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2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

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Dear Tim,

You recently confirmed that Sir John Sainsbury is seeing the Prime Minister at the end of this month to discuss the difficulties that his firm has had in getting planning approval for some of their major new retailing development projects. Mr Jenkin had a talk with Sir John recently, and has invited him to send him any practical proposals that he may have for improving the planning system. We have not yet heard from him and it seems that he is more concerned with the general scope of the system and may press for a "radical review".

Ministers have considered changes in the planning system on a number of occasions (eg. in MISC 14 in 1980 and again earlier this year, and also in the context of the 5 Year Forward Look). They have generally concluded that the system needs to be simplified and its efficiency improved, rather than that the whole system should be dismantled, since its protective effect on property values and local amenity interests is highly valued, and properly used it can facilitate the development process. A good deal of progress has been made in improving the operation of the system over the past 3-4 years and I enclose a note which explains what has been done. Mr Jenkin is acting on MISC 14's conclusion that what is now needed is to change the attitudes of some of those who operate the system rather than to introduce major changes in the system itself. He has already issued new policy statements on land for housing, planning gain and green belts, and will be following this with similar statements on industrial development and "aesthetic control" - all aimed at promoting more constructive and less restrictive use of the planning system.

If Sir John Sainsbury sends in a note before the meeting, we will be glad to add to the brief.

Yours sincerely  
Helen Ghosh

MRS H F GHOSH  
Private Secretary

Tim Flesher Esq



PRIME MINISTER'S MEETING WITH SIR JOHN SAINSBURY  
LAND-USE PLANNING SYSTEM  
NOTE BY DOE

1. Sainsbury's are engaged in a large development programme, taking them into parts of the country where they have not previously been represented. Unlike Marks and Spencer, whose policy is to expand their stores in existing town centres (and who hardly ever have a planning appeal), Sainsbury's are going mainly for sites in suburban or peripheral locations and are planning huge stores of anything from 40,000 to over 100,000 sq. ft. Proposals of this kind can attract strong opposition - from established small shopkeepers and town centre traders and from the neighbourhoods that will feel the impact of developments on this scale.
2. The planning system has to resolve these conflicts of interest in the use and development of land: it does not create them. It is true that it is sometimes a slow process - especially where, as increasingly happens, a Sainsbury project prompts competing (and perhaps obstructive) proposals: recent planning inquiries have had to cope with ten or more related projects.
3. Sir John Sainsbury naturally judges the planning system on the basis of his frustrating experience, and this leads him to think that the whole system is wrong and ought to be drastically changed - although he is less clear about the remedy.
4. The fact that the system has survived in its essentials since 1947 does not mean that it is anachronistic. The same is true of much statute law. It is now deeply embedded in property law and valuation, and greatly valued for its protective effect on private property and local amenity. There is always at least as much pressure to strengthen it as to relax it. Properly used, it can be effective both in facilitating development and in conservation.

5. There have been several reviews of the system in the last few years (including MISC 14 in 1980 and again this year): all have concluded that the system is necessary and basically sound and that the aim should be to improve its efficiency. MISC 14 added the rider that the attitudes of some of those who operate the system need to be changed - especially to take full account of the needs of industrial development, modernisation and small firms.

6. Over the past 3-4 years the emphasis on improving the efficiency of the system has had a marked impact:

- (a) 87% of all planning applications are approved (including 89% of industrial developments);
- (b) housing is the biggest land user and builders tend to go for "green field" sites that often attract strong local opposition - but the number of planning permissions given for housing developments (over 10 houses) has increased from 62% in 1980 to 78% last year.
- (c) last year 72% of all applications were dealt with inside 8 weeks (some local authorities clear well over 80%) - the best performance since monitoring began in 1979;
- (d) the average time taken on planning appeals is now 19 weeks compared to 29 weeks in 1980

- there is obviously scope for further improvement but the trend is strongly in the right direction, and the system is more responsive to demand than is often assumed.

7. There are around 450,000 planning applications a year dealt with by local planning authorities. The types of development with which Sir John Sainsbury is concerned are wholly exceptional and it is true that the system has difficulty coping with them because they are so large, repercussive and controversial. One possibility would be to cut out the stage of consideration by the local authority and use the Secretary of State's power to "call-in" such cases

(say those over 40,000 sq ft) for his decision. It would mean more work for the Department but it would cut down the time taken overall. Would Sir John Sainsbury favour this or does he prefer to negotiate agreement locally if that proves possible? Does he have any other practical proposals - short of dismantling the whole system and provoking the fury of all those property owners and local amenity groups who value its beneficial effects and want to see it strengthened?

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