

RSS EXAMINATION IN PUBLIC SOUTH EAST

STATEMENT BY CPRE SOUTH EAST: PARTICIPANT 7124

MATTER 1 APPROACH AND LEVELS OF GROWTH

Sub-matter 1G ECONOMY AND JOBS - HOUSING ALIGNMENT

1G.1 Are the provisions of the draft RSS consistent with its own assumption of achieving 3% growth in GVA to 2016?

1.1 CPRE rejects the notion that the provisions of the draft RSS are consistent with the growth forecasts of 3 per cent in GVA. This is partly because consistency is difficult to achieve. We do not see a logical or obvious connection between the suggested levels of growth and other outcomes. These include levels of development proposed, especially house building and employment land supply. Levels of development do not follow from the assumptions about likely growth in the economy.

1.2 The issue of longer working lives is relevant to the Plan. The importance of extending the working life of many people will be widely felt in the South East. The impact of this factor needs further analysis, especially to determine whether this will reduce the need for in-migration and so reduce housing needs. We have submitted two published reports to the Panel. They are: Government White Paper of May 2006: '*Security in Retirement: towards a new pensions system*', listed on page 76 of the EIP Core Docs list. The 2nd Report of the Pension Commission; '*A new pension settlement for the Twenty-first Century*' (The Turner Report) is not listed; both can be sourced from: www.dwp.gov.uk/pensionsreform/pdfs/white_paper_complete.pdf and www.pensionscommission.org.uk respectively. The main graph is the same in both.

1.3 The economy of the South East has an impact beyond its borders. It is important that we are positive about the economy. However, it is essential to achieve economic success in a way that is consistent with sustainable development. This context must relate well to a spatial strategy, within the key context of land use planning and wider strategic aims. Economic growth can be consistent with sustainable development, this is not uncharted territory: growth must now take account of resource constraints as well as the many different drivers of change. Ensuring economic stability and prosperity must be a fundamental requirement of the spatial strategy. The need to strike a balance is likely to be of continuing importance. Environmental protection and resource use consideration should stimulate a new era of growth, one that respects sustainability criteria and contributes to regional and global security.

1G.2 Is there sufficient alignment between the expectations of employment growth and new housing provision at the regional and sub-regional levels?

2.1 It follows from the previous question that there is probably little adequate alignment between employment and housing. The draft Plan is largely driven by the concept of alignment between jobs and housing numbers. It aims to provide

sustainable economic growth while striking a balance between employment and housing provision. This balance is also part of a wider set of objectives for the region and it will be important to consider whether the emphasis of each is reasonable and appropriate especially for sub regions of varying context and potential.

2.2 The presentation and description of economic and housing policies may not always be aligned or consistent. They do not aid ready comparison and the disaggregation of figures is further lost at sub regional level. This is because housing numbers are necessarily allocated at administrative levels by district area. The need for alignment is not apparent or explicit in the delivery of adequate rates of housing provision. Whereas this is significant as regards safeguarding employment land, it is less easy to understand where other factors align, such as productivity and human resource development, increased economic activity per capita and migration inflow.

2.3 The alignment of jobs and housing should be linked to job creation to reduce the need to travel; a key sustainability principle. This in turn is linked to issues of deliverability, and we agree that seeking alignment is an important aim.

2.4 It has been suggested that the focus of the Plan should be on quality of life and social inclusion issues rather than economic growth, and this would require more focus on priority areas for regeneration. We do not believe this necessarily represents a realistic approach to the challenges of the South East. Quality of life is a valuable and all-embracing concept. Its use should be deployed mainly to ensure progression and enhancement, rather than a mere confirmation of the status quo.

1G.3 How will the region and sub-regions/regional partners seek "smart growth", and how realistic is this objective (section D2, paras 1.20-1.21, Policy WCBV5)?

3.1 The main elements of economic dynamism should include skills development, innovation, enterprise, investment and competitiveness. Some of the skills will be learned in the region, but it is important to remain open to new ideas and new skills, including smart working practices that people bring to the region as new temporary or permanent residents. It will be important to ensure smart growth wherever possible, so that the footprint of development is not unduly extended, with a focus on urban areas.

3.2 Sustainable development and the quality of life may be at risk if the pursuit of economic growth proposed is followed without an emphasis on increasing productivity per person. The target of 3% or 3.2% GVA per annum is therefore to be questioned if it leads to a demand for more dwellings and an unduly large workforce. The innovation value of the region, including environmental technology, should be a key focus for the future, and the emphasis in rural areas should be on ensuring that development does not destroy the countryside it has come to enjoy. Smart growth must be better understood over time, and include a broad aim to increase productivity per worker, as well as per existing areas of employment land; a trend to longer working lives also represents more output per person. The RES has made brave attempts to promote this, through fostering high value added work and retaining commuters in the region, and this approach should be supported as an overriding objective. While it is not a single solution to the problem of labour supply and

demand, it is helpful overall and provides a further contribution to the sustainability of the region.

1G.4 What is the scope for labour market adjustments to offset the projected labour supply shortfall (section B, para 7.3.5)?

4.1 The analysis of market sectors according to their long term performance is helpful, but does not necessarily give an accurate picture of future prospects. Adopting a cautionary approach in the period after 2016 therefore seems entirely appropriate. Short term labour supply shortfalls will be affected by migration to the region, and this factor is like to be the most significant. Up-skilling of the resident workforce will become more urgent, but the housing pressures exerted by incoming labour supply cannot be ignored at regional level. Addressing the forecast imbalance will clash with other factors in the sustainability equation, in particular housing land supply. Avoiding a negative effect on future prosperity of the region will present a number of choices in the decade ahead. Any response must be in line with the vision of the region as fostered by an understanding of the spatial strategy options.

4.2 The issue of commuting into the region may increase in prominence after 2016, and raises questions about the lead times involved in major development proposals. Ensuring sustainable communities when faced with pressures of further commuting will offer continued challenges. Providing houses in commuting belts is questionable if the intention is to reduce the need to travel and align jobs to houses.

4.3 Elasticity in labour market supply will continue in the foreseeable future, and the spatial strategy should not expect to be over accurate. It should be concerned with broad relationships rather than exact numbers. The complexities and uncertainties of forecasting do not allow for greater accuracy. Commuting will remain a key issue given the location of a world city on the doorstep. The economic arguments and employment projections leaves an uncomfortable feeling that the level of jobs require more migrant workers across regional boundaries. Housing may be also provided for commuters, and the underlying imperative of local jobs to reduce the need to travel should be addressed.

4.4 Inflows as well as outflows may well also be the key issues in other regions in close proximity to London or any other major conurbation. Commuting also relates to the key worker issue, in hotspots of economic growth where the crunch may be affordable housing for key workers and others on lower incomes. Despite this, good housing schemes remain empty because key workers do not think of themselves as low paid and nor perhaps would they be other countries. The issue of key workers is more an employment market pay and social issue, and not purely a housing question.

30 October 2006