

File



bc: Mr. Redwood

10 DOWNING STREET

From the Private Secretary

5 March 1984

SUPERSTORES AND THE PLANNING SYSTEM

The Prime Minister has seen the revision you have proposed to the draft of the letter which your Secretary of State plans to send to Sir John Sainsbury. She is content with it. She has decided not to proceed with the idea of writing to Sir John herself.

Andrew Turnbull

Alan Davis, Esq.,
Department of the Environment.

CONFIDENTIAL

CONFIDENTIAL

PRIME MINISTER

SUPERSTORES AND THE PLANNING SYSTEM

You queried the draft of the letter which Patrick Jenkin proposes to send to Sir John Sainsbury. In particular, you thought the end of the penultimate sentence - see Flag A - was inconsistent with the Department's paper.

DOE have sought to clarify this in their letter of 1 March - Flag B - and have provided a re-draft of the offending passage.

Are you content?

Sir John Sainsbury copied his letter to you so it would be open to you to reply yourself. We have consulted DOE about this and they are unhappy about it - see Flag C - but have not objected outright.

- I recommend that you leave it to Mr. Jenkin to reply.*
- (i) Having taken account of the Department's reservations do you want to send a letter of your own?
- FERB* (ii) If so, are you content with the draft at Flag D?

Overhead no.

AT

*It is an improvement.
mr*

2 March 1984



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

| March 1984

Dear Andrew

SUPERSTORES AND THE PLANNING SYSTEM

Thank you for your letter of 20 February, conveying the Prime Minister's comment about the proposed letter to Sir John Sainsbury.

The passage in the draft to which you draw attention was directed at the particular circumstances when a joint planning inquiry has to consider a number of proposals to build a superstore in the same geographical area. Such inquiries can cover a dozen or more proposals. At these joint inquiries, the representatives of superstore chains frequently argue that there is room for one - but only one - major new retail development in the area. The Inspector has therefore to deal with that evidence in his report, especially if it is argued that gross over-provision of new retail developments would have a very severe impact on existing town centres that serve a wider purpose in the community. The Chancellor of the Exchequer has for instance been very concerned about the prospective impact of a major hyperstore development affecting his constituency.

The draft reply to Sir John Sainsbury, however, may not bring out these points with sufficient clarity. It might therefore be best to end the penultimate paragraph by something on the lines of:

"... are relevant considerations. These problems are intensified when a joint planning inquiry has to consider a number of applications from retailers for large new stores in the same area. In such cases, particularly when the retailers themselves advance arguments about the capacity of the area to absorb new retail development, the Inspector would have to deal with that aspect in his report. But that is quite different from using the planning system to restrict competition between firms."

We will make this change if the Prime Minister is content.

Yours sincerely
Ala Davis

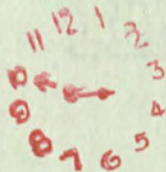
A H DAVIS
Private Secretary

Andrew Turnbull Esq

Local Court July 83

Sainsbury

11 E MAR 1984





cc JR C
2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

1 March 1984

Dear Andrew

Thank you for your letter of 21 February to John Ballard and for letting us see the draft of a letter which the Prime Minister might send to Sir John Sainsbury.

I wonder whether I might underline one of the points made in the note attached to my letter to you of 17 February? The proprieties of the Secretary of State's quasi-judicial role in relation to appeals, and the fierce competition between superstore operators, mean that we should be cautious about saying too much in a private letter to one firm. It would clearly be very embarrassing if other retailers gained the impression that Sainsbury's were receiving any sort of preferential treatment from central Government.

In these circumstances, we wonder whether a letter from the Prime Minister - in addition to one from the Secretary of State - might court the danger of misinterpretation? You will wish to consider that point. But in any event, we would like to make these specific comments on the draft:

(i) the statement "It is not our intention to support a planning system designed to discourage superstore development" is perhaps too firm, and has the implication that superstores will in future proceed without regard to proper land use considerations. A better formulation might be "The planning system should allow adequate provision for superstore development and should not seek to regulate competition";

(ii) although we fully accept the need to deal expeditiously with planning appeals, the final paragraph does not recognise the very controversial nature of some of the appeals with which Sainsbury's have been involved. I wonder whether I might refer you to our letter of 26 August last (copy enclosed), which touched on these points: and

(iii) Sainsbury's have now written to the Department in the context of our review of planning and shopping policy. It might be as well to acknowledge this, perhaps by adding a new penultimate sentence to the second paragraph

"I understand that your Chief Executive has now written giving the views of your company".

Yours sincerely
Ala Davis

A H DAVIS
Private Secretary

LEO

Local Govt. July 83

Sir John Sainsbury

MAR 1984

