

PO-CH, NL / 0242

PART A

Part A

CONFIDENTIAL

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REGISTRY of movement)

Begins : 18/1/88
Ends : 15/2/88



PO -CH /NL/0242



PART A

Chancellor's (Lawson) Papers:

VILLAGE HOUSING AND NEW
VILLAGES

Disposal Retention: 25 years

[Signature]

22/9/95

NL/0242

-CH

PO

PART A

ppp.



10 DOWNING STREET
LONDON SW1A 2AA

CH/EXCHEQUER	
REC.	18 JAN 1988
ACTION	LST
GOES TO	

From the Private Secretary

18 January 1988

Dear Stan

VILLAGE HOUSING AND NEW VILLAGES

The Prime Minister has seen your Secretary of State's minute of 22 December on the above subject. She has noted that we must indeed maintain our concern for the protection of the countryside and green belts, and is of the view that the issuing of the discussion paper would certainly evoke a hostile response regardless of the way in which it is presented. She is firmly of the view that it would be better not to proceed with the issuing of the paper, which she feels would only be misrepresented and resented.

I am copying this letter to the Private Secretaries to other Cabinet Members and to Trevor Woolley (Cabinet Office).

Zur er

Andy

(P. A. BEARPARK)

Alan Ring, Esq.,
Department of the Environment.



From the Minister

The Rt Hon Nicholas Ridley MP
Secretary of State
for the Environment
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

pay

CH/EXCHEQUER	
REC.	22 JAN 1988
ACTION	CST 22/1
COPIES TO	

22 January 1988

Dear Nicholas,

VILLAGE HOUSING AND NEW VILLAGES

Thank you for copying to me your minute of 22 December to the Prime Minister enclosing a discussion paper on "Village Housing and New Villages".

I support the publication of a discussion document as I do think there are some quite important rural housing issues to be addressed in the light of the changing scene in many rural areas.

I also understand your reasons for wanting to approach the subject cautiously. However, I think there would be some advantage in being a little more explicit about what you are putting forward for discussion, possibly by including a final section summarising the main points and the most important new ideas. You might also consider giving more emphasis to the growing problem in some rural areas of provision of low cost housing for people on lower incomes who live and work there.

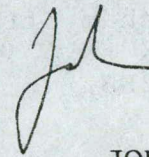
As with DoE Circular 16/87, there is some risk of certain environmental interests attacking the document as a 'developer's charter' or as giving the green light to controversial proposals for commuter villages. This is primarily a matter of how the discussion paper is presented. In particular the statement in paragraph 12 that "... most rural settlements will generally benefit more from new development than from the imposition of artificial constraints on growth" needs adjusting; it could easily be quoted out of context in a damaging way.

Finally, I am pleased to see that you are again setting out the case for lower density developments with more attention to design

(paragraph 36), not least in the context of alternative agricultural land use. I am not sure that this message from Rural Enterprise and Development has been taken up as widely as it should have been by developers and planners.

+ I am copying this letter to the Prime Minister, to Cabinet colleagues and to Sir Robin Butler.

Yours ever,



JOHN MacGREGOR



mp

CH/EXCHEQUER	
REC.	29 JAN 1988 29/1
ACTION	CST
COPIES TO	

PRIME MINISTER

28/1/88

VILLAGE HOUSING AND NEW VILLAGES

We spoke about this topic following your Private Secretary's letter of 18 January, and you kindly agreed to discuss my proposal to publish a discussion paper on the subject.

There is no question of encouraging the expansion of existing villages, or the building of new ones, in the Green Belts. That is never likely to be acceptable to public opinion particularly in the London Green Belt. We make this clear in the discussion paper (see paragraphs 2, 33 and 38), and go further in saying that any such provision should be "well beyond the outer boundary of the metropolitan Green Belt". I would certainly reinforce this message in introducing the discussion paper. Tillingham Hall, to which you referred, was in fact in the Green Belt, which was why I turned it down.

Both William Waldegrave and I feel, however, that there may well be considerable interest in and cautious support for a less restrictive attitude towards the moderate expansion of some existing villages, and perhaps the development of a few new villages, outside those parts of the country that are under greatest pressure from developers. The discussion paper seeks to explore this approach in a careful and unprovocative manner. We would make clear that the Government was not committed to the idea but was simply inviting views on it before considering any new policy guidance on the subject.

We are already preparing a package of proposals on rural housing which I plan to bring forward, hopefully to publish around Easter. These are directed at ways in which the provision of housing to rent and low cost housing for sale in country areas can be encouraged under our present policies. There is a good deal of interest in rural housing problems among those bodies who are



concerned for rural communities and the rural economy. Rural populations are growing, and there is a growing housing shortage, particularly of houses to rent. I would propose to publish the discussion paper as an adjunct to this package of more immediate housing measures, so that it can be seen in that context and as part of a wider approach to the housing needs of the rural areas.

The concept of village development is also very relevant to our policies on the rural economy, and could make a modest contribution to the continuing need to ensure an adequate supply of land for new housing. But by linking it with our other initiatives on rural housing I would hope to make it quite clear that it presents no threat to the Green Belt and that we are as determined as ever to maintain our very firm Green Belt policy. I am sure that there will be some who will try to misrepresent our intentions but we should be able to deal with that. I will check through the paper again very carefully to make sure that its purpose is clear.

As you know, Geoffrey Howe, Douglas Hurd, John MacGregor and Norman Fowler have already responded favourably. Peter Walker and Malcolm Rifkind are also interested but would prefer the paper to be issued as a DOE paper relating only to England, and there is no difficulty about that. I would be delighted to discuss this with you.

I am copying this to Cabinet colleagues and to Sir Robin Butler.

A handwritten signature in dark ink, consisting of the letters 'N.R.' in a stylized, cursive script.

NR

28 January 1988

UNCLASSIFIED

bf 15 m 10/2

FROM: D R INSTONE

DATE: 1 February 1988

CHIEF SECRETARY

cc **Chancellor**
 Mr Anson Sir P Middleton
 Mr Kemp
 Mr Byatt
 Mr Burgner
 Mr Hawtin
 Mr Turnbull
 Mr Betenson
 Mrs Holmans
 Mr Graydon
 Mr Call
 Mr Tyrie

VILLAGE HOUSING AND NEW VILLAGES

Mr Ridley's minute of 1 February to the Prime Minister returns to a proposal he previously made a month or so ago to allow some relaxation of planning restrictions in villages.

2. When he circulated his earlier proposals, this got a generally favourable reaction from all other Cabinet colleagues who intervened (you did not) except from the Prime Minister, who thought it would be politically difficult.

3. Given the otherwise favourable reaction, Mr Ridley has come back to the issue and suggested that it could reasonably be presented in a way which minimises potential political opposition on the basis of a tax on the Green Belt; he also points out that the proposals would be helpful in terms of encouraging the rural economy and ensuring the need to achieve an adequate supply of land for new housing.

4. We have become conscious recently of the pressures which current planning restrictions are putting on the supply of housing and hence forcing up land prices, to the detriment of the aim of improving labour mobility. Since you did not intervene in the correspondence last time round, you might find it helpful to add your support this time round, and I attach a short draft.

5. The Prime Minister may well decide she would like a collective discussion of the issue, given her own doubts. But in doing so it may be helpful for her to know the balance of opinion among colleagues.

D R W

D R INSTONE

DRAFT LETTER FOR THE CHIEF SECRETARY'S SIGNATURE TO:

The Rt Hon Nicholas Ridley AMICE MP
Secretary of State for the Environment
2 Marsham Street
LONDON SW1P 3EB

VILLAGE HOUSING AND NEW VILLAGES

Thank you for sending me a copy of your minute of 28 January to the Prime Minister.

2. I broadly welcome your proposals. Some freeing of planning restrictions in ~~existing~~ villages should contribute to our aims of increasing the supply of housing, and thereby contributing to labour mobility, without adding to public expenditure on housing.

3. However the issue is clearly sensitive in political terms. I agree therefore that you should stress that the policies present no threat to our existing green belt policy.

4. I am copying this letter to the Prime Minister, Cabinet colleagues and to Sir Robin Butler.

(JOHN MAJOR)



FROM: JILL RUTTER
DATE: 9 February 1988

MR INSTONE

cc:

Chancellor — 2
Sir Peter Middleton
Mr Anson
Mr Kemp
Mr Byatt
Mr Burgner
Mr Hawtin
Mr Turnbull
Mr Betenson
Mrs Holmans
Mr Graydon
Mr Call
Mr Tyrie

VILLAGE HOUSING AND NEW VILLAGES

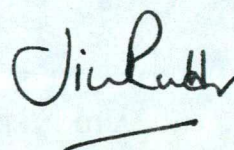
The Chief Secretary discussed with you your minute of 1 February. You said that Mr Ridley was rather vague about exactly what his proposals would entail. He seemed to be wishing to encourage denser building within existing village envelopes. But he also seemed to be entertaining the idea of creating wholly new villages.

2 The Chief Secretary said he saw the economic and social case for relaxing planning restrictions. But it would undoubtedly be politically acutely controversial in the rural areas - moreover, he was unsure whether it was actually the right approach to encourage expansion in already over pressed areas outside the green belt. His own county was under considerable pressure in the Southern half near to Cambridge and Stansted but lacked employment opportunities in the Northern half; allowing expansion in the Southern half would add to pressure for extra spending on schools etc which was not matched by decreasing spending in the less populated and less popular areas.

3 The Chief Secretary said that he did wish to intervene in the correspondence acknowledging the economic and social case for Mr Ridley's proposals but flushing out Mr Ridley's

specific proposals . In this connection the draft circular which DOE would issue to follow up the green discussion document would be significant.

4 You agreed to provide a redraft.

A handwritten signature in black ink, appearing to read "Jill Rutter", with a horizontal line underneath.

JILL RUTTER
Private Secretary

FROM: D R INSTONE

DATE: 10 FEBRUARY 1988

CHIEF SECRETARY

cc Chancellor
Sir P Middleton
Mr Anson
Mr Kemp
Mr Byatt
Mr Burgner
Mr Hawtin
Mr Turnbull
Mr Betenson
Mrs Holmans
Mr Graydon
Mr Call
Mr Tyrie

VILLAGE HOUSING AND NEW VILLAGES

We spoke about my minute to you of 1 February.

2. You said you wanted to strike a more cautious note than I had previously suggested, drawing attention in particular to differences between the creation of new villages, expansion of existing villages beyond their present boundaries and increasing the density within those boundaries.

3. I think it is fairly clear (see extract attached from Mr Ridley's proposed draft consultation paper) that Mr Ridley is thinking of advocating all three - though the way the proposals are drafted, eg, with plenty of double negatives, qualifies him at least as an associate member of the Delphic Priests' Society!

4. I attach therefore a revised draft on the lines we discussed.

D R Lh

D R INSTONE

DRAFT LETTER TO: Rt Hon Nicholas Ridley MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1 3EB

VILLAGE HOUSING AND NEW VILLAGES

Thank you for sending me a copy of your minute of 28 January to the Prime Minister.

2. I can quite see the economic and social case for some limited lifting of planning restrictions on villages. This should contribute to our aims of increasing the supply of housing, and thereby helping labour mobility, without adding to public expenditure on housing. It is also likely to make it easier for young people on modest incomes to move into home ownership. From all these points of view I welcome your proposals.

3. However, as I am sure you recognise, the proposals are acutely sensitive in political terms. I am sure you are absolutely right to present the proposals as representing no threat to the Green Belt.

4. But we must also be very clear about the implications for rural areas outside Green Belts, many of which are already under great pressure from population overspill. Otherwise we risk a political backlash from those areas.

5. The political reaction will depend largely on how we answer questions about the detailed application of your policies. On this I did not find your draft consultation paper entirely clear. In particular, I was not clear about the relative weight you intend to place on the creation of new villages, on the expansion of villages beyond their existing boundaries, and on allowing an increase in density in villages within their existing boundaries. I think the political reaction to each of these aspects could be rather different; and while I see the economic arguments for allowing the creation of wholly new villages, I suspect that this aspect will arouse particularly strong adverse political reactions.

6. No doubt you will be intending subsequently to work up your proposals into a draft circular for local authorities which will provide the operative statement of policy. I think it would be helpful if colleagues could have an opportunity of examining the draft circular at an early stage before we become committed to the policy you propose.

7. I am copying this letter to the Prime Minister, Cabinet colleagues and Sir Robin Butler.

Leadb
m
24/12

those facilities. There is no need to be prescriptive about this: people's needs and preferences vary widely and these are reflected in the great variety of towns and villages large and small.

27. In some cases the larger villages may be well located to accommodate rather more new development than would be suitable in a small community. As has been seen from the figures quoted earlier, that is likely to increase their ability to support existing schools and services and to attract new types of shops and other enterprises. The best way to accommodate such growth without detriment to the local environment or to wider countryside policies and conservation objectives will vary according to the local topography and existing pattern of development. It will usually be preferable to think in terms of compact "organic" growth rather than a single large addition. But the process should not be confined to dense "infilling", since the character of many villages derives partly from the mixture of closely built cottages, larger houses in gardens, paddocks and incidental open space. It would be a mistake to pack new development in too tightly when there is no need to do so and when there are better alternatives available, including new settlements. In some parts of the country villages have tended to develop over the centuries in a linear pattern but that could too easily revert to the ribbon development of the inter-war years which nobody wants to see. Nor is it a good idea to mark the entrance to a village with a large modern retail store or petrol station. There are better ways of handling village development: it calls for professional skills and offers an opportunity for some positive planning and a challenge to architectural and design skills.

28. There has been some recent interest in the possibility of developing new villages or country towns. DOE Circular 15/84 recognised that "it may be practicable to consider making provision in structure plans for new settlements", and noted that "Any such proposals for structure plan alterations, and any specific proposals of this kind by private developers, must be subject to normal planning procedures".

Extracts from Mr Ridley's draft
consultation paper

this year's competition¹¹. There is also increasing interest among housebuilders in small scale schemes that fit well into country towns and villages, including firms that specialise in housing for smaller households, the active retired and elderly. Many Housing Associations have a very good record of design and have produced many attractive rural housing schemes. It is important to avoid the mere replication of current design cliches or features derived from the characteristic building style of a different region that has no relationship to the area concerned. But there are signs that contemporary builders and designers are developing an idiom or vernacular for housebuilding in rural areas that is capable of achieving very good results.

38. Finally, while there is scope for village development and possibly new villages in many parts of the country, it is certainly not the case that such development would be welcome or acceptable everywhere. The overriding need to maintain the Green Belts and to conserve AONB's and other specially protected areas has already been emphasised. So has the need to avoid sporadic or haphazard development in the open countryside. But that does not mean that there is no scope for expanding existing villages or developing new ones, since villages and small country towns are part of the rural scene and always have been. Well conceived new villages could help to relieve development pressures on other areas, including Green Belts and AONB's, where firm restraint on development must be maintained. It is also essential that opportunities for increasing the supply of housing in rural areas should not detract from the policy of recycling urban land, which plays an increasingly important part in the provision of land for housing and in urban renewal, as well as serving conservation objectives. Provision for housing and other development in rural areas should therefore be very carefully judged in relation to the planning of the larger urban areas. Such provision should be steered

¹¹ Housing Design Awards 1987 - a Building publication.

well away from the conurbations and other large urban areas. In the South East it should be well beyond the outer boundary of the metropolitan Green Belt. In view of the intense pressures for development in parts of the South East and the extent of land protected by Green Belt and other established policies, local planning authorities will wish to continue to implement policies of severe restraint on new housing development in rural areas. But in those parts of the region where more ample provision for housing is being made, it may well be both practicable and desirable to meet part of that provision in new and existing villages. That would be in accord with the Secretary of State's regional strategic guidance for the South East.

39. In reviewing county structure plans and in preparing or revising local plans, local planning authorities should give careful consideration to the changes in the rural economy and in the pattern of housing demand that have been discussed in this paper. Local planning authorities may wish to consider developing criteria for the planning of new or expanded settlements, including provision for essential services and other requirements including factors relating to layout, design and infrastructure. In view of the widely differing local circumstances, it is not considered that it would be useful to lay down general prescriptions of that kind which would be applicable throughout the country, but the Department will continue to monitor such developments with a view to compiling advice on good practice.

Information and discussion

40. The Department of the Environment [and the Welsh Office] would welcome views on the subjects discussed in this paper and, in particular, would be glad to receive any information about recent research or surveys relevant to this topic and of schemes for village development either proposed or in progress. Replies should be sent to PDC3, Department of the Environment, 2 Marsham Street, London SW1 or to any of the Department's Regional Offices, [or in Wales to the Welsh Office, Cathays Park, Cardiff].



Ch/

I understand the
hanging papers from
today's Prayers were
held over for discussion
on Monday. We think
you may still have
papers. Do you?

I have

All save the

original

Typos

mpw

minutes

12/2

Ch/

2 January minutes from
AT behind. mpw

PERSONAL AND CONFIDENTIAL

CHIEF SECRETARY

FROM: A G TYRIE

DATE: 10 FEBRUARY 1988

cc Chancellor

VILLAGE HOUSING AND NEW VILLAGES

I was depressed by your line on this!

Nobody could possibly deny that Mr Ridley's proposal may be 'politically acutely controversial in the rural areas'. Many more houses would have been built years ago if it wasn't for the political sensitivity. Everything hinges on whether one accepts the argument that housing provision in the South East is so inadequate that the nettle must be grasped. It was refreshing that most Cabinet colleagues now seem to think it is worth grasping. Most supported Mr Ridley's earlier proposal, first time round. Two points in Jill's note perplexed me.

First, Jill minuted that you were unsure whether it was actually 'the right approach to encourage expansion in the already over-pressed areas outside the green belt'. Were you suggesting that instead we should take on the green belt lobby? That is the only alternative. If you don't do one or the other you are showing a red light to any expansion of housing allocation at all.

Secondly, as you say, expansion in the southern half of your county would add pressure for increased spending on schools and so-called infrastructure etc. But if one believes that growth is being held back because of rigidities in housing (also, of course, labour and other) markets then you can expect an increase in tax yield to pay for them, locally and nationally.

Incidentally, there would be savings in depopulating areas. They would not match increased spending in the growing ones, but savings there would be. What's more, some villages in the South are not large enough to sustain their schools. A small increase in population could enhance village life by keeping the school open. This is true of my parents' village, only 40 miles from London!

Ch. other pp. behind.
PSCST tells me that the
Chief Sec. feels v. strongly
about this.

28/2

Prayles
(+ man
Tyrre paper)

I know it's easy for me to peddle these lines with my head safely below the parapet while you have to duck tomatoes at constituency dinners. But there is always an argument for doing nothing.

Now, with the Alliance flat on their back and the next general election four years away there may never be a better opportunity to take some badly needed supply side action.

RJ.
PP A & TYRIE

dti

the department for Enterprise

The Rt. Hon. Kenneth Clarke QC MP
Chancellor of the Duchy of Lancaster and
Minister of Trade and Industry

Rt Hon Nicholas Ridley MP
Secretary of State
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

CH/EXCHEQUER	
REC.	15 FEB 1988 ✓
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Department of
Trade and Industry

1-19 Victoria Street
London SW1H 0ET

Switchboard
01-215 7877

Telex 8811074/5 DTHQ G
Fax 01-222 2629

Direct line 215 5147

Our ref

Your ref

Date 15 February 1988

N. Ridley

VILLAGE HOUSING AND NEW VILLAGES

Thank you for copying to me your minutes of 27 December and 28 January to the Prime Minister on this subject. I have also seen replies from a number of Cabinet colleagues.

I read with great interest your proposals for a more relaxed approach to the expansion of existing villages and the building of new ones. It seems to me that the post-war policy of restricting development except in a few 'key settlements', while bringing financial benefits to some, has not worked in the longer-term interests of the rural communities themselves. We cannot expect the rural economy to thrive if we deny it room for growth.

However, I fully appreciate the need for careful presentation of this subject and support your proposal to wait until Easter before issuing the paper, so that it coincides with the package of proposals on rural housing you intend to publish then.

FE4ABI



the department for Enterprise

If colleagues are content for publication to proceed, there are a few drafting changes I would wish to see made to the paper. My officials will be pursuing these with yours; but I should mention here that I think there needs to be a statement early in the discussion paper to the effect that our commitment to encouraging enterprise and fostering opportunities for the individual applies just as much in rural as in urban areas.

I am copying this to the Prime Minister, to Cabinet Colleagues, and to Sir Robin Butler.

A handwritten signature in black ink, appearing to be 'K. Clarke', with a large, stylized initial 'K' and a smaller 'Clarke' written to its right.

KENNETH CLARKE

FE4ABI