

HERTFORDSHIRE COUNTY COUNCIL

CABINET

MONDAY 29 JANUARY 2001 AT 10.00 A.M.

EXECUTIVE COMMITTEE

MONDAY 29 JANUARY 2001 AT 2.15 PM

Agenda No.

3B

GOVERNMENT CONSULTATION ON REGIONAL HOUSING DISTRIBUTION

Report of the Structure Plan Panel

Chairman of the Panel: Mrs M Bayes

Officer contact: Julian Pitt, Forward Planning Unit (Tel 01992 555234)

Executive Member: I E M Tarry

1. Purpose of the report

1.1 To inform Cabinet of a Government consultation on the housing distribution to be included in the final version of Regional Planning Guidance for the South East (RPG9), and to propose the Structure Plan Panel's draft County Council response for approval by the Executive Committee.

2. Summary

2.1 The Government published 'Draft Revised' RPG9 for the South East on 18 December 2000. This represents the final version in all respects other than the distribution of housing development. A separate report on this agenda considers the further changes that the Government has made to its earlier Draft RPG9 which was published in March 2000, and the limited and generally disappointing extent to which the County Council's representations on the Draft have been reflected in the final version.

2.2 The Government started a final consultation on 18 December specifically and only on the Regional housing distribution, with responses invited by 12 February. It should be noted that the Government is not consulting on the overall level of housing provision, which is one of the matters addressed in the accompanying report on this agenda about the new RPG9.

2.3 The Government has set an overall annual average rate of housing development in the Region outside London of 39,000 dwellings, at least until 2006, of which it proposes that Hertfordshire's allocation should be **3,280**. Applying this rate up to 2016 (the period for which Structure Plan alterations are being prepared) would require about another 20,000 homes to be planned in the County on top of the 65,000 for which the current Structure Plan provides, making a total of about 85,000 over the 25 year period 1991 to 2016.

3. Conclusions

- 3.1 The Panel considers that the County Council should respond to the consultation on the housing distribution along the lines suggested in the appended draft response. The main points in this are to:
- (i) object strongly to the Government's proposed housing distribution, which allocates an annual average rate of development of 3,280 dwellings a year to Hertfordshire;
 - (ii) recommend that **if** the Government confirms an overall rate of development in the Region outside London of 39,000 dwellings a year, then the County's share be reduced to an absolute maximum of about 2,980 in line with a 'pro-rata' distribution based on SERPLAN's original proposals; and
 - (iii) recommend that the reduction in Hertfordshire's share should be made up to the west of London in the area defined in RPG9 as the 'Western Policy Area', where:
 - (a) future labour shortages in the Region are likely to be most acute;
 - (b) the most recent household projections also suggest an increased share of total housing development to be appropriate; and
 - (c) the extent of environmental designations and Green Belt represent no more significant constraints than they do in many other counties including Hertfordshire;
 - (iv) in the covering letter accompanying the Council's representations on the housing distribution, stress continuing concern particularly about affordable housing and recommend that:
 - (a) in issuing the final form of RPG9 the Government must make it clear that any failure to secure its proposed increase in the proportion of affordable housing should not lead to substitution with private market housing; and
 - (b) any under-provision of affordable housing should lead to a reduction in total housing provision as part of the 'plan, monitor and manage' approach.
- 3.2 The Panel recommends liaison with other structure and unitary planning authorities to consider whether there may be matters of mutual concern that might warrant a possible joint response.
- 3.3 The draft response takes into account the views of the district councils. In finalising the County Council's response, Cabinet also needs to take note of any views received from town and parish councils and other interested organisations in Hertfordshire following the Executive Member's recent letter to them about this matter.

1. Information on Government's Proposed Housing Distribution

- 1.1 The Government's latest consultation document proposes, in draft Policy H2 of RPG9, that development plans should make provision for additional dwellings so as to achieve the following annual average level of provision outside London:

County	Average Annual Rate	% share
Bedfordshire	2,430	6.2
Berkshire	2,620	6.7
Buckinghamshire	3,210	8.2
East Sussex	2,290	5.9
Essex	5,240	13.4
Hampshire	6,030	15.5
Hertfordshire	3,280	8.4
Isle of Wight	520	1.3
Kent	5,700	14.6
Oxfordshire	2,430	6.2
Surrey	2,360	6.1
West Sussex	2,890	7.4
Total	39,000	100

- 1.2 The Government states that the above distribution is *'based upon the existing (1994) version of RPG9 which took account, inter alia, of the policies to promote the Thames Gateway'*.
- 1.3 The Government has calculated its proposed distribution simply by taking the overall annual rate of provision for the Region outside London in the 1994 version of RPG9 (39,667 from 1991 onwards) and reducing all the county level shares in that version by the *same* small factor to make the new overall rate exactly 39,000. Hertfordshire's previous RPG share was 3,333 and the proposed 3,280 share, therefore, is approximately a simplistic continuation of the previous RPG rate of provision. The percentage share, relative to all other counties, is unchanged from the 1994 version of RPG9.
- 1.4 The proposed text of revised Policy H2 states:

'These rates of provision should apply to the period up to 2006. Where development plans are reviewed and the new plan extends beyond 2006, they should continue to provide for additional dwellings at the above annual average rate until such time as any different rate is adopted following review of this guidance.' (Policy H1 states, in this context, that *'the 39,000 overall rate is subject to review within five years at the latest in the light of monitoring and the finding of the urban capacity studies and studies of potential growth areas.'*)

- 1.5 As Members are aware, Alterations to the Hertfordshire Structure Plan are being prepared to roll the Plan forward to 2016. Applying the Government's proposed 3,280 average annual rate throughout the whole period 2001 to 2016 would require about **another 20,000** dwellings to be planned in the County on top of the 65,000 for which the current Structure Plan provides. This would make a total of about 85,000 in the 25 year period 1991 to 2016. However, the Government stated in the House on 18 December that:

'After 2006, it is likely to be necessary to plan for the higher figure of 43,000 individual dwellings to meet housing needs but that will be a matter for review under our flexible 'plan, monitor and manage' approach. The review will take full account of the proposed studies on the potential growth areas of Milton Keynes, Ashford and the London - Stansted - Cambridge corridor'.

- 1.6 It is possible, therefore, that the Government may wish to consider increasing the development rate in Hertfordshire to a level above 3,280 when new RPG is prepared for the East of England, scheduled within the next three years.

2. Analysis of Government's Proposed Housing Distribution and the Panel's views

- 2.1 Hertfordshire County Council supported the housing proposals in SERPLAN's original draft RPG9, published in December 1998. To recap, SERPLAN had proposed a 'baseline' housing provision in the Region as a whole outside London which equated to an annual average rate of provision of 33,300 dwellings over the period 1996 to 2016. SERPLAN proposed that Hertfordshire's share of the 'baseline' provision during this period equate to an annual average rate of 2,550 dwellings. This represented a 7.6% of the Regional total 'baseline' provision, subject to possible readjustment as part of the 'plan, monitor and manage' approach that SERPLAN endorsed.
- 2.2 There was a 'Public Examination' into SERPLAN's proposals in May 1999 and Panel's report (the 'Crow Report') was published in October 1999. That recommended an overall annual average rate of housing development in the Region as a whole outside London of 56,000, of which the Panel recommended Hertfordshire's share be 4,400 (equating to 8.0% of the total).
- 2.3 The Government's 'Proposed Changes' to SERPLAN's Draft RPG9 were published in March 2000 and proposed an overall annual average rate of housing development in the Region as a whole outside London of 43,000. The 'Proposed Changes' document did not include a housing distribution for the South East outside London. Instead, in a covering letter the Government set out an 'illustrative' housing distribution that apportioned annual average figures to each county pro-rata on the basis of the percentage distribution of SERPLAN's original baseline figures. This distribution of the 43,000 total would have allocated an annual rate of 3,290 to Hertfordshire, being 7.6% of the total (e.g. same percentage as SERPLAN's - see para 2.1 above). The Government stated at that time that it was not convinced that this pro-rata distribution fully reflects the spatial strategy set out for the region in its 'Proposed Changes' and

invited SERPLAN to consider the matter and put forward any adjustments it proposed to the County level figures within the overall total of 43,000 dwellings a year.

- 2.4 SERPLAN resolved at its Conference in June 2000 to hold to its original approach and lower overall level of housing provision, as put forward in its original Draft RPG9 in 1998. It did not, therefore, respond to the Government's 'illustrative distribution'. At that stage, Hertfordshire County Council joined SERPLAN in objecting strongly to the Government's proposed overall annual rate of dwelling provision 43,000 as much too high. Instead, the Council reaffirmed its support for SERPLAN's original baseline figures but in its own representations recommended to the Government that **if** it persisted in setting higher housing figures than SERPLAN proposed, then the overall annual rate of development for the Region as a whole should be distributed simply by adjusting the annual development rates for each county in SERPLAN's original baseline distribution for 1996 - 2016 on a 'pro-rata' basis.
- 2.5 SERPLAN held its last Conference on 19 December 2000, the day after publication of the 'Draft Final' RPG9 and the consultation on housing distribution. Conference debated the topic and adopted the following resolution:
- 'SERPLAN notes the publication of RPG9 and the consultation on housing. SERPLAN regrets that as a result of the delay in publishing RPG9 there has not been time for officers to prepare advice and, in the circumstances, therefore recommends that member authorities should make their own responses to Government'.*
- 2.6 SERPLAN will not, therefore be making a response to the consultation as a body.
- 2.7 On the basis of the approach to housing distribution which the County Council recommended to the Government in June 2000, Hertfordshire's share of the Government's revised total of 39,000 would be **2,980**. This would be 7.6% of the Regional total outside London, compared with the 3,280 or 8.4% share which the Government now proposes based on a continuation of previous RPG9 (see table under paragraph 1.1 and para 1.3).
- 2.8 The Panel considers that the Government's proposed annual average housing development rate in Hertfordshire of 3,280 dwellings is too high. It considers that if the Government persists in setting an overall rate of development in the Region outside London of 39,000 dwellings a year, the County's share must be reduced to an **absolute maximum of 3,000** share of this in line with a 'pro-rata' distribution based on SERPLAN's original proposals.
- 2.9 In reaching this view the Panel has been consistent with the approach that the County Council took in May 2000. It considers that there are sound technical reasons to cap Hertfordshire's share at a maximum of about 2,980 and for the Government to make up the difference between this and 3,280 elsewhere in the Region. The basis for such a redistribution is set out in a draft response to the current Government consultation which is appended to this report.
- 2.10 The recommended basis for redistribution relates mainly to:

- improving the balance between labour supply and employment growth in different parts of the Region by providing more housing (and thereby more labour) in the ‘Western Policy Area’ immediately to the west and south of London, where the final version of RPG9 recognises that future labour shortages are likely to be most acute;
- the fact that most recent household projections also suggest an increased share of total housing development should be directed to the Western Policy Area; and
- the fact that the extent of environmental designations and Green Belt in the ‘Western Policy Area’ represent no more significant constraints than they do in Hertfordshire.

2.11 The effect of applying a 3,000 average annual rate of housing development in Hertfordshire throughout the whole period 2001 to 2016 would be to require about **another 16,000** dwellings to be planned in the County on top of the 65,000 for which the current Structure Plan provides. This would make a total of about 81,000 in the 25 year period 1991 to 2016, compared to the 85,000 minimum which is implied by the Government’s proposed distribution (see paras 1.5 and 1.6).

2.12 Despite efforts to increase the use of previously developed land through the current Hertfordshire housing capacity study and Town Renaissance Campaign, the Panel are extremely concerned at the likely implications of an annual housing development rate anywhere in the range 3,000 to 3,280 for the extent of further green field / Green Belt development in Hertfordshire. This is one of the matters covered in the attached draft response, as is the matter of affordable housing.

3. Views of Hertfordshire district councils and other interested organisations

3.1 A provisional first draft of this report, including the appended draft response (and also the report for item Xa) was circulated to district councils to help inform a joint member meeting held on 8th January. The meeting included a brief presentation on the main points and rationale underpinning the draft response. District representatives expressed the following views in relation to the regional housing distribution:

- support from nine district councils (all districts with the exception of Stevenage) for the general thrust of the draft response; (Stevenage representatives explained that the Borough had not objected to the 43,000 overall rate of provision put forward by the Government in its March 2000 Draft RPG9.)
- the County Council should add to its draft response the points made in the supplementary technical paper entitled ‘*Hypothetical housing distributions based on household projections*’;
- the County Council response could be reinforced by reference to the difficulty of increasing housing provision on previously developed land due to aspects of the County’s geography, including (a) the fact that historically high land values have

meant that many opportunities for redevelopment or infilling have already been taken up and (b) the County has a relatively high proportion of planned new towns that may offer fewer infill development opportunities than most older settlements;

- it will be either very difficult or impossible to provide sufficient affordable housing in line with the ‘provisional indicator’ that 43% of new housing should be affordable, that the Government needs to improve the mechanisms available to increase the provision of affordable housing and that the County Council is right to emphasise this concern in its response;
- one district (East Herts) questioned the Government’s whole approach to inter-regional housing distribution, and called for a larger share of national housing requirements to be met in other regions.

3.2 District representatives also expressed a range of views on the appropriateness of ‘low cost market housing’ and other forms of affordable housing as a means to address housing needs in Hertfordshire, including the needs of ‘key workers’.

3.3 In finalising this report the Panel has taken into account the above views of district councils.

3.4 The Panel understands that the Executive member for Environment is writing to town and parish councils, together with a number of other Hertfordshire organisations which expressed an interest in earlier rounds of consultation on draft RPG9, to seek their views on the Government’s proposals before Cabinet meets on 29 January and to urge them also to respond to the Government. The Director of Environment can give Cabinet an oral summary of the any comments received and whether, in consequence, he recommends any further changes to the draft response appended to this report.

4. Financial Implications

4.1 The appended draft response to the Government raises no immediate financial implications for resourcing preparation of Alterations to roll forward the current adopted Structure Plan to 2016.

Background material used by the author in compiling this report

A Sustainable Development Strategy for the South East,(SERP500) SERPLAN, December 1998

County Council's representations to the Public Examination into SERPLAN's Draft RPG9, held in May 1999

Provision for Industrial and Commercial Development in the South East (SERP 514 - Technical Background Paper to the Public Examination), SERPLAN, May 1998

Draft Regional Planning Guidance for the South East (RPG9), Government Office for the South East, March 2000

Draft RPG9 - The SERPLAN response to the Government's Proposed Changes (SERP600), June 2000

Draft RPG9 - Hertfordshire County Council's response, covering letter dated May 2000

Draft Revised Regional Planning Guidance for the South East (RPG) and Consultation on the Proposed Housing Distribution (Policy H2) - Government Office for the South East, December 2000

APPENDIX

DRAFT LETTER & ACCOMPANYING REPRESENTATIONS

Mr David Saunders
Regional Director
Government Office for the South East
Bridge House
1 Walnut Tree Close
GUILDFORD
GU1 4GA

County Hall
Pegs Lane
Hertford SG13 8DN
Minicom: 01992 555224

Fax : 01992 555202
Telephone: 01992 555200
Contact : Charlie Watson
My ref : CW/JP/VS
Date : 9 February 2001

Dear Mr Saunders

DRAFT REGIONAL PLANNING GUIDANCE FOR THE SOUTH EAST (RPG9) CONSULTATION ON THE PROPOSED HOUSING DISTRIBUTION (POLICY H2)

Hertfordshire County Council strongly objects to the Government's proposed housing distribution. In summary, it considers that the share allocated to Hertfordshire should be an absolute maximum of 2,980 dwellings a year and that the distribution should be more closely based upon the aim to improve the balance between labour supply and jobs in different parts of the Region. I trust you will find the points in the attached response to be soundly based and that they will result in significant changes to the proposed distribution in draft Policy H2.

Additionally, there are some particularly important contextual points that I would like to stress in this covering letter.

First, the County Council welcomes the fact that Draft Revised RPG9 now places much more emphasis than did the March 2000 'Proposed Changes' on action to take forward a number of aspects of sustainability that are not directly land use-related.

However, the County Council is disappointed and concerned that in preparing the final version of RPG9 the Government has failed to accept most of the Council's earlier representations on the 'Proposed Changes'.

The Council is particularly concerned that the Government has chosen to consult only on the housing distribution and not on its revised proposals for the linked issues of overall housing numbers and affordable housing.

The Government has set a 'provisional regional indicator' in Chapter 13 of Draft Revised RPG9 of 18,000 to 19,000 affordable homes annually in the Region outside London, equating

to about 47% of the proposed overall annual rate of provision. The County Council is supportive of this aspiration in meeting local housing needs including those of 'key workers'.

However, only about 18% of housing built in Hertfordshire since 1991 has been affordable in terms of Circular 6/98 and for several reasons it may be difficult to sustain even this proportion. Having consulted with all ten district councils in Hertfordshire, the County Council considers that it is most unlikely that anything like 47% affordable housing can be achieved in the County through the package of measures outlined in paragraphs 8.9 to 8.16 of Draft Revised RPG9.

The County Council considers that significant further improvements to the mechanisms for securing affordable housing are required - both further increases in funding and the measures this Council recommended in its response to the Government's 'Proposed Changes' version of RPG9.

In the absence of a significant increase in the proportion of housing development that is affordable, the excessive provision of private market housing would simply encourage higher migration into the SERPLAN counties around London while local needs go unmet. That outcome would be against Government policy.

It will be important therefore, that in issuing the final form of RPG9 the Government must clarify that any failure to secure its proposed increase in the proportion of affordable housing should not lead to substitution with private market housing with consequential encouragement of increased migration into counties surrounding London.

Equally important, recognition should be given in RPG9 to the need to reduce total housing provision through the 'plan, monitor and manage' approach in the event of any significant under-provision of affordable housing.

Yours sincerely

Charlie Watson
Director of Environment

cc Hertfordshire District Councils
Caroline Bowdler, GO-EAST
Alan Moore, EELGC

DRAFT Representations of Hertfordshire County Council

1. Summary

- 1.1 Hertfordshire County Council recommends, as it did in response to the Government's March 2000 'Proposed Changes', that the overall average annual rate of development in the Region outside London should be distributed simply by adjusting *pro-rata* the annual rates for each county in SERPLAN's original 'baseline' distribution for 1996 - 2016. This would have the effect of reducing the annual rate of development in some counties including Hertfordshire and increasing it in others, notably the 'Western Policy Area' counties of Berkshire and Buckinghamshire.
- 1.2 There are two important considerations which justify increasing the proportion of housing located in the Western Policy Area generally:
 - (i) the need to improve the balance between labour supply and employment growth in different parts of the Region by providing more housing - and thereby a larger share of available labour in the Western Policy Area;
 - (ii) the fact that the most recent, 1996-based household projections reinforce the case for increasing the proportion of the total housing development located in the Western Policy Area.
- 1.3 The extent of environmental designations and Green Belt in the Western Policy Area represent no more significant constraints overall than they do in Hertfordshire and some other counties. These considerations, therefore, are not in conflict with the weight that the Government should place on considerations (i) and (ii) above.
- 1.4. Table 1 overleaf sets out the distribution derived by applying the approach recommended in paragraph 1 above.
- 1.5 The Government's explanatory text around draft Policy H2 does not make clear from which 'start year' the average annual rates of housing provision are to apply. This needs to be clarified to avoid unnecessary confusion and uncertainty. Hertfordshire County Council proposes that the start year should be as put forward by the Government in the version of Policy H2 in the March 2000 'Proposed Changes', i.e. 1996.

Table 2

Housing distribution (in Col 2) recommended by Hertfordshire County Council derived by pro-rata increase on SERPLAN's 'baseline' distribution

1	2	3	4	5
County	Distribution of 39,000 annual average rate derived by pro-rata increase on SERPLAN's 'baseline' distribution from 1996 onwards	% share	<i>Government's Proposed Distribution - in Draft Policy H2</i>	<i>% share</i>
Bedfordshire	2,520	6.5	<i>2,430</i>	<i>6.2</i>
Berkshire	3,120	8.0	<i>2,620</i>	<i>6.7</i>
Buckinghamshire	3,770	9.7	<i>3,210</i>	<i>8.2</i>
East Sussex	2,190	5.6	<i>2,290</i>	<i>5.9</i>
Essex	4,910	12.6	<i>5,240</i>	<i>13.4</i>
Hampshire	5,970	15.3	<i>6,030</i>	<i>15.5</i>
Hertfordshire	2,980	7.6	<i>3,280</i>	<i>8.4</i>
Isle of Wight	560	1.4	<i>520</i>	<i>1.3</i>
Kent	5,840	15.0	<i>5,700</i>	<i>14.6</i>
Oxfordshire	2,440	6.3	<i>2,430</i>	<i>6.2</i>
Surrey	2,040	5.2	<i>2,360</i>	<i>6.1</i>
West Sussex	2,660	6.8	<i>2,890</i>	<i>7.4</i>
Total	39,000	100.0	<i>39,000</i>	<i>100.0</i>

1.6 Hertfordshire County Council regards an annual rate of development of about 2,980 dwellings (Col 2 of Table 1) as the absolute maximum share of a 39,000 total rate for the Region that should be allocated to Hertfordshire.

1.7 The rest of this statement provides further information in support of the County Council's position, as summarised in paragraphs 1.1 - 1.6 concerning:

- Employment growth and labour supply considerations (Section 2)
- Implications of the 1996-based household projections (Section 3)
- Environmental designations and Green Belt (Section 4)

1.8 Section 5 briefly considers ambiguities that need to be resolved concerning the start year for the housing distribution in Policy H2.

2. *Employment growth and labour supply considerations*

- 2.1 RPG9 recognises that the Western Policy Area is economically the most buoyant part of the Region, where ‘tightness in the labour market’ is specifically identified as a key concern (see paras 4.20 and 12.46 and Policy RE8).
- 2.2 In preparing its Draft RPG9 (SERP500), SERPLAN undertook detailed technical work on how the distribution of housing could be informed by relative differences in the balance between labour supply and forecast / planned employment growth in different areas. The most recent report examining this matter in detail was SERP349TN, published in April 1998. The Government’s attention is drawn to this paper and particularly to the section entitled ‘*Theoretical Employment-led Housing Distributions*’, a copy of which is appended to this representation.
- 2.3 Column H of Table E in SERP349TN (as appended) was derived using an employment forecast research commissioned by the Government Office for the South East. That table casts grave doubt on the wisdom of the distribution which the Government has proposed in draft Policy H2 and Table 2 below gives an *approximate* indication of the growing imbalance between labour supply and employment growth that the housing distribution draft Policy H2 would lead to.
- 2.4 In particular, attention is drawn to the significant divergences between Cols 2 and 3 for the counties that make up most of the Western Policy Area - Berkshire, Buckinghamshire and Surrey.

Table 2: Comparison of Distribution in Draft Policy H2 with a theoretical employment-led distribution from Column H of Table E in SERP349TN

1	2	3
County	% share of housing distribution in Draft Policy H2	% share of ‘Employment - led’ housing distribution in Col H of Table E in SERP349TN
Bedfordshire	6.2	4.3
Berkshire	6.7	9.1
Buckinghamshire	8.2	10.7
East Sussex	5.9	5.6
Essex	13.4	8.0
Hampshire	15.5	17.4
Hertfordshire	8.4	7.6
Isle of Wight	1.3	1.2
Kent	14.6	9.3
Oxfordshire	6.2	5.9
Surrey	6.1	12.0
West Sussex	7.4	8.8
Total	100%	100%

- 2.5 The Government’s consultation document states that the distribution in draft Policy H2 is ‘*based upon the existing (1994) version of RPG9 which took account, inter alia, of the policies to promote the Thames Gateway*’. Hertfordshire County Council supports these

policies and recognises that the share of housing allocated to counties east of London should be higher than implied by Table E of SERP349TN in order to reflect not only household growth but also the aspirational east - west 'economic re-balancing' which the Thames Gateway strategy seeks to advance. However these considerations only partially balance the significant scale of relative under-provision in the Western Policy Area, as indicated by Table 2.

- 2.6. Given the particularly acute labour shortages that are likely to emerge generally across in the Western Policy Area, it is astonishing that whilst in most counties the proposed housing distribution in draft Policy H2 would increase the rate of provision substantially above the rates from 1996 which are implied by SERPLAN's recommended 'baseline' provision¹, the proposed rates of provision in two of the main counties comprising the 'Western Policy Area' (Berkshire and Buckinghamshire) are actually **less** than that implied by SERPLAN's 'baseline' distribution².

3. Implications of the 1996-based household projections

- 3.1 Hertfordshire County Council supports the Government's view that much less weight should be placed on household projections than was the case under the old 'predict and provide' planning regime, particularly in deciding on *overall* housing requirements.
- 3.2 However the household projections should remain an important consideration in deciding on the *distribution* of housing. Table 3 shows what would be the county-level distribution of housing provision supposing this were to be based solely on growth in household numbers derived from successive household projections.
- 3.3 The existing RPG9 was published in 1994, but the demographic analysis that underpinned it was the 1989-based household projections (not the 1992-based projections which were not published until after 1994). Column 4 of Table 3 shows the percentage distribution of household growth in the period 1991 to 2011 derived from the 1989-based projections. The account taken by the Government of the Thames Gateway Strategy in existing RPG9 is indicated by the higher percentages for Kent and Essex in Col 3 as compared with Col 4. Comparison of these columns shows that Hertfordshire's share of housing provision, at 8.4%, was set high relative to the 1989-based projections but this had no basis in terms of re-balancing between counties east and west of London.
- 3.4 Col 5 shows what the percentage distribution would be from now on if it were to be based solely on the latest 1996 projections for the whole period 2001 to 2016. Hertfordshire's share would be 7.7% compared with 8.4% in the Policy H2 distribution. Conversely, the combined share for the main 'Western Policy Area' counties of Buckinghamshire, Berkshire and Surrey in Col 5 (24%) is higher than in Col 3 (21%). Thus the latest household projections would indicate a distribution much closer to that proposed by Hertfordshire County Council (Table 1 of this representation) than that in draft Policy H2.

¹ See col. 2 of the table attached to Nick Raynsford's covering letter that accompanied the Proposed Changes in March 2000.

² Draft Policy H2 rates for Berks and Bucks are 2,620 and 3,210 respectively, compared with rates of 2,663 and 3,217 respectively that correspond to SERPLAN's 'baseline' figures for 1996 onwards.

Table 3: Comparisons between draft Policy H2 distribution and distributions based on successive household projections

1	2	3	4	5
COUNTY	Average annual rate of dwelling provision in draft Policy H2	% Share of housing in draft Policy H2	% share of household change 1991 - 2011: 1989-based household projections ³	% share of household change 2001 - 2016: 1996-based household projections) ⁴
Bedfordshire	2,430	6.2	4.7	5.5
Berkshire	2,620	6.7	9.4	9.2
Buckinghamshire	3,210	8.2	10.8	8.0
East Sussex	2,290	5.9	7.0	8.4
Essex	5,240	13.4	13.0	12.0
Hampshire	6,030	15.5	15.7	16.9
Hertfordshire	3,280	8.4	6.3	7.7
Isle of Wight	520	1.3	1.2	1.0
Kent	5,700	14.6	13.0	10.1
Oxfordshire	2,430	6.2	7.9	6.4
Surrey	2,360	6.1	4.5	7.1
West Sussex	2,890	7.4	6.5	7.7
Total	39,000	100.0	100.0	100.0

4. *Extent of green field development*

- 4.1 Hertfordshire County Council rejects the Government's assertion⁵ that the overall building rate it proposes in the longer term can, in general, be accommodated using no more land than would have been taken by the level of development proposed by SERPLAN.
- 4.2 Hertfordshire County Council is seeking to increase the use of previously developed land through the current Hertfordshire housing capacity study and our 'Town Renaissance Campaign'. However the Council is extremely concerned at the likely implications - particularly for the scale of Green Belt development that might be required - of any rate of housing development in Hertfordshire significantly higher than SERPLAN's original 'baseline' figures (about 2,550 dwellings a year from 1996 onwards).
- 4.3 The distribution which this Hertfordshire County Council proposes in Column 2 of Table 1 would have the effect of increasing the rate of housing provision in the Western Policy Area from about 21% to 23%. However the extent of environmental land designations and Green Belt in the Western Policy Area represent no more significant constraints overall than they do in many other parts of the Region including Hertfordshire. The

³ Calculated from Table 2.9 in SERPLAN's RPC 2980 published in May 1996

⁴ Calculated from county-level 1996-based projections made available by DETR in October 1999

⁵ In Nick Raynsford's covering letter that accompanied the Proposed Changes in March 2000.

evidence for this can be found in SERPLAN's 'Inventory of Designations'⁶ and the attention is drawn in particular to Table 1 in that Inventory, a copy of which is attached to this representation.

5. *Start year for housing distribution in Policy H2*

- 5.1. The Government's explanatory text around draft Policy H2 does not make clear from which 'start year' the average annual rates of housing provision are to apply. Additional text should be added to clarify this in order to avoid unnecessary confusion and uncertainty at the next round of structure plan examinations in public (EIPs).
- 5.2. Hertfordshire County Council proposes that the start year should be as put forward by the Government in the version of Policy H2 in the March 2000 'Proposed Changes', i.e. 1996. The final version of RPG9 also needs to clarify that, as a consequence, development plans should adjust housing provision in the remaining years to 2006 either upwards or downwards to account for the number of dwellings already built in the period since 1996. Otherwise the number of dwellings built may deviate significantly from what is planned.

⁶ SERP 301R, January 1998

APPENDIX

Extract from SERP349TN, published by SERPLAN in April 1998

Extract from SERP349TN, published by SERPLAN in April 1998

Extract from SERP301R, published by SERPLAN in January 1998

Key to Table

Group 1 designations: Intrinsic land quality designations of national importance

Group 2 designations: Green Belt

Group 3 designations: Intrinsic quality designations of strategic (i.e. lower than national) importance

Group 4 designations: Strategic gaps (i.e. containment designation other than Green Belt)