wharf: continuing its development as a major finance/business centre will be reliant on the development of Crossrail and sufficient housing to accommodate the required expansion in workforce numbers; in terms of addressing market failure, Crossrail is the most significant project that could unlock the potential of Canary Wharf, London and the wider Gateway economies;
- Lea Valley and Stratford: taking the opportunity to develop a new commercial district through the delivery and legacy of the London 2012 Olympics;

- Ebbsfleet Valley: creating a new commercial district with high speed connectivity to London, UK and the continent through the development of the Channel Tunnel Rail Link and Crossrail extension;
- London Gateway Shellhaven and the Thames Gateway port cluster: ensuring that the Gateway develops a port and logistics complex of global importance.

#### Thames Gateway Thematic Transformers

The delivery of major employment and economic growth in Thames Gateway will also depend on addressing drivers of productivity and wider determinants of economic performance under the five themes of: connectivity; enterprise and innovation; investing in people; delivering sustainable communities; and marketing the opportunities.

### **SOUTH EAST DIAMONDS FOR GROWTH**

And there are many more opportunities in the South East where growth will take place.

We have interpreted the city-region concept for the SE in 'Diamonds for Growth' around our major towns and cities as well as a 'string of pearls' which are our coastal towns: opportunities for a particular sort of urban renaissance of historic seaside economies, each developing a new future for themselves.

Given the sustainability argument that housing growth should be closely allied to employment growth, it makes sense that the existing centres of economic activity should provide a focus for accommodating sustainable growth supported by appropriate and timely investment in infrastructure.

Within the South East research has identified a number of major concentrations of economic growth potential which:

- Extend beyond the boundaries of an individual local authority
- Are centred on an urban core or comprise networks of urban areas; and
- Play a leading role in the economic vitality of their broader sub-regions

These Diamonds for Investment and Growth have the potential to act as a catalyst to stimulate prosperity across wider areas, and offer scope for further sustainable growth based on targeted investment in their infrastructure. Initial research has identified eight Diamonds for Investment and Growth:

- Basingstoke
- Brighton & Hove
- Gatwick Diamond
- Milton Keynes and Aylesbury Vale
- Oxford / Central Oxfordshire
- Reading
- Thames Gateway Kent (including Medway and Ebbsfleet)
- Urban South Hampshire (including Portsmouth and Southampton)

With in these areas it is the concentrations of people, employment, built assets, knowledge, transport, networking, creativity, leisure, culture and diversity which give the potential to be economic catalysts for the region as a whole. This needs to be reinforced by selective infrastructure investment as a stimulus to sustainable growth.

And by working across boundaries – both administrative and sectoral – regions and regional development agencies can make a real difference.

- It's more than quantity – we need to think AND deliver beyond homes and jobs to achieve sustainable prosperity for all. •Skills are essential and we need to continue training people following a demand-led approach to skills development. People and local engagement is needed to develop and sustain communities that we all enjoy working and living within.
- Therefore we need to continue to build up capacity – both in the public and private sector
- Careful management of spaces is key to a long term positive perception of our built environment; embedding developments in the community will move us even further to Making Places!