

**Speech by Gillian Merron,
Minister for Transformational Government,
speaking at the launch of the Excellence in the
Midlands report, 14 November 2007**

This is a useful opportunity for me to set out some of the key challenges facing the region's economy and how the housing agenda fits within that framework.

When I was appointed I had a call from the Prime Minister and the first thing he said to me was 'regional agenda – very important'.

Gordon is very committed to making sure the local voice of the people is heard. Please see myself and Liam Byrne as your champions in the Midlands, I look forward to you knocking on my door and telling me what we should be doing.

The East Midlands used to have a reputation for being an affordable place to live and work; however rising house prices over the last 10 years now mean that in some parts of the region (Rutland) the average house price is now seven times the average salary.

While the East Midlands economy is performing well - the East Midlands has achieved its ambition to become one of the Top 20 regions in Europe - we cannot afford to be complacent.

Significant disparities exist within the region: areas around the former coalfields in the north of the region, along with the cities of Derby, Leicester and Nottingham have a strong industrial heritage, but each area has a part to play and opportunities to grasp.

The East Midlands has a high number of low paid / low-skilled jobs. A quarter of the workforce works in the distribution, hotels and restaurants sector with very few graduates.

Addressing this low skill base is one of the Regions priorities. But another key challenge is housing, both in the actual numbers of new houses we are building and the affordability of our housing.

Housing densities have been traditionally low in the East Midlands. Over half of our local authorities already have development plans in place to address this as well as increasing the energy efficiency of new houses.

There are also other things that can be done. Many more affordable houses need to be built, both in towns and in rural areas, to give our young people the chance to live in the places they were brought up in.

The number of vacant properties also need to be reduced to bring them back into use and ultimately this will help to reduce the numbers of houses we need to build.

And while the East Midlands has been improving in many parts of the economy there are still significant areas where much more needs to be achieved, for example raising productivity, skills and educational levels, particularly in the region's three main cities.

In short, people need for affordable houses in both towns and in rural areas to allow them to access jobs and local families, and lead healthy and fulfilled lives.

Nevertheless the region has demonstrated an appetite for growth and equally a capacity to deliver and I welcome the report about Excellence in the Midlands as a useful contribution to the understanding of how good quality development plays a key role in the regeneration agenda in the East Midlands as well as the West Midlands