Part 14.

MT.

Confidential Filing.

Royal Commission on Environmental Pollution
Effects of Acid Rain.
Ozone Layer Conference
Agriculture and Conservation.
Climatic Change.
Environmental Protection Bill.

ENVIRONMENTAL AFFAIRS.

Pt 1 : Sept. 1979

Pt 14: Feb. 1990.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
9.2.90							
28.2.90							
Part ends							

PREM 19/2966

HMSO Dd8953031 6/88 C60 GP2265 CCN13412 (3932)

PART 14 ends:-

CAS Note UD

PART 15 begins:-

CAS to GR - 5 90

BF
Tomorrow
at 4.00 pm
APP 22/2

10 DOWNING STREET

AD Hoc Group on Planning

Mr Patten
Lord Rees
Mr Ridley
Mr Parkinson
Mr Howard
Mr Gummer
Mr Baker
Chancellor / Chief Sec

B

Secretary of State
for Employment

RESTRICTED

PRIME MINISTER

ENVIRONMENT WHITE PAPER - LAND USE PLANNING

I have seen the paper on planning prepared by Chris Patten. My Department has a key interest in this issue and I am writing to record my views.

I agree with Chris that land use planning is a matter of balance between economic growth and concern for the environment. I have no hesitation in supporting in principle his desire to ensure that environmental concerns are seen to be effectively addressed in the planning process.

That need is evident in a number of the policy areas for which I have responsibility. Tourism is a good example. It would be detrimental to have our beauty spots defiled by unchecked commercial developments paying little regard to the very things that made those areas attractive in the first place.

It is important, too, that health and safety concerns are satisfied in planning so that, for instance, major hazard installations are not sited near centres of population. The current strategy for planning controls over hazardous development, in which the Health and Safety Executive plays an essential role,

has been successful and is being strengthened. We are in the process of closing remaining loopholes in planning law with new controls over hazardous substances. It is important that HSE's role in the planning process continues to be recognised.

However, we must be careful not to threaten employment prospects. The large sustained fall in unemployment has been welcome, but unemployment is still at a sufficiently high level to deserve a high priority. At the latest count there were still 1.6 million unemployed. Moreover labour supply is projected to increase by about one million by the year 2000.

If we tilt the balance too far in favour of planning controls, we risk jeopardising our capacity to create the additional jobs we will need. Getting the balance wrong will stifle job creation by:

- making it harder for small businesses to start up;
- making it harder for firms to expand;
- making it harder for existing firms to move swiftly into new markets or new processes;
- rendering ourselves vulnerable to EC competition from member states with more liberal planning regimes;
- constraining labour mobility;
- increasing business costs;
- exacerbating skills shortages.

The thrust of our policies to stimulate growth and business efficiency has been to free markets to operate in the most effective manner, reducing bureaucratic burdens and costs. The measures proposed could take us in the opposite direction. For example, if we widen the requirement for environmental assessments (EAs), this seems bound to increase costs for business and yet may achieve little in substance, given the existing powers of local authorities to ask for information relevant to planning applications. In fact the proposals on EAs and indeed elsewhere may be counter-productive if they raise expectations which will be difficult to fulfil.

I am concerned too about the proposals for tightening up controls in special areas such as national parks, areas of outstanding natural beauty and sites of special scientific interest. The current position on the first two is that there are already very restrictive policies in operation, which are often resented by those who live in the areas concerned. We should be wary about proceeding down this road. We would need to bear in mind what the adverse affect might be on the development of tourism, and especially on our aim of spreading the benefits of tourism much more widely than the current limited number of very popular areas. As for sites of special scientific interest, I would be hesitant about increasing controls as long as the designation of such sites was solely in the hands of the Nature Conservancy Council.

I am also concerned that we should not focus solely on negative aspects of where we do not want development to take place. For this reason I feel we must offer industry positive opportunities as well as constraints in our mechanisms for influencing development. I was therefore pleased to note the reference in

Annex D to East London and the need for further urban regeneration; I remain concerned about concentrations of unemployment in inner city areas.

We should not take final decisions on this matter until we have a clearer idea of the wider implications. In particular, the implications for jobs and the economy must be given very careful consideration.

It is vital that we do not erect obstacles to employment, jeopardise the capacity for firms to react swiftly to business opportunities and surrender competitive advantage to others. I should therefore be grateful if my officials could be involved in further discussions.

Copies of this letter go to the Lord President, the Chancellor and Chief Secretary, the Secretaries of State for the Environment, Trade and Industry and Transport, the Chancellor of the Duchy of Lancaster, the Minister of Agriculture and Sir Robin Butler.

M. H.

M H
28 February 1990

CONFIDENTIAL

PRIME MINISTER

AD HOC MEETING ON PLANNING AND THE ENVIRONMENT

You are holding a small ad hoc meeting on Thursday to discuss Mr Patten's paper on planning and the environment, which he circulated to you a few weeks ago.

I attach:

Flag A A new note from Mr Patten and his paper;
Flag B A minute from Mr Howard;
Flag C Richard Wilson's handling brief;
Flag D Note from Carolyn Sinclair.

Mr Patten has circulated a very slightly different paper to colleagues than the one you have already seen and marked. For your ease of reference, I have amended your earlier copy so that you still have the benefit of your marginal comments.

Richard Wilson provides a very useful handling brief which you may wish to follow; and Carolyn Sinclair's note points up the main issues as well as providing a very helpful list of the new changes proposed with an assessment of their significance.

You commented when you last saw the draft paper that it was a bit unbalanced and makes a lot of changes to the existing planning system. You may well want to concentrate on the broader points at this meeting and not want to get too drawn into a discussion of the detailed proposals. These will need further work and can be remitted to the new Misc 141 sub-group with a broad steer. But any discussion of the larger issues inevitably depends to a certain extent on what is specifically proposed; and you may find it helpful to refer to paragraph 11 of Mr Patten's paper which gives a summary of these (this is flagged up).

The main questions for the meeting I think are:

- should planning issues be considered in the White Paper? Mr Patten thinks they are essential but Mr Ridley did not

think so at the first meeting of Misc 141;

- is the current balance in the planning system between environmental, economic and other wider issues right; and if it needs to be changed, how far should the scales be tipped in favour of the environment? Should Mr Patten consult the Sainsbury Group on his proposals, for example;

- what will be the effect of Mr Patten's proposals on jobs, industry, commerce and agriculture; transport and housing. Mr Howard's note expresses concern on behalf of the tourism industry and for jobs more generally. Carolyn also has specific concerns;

- will the proposals make the planning system less or more efficient. For example, will the proposals to extend planning assessments introduce more bureaucracy (Carolyn thinks they may). And will proposals for central Government to set a framework and perhaps for establishing county level planning policies work effectively?

- What are the public expenditure implications of the proposals? Mr Patten says these are hard to judge, although he flags up areas he will need to discuss with the Chief Secretary eg more derelict land grants to create green spaces;

- Next steps: do you want to hold another ad hoc group once more detailed work has been carried out? or are you content to remit the work to Mr Patten's subgroup of Misc 141 before a paper is submitted formally to Misc 141?

You wanted to keep the meeting small and not all Ministers with an interest are therefore present. Mr Howard will have to leave at 12.30 for an EC meeting. The Treasury had originally wanted to send both the Chancellor and the Chief Secretary; but only the latter now plans to come.

CJS

Caroline Slocock
28 February 1990

D

PRIME MINISTER 27 February 1990

ENVIRONMENT WHITE PAPER - LAND USE PLANNING

1. The cover note under which Chris Patten has circulated his paper on planning shows a slight retreat. He now puts more emphasis on the need to allow economic growth. For example, he opens by saying that planning is about striking the right balance between growth and protection of the environment. He is more cautious about floating changes to the proposals on planning set out in Nicholas Ridley's White Paper.

General

2. Chris Patten will be looking for agreement:

(a) that the Environment White Paper should include a section on planning (Nicholas Ridley queried this at an early meeting of MISC 141);

(b) that we should signal a subtle shift in planning policy, with more emphasis being placed on the need to protect the environment.

3. (a) is not a problem. If we decide to make changes to the planning system in order to help protect the environment (eg by ending agriculture's virtual exemption from planning controls) it is inconceivable that the Government would not take credit for this in the White Paper. Similarly Chris Patten's proposals for regional guidance involve thinking about a range of environmental factors such as the contribution of settlement patterns and road links to the CO_2 problem. Chris Patten is right to say that the Environment White Paper cannot duck planning as an issue.

1% of rural land

4. On (b) it would be worth stressing the following:

- public concern about the environment is all very well, but demand for houses, jobs and roads also comes from the public. Such demands have to be accommodated if living standards are to rise;

- the planning system is already under pressure. There is a dearth of good local plans, and a backlog of appeals awaiting decision. Proposals to put more weight on environmental considerations must not be allowed to slow the system still further - the equivalent of sugar is the "engine of economic growth" mentioned by Chris Patten.

Background

5. Although he does not say so, Chris Patten is building on the work done by Nicholas Ridley to streamline the planning system in modest ways. Much of the Planning Bill proposed for next session will reflect the Ridley White Paper on Planning, plus the additional proposals on which he consulted (and which were generally welcomed by the Sainsbury Group).

6. Chris Patten suggests a shift of emphasis in some areas, and specific changes - like extending some planning controls to agriculture - in others. His new features are set out in Annex A. All these points will need to be fleshed out properly and presented to colleagues in the usual way for detailed consideration.

Conclusion

7. The shift of emphasis proposed by Chris Patten will be very popular. But it could prove short-sighted. The point he makes about balance needs to be constantly repeated.

There is a danger of tipping too far in the easy direction of Nimbyism.

Recommendations

- Agree that the Environment White Paper should include a section on planning. This must point up the need to balance environmental considerations with the desire for economic growth and more housing.

- Agree that Chris Patten should work up proposals in the planning field on the lines indicated, while stressing that people need to be able to live and work in the countryside, including beautiful areas such as National Parks.

CAROLYN SINCLAIR

ANNEX A

Chris Patten proposes:

- Greater emphasis on "strategic regional guidance". He argues for a more active central government response to the proposals put forward by groups of counties such as SERPLAN (which covers the South East). In SERPLAN's case he would draw attention to the benefits of development to the east of London, where pressure on land is less intense. This would require the Government to say something about transport policy and settlement patterns eg building houses and work places closer together.

Comment

Developers such as Olympia & York complain about the lack of strategic regional planning. Whether an essay by Department of Environment planners will meet the bill is another matter. It is not possible to square prescriptive regional planning (which some developers would quite like) with the present system of local government and local democratic involvement in the planning system.

- An extension of environmental assessments. These are already required under an EC directive for certain large projects such as power stations, major roads and toxic waste disposal works. Chris Patten suggests extending the concept to projects in National Parks and other environmentally sensitive areas. He suggests we could take a lead in the EC in this field.

Environment Annex No

Comment

The Patten paper admits that there have been teething problems with environmental assessments. There is a strong argument

for sorting the problems out before extending the concept to bemused local planning authorities. There are enough delays in the system already.

- An increase in Derelict Land Grant, to bring more derelict land on to the market for housing or parks.

Comment

Subject to Treasury agreement on the money, this could be very popular. It would be seen as taking some of the pressure off the countryside. Hitherto large amounts of money have been spent on making derelict land fit for buildings. The thinking now is that some could be reclaimed for parks and recreational use (this is cheaper per acre). Again, green spaces within, or on the edges of, towns would be very popular.

- Extra protection for special areas such as National Parks. One possibility would be to introduce a presumption against development.

Comment

This should be discussed in detail with John Gummer. Farmers in some National Parks are already finding life difficult. Conventional farming is not easy when thousands of visitors cross farmland. This drives farmers to find other ways of supplementing their income. Tighter planning controls should not be allowed to frustrate this. Without landowners and farmers the landscape in National Parks would deteriorate.

- An extension of some planning controls to agriculture and forestry.

Comment

Chris Patten will not move in this area without John Gummer's agreement. That should ensure that the right balance is

struck between the farming industry and the environmental lobbies. An extension of some planning controls to agriculture would probably be popular (farmers are not always the most loved members of rural communities). Extending planning controls to forestry is almost exclusively an issue for Scotland, where some indicative planning has already been done on a regional basis. This may make it less of an issue.

- Improving waste land in Green Belts via initiatives such as Groundwork Trusts.

Comment

Groundwork Trusts involve partnerships between the Countryside Commission and local private sector donors to improve scruffy land on the edges of towns. This initiative is particularly relevant to Green Belt areas in the north of England where there are large stretches of ugly and unkempt land within Belts. It should be generally popular - it does not involve any weakening of Green Belt policy.

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Dr. PC.

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

27 February 1990

Dear Richard.

WHITE HOUSE CONFERENCE ON SCIENCE AND ECONOMICS RESEARCH RELATED TO GLOBAL CHANGE

I enclose a copy of a message to the Prime Minister from President Bush about this conference which seems to touch the responsibilities of several different Departments. As you will see, the President asks for representation at an appropriate level. I should be grateful if you could co-ordinate some advice and a draft reply.

I am copying this letter to John Gieve (HM Treasury), Stephen Crowne (Department of Education and Science), Roger Bright (Department of the Environment), and to Richard Wilson and Sir John Fairclough (Cabinet Office).

Yours Sincerely,

C. D. POWELL

Richard Gozney, Esq.
Foreign and Commonwealth Office

CONFIDENTIAL

EMBASSY OF THE UNITED STATES OF AMERICA
LONDON

February 27, 1990

Dear Prime Minister:

I have been asked to deliver the attached message to you from President Bush. It was received at the Embassy early this morning.

Sincerely,

Henry E. Catto
Ambassador

Enclosure:

CONFIDENTIAL

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London S.W.1.

PRIME MINISTER

MEETING ON PLANNING AND THE ENVIRONMENT

You are holding a small ad hoc meeting on Thursday to discuss Mr Patten's paper on planning and the environment. The Treasury have asked if both the Chancellor and the Chief Secretary might attend. Mr Patten has since asked whether the Planning Minister, Mr Spicer, could also come to the meeting.

Content?

Yes

CBS

Caroline Slocock
27 February 1990

C

PRIME MINISTER P 03639

ENVIRONMENTAL OBJECTIVES AND LAND USE PLANNING
[Meeting at 11.30 am, Thursday 2 March 1990]

DECISIONS

You are meeting to discuss Mr Patten's proposals to change the emphasis of the planning system so as to take more account of environmental considerations.

2. You may want first to have a general discussion, and then work through the proposals in paragraph 11 of his paper:

i. a review of planning policy guidance to ensure it gives due weight to the environment;

ii. promotion of positive environmental improvements, both through public sector grants (with implications for public expenditure) and planning agreements with private developers (which raises the issue of "planning gain");

iii. a more active role for the Government in setting the planning framework. Mr Patten proposes to strengthen regional planning. He says he will also bring forward separate proposals on local authority plans;

iv some extensions of planning control for example to agricultural buildings and forestry;

v. a wider role for environmental assessment, which will have particular importance for the Secretary of State for Transport.

3. In most of the areas Mr Patten proposes further work. You

will want to consider which areas you want pursued, and provide any general steer on the direction of the work. If any matters of detail remain to be worked out, this could then be taken forward in Mr Patten's new group (MISC 145), with a view to a report back to an ad hoc group or to MISC 141 in due course. But if any larger questions remain unresolved, you might prefer a further meeting to consider them under your Chairmanship.

MAIN ISSUES

General

4. What Mr Patten proposes would amount to a substantial change in the emphasis of the planning system. In recent years the Government has put most stress on the need for economic development. There has been some simplification of the planning system and an element of deregulation. A shift in the emphasis to take more account of environmental considerations would to some extent reverse this. It might well be popular with the general public, particularly in the South East where the development pressures are greatest. But you will also wish to consider the implications for developers and for the economy.

5. The most obvious areas of concern are:

i. Industry and commerce. A greater environmental emphasis will impose extra costs and may prevent some development altogether. You will want to seek Mr Ridley's and Mr Howard's views.

ii. Transport. There will be implications for the roads programme, eg from more environmental assessment. But Mr Patten also refers to the wider issue of the location of development and the implications for greenhouse gas emmissions. You will want to seek Mr Parkinson's views.

iii. Housing. Mr Patten refers to draft planning guidance on which he is already consulting which would remove the

strong particular presumption in favour of housing development. This may be popular with existing householders eg in the South East. But it may mean fewer houses to meet new demand.

6. You will want to consider these general issues and decide how far the White Paper should propose a change of emphasis in the planning system.

Planning policy guidance

7. If you agree to a shift in emphasis this would clearly need to be reflected in DOE's planning guidance to local authorities. But you will want to ensure that specific guidance is cleared with the other interested Ministers before it is issued for consultation.

Positive environmental improvements

8. Mr Patten makes a number of specific proposals under this heading:

i. Expansion of Government grant schemes (derelict land grant, Countryside Commission "Groundwork" and community foresty initiatives). Mr Patten says this would need to be taken up in the Survey. But you will wish to ask the Chief Secretary for his views, given that the White Paper will be published before the Survey.

ii. Promotion of environmentally beneficial development, eg in green belts. There may be some scope for this. On the other hand, any proposal for development in the green belts may be controversial. It is not clear exactly what proposals Mr Patten would accept under his new procedure. You may wish to ask for specific examples. You will also want to consider in the light of them where to strike the balance.

iii. Encouragement for planning authorities to seek environmental gains from developers, eg through planning agreements. The Government's general policy has been against "planning gain" of this sort, except where it is directly related the the development in question. You will want to consider whether this policy should be relaxed in the environmental area as Mr Patten is proposing.

Planning framework

9. Mr Patten proposes a more active role for central Government in setting the regional framework for local authority development plans. Issues he suggests might be tackled in this way are general locational decisions (eg a preference for development east of London rather than in the over-developed areas to the west), and the implications of settlement plans for transport (and hence for greenhouse gas emissions). He stresses that he is not proposing a return to the over-elaborate regional planning attempted in the 1960s and 1970s. But what he proposes is likely to be seen as a reversal of the recent trend towards deregulation and local decision making. There may also be doubts as to how far regional guidance would be turned into firm planning decisions at local level. He implies that in the South-East, where the question will first arise, transport programmes will be especially affected. You may wish to ask for more detail on which developments are likely to be affected, and then decide whether to endorse further work in this area.

10. Mr Patten says that he will bring forward separate proposals on local authority development plans. The White Paper "The Future of Development Plans" published in January 1989 proposed the abolition of county structure plans, and their replacement with much simpler statements of county planning policies. I understand that Mr Patten has it in mind to retain structure plans, albeit in simplified form. You may want to press him to bring forward his proposals in this area urgently, to ensure that policy is decided in good time for the Planning Bill which has a

provisional place in next Session's programme.

Extension of planning control

11. Mr Patten makes proposals in a number of areas:

i. Agriculture. Mr Patten rules out extending planning control to agricultural operations (eg changes of crops). But he proposes further work on the possibility of extending controls over agricultural buildings, and particularly on small-holdings. You will wish to seek Mr Gummer's views.

ii. Forestry. Mr Patten argues that a more transparent arrangement is needed for considering the environmental implications of tree planting, either through a revised licensing system or the planning system. You may wish to ask him to pursue this with Mr Rifkind (who will not be at the meeting) and Mr Gummer.

iii. National Parks. Mr Patten raises the issue whether another National Park should be established in England, although he says the available candidates (the South Downs, the New Forest and the North Pennines) are not strong runners.

iv. Areas of outstanding natural beauty (AONBs) and site of special scientific interest (SSSIs). Mr Patten suggests that planning controls in these areas should be strengthened, perhaps on the same basis as in National Parks. This would affect mainly agricultural users, and you will want to seek Mr Gummer's views.

Environmental assessment

12. Mr Patten proposes a wider role for formal environmental assessment (EA) in major planning decisions, particularly in the following areas:

i. Transport. EA already applies to all major road projects. But Mr Patten argues that the system could be improved. It is not clear exactly what changes he has in mind, and you may wish to ask him. You will also want to seek Mr Parkinson's views.

ii. All development in SSSIs. This would increase the protection of these areas, and is under consideration separately in the EC context.

iii. Development plans. This would strengthen the consideration of environmental issues in plans. But it could also add to delays and costs.

iv. Further classes of major development. This would impose additional costs on industry. You will want to seek Mr Ridley's views.

You will want to decide which of these possibilities should be pursued further.

LEGISLATIVE IMPLICATIONS

13. Some of Mr Patten's proposals would have implications for the Planning Bill which has a provisional place in the 1990/91 legislative programme. You may wish to ask him whether they would make the Bill longer or more controversial, and also seek the Lord President's views.

RTJW

R T J WILSON
27 February 1990

10 DOWNING STREET

Miss Slocock

In case you didn't spot this in Friday's 'Times'. I am trying to get hold of the survey.

26/2

WORLD ROUNDUP

Ariane explodes just after take-off

Kourou, French Guiana (AFP) – The 36th European Ariane rocket blew up two minutes after lift-off last night from the Kourou space centre here. The rocket was carrying two Japanese satellites – one telecommunications Superbird-B and a direct television BS-2X. The Superbird-B was to provide telephone, telegraph and telex communications; the BS-2X was to provide direct retransmission of television signals to Japan.

The Arianespace president, M Frederic d'Allest, early today blamed the explosion on a propulsion problem and announced that all future Ariane flights would be suspended until the exact cause was determined. The last Ariane loss was on May 31, 1986. Since then, Ariane has achieved 17 successful launches.

EC 'green' ignorance

Brussels – Few citizens in the European Community know what causes air pollution, acid rain and the greenhouse effect, according to a survey commissioned by Brussels (Michael Binyon writes). Only one in five people questioned in all 12 EC countries linked the greenhouse effect to burning oil and coal; most thought that acid rain was caused by chemicals in agriculture and industry; one in 10 thought nuclear power caused both. However, British knowledge was among the highest and 78 per cent of EC citizens surveyed saw the environment as an important issue.

Mafia drugs swoop

Rome – Italian police and the FBI have arrested 12 people in Palermo, Miami and New York suspected of running an international cocaine and heroin operation involving the Sicilian Mafia, the American Mafia and the Colombian drug cartels (Paul Bompard writes). Among those arrested is an Englishman, Allen Knox, aged 44, accused of having transported more than half a tonne of cocaine while captain of the ship Big John. Italian sources said cocaine was shipped from Colombia to the Sicilian Mafia, who distributed it in Europe in exchange for heroin for the US market.

Nuclear deal attacked

Paris (Reuter) – President Mitterrand's approval this week of a French nuclear plant for Pakistan provoked a storm of protest from environmentalists yesterday, and a US official said that Washington would keep a close watch on the deal. M Mitterrand, who is touring Asia, said the plant would be under full international safeguards. The French Greens said that underdeveloped Pakistan had no need of a nuclear industry, and M Jean-Marie Le Pen, of the far-right National Front, said: "The whole region is tense … we should not give certain countries, often unstable, the means for future adventure." Pakistan is widely believed to be developing its own nuclear weapons.

Bougainville talks

Sydney – The Papua New Guinea Government yesterday announced peace talks to be held with rebels on Bougainville Island within a week (Robert Cockburn writes). More than 100 people have died in the 18-month war over secession – 16 in military custody. In Port Moresby, Mr Rabbie Namaliu, the Prime Minister, said the Government would agree to a gradual withdraw of its troops from the South Pacific island if negotiations between Mr Bernard Narakobi, the Justice Minister, and Mr Sam Kaouna, the rebels' military leader, progressed successfully.

Pilot's mystery tour

Oslo (Reuter) – The pilot of a Royal Navy helicopter taking part in exercises in Norway got lost in the dark when his instrument panel failed, the Defence Ministry said yesterday. Spotting a few lights, he landed and asked local people the way. But their navigation was apparently no [illegible] and he had to land again for more directions.

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PRIME MINISTER

ENVIRONMENT WHITE PAPER - LAND USE PLANNING

I attach the paper we are to discuss with interested colleagues on Thursday.

Land use planning is a matter of balance. It is about making sure that the development we need as the engine of economic growth takes place in the right place in the right way. Getting the balance right between allowing the market to work freely and regulating the use of land as a finite resource is a major challenge to any Government.

We need to square our determination to sustain economic growth with the ever increasing public concern about environmental issues. I detect more concern amongst our supporters about the need for achieving the correct balance than about any other area of environmental politics.

It would be fatal for the success of the Environment White Paper to duck this issue. Nor should we assume that pursuit of environmental objectives needs to be at the expense of economic growth. A more efficient and effective planning system is essential for both.

My proposals do not represent an attempt to curb the overall level of development. Rather, I seek to facilitate and channel that development effectively. Thus, my proposals for strategic regional guidance do not imply a reversion to the over-elaborate and discredited planning of the 1960s. Instead, I seek to provide a flexible and well researched framework for local authorities' development plans. The first and biggest test will come later this year in the south east regional plan (SERPLAN). In this region, the greatest political pressures have arisen from the high demand for new housing. A main purpose of the regional guidance will be to demonstrate how the demand for development can broadly be accommodated without unacceptable urbanisation of the countryside.

RESTRICTED

Regional guidance will provide a context for local authorities' development plans on which I hope to legislate next Session. The main aim will be to streamline the process, thereby reducing the burden of decisions taken through the planning appeal system.

I propose a wider role for environmental assessment. The details should be worked up by officials. But the intention will not be to put new obstacles in the way of essential development. Nor should we give handles for those determined to oppose all development at any cost. Rather, by better assessment we would seek to reassure the great majority of people that environmental issues have been properly addressed at the outset of new development proposals, and thereby ease the path of such development.

Good environmental assessment is particularly important in planning for our future transport needs. I firmly support the published inter-road programme - we need it whatever view we take of future traffic growth. I welcome too the steps which are now taken to assess the environmental implications of new routes as a whole, rather than segment by segment. We must hope to avoid in future decisions like the Winchester Bypass, where prior decisions have reduced the options to those which are unpalatable in terms of cost, the environmental implications, or both.

My proposals for tightening up controls in special areas such as national parks, areas of outstanding natural beauty and sites of special scientific interest, are designed to minimise environmental damage in these particularly sensitive areas. And my paper raises also the possibility that the time has come to bring agricultural buildings, which have hitherto mostly been exempt from control, within the planning system in view of the major impact they can have on the countryside. The Minister of Agriculture and I believe that carefully tailored controls here could play an important part, without curbing food production.

SECRETARY OF STATE FOR THE ENVIRONMENT

RESTRICTED

My proposals are put forward as a basis for discussion. Many, as the paper recognises, require considerable further work before we have a satisfactory detailed package. I should welcome preliminary guidance from the group on the direction the proposals are taking.

I am copying this minute to the Lord President, the Chancellor and Chief Secretary, the Secretaries of State for Trade and Industry, Transport and Employment, the Chancellor of the Duchy of Lancaster, the Minister of Agriculture and Sir Robin Butler.

CP

CP

26 February 1990

RESTRICTED

ENVIRONMENTAL OBJECTIVES AND LAND USE PLANNING

1. Land use planning is for many people the touchstone of the Government's commitment to the environment. It should make a crucial contribution to promoting rather than impeding economic growth. It can help to achieve solutions which both enhance the environment, safeguard public health, and promote worthwhile development. Where there is conflict it can help to achieve an appropriate balance between conflicting goods. It can at the margin help to minimize future CO_2 emissions and their contribution to global warming, in particular by reducing the need to travel by car. It contributes to people's pride in their surroundings and sense of identity.

2. The system has substantial achievements to its credit, for example the protection afforded by green belts, greatly extended under the present Government, and the containment of sporadic development in open countryside. Other achievements are difficult to distinguish from the effects of changes in demography, wealth, mobility and attitudes. There are also drawbacks: the time and resources deployed in obtaining planning permission has sometimes hampered economic growth.

Objectives

3. The purpose of the planning system, as set out in current guidance (Planning Policy Guidance Note 1, January 1988) is "to regulate the development and use of land in the public interest.[It] should be efficient, effective and simple in conception and operation, to facilitate much needed development and to strike the right balance between the development and the interests of conservation. It should not be regarded simply as a means of preventing change. Properly used, it can help to secure economy, efficiency and amenity in the development and use of land."

4. I do not propose that we change those underlying objectives. This paper is concerned with striking the right balance between:

1. Development - we are in Government to achieve economic growth in an acceptable form as the engine for all our other objectives:

2. Conservation - both of the natural environment and of the built heritage; this should mean making full use of the rich heritage we enjoy - particularly by encouraging the private sector, but with public sector assistance playing an important part at the margin where necessary; it should not mean treating either the rural areas, or the country as a whole as a green museum"; and

3. Wider environmental considerations, including the need to ensure that necessary development takes place in the optimal location for accessibility and journey times, contributing towards the reduction of CO_2 emissions, especially from the transport sector, in the medium to long term.

5. Each decision on planning requires reappraisal of the balance between development and the status quo. The development control system does not require the developer to prove the case for his proposal. Rather, the system provides the opportunity for the planning authority to examine what is proposed in the public interest and ensure that there are no overriding planning reasons to reject or amend the proposal.

6. There is no conflict between the objectives and the need to ensure that the planning system operates flexibly and efficiently; that decisions, whether on application or appeal, are not unduly delayed and that any additional requirements, for example for environmental assessment, are not so burdensome as to inhibit sensible development. We should maintain our proposals for strengthening the enforcement of planning controls. If a place is found in the 1990/91 session for it, my proposed Planning Bill will contribute to this end.

7. We do, however, need to ensure that the mechanisms for achieving the appropriate balance in individual cases operates more effectively. There is public concern, rightly or wrongly, that too little weight has been given in planning to environmental factors. Important improvements have already been made, but we can do more. Until the implementation in 1988 of a European Directive there was no formal requirement for the environmental assessment even of very large projects. Even now, the requirement is limited. The case for rejecting or amending a proposal on environmental grounds may still not be systematically addressed.

8. I have sought to respond to this public concern by stressing the role that local choice can play in the planning process and by removing a strong particular presumption in favour of housing development. I propose that the White Paper should incorporate a Government commitment, in the context of land use planning, to achieve greater co-ordination between policies for environmental conservation and improvement and those for economic growth.

9. The Planning system tends to concentrate on local environmental impacts. We are not always well placed in central Government to analyse the wider environmental implications of major land use changes flowing from our policies. In particular, land use patterns - where we choose to live, work and take our leisure - are the major determinant of the journeys we make. The Department of Transport paper has already referred to the role changes in land use policy could have in reducing CO_2 emissions from the transport sector for the medium to long term. A common thread in pursuing my planning proposals, would be to encourage developments in the optimal location for accessibility and journey times, whilst eschewing the over-detailed strategic planning which was attempted in the 1960's and 70's.

10. The annexes to this paper focus on five broad approaches to the development of our planning policy.

11. In summary, I propose that in consultation with colleagues concerned, I develop propositions for inclusion in the White Paper along the following lines:

a. to continue the systematic review of existing planning policy guidance, to ensure that it gives due weight to environmental considerations without losing the important gains we have made in deregulation;

b. to promote positive environmental improvement, where possible by harnessing the resources of the private sector to promote beneficial development, but supported where necessary by the public sector, through such instruments as derelict land grant and the successful "Groundwork" initiative;

c. to accept a necessarily rather more active central government role in the preparation of regional planning guidance for each of the English regions, starting with the south east. This will provide a framework for development plans, taking full account of the interests of the economy as well as of the environment and helping us to reduce our involvement in subsequent detailed decision taking;

d. possibly to extend, after consultation with the Agriculture and Forestry Ministers, some planning controls to agriculture and forestry, especially in sensitive areas but perhaps more generally; and

e. finally, to propose a wider role for environmental assessment in examining new development proposals. This may be of particular relevance to transport, and I propose to consult first with the Secretary of State for Transport.

12. The cost and other implications of these proposals are discussed in the attached paper. However, they do not lend themselves to precise quantification. The point of my proposals is that we consider that environmental costs and benefits are relatively greater than we used to judge them. We therefore need to introduce more system and rigour into the assessment of these factors at all stages in the planning system so that a proper balance can be drawn between benefits and disbenefits. So far as my proposals have public expenditure implications, these are a matter for resolution in the forthcoming Public Expenditure Survey.

ENVIRONMENTAL OBJECTIVES AND PLANNING - DETAILED PROPOSALS

1. I propose five broad approaches to the development of our planning policy, to be set out in the White Paper.

Planning guidance

2. First, I propose to continue the systematic review of existing policy guidance to ensure that it gives due weight to environmental considerations, as well as to such other Government policy priorities such as promoting a liberal and competitive environment for enterprise. Close attention is paid to this guidance by planning authorities in drawing up their development plans and in considering planning applications, and by planning inspectors in deciding planning appeals.

3. The series of Planning Policy Guidance Notes launched two years ago put emphasis on deregulation. We should go on streamlining the decision-taking process. Indeed, as a result of a current review of extant planning guidance I expect to scrap some [40] redundant circulars, and over time to conflate several more. But revisions of existing guidance notes, and forthcoming notes, should give greater emphasis to the importance of balancing economic growth with environmental protection. This should help those engaged in planning to consider in a more structured way the environmental gains and losses (see also paras 23-27 below).

4. The process has already begun. Revised notes on housing, and on the countryside, issued for consultation last autumn and generally welcomed, should be ready to publish in final form by the spring. Other examples are at Annex A. We also have a series of mineral planning guidance notes. These aim to strike a balance between the need to work minerals and to protect the environment. I will wish to keep this guidance under review.

5. Aesthetic considerations must already be taken into account by local planning authorities in development control decisions whenever they are material and especially in sensitive areas like national parks, conservation areas and areas of outstanding

natural beauty; and listed building consent procedures control alterations to buildings of architectural or historic interest. Departmental guidance should continue to stress that planning authorities should not normally seek to impose their tastes on developers. Rather, planning conditions should relate where necessary to more objectively defined issues such as density, the use of sympathetic materials and careful landscaping. Such considerations are important to marketing, and major housebuilders, for example, already take this into account.

Positive planning

6. Second, we already have a major programme of derelict land reclamation. I intend to propose to the Chief Secretary in the coming Public Expenditure Survey (PES) that this should be substantially enlarged and should concentrate more on environmental improvement. We should also see what more can be done to prevent land from becoming derelict by following the polluter pays principle and I will be circulating a further paper on this. We should make the most of public sector resources directed to conserving the built heritage for current and future use and enjoyment. Again without pre-empting the PES round, I attach particular importance to work currently being promoted by the Countryside Commission through its "Groundwork" initiative and its community forests project: both can engage the enthusiasm of local communities for environmental improvement. Further details are at Annex B.

7. We can also take more positive action by a combination of planning measures to promote environmentally beneficial schemes. As a major example, green belt policy has restricted urban sprawl, but has not prevented the deterioration of landscape quality or cleared up eyesores on the fringe of the metropolitan areas. The green belt was always intended as a positive environmental and recreational asset. We must do more to achieve this. Present policy guidance recognises that "open air" uses may be appropriate in the green belts. We should give more encouragement to developers to come forward with appropriate environmental improvement schemes. This would be done by taking

a positive line in green belts on land uses which do not detract from their primary function but offer more opportunities for both recreation and environmental improvement.

8. Although we want to avoid any implication that planning permissions are for sale, it is reasonable for planning authorities to seek environmental gains in association with development, often by means of planning agreements. I am preparing revised guidance on the circumstances in which such agreements should be used (see Annex C).

Setting the framework

9. Third, we must do more to provide an appropriate framework within which individual planning decisions can be taken. This is in the interests of efficiency as well as the environment. It will require a more active approach by my Department, in consultation with others and particularly DTp, to the preparation of regional planning guidance for each of the English regions.

10. We must continue firmly to reject the over-elaborate regional planning attempted in the 1960's and 1970's; plans invalidated by economic and social developments. But only central Government is equipped to give the broad strategic guidance within which local authorities can prepare development plans for counties and districts. In preparing that regional guidance, we should give weight to environmental concerns, as well as to supply side issues. We would consider not only the obvious conservation issues, but wider questions such as the effects of development, settlement patterns and traffic on pollution, non-renewable resources and greenhouse gas emissions. We must evolve for the land use context an appropriate approach to sustainable development.

11. The first test will come in the South East. The South East Regional Planning Conference (SERPLAN) expects to submit its regional review to me this August. That review will inevitably be expressed in broad-brush terms. The Government's response, which will form the guidance, should be given by summer 1991. It

should demonstrate how seriously we take these issues. A bland, superficial reply would, I believe, open us to substantial domestic criticism.

12. The response will inevitably deal with key transport programmes. Action against urban congestion must proceed in parallel with the trunk road network. Main issues will be the need to accommodate growth without merely adding to traffic generation and the steps that might be taken to encourage development to take place where there is room to the east of London, relieving some of the strain on areas to the west. Progress on inter-urban transport and other major development projects should be less difficult politically if we can demonstrate more clearly that the strategic planning implications and environmental effects have been fully considered from the outset (see also paras 23-27 below). Details are at Annex D.

13. Outside the South East the process is furthest advanced in East Anglia where regional guidance is likely to be issued in 1990, followed by the South West where a conference of local authorities is actively at work. Other regions are not working to a set timetable but may be expected to follow with regional guidance during the coming 18 months to 2 years.

14. There is now a good possibility that we shall be promoting a Planning Bill in the next Parliamentary Session. This should include provision for streamlining the development plan process, reducing central Government involvement in decisions which should properly be taken at local level provided that they conform to national policy and regional guidance. I need to consider the details with colleagues and will be bringing forward proposals separately.

The Boundaries of control

15. Fourth, we should look again at whether control adequately copes with new types of development that affect the environment. Some environmentally significant developments at local level fall outside specific planning control. Thus I am considering whether we should do more to restrict permitted development rights for uses which are environmentally unfriendly - for example the temporary use of land for markets or helicopter landing places - but which are not at present subject to specific controls (Annex E).

16. We should look too at the position in those areas designated as deserving special protection: national parks, areas of outstanding natural beauty (AONBs), sites of special scientific interest (SSSIs) and conservation areas. Special planning controls of one sort or another apply in all these classes of area. It may well be right to consider introducing a presumption against inappropriate development, which already applies to green belts, to those areas.

17. At least in the case of those SSSIs designated as special protection areas under an EC directive, there is a case for considering whether complete protection should be afforded other than in the most exceptional circumstances, in line with a recent House of Lords Committee report on habitat protection. But we must bear in mind that large areas of land might, in effect, be sterilised if we went along this route. Finally, in a very few cases, it may be right to consider a major new designation, for example to look again at whether a further national park should be established in England. Details are at Annex F.

Agriculture and Forestry

18. More radically, the Minister of Agriculture and I consider that we ought to look again at the issue of planning controls on agriculture and forestry. Three-quarters of the total land area of England and Wales is used for farming and a further 7% for woodland. Agricultural use is the dominant factor in landscape quality but does not constitute "development" and so does not

require planning permission. We should firmly rule out now any proposal which would require planning permission for agricultural operations. That would be absurd. But more lasting changes deserve further consideration.

19. Large-scale afforestation has long-term effects on the appearance of the landscape, and can result in major changes to the local ecology. It has long been a matter of concern to the environmental bodies that control is exercised through the Forestry Commission's grant approval procedures. However true it may be that public criticism is based on an inadequate understanding of those procedures, we can be sure that the issue of controls over forestry will be raised again when the White Paper is published.

20. The Secretary of State for Scotland, the Minister of Agriculture and I consider that we ought to look at the present system of control over afforestation, with a particular aim of ensuring that we have a transparent system which demonstrates that environmental considerations are taken fully into account. The present system may well be capable of being improved to meet that aim, though other options would need to be looked at as well. A planting licensing system or bringing forestry within planning control are possibilities, though it should be noted that the recent Agriculture Committee Report on Land Use and Forestry did not favour the latter. We propose that officials should review all the options and report back quickly.

21. There is little justification for the fact that many agricultural buildings escape all scrutiny (though there are certain controls over siting and external appearance in the national parks). Changes here could be controversial but both the Minister of Agriculture and I consider that the present rules on permitted development should be reviewed.

22. These are some proposals which I believe should be considered immediately:

i. strengthening planning controls in special areas (national parks, areas of outstanding natural beauty (AONBs) and sites of special scientific interest (SSSIs)). One option would be to give planning authorities more say in the siting and design of farm buildings in these areas;

ii. to review permitted use rights for agricultural development generally (eg the size of holding - at present the 1 acre minimum size gives "hobby" small-holders freedom from much development control). A particular concern at present is temporary uses which damage sites of special scientific interest (eg war games).

Further details are at Annexes F (8-9) and G.

Environmental Assessment

23. I propose a wider role for environmental assessment as a tool for examining the implications of new development proposals. In 1988, we implemented a European directive requiring such assessment for major projects, not only those requiring planning permission, but also those approved under other legislation such as trunk roads, major power stations and afforestation. The United Kingdom is ahead of many other EC members here. By retaining the initiative, we can both demonstrate the importance we give to environmental considerations and encourage other members to protect sensitive and ecologically important areas - often in Southern Europe - from ill-planned and damaging development.

24. Within the UK, we have issued advice on good practice, but this needs to be developed to help decision-makers in evaluating the information provided in environmental statements and in developing predictive techniques. We have already agreed that the requirement for environmental assessment should be extended to projects approved by Private Bill. We should consider its further extension, for example to development on sites of special

scientific interest and to development plans. We could also extend the use of the environmental assessment technique, for example to look more closely and systematically at the energy implications of major new developments (apart from those already covered by Building Regulations) and their implications for energy conservation and greenhouse gas emissions, as well as at programmes of schemes as well as at individual projects.

25. The improvement of the transport network is essential for the continued economic and social life of both the cities and countryside, major schemes, road and rail, can be perceived as environmentally damaging and arouse fierce opposition although most road schemes, with the present careful planning and consultation (which takes a long time), are constructed without much opposition. Already all individual trunk and other major road schemes are subject to environmental assessment, and the effects of wholly new routes are now also considered, although we are still having to take difficult decisions on segments of routes planned many years ago. Many objectors are against new roads on principle and will not be appeased by any improvements in assessment methods. But with more moderate opinion, the Government gets too little credit for the environmental assessment it does and the care and resources which go into making roads more environmentally acceptable.

26. Close liaison between DOE and DTp in the preparation of regional guidance (paras 9-13 above) will help to ensure that the broader planning implications of the road programme are taken into account before decisions which may pre-empt the location of future transport developments are made.

27. We should also consider the need to strengthen public confidence in the environmental assessment. Annex H discusses the possibilities for a broader approach to environmental assessment. I propose that officials of the Departments concerned should examine these ideas, bearing in mind their possible costs to industry and local government, with a view to carrying forward those which are most likely to lead to more environmentally responsive decision-making.

Cost and other implications

28. As yet, the proposals in this paper are tentative only. The further study required, which will have small manpower and resource implications for my Department and possibly others, will examine the wider implications more fully.

29. Implementation will have a cost, but it cannot be quantified in advance. Development of regional strategies and revision of published planning guidance would have small manpower implications for my Department. Positive steps to improve the urban fringe and make green belts attractive would have public expenditure consequences where they cannot be secured by planning agreement. The extent to which I may wish to make proposals to the Chief Secretaryfor additional programme expenditure provision is a matter for the coming PES Round. There will also be implications for local planning authorities. To designate a new national park, or to extend planning control to agricultural buildings, would have significant manpower consequences both for local authorities and my Department and possibly MAFF.

30. The additional requirements imposed by these proposals on the private sector should not, for the most part, add to what responsible companies planning a development would already do. Good environmental assessment, for example, will help to improve the quality of their decision-taking and reduce the time otherwise taken in securing planning approval. Better regional guidance and faster approval for development plans should have the same effect. It is therefore not practicable to say what net cost, if any, these proposals would represent for the economy at large.

31. There is nothing inconsistent in these proposals with our EC obligations - many would help to put us in the van of environmental thinking in the Community.

32. Most of the proposals (eg regional guidance, positive planning guidance and some of the changes to be considered for agriculture) can be implemented by administrative action or by secondary legislation. Some however (eg applications of

environmental assessment requirements that go beyond the scope of the EC Directive) would require primary legislation and could therefore not be implemented before 1992 at the earliest.

A

THE SCOPE FOR "GREENING" PLANNING POLICY GUIDANCE

1. In January 1988 the Government launched a series of Planning Policy Guidance Notes (PPGs). With one exception (PPG6: Major Retail Development), they did not set out fresh policy guidance, but rather expressed existing advice about the Government's planning policies in a clearer, more accessible way than was done in Departmental circulars and Development Control Policy Notes. Circular 1/88, which introduced the PPG series, announced that in future circulars would explain procedures while planning policy advice would in general progressively be found in PPGs.

2. PPGs have been well received by local authorities, developers and planning commentators. The 1988 PPGs put particular emphasis on de-regulation. There is scope for revising the tone of the guidance, which can be highly important in the context of planning decisions, to emphasise the importance of environmental considerations when considering proposals for new development.

3. Revised draft versions of PPG3, 'Land for Housing', and of PPG7, 'Rural Enterprise and Development', have already been sent out for public consultation under the proposed titles "Housing" and "The Countryside and the Rural Economy" respectively. Revisions of PPG1 ('General Policy and Principles'), PPG4 ('Industrial and Commercial Development and Small Firms'), and perhaps PPG13 ('Highways Considerations in Development Control') will follow.

4. The remaining PPGs of the initial batch will be reviewed in due course:

PPG2 Green Belts
PPG5 Simplified Planning Zones
PPG6 Major Retail Development
PPG8 Telecommunications

5. Further PPGs are in preparation, to include guidance on archaeology, the built heritage, sport and recreation, and unstable land.

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"GREENING' THE GREEN BELT AND THE URBAN FRINGE

1. Designated Green Belts around the major English conurbations cover 4.5 million acres - 14% of the total land area. A significant proportion of this (perhaps 10%, though estimates vary) is derelict or run-down to some extent.

2. Successful farming is often difficult at the edge of the urban area because of trespass and vandalism. These difficulties, combined with the existence of other opportunities, eg for horse-riding or non-agricultural activities in farm buildings, can combine to reduce the normal incentive to keep the land in productive use. In addition, long-term 'hope' value for development may mean that land is bought up by speculators who have no real interest in its immediate use for agriculture.

3. Landscape quality is not a pre-condition of an area's designation as Green Belt: the primary function of the Green Belts is to restrict urban sprawl, and keep neighbouring towns apart. But the better the quality of the landscape, the more likely the Green Belts are to perform one of their ancillary functions, which is to provide access to the open countryside for the urban population and opportunities for refreshment and recreation.

4. We must continue firmly to maintain our present policies on the permanence of the Green Belts and the strong presumption against inappropriate development within them. But we could take a more positive stance on the encouragement of projects - particularly for public access, sport and recreation - which could help to improve run-down areas of Green Belt. This would be a change in the emphasis of current policy, not in its fundamentals. We could make clear that planning authorities should be looking to developers to offer significant environmental improvements - through S.52 agreements etc - as

part of their proposals. Some modification of existing policy on 'planning gain' might be necessary to achieve this. (see Annex D).

5. Landscape and other environmental improvements are already undertaken under several schemes sponsored by the Department -for example, the urban programme, the Derelict Land scheme, the Groundwork initiative and the Countryside Commission's community forests project. It could, therefore, be relatively simple to introduce a scheme for encouraging improvements in the Green Belt and urban fringe by boosting the resources and drawing on the expertise of existing schemes. Groundwork and Community forests are particularly attractive in that they engage the local community's resources and enthusiasm for improving and protecting the local environment. £2.5m is currently provided for these purposes to the Countryside Commission. I shall consider proposing an increase to the Chief Secretary in the coming PES Round.

6. A more radical approach, advocated for example by the Adam Smith Institute in 1988, starts from the premise that there is too much Green Belt and proposes that development of the poorest parts should be allowed if most of the profits are invested in improving the quality of the rest. As it stands, this idea is unacceptable. It implies a two-tier Green Belt, with higher and lower quality areas, and would encourage dereliction in the Green Belt in the hope that development would be allowed. There is a good theoretical case for reviewing Green Belt boundaries but I consider this is best left to the current process of development plan reviews. Any general announcement that boundaries are to be reviewed would excite wide public hostility and create exactly the planning uncertainty (para 2 above) which leads to dereliction.

Annex C

PLANNING AGREEMENTS

1. Section 52 of the Town and Country Planning Act 1971 enables a local planning authority to enter into an agreement with any person interested in land in their area for the purpose of restricting or regulating the development or use of the land. There are similar powers in the Local Government Act 1972, the Local Government (Miscellaneous Provisions) Act 1982, and in local legislation.

2. The Department's advice about the use of such agreements is in Circular 22/83, and summarised in Planning Policy Guidance Note 1. Broadly, the advice is that local planning authorities should not use an applicant's need for planning permission as an opportunity to exact a payment for the benefit of ratepayers at large; and that a planning agreement is likely to be reasonable if what it requires

(a) is necessary to enable the development to proceed (eg road access alterations or additional sewerage) or is directly related to the development or its subsequent use (eg car parking or open space);

(b) is fairly and reasonably related in scale and kind to the proposed development; and

(c) represents a reasonable charge on the developer, as distinct from being financed by national or local taxation or other means.

3. In July 1989 the Department issued a consultation paper which invited views on some proposals to amend or supplement section 52 of the 1971 Act by providing for unilateral undertakings by developers as an alternative to planning agreements; for agreements or undertaking to be dischargeable when their planning purpose has evanesced; and for the Crown to enter into section 52 agreements. The paper also sought comments on some fresh draft guidance on the use of planning agreements, which substantially reaffirmed the advice in Circular 22/83. Responses to that consultation paper are now being analysed.

4. There is a diversity of views about planning agreements among planning practitioners. Some argue that they are potentially corrupting to the integrity of the planning system, and should be confined strictly: these support the Department's existing advice. Others point out that, notwithstanding that advice, many local authorities and developers are increasingly

concluding agreements which provide for throwing in some item of infrastructure which is only loosely related to the development being granted permission. For example, an agreement may provide for a bypass (or a school, library or swimming pool) for a village where several hundred houses are to be built.

5. The consultation paper's proposals for legislative change (and substantially unchanged advice) sprang from developers' persuading Ministers that local authorities enjoyed too strong a negotiating position and that some authorities took improper advantage of the situation.

6. The Department have advised that in general a condition on a planning permission is preferable to a section 52 agreement. But paragraph 26 of draft revised PPG3 (Housing) advocates use of section 52 agreements for low-cost housing for local needs. In general it is far from easy to discern what is appropriate for a condition and what cannot be covered by condition and so must be the subject of a planning agreement. In practice some local authorities eschew agreements and always use conditions, probably because their legal resources are scarce; other authorities with strong legal departments prefer agreements because they can be enforced as a contract and are not (yet) subject to appeal as conditions are. Yet other authorities reprehensibly go for belt and braces, using both!

7. The revised guidance would maintain the need for a close link between the development and the benefits sought under the planning agreement, but would emphasise the scope for agreements to embrace environmentally desirable improvement, such as landscape treatment, a nature reserve or improvement of some related tatty green belt or urban fringe land.

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ANNEX D

RESTRICTED

REGIONAL PLANNING GUIDANCE

1. Regional Guidance provides a planning policy framework for structure and local plans which are prepared by local authorities. It is well established in the south east, but moves towards preparing regional guidance are not confined to that region. Outside the south east the most advanced regions are East Anglia, where a standing conference of local authorities (SCEALA) has already submitted a "regional statement" to the Secretary of State for the Environment, and the south west where local authorities are also engaged on preparatory work. Planning authorities in all regions are showing interest in having new regional guidance, as envisaged in the White Paper on the Future Development Plans (Cm 569).

2. The major occasion for reviewing and developing regional planning guidance will come with the south east regional review, which Serplan expects to submit to the Secretary of State in August 1990. New regional planning guidance which will be the Secretary of State's response to the Serplan review statement, would be issued nine months or so later. This will be an opportunity to ensure that environmental objectives are carried through in planning policies from the regional level.

3. The existing regional planning guidance, issued in 1986, places emphasis on fostering economic growth, and is couched in terms of making provision for the industrial, commercial and housing development required, while protecting the environment. Prominence is given to the protection of the countryside, and particularly to maximising the use of urban sites and the recycling of urban land. Wider environmental questions are not addressed, such as the effects of development, settlement patterns

and traffic on pollution, non-renewable resources and greenhouse gas emissions. In land use terms a "sustainable development" approach may be implicit, but it is not explicit, and there is no comprehensive appraisal of environmental objectives.

4. The two main challenges to government in giving prominence to environmental objectives in regional guidance will be :

a) to put forward a planning strategy which accommodates the necessary growth and development in environmentally acceptable ways, and

b) to tackle the issues relating to transport and its relationship with land use.

5. The main transport issues are:

a) the need to find acceptable ways of coping with congestion without adding to traffic generation, and

b) how far it is possible to plan for forecast-levels of traffic growth while pursuing the objective of achieving a reduction in the level of greenhouse gas emissions.

Regional guidance is not likely to be the medium for resolving transport policy issues as such, but it will be important for the Departments of Environment and Transport to work together to ensure a consistent approach to those matters in which transport and land use planning policies interact, namely the relationships between modes of transport, interchange and patterns of development. Some of the more specific transport issues in the south east which need to be addressed are:

(i) the Channel Tunnel and strategic rail links;

(ii) surface access to and between airports and airport capacity;

(iii) orbital links on the motorway and primary road networks;

(iv) major developments in London and their implications for commuter networks.

6. The strategy for growth and development will need to take on board the environmental issues already reflected in planning policies, including the protection of the countryside and the emphasis on the recycling and re-use of urban land. It should also take account of the pressure on areas already suffering from overheating, and the need to avoid the adverse effects of cramming development into existing urban areas.

7. A recurring theme in existing regional guidance, which will need to be taken further is that of shifting the balance of attractiveness for development from West to East within the region. Attractive parts of the region to the west of London, particularly Surrey, Berkshire and Hampshire have experienced continuing high growth over the past 10 years and are economically buoyant. Congestion is high and land for development is under pressure. Local communities are increasingly opposed to further growth. East of London, growth has been much slower and opportunities for new development remain. Opening up these opportunities may, however, depend on increasing accessibility through transport investment.

8. More general environmental questions are raised by the form of development. It may be necessary to consider whether a more concentrated form of development might be preferable to the more dispersed pattern which has tended to develop in recent years, with a resultant increase in movement demand and hence pollution.

9. There will be limits to the sophistication with which environmental objectives can be worked into regional planning guidance. Nevertheless it will be important to do this as far as possible, in order to ensure that development planning is seen to be pro- rather than anti-environmental. While the first main opportunity will be in the south east, this is likely to extend to all other regions in due course.

ANNEX E

PERMITTED DEVELOPMENT RIGHTS

1. The Use Classes Order groups together different classes of use of land (eg shops, food and drink, business, dwellinghouses). Planning permission is not needed to change from one use to another within the same use class. The Order was extensively re-cast in 1987. Research into the effects of the changes introduced by the 1987 Order, to be completed by the end of June 1990, will provide an independent assessment on the basis of which Ministers can consider whether the Order needs any further revision for the 1990s.

2. The General Development Order gives general permission for particular small-scale developments and uses of land. The Order was revised and consolidated in 1988. Comments were invited in May 1989 on possible additions to the range of uses of open land and existing buildings in the countryside for which the GDO grants permitted development rights. There was a hostile reaction, and in October the Government withdrew the proposals.

3. It would be possible to respond to the earlier criticisms by inviting views on proposals to restrict existing permitted development rights to extend buildings and to use land. Particular, well-targeted restrictions (eg on the temporary use of land for markets, clay pigeon shooting, the taking off and landing of helicopters) would have environmental attractions, although in each case special interest groups would oppose the change. Any move in this direction would increase the workload for local planning authorities and the Government, at a time when the volume of planning applications and appeals is daunting. But this may be a price worth paying for the environmental improvement.

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23 January 1990

Annex F

RESTRICTED

SPECIAL AREAS

Definitions

1. National Parks in England and Wales are designated under the National Parks and Access to the Countryside Act 1949 for the twin purposes of preserving and enhancing their natural beauty and promoting their enjoyment by the public. Areas of Outstanding Natural Beauty (AONBs) are designated under the same Act, but lack the extensive stretches of open country suitable for recreation, and thereby for National Park status. They are nevertheless of such fine landscape quality that there is a national interest in protecting them. Both National Parks and AONBs are designated by the Countryside Commission, subject to confirmation by the Secretary of State. The Broads Authority which is not a National Park but has a very similar planning regime, was created in 1989 under its own legislation. Sites of Special Scientific Interest (SSSIs) are designated by the Nature Conservancy Council in order to protect the habitat of rare flora and fauna or geographical features of special interest.

Conservation Areas

2. There are some 5,500 conservation areas. They vary considerably in size, and may be in rural or urban areas. In the past there has been some criticism that it is too easy for local authorities to designate conservation areas. Authorities may then invoke the more rigorous regime of development control which such areas attract as a means of extending their own influence. (The regime comprises more restrictive permitted development rights, advertisement requirements, the need to obtain consent for demolition, stricter aesthetic control, and the statutory duty to pay special attention to the desirability of preserving and enhancing conservation areas when exercising powers under the Town and Country Planning Act 1971). Accordingly, the Government has proposed that the designation of conservation areas should be part of the development

plan process. This will enable a greater degree of public participation in deciding whether to designate a conservation area in a particular locality. Although this might reduce the number of new conservation areas declared, the additional procedure would both help to avoid abuse and underline the importance of this category of special area. The remainder of this annex is devoted to the other categories of special areas.

Present Policies

3. Unlike Green Belts, there is no general presumption against development in either National Parks, AONBs or SSSIs. Nor, in the case of SSSIs, are there any special controls over development. Planning authorities are required to consult the NCC and to ensure that the opportunity exists for applications to be called in for the Secretary of State's decision where appropriate. So far as policy is concerned however the only requirement is to ensure that nature conservation considerations are taken into account and given appropriate weight.

4. In both National Parks and AONBs, however, more restrictive policies apply. Unless proven national interests and lack of alternative sites can justify an exception, major industrial and commercial developments would be inconsistent with these designations. Applications for new mineral workings, or extensions to existing workings, must be subject to the most rigorous examination and any planning permission be subject to the highest standards of operation, restoration and aftercare. Investment in trunk roads should be directed to developing routes for long distance traffic which avoid National Parks unless it can be demonstrated that there is a compelling need which cannot be met by any reasonable alternative means. Finally both National Parks and AONBs are among those areas in which the General Development Order (GDO) withdraws certain permitted development rights, the effect of which is to reduce the tolerance for householder and certain agricultural and industrial developments.

Options for Strengthening Protection

5. The most significant change in planning policy to strengthen protection for the special areas would be to create some presumption against development there. The draft PPG Note on planning in the countryside issued in December states

that policies and development control decisions in both the Parks and AONBs should be in favour of conservation, but does not go as far as placing the onus on prospective developers to argue why any particular development would be in the interest of a National Park. Such a change could however be incorporated in the final version.

6. It is difficult to see justification for any such presumption in the case of the generality of SSSIs. On the other hand, for some of them, particularly those designated as Special Protection Areas (SPAs) under the EC Wild Birds Directive, there is a case for providing full protection save in the most exceptional circumstances. Indeed the European Commission are at present arguing in the European Court of Justice (ECJ) that that is what the Directive requires. The recent House of Lord Select Committee report on habitat protection also argued for a degree of absolute protection for designated sites of European importance. Such an approach would mark a fundamental change in planning philosophy. An alternative approach to emphasise the importance the Goverment attached to protecting such sites might therefore be to adopt a policy of more frequent call-in for proposals affecting them.

7. The other major change which might be contemplated is to bring within the planning system, in the special areas only, more of the farming and forestry activities which are at present exempt (see also Annex F). This could be particularly important for SSSIs where NCC are at present required to pay considerable sums in compensation to farmers who voluntarily refrain from potentially damaging operations which do not need planning permission.

8. More modest strengthening of planning control could be achieved by amendments to the GDO to reduce further the tolerances it grants in the special areas. This too could be particularly valuable in SSSIs which can suffer severe damage from temporary activities such as war games.

Scope for Further Designations

9. Designation of SSSIs is entirely a matter for the NCC, who do so according to strict scientific criteria. There is a steady programme of notifications now nearing completion. Designation of SPAs is a matter for the Secretary of State, on NCC's recommendation, and there might be scope for increasing the rate of such designations.

11. Interest in designating new National Parks, especially in lowland England, has grown recently and there is no doubt that one or more additional designations would have a substantial presentational impact. The number of realistic candidates is however very small. The South Downs AONB is regularly put forward as a candidate for upgrading to a National Park, as is, more recently, the North Pennines. Any such upgrading would however be controversial. Opposition could be expected on the grounds that the Countryside Commission by designating an area as an AONB (and the Secretary of State in confirming it) had already concluded that it did not meet the criteria for National Park designation. The New Forest is the other obvious candidate for National Park status, though it is generally recognised that designation under the 1949 Act would be inappropriate and special legislation would be required. Additional planning powers for the New Forest could however be achieved through amendments to the GDO or a Special Development Order, but since much of the area is Green Belt or Crown land or is designated as AONB, the overall effect might be limited. [Serious consideration is however being given to the creation of National Parks in Scotland, where there are none at present.]

DRA/PDC
23 January 1990

PLANNING CONTROLS ON AGRICULTURE AND FORESTRY

Present Position

1. Three quarters of the total land area of England and Wales is used for farming, and a further 7% for woodland. Agriculture in all its forms is therefore the main feature of the landscape and the activity that most influences the appearance and character of the countryside.

2. The use of land for agriculture or forestry does not constitute 'development' under section 22 of the Town and Country Planning Act 1971 and so does not require planning permission. The construction, extension or alteration of a building, and the carrying out of excavations or engineering operations, including the formation of private roads, are 'development'. If this development is 'reasonably necessary' for the purposes of agriculture or forestry, however, it may qualify as permitted development under Part 6 or 7 of Schedule 2 to the Town and Country Planning General Development Order 1988 (the GDO) and so not require specific planning permission.

3. Agricultural development permitted by Part 6 of the GDO is subject to a range of conditions, the most important of which are that the development must be on at least 0.4 hectares (1 acre) of farmland and that buildings must not exceed 465 square metres in ground area. Dwellings are wholly excluded, as are livestock units and associated structures such as slurry tanks when these are proposed to be built within 400 metres of most residential and other permanent buildings such as schools, hospitals and offices. Forestry development permitted by Part 7 of the GDO is subject to less detailed conditions.

4. In National Parks and some small adjacent areas planning authorities have a discretionary power to control the siting, design and external appearance of farm and forestry buildings and the siting and means of construction of roads where these are intended to be built with the benefit of the permitted development rights in Part 6 or 7 of the GDO. In such cases prospective developers are required to give the local planning authority 28 days' notice of their intentions. If the authority decides to exercise its power, its approval for the specified details, though not the principle, of the proposed development is needed. This arrangement has applied in all National Parks in England and Wales since 1986 and rarely gives rise to difficulties.

Options for strengthening protection

5. The permitted development rights are long-established features of the planning system and have been defended by Ministers as reflecting the traditional and predominant place of farming and forestry in the countryside. There is, however, little information available about the use made of these permitted development rights and whether they are suited to the present needs of farming and industry.

6. It seems clear that planning control over agricultural land use (eg. change from pasture to arable farming, type of crop) would be both burdensome and impractical. There is however a much stronger case for applying planning controls to large-scale afforestation, which can significantly alter the appearance of the landscape for many years. The environmental bodies have long been dissatisfied with present arrangements, under which control effectively rests with the Forestry Commission through its grant approval procedures. The Commission have recently modified their procedures to accommodate environmental assessment, and thresholds already established for identifying environmentally significant schemes might well form a suitable basis for planning controls. Primary legislation would be necessary.

7. Possible changes to permitted development rights in all areas might be:-

i. an increase in the minimum size of agricultural holding attracting permitted development rights for agriculture, from the present one acre to 5 or perhaps 10 acres;

ii. a review of the current GDO limits, eg as to the maximum permitted area and height of farm buildings.

8. In National Parks and AONBs there is a good case for going further than this and either:-

i. withdrawing all permitted development rights for agricultural buildings; or

ii. imposing lower limits than elsewhere on the dimensions of permitted agricultural buildings, and extending prior notification arrangements for permitted development to AONBs as well as National Parks.

ANNEX H

ENVIRONMENTAL ASSESSMENT (EA)

1. Environmental assessment (EA) (or environmental impact assessment (EIA) - the terms are interchangeable in practice) is a technique for ensuring that the environmental effects of a proposal are taken into account in the decision-making process for that proposal. A European Directive requiring EA for many types of development projects has been implemented in the UK by means of various regulations incorporating EA requirements into existing consent procedures. The most important of these regulations which came into effect in July 1988, require EA for major projects which require planning permission; other regulations require EA for projects which are not approved under planning legislation, such as trunk roads, major power stations and afforestation. The following paragraphs are mainly concerned with the planning system.

2. EA is mandatory for all crude-oil refineries; power stations; nuclear waste installations; major steel, asbestos and chemical works; major roads, railways and airports; major ports and waterways; and toxic waste disposal installations (Annex I to the Directive). EA is also required for specified projects likely to have significant environmental effects (Annex II). Under the UK planning regulations there is a procedure for the local planning authority or Secretary of State to determine whether a project requires EA; advice on which projects are likely to have significant effects is given by circular and includes advisory thresholds. Where EA is required the developer must publish an environmental statement giving specified information about the project and its environmental effects. This must be sent to the statutory consultees including the NCC and Countryside Commission, and the deciding authority must then take the statement and all comments on it into account. DOE has recently published an advisory booklet on operating the new procedures.

3. The EA provisions are still new and DOE is currently commissioning research into their operation. However, it is already clear that many environmental statements provided by developers are poorly presented and provide inadequate information; on the other hand there are also some excellent practitioners as well as specialists in predictive techniques whose expertise could be tapped for the preparation of further advice on good EA practice. It is also clear that decision-makers often have difficulty in assessing the significance of the environmental effects described in environmental statements and that there is a need for advice in this area. It may be possible to build on recent work by Manchester University in this field, but the issue raises wider questions, for example about the role of cost benefit analysis, on which more research is likely to be necessary.

4. In spite of these practical problems related to the operation of the existing provisions there is no doubt that EA is a valuable aid to ensuring that environmental concerns are properly addressed in the decision-making process. There would be much to be said for extending the principle beyond the scope of the present provisions. The following possibilities (d-h would require primary legislation) are under consideration.

a. **Extend to more cases within existing legislation.** The advisory thresholds for identifying which Annex II cases have significant environmental effects so as to require EA could be revised downwards. In particular, advice could be given that all such cases in SPAs or SSSIs require EA.

b. **Extend advice on effects to be covered to concentrate more on energy use and greenhouse issues.** EA could be used to help assess whether the energy implications of a project are acceptable.

c. **Extend EA requirement to projects approved by private Bill.** This recommendation of the Joint Committee on Private Bill Procedure was accepted by the Government in April 1989. Its implementation will entail amending Parliamentary standing orders and possibly primary legislation. The Department is working on this proposal with the House authorities.

d. **Other extensions:** The Directive permits member states to impose more extensive EA requirements. To do so would require primary legislation (except where the Directive itself is amended). We could both add to the list of Annex I projects for which EA is mandatory (eg to deep mines) and require EA for any project which is likely to have significant environmental effects even if it is not listed on the Directive.

e. **Make EA obligatory for projects in SPAs/SSSIs** or other sensitive areas. The EC are likely to be proposing this as a means of increasing the protection of such areas.

f. **EA for groups of projects.** There are circumstances in which local authorities rather than developers are best placed to prepare environmental statements, eg where two or more projects have little environmental effect individually but may have a significant effect together; and where a programme of several related projects is proposed. Powers could be taken to require authorities to do so.

g. **EA for public development programmes.** Public bodies with rolling development programmes should be required to undertake EA for them. The road programme, where the pattern of individual projects depends on earlier developments within the same programme, is an example.

h. **EA for development plans and regional guidance.** It is intended to work up proposals to incorporate EA procedures into the procedures for preparing local plans, structure plans, unitary development plans and regional guidance with the objective of ensuring that the environmental effects of the proposals in such plans are understood and evaluated. The responsibility for assembling the relevant information would fall on the plan-making body (the Secretary of State in the care of regional guidance). Care will be needed to ensure that the approval procedures for such plans are not unduly lengthened.

5. Some of the ideas canvassed above, eg on EA in SPAs and SSSIs and on EA for plans and programmes, are under consideration in the European Commission. The UK has implemented the EA Directive ahead of most other states and there will be much to be said for responding positively to the Commission's ideas where they are not contrary to our own. In addition the UN ECE is undertaking programmes of information exchange about predictive techniques and about EA for policies and programmes; we can learn from extensive US experience in this field.

THE RT HON JOHN WAKEHAM MP

SECRETARY OF STATE FOR ENERGY

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23 February 1990

Dear Caroline

CONTROL MEASURES FOR ENERGY-RELATED GREENHOUSE GAS EMISSIONS

In your letter of 22 January, you asked for a copy of the US "country study" for the Energy and Industry subgroup of the IPCC Working Group III (Response Strategies). This study (among others) was obtained by officials from this Department at a recent meeting of the subgroup in Washington, and a copy is attached.

The study is a draft, reflecting a "business as usual" bottom line, and does not necessarily reflect the final view. I understand that there is some disagreement in the US Administration about some of the assumptions - for example, the Environmental Protection Agency is apparently unhappy about the steady rise in transport energy use. And the implications of this scenario do not sit well with Mr Bush's expressed desire to be remembered as the "Environment President". Briefly, the text of the study explains the historic position, and the modelling methodology used. The conclusions are given on page 15:

- total primary energy production and consumption rise;
- CO_2 and methane emissions rise (the latter principally from mining activity);
- an increasing share of primary energy demand is met from coal, mainly for electricity generation;
- US domestic production of oil and gas cannot meet the demand, despite the declining market share of these two types of energy;
- energy efficiency improves the energy/GDP ratio at about 1%/year.

SECRETARY OF STATE FOR ENERGY

All this is expressed in the various charts: Figures 1-9 show historic data and the structure of the demand model; while Figures 10-18 give the forward projections. Figure 17 shows projected carbon emissions. More work is being done, both to firm up on this base case and to provide some response strategy input, but we do not yet know what that might involve.

You will remember that I said in my letter of 19 January that the UK could lay claim to some moral high ground because we had put in our study on time, and with technical options for greenhouse gas reductions. That position may be eroded over the next few months by the fact that many more studies have now been submitted, and a number of them include discussion of policy response packages: while, as you know, there is considerable work going on in the UK to look at policy options, we are a long way from being to go public on possible UK responses. We have not yet had time to assimilate all the information received in Washington, but certainly the German and Dutch studies are ahead of us in this respect.

The studies are public documents, presented in open forum; and, in principle, organisations such as the Association for the Conservation of Energy, Friends of the Earth, or Greenpeace should be able to get hold of them - indeed, representatives of some of these organisations were in Washington for the meeting. We may face criticism for appearing less willing than some other nations to expose our thinking to public gaze. Such charges can be countered by pointing to the complexity of the problem, and possibly to the open secret of MISC 141: but I thought that you should be aware of the potential difficulty.

I am copying this letter to the recipients of yours.

Yours
John

JOHN NEILSON
Principal Private Secretary

DRAFT--NOT FOR QUOTATION

D R A F T

UNITED STATES of AMERICA
GREENHOUSE GAS EMISSION REDUCTION
TECHNICAL POTENTIAL AND COST
CASE STUDY

February 7, 1990

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U.S. IPCC CASE STUDY
February 7, 1990

DRAFT--NOT FOR QUOTATION

INTRODUCTION

The Mandate

In response to the increasing scientific evidence of the possibility of global warming, the world community created, through two of its intergovernmental bodies, the World Meteorological Organization (WMO) and the United Nations Environmental Programme (UNEP), the Intergovernmental Panel on Climate Change (IPCC) to assess the state of knowledge of the science and response strategies concerning potential climate change. The IPCC first met in November 1988 in Geneva. At that meeting it created three working groups: one to conduct a science assessment, one to assess impacts of climate change, and a third, the Response Strategies Working Group (RSWG), to assess response strategies.

The RSWG first met during January 1989 in Washington, D.C. to organize its work and develop a work plan. At that meeting, the Energy and Industry Subgroup (EIS) was charged with conducting an analysis of possible response strategies which could apply in the energy and industry sectors.

The EIS group determined, in its formulation of a work plan, to use a series of case studies from member countries as the basis for its analysis of possible response strategies. The following paper is the U.S. government case study submission to the EIS.

Context for U.S. Case Study

The U.S. case study, like that of most other country submissions, is derived from analysis conducted as part of domestic requirements to determine the effectiveness and costs of responses to potential climate change. In the U.S. case study, the preponderant portion of the analysis was executed in support of a request of the U.S. Department of Energy (USDOE) from the Congress of the United States to conduct analysis of policies to reduce CO_2 emissions over a twenty year period.

The USDOE analysis is still in progress as this case study is submitted. The results are therefore still preliminary, and additionally only represent a relatively small portion of the entire analysis which is being prepared by USDOE. The results however, have been coordinated with the U.S. Environmental Protection Agency (USEPA) and other agencies of the U.S. Government.

ENERGY AND HISTORICAL U.S. GREENHOUSE GAS EMISSIONS

The greenhouse issue exists because a suite of gases, which have the common property that they are transparent to incoming sunlight, but absorb and readmit energy in the infrared spectrum, have been observed to be increasing in concentration. These gases include CO_2, CH_4, N_2O, O_3, and the chlorofluorocarbons (CFCs). Of these gases, all but O_3 are emitted by human activities in quantities that could affect the global concentration of these gases. In addition, the emission of carbon monoxide (CO) is of sufficient

magnitude that it may affect the concentration of both CH_4 and O_3. For the purposes of the analysis of emissions, the suite of gases that are of interest are: CO_2, CH_4, CO, N_2O, and the CFCs.

Energy and CO_2 Emissions:

Carbon dioxide (CO_2) is a byproduct of the combustion of fossil fuels. In 1985 the United States burned $66x10^{15}$Btu/yr (quads/yr) of fossil fuels. This amounted to 90 percent of the 74 quads/yr of primary energy used in 1985. In comparison, global energy production was 302 quads/yr in 1985 with 266 quads/yr (88 percent) in the form of fossil fuels. The use of fossil fuels for energy released approximately $1.25x10^{15}$gC/yr (petagrams of carbon per year or PgC/yr) in the United States. This is approximately 25 percent of the global release of 5.2 PgC/yr.

The concentration of CO_2 in the atmosphere has been growing at approximately 0.4 percent per year since 1958 with total carbon in the atmosphere reaching $720x10^{15}$gC in 1982[2]. The rate of growth of CO_2 emissions from fossil fuel use has been considerably faster averaging more than four percent per year between 1950 and 1979 when global emissions peaked at 5.4PgC/yr.[1] Between 1980 and 1985 global emissions ceased to grow and U.S. CO_2 emissions declined by almost 10% despite an increase in GNP.

Emissions of CO_2 occur whenever any fossil fuel is oxidized. Nevertheless, the rate of emission varies among fuels. The variation is primarily dependent on the relative abundance of carbon and hydrogen. Average emissions coefficients for oil, gas and coal are given in Table 1.

Table 1: AVERAGE CO_2 EMISSIONS COEFFICIENTS BY FUEL

Fuel	gC/Mj	gC/kBtu
Oil	19.2	20.256
Gas	13.8	14.4535
Coal	23.8	25.109
Shale*	27.9	29.4345

* Shale refers to the mining of oil shale found in carbonate rock formations.

Source: Edmonds and Reilly (1985), p.266.

In general non-fossil fuels do not release CO_2 to the atmosphere. That is energy sources such as hydroelectric power, nuclear power (including both fission and fusion), and solar energy (including photovoltaic, heliostats, tidal, wind, OTEC and other "renewables" such as geothermal energy) do not release any CO_2 to the atmosphere. Biomass energy is a special case. Biomass contains carbon, and therefore when it is burned or otherwise oxidized, releases CO_2 to the atmosphere. The carbon that is released, however, was originally taken out of the atmosphere and stored in the plant during its period of growth. Biomass therefore releases no net CO_2 to the atmosphere during its growth, harvest and use cycle. If the cycle is extended and land-

use is changing, there can be either net additions or reductions in atmospheric CO_2 by biomass.

Deforestation releases CO_2 tied up in the form of biomass sequestered at a much earlier date. Whenever forest regrowth is not keeping pace with deforestation, there is a net release of carbon to the atmosphere. Similarly, a growing commercial biomass industry which planted in anticipation of later harvest and energy use would require a growing biomass stock and therefore would result in net removal of carbon from the atmosphere.

Between 1970 and 1985 the ratio of primary energy consumption to gross national product (E/GNP) declined at an accelerating rate. Table 2 shows the annual rate of decline over each of the five year intervals beginning in 1950 and extending through the NEPP forecast years to 2010. Little trend is perceptible before 1970. The E/GNP in 1970 was the same as it was in 1950. During the period 1970 to 1985 E/GNP declined at an average annual rate of 1.9%/year and between 1979 and 1983 the rate was 3.1%/year. The decline in E/GNP post 1970 can be seen as both a response to energy shortages and a resumption of a long-term trend that began in 1920 and extended to 1950 (Edmonds and Reilly, 1985, Ch.4). In fact, the rate of decline in E/GNP between 1920 and 1945 was 2.0%/year.

Marketed energy is overwhelmingly fossil fuels. The share fossil fuel to total energy consumption declined from 96 to 90% between 1970 and 1985. The decline is primarily the result of the rapid increase in the amount of energy provided by nuclear power. As a consequence, the ratio of fossil energy to GNP has declined at an even faster rate than E/GNP. Note that the NEPP forecast anticipates a continuation in the trend toward reduced use of fossil fuels.

Table 2: RELATIONSHIP BETWEEN U.S. ENERGY CONSUMPTION AND ECONOMIC GROWTH: 1950-1985

					Rate of Improvement		
Year	GNP (1984B$)	Energy (quads)	Fossil (quads)	Fossil (%)	E/GNP (%/yr)	F/GNP (%/yr)	
1950	1341	33.1	31.6	96	--	--	Hist.
1955	1665	38.8	37.4	96	1.1	1.0	Hist.
1960	1855	43.8	42.2	96	-0.3	-0.2	Hist.
1965	2326	52.7	50.6	96	0.8	0.9	Hist.
1970	2692	66.4	63.6	96	-1.7	-1.7	Hist.
1975	3002	70.6	65.3	93	1.0	1.6	Hist.
1980	3550	76.0	70.0	92	1.9	2.0	Hist.
1985	3994	74.0	66.3	90	2.8	3.4	Hist.

Note: F/GNP is the fossil fuel to GNP ratio.

Source: 1950-1985 from DOE/EIA (1987).

Between 1950 and 1970 primary energy consumption grew at an average annual rate of 3.5%/yr. This is reflected in a concomitant growth in fossil fuel CO_2

emissions, which grew at an average annual rate of 3.0%/yr. Historical U.S. emissions are given in Figure 1.

The somewhat slower growth in CO_2 emissions than in energy growth is attributable largely to the shift in the composition of energy, with the share of coal declining from 39% of fossil fuel use in 1950 to 19% in 1970. The years between 1970 and 1985 track the energy situation. CO_2 emissions were approximately the same in 1985 as they were in 1975. Similarly, energy use in 1973 was the same as in 1986, the last year for which complete data has been compiled by the USDOE Energy Information Administration. In fact CO_2 emissions were lower in 1985 than they were in 1979, when emissions peaked and energy consumption declined in 1980, 1981, 1982 and 1983 as well as 1985 and 1986.

A crude disaggregation of the composition of changes in CO_2 emissions can be developed by examining the percentage changes in three elements, the ratio of CO_2 emissions to energy, the ratio of energy to GNP, and the GNP. Changes in the ratio of CO_2 emissions to energy reflect the effects of changes in the composition of energy supply. Changes in the ratio of energy to GNP on the other hand reflect changes in energy intensity. Changes in GNP reflect changes in the scale of activity. The percentage change in CO_2 emissions is approximately equal to the sum of the percentage change in each of these three components.[2] These percentage changes are given in Table 3.

Table 3: PERCENTAGE CHANGES IN CO_2 EMISSIONS AND THREE KEY COMPONENTS AT FIVE YEAR INTERVALS 1955-1985

Year	CO2/E	E/GNP	GNP	CO2
1955	-3.5%	-5.5%	24.2%	13.3%
1960	-4.0%	1.3%	11.4%	8.3%
1965	-1.3%	-4.1%	25.4%	18.7%
1970	-2.2%	9.0%	15.7%	23.3%
1975	-2.6%	-4.8%	11.5%	3.4%
1980	4.2%	-9.0%	18.3%	12.2%
1985	-5.2%	-13.4%	12.5%	-7.7%

Note: Percentage changes refer to changes over a five year period beginning five years prior to the date indicated in this table. The sum of values in the first three rows do not sum to the value in the fourth row due to the discrete nature of the calculation.

It is worth noting that the period 1980 to 1985, in which CO_2 emissions decline by 7.7% can be decomposed into two declining components, shifts in energy supply which contributed approximately 5% and energy conservation which contributed approximately 13%, and the scale effect of the increasing GNP which tended to increase CO_2 emissions by 12%. During this period it appears that energy conservation contributed more than twice as much to the decline in CO_2 emissions as the changing composition of energy supply.

Energy and Methane Emissions: Roughly a quarter of the total atmospheric methane emissions are attributable to the production, transfer, conversion, and consumption of energy. These include the mining of coal, as well as the gathering, transmission, distribution, venting and flaring of natural gas. Landfill material representing the residue of the consumption process is a rich source of methane which is only very slightly exploited as a source of energy at the present time. Burning of biomass can occur naturally as in forest fires, or can be initiated by human activity such as in the clearing of land for agriculture. Some fraction of the human contribution is for direct energy consumption such as the burning of fuel wood. Finally, each of the combustion processes, associated with the conversion of fossil fuel to thermal energy may be attended by the emission of some quantity of methane, depending upon the constituents of the fuel, the temperature of combustion, and the efficiency of the process. Emissions from natural gas production, coal mining, and landfills currently appear to be more important sources of methane than combustion process byproducts. Historic United States methane emissions from natural gas production, transmission and distribution, combustion, and coal mining are given in Figures 2, 3, and 4, respectively.

Energy and Carbon Monoxide Emissions: Carbon monoxide is generated by incomplete combustion processes (complete combustion yields CO_2 rather than CO), oxidation of anthropogenic hydrocarbons, the decomposition of CH_4, and other minor sources. Because of its relatively short lifetime in the atmosphere (0.4 years) the gas is poorly mixed in the global atmosphere. Historic U.S. emissions from combustion sources are displayed in Figure 5.

Energy and Nitrous Oxide Emissions: The dominant human activities associated with N_2O emissions are agricultural: savanna burning, soil cultivation and fertilizer application, and energy: wood burning, and fossil fuel use. Until recently the dominant man-made emissions source was thought to be fossil fuel combustion. This conclusion was based of flask samples taken from combustion experiments (Muzio and Kramlich, 1987; Linck et al., 1989). This research has recently been shown to be subject to a sampling artifact which produced N_2O in the flask between the time the sample was taken and the time the flask was analyzed. It is possible that fossil fuel emissions are a relatively minor source of N_2O emissions, but this is by no means certain. It is also possible that the chemistry that occurred in the flask may also occur in nature. We have not attempted to include estimates of historic N_2O emissions in this report due to the enormous uncertainty surrounding emissions coefficients for combustion processes.

Energy and CFC Emissions: Table 4 shows U.S. production (1985) and consumption (1986) of ozone depleting substances restricted by the Montreal Protocol. CFCs-11, -12, and -113 currently comprise most of the U.S. market for these compounds. Due to an anticipation of the 1978 ban of aerosol uses of CFCs, U.S production of CFCs-11 and -12 peaked in 1974, with CFC-11 reaching 341.0 million lbs and CFC-12 exceeding 487.0 million lbs. After bottoming out in 1982, U.S. production of CFCs-11 and -12 continued to rise over the remainder of the decade.

Table 4. U.S. Production and Consumption of CFCs and Halons
(Millions of Pounds)

	1985 Production	1986 Consumption
CFC-11	168.7	197.6
CFC-12	302.5	315.1
CFC-113	164.0	173.0
CFC-114	8.8	9.9
CFC-115	9.9	22.9
Halon 1211	6.0	6.8
Halon 1301	12.1	10.7
Total	672.0	736.0

Sources: EIA, August 1989, SR/ESD/89-01, EPA, December 1987, and Statt, July 1988, International J. of Refrigeration, Vol 11.

Table 5 shows CFC and halon consumption by usage. Foam-blowing of plastics is the primary usage of CFCs, the majority of which is represented by polyurethane building insulation. Refrigeration and mobile air conditioning (MAC) applications are also important applications and are also energy related. Finally, solvents consume about 20% (mostly CFC-113) of CFCs and halons in the U.S.

Table 5 U.S. CFC and Halon Use by Application, 1986
(Millions of Pounds)

	10^6 lbs		Percent	
Refrigeration	159.6		21.7	
Mobile Air Conditioning	120.0		16.3	
Foam		198.5		27.0
Fire		17.5		2.4
Solvents	142.6		19.4	
Aerosols	24.5		3.3	
Other	73.3		10.0	
Total	736.0		100.0	

Sources: EIA, August 1989, SR/ESD/89-01

The application for CFCs and halons is important because it determines the eventual emission rate (see Table 6). Applications such as aerosols and rigid non-urethane foam constitute immediate release to the environment. However, insulating foams, domestic refrigeration (refrigerators and air conditioners), and halon fire extinguishers represent much slower release times.

Table 6. RATE OF RELEASE BY END-USE

	Years to Total Release
Aerosol	1
Flexible Foam	1
Rigid Polyurethane Foam	20
Rigid Non-urethane Foam	1
Fast Release Refrigeration*	4
Other Refrigeration	17
Solvents	1**
Fire Extinguishers (halons)	30-35

* Mobile air conditioners and centrifugal chillers
**Only 85% is actually released. 15% is recycled.

Source: EPA, August 1988, RIA, Vol. 1.

Currently, about two-thirds of the total CFC and halon usage in the U.S. is in short-term (less than five years) usages. The remaining one-third is in relatively long-term releases of up to 35 years. Given these use patterns, ten years can be assumed as an average time frame to total release. These release rates represent current practices and technologies and do not account for recovery and recycling techniques which are sure to become more predominant in the future.

APPROACH

The case study methodology was developed in response to a need to advance the state of knowledge concerning response strategies as they applied to the United States. Earlier studies, which were global in scope, focused on quantifying the technological potential or the broad potential for policies to affect future greenhouse gas emissions. These studies used two complementary approaches, referred to as the "bottom up" and "top down" approaches.

The "bottom up" approach examined the link between technology and emissions using detailed studies of new and emerging technologies.[3] The approach that is used is to identify emerging technologies which may penetrate the market in the next few decades. The analysis assumes that these technologies replace existing, less efficient technologies over the period of analysis, for example between the years 1985 and 2020. Reductions in emissions, energy consumption by fuel type and sometimes costs are usually estimated.

The criteria for determining whether particular technologies are exchanged for those in place differs by study. Sometimes the criterion is expected costs of a mature technology, other times it is emissions reduction potential. Regardless, this analysis method has a major weakness, namely that simple calculations of potential energy or cost savings do not historically translate into accurate estimates of the realized market penetration rates, or cost and energy savings. In addition, while this approach is generally very rich in

its technological detail, it is lacking in its description of the relationship between those technologies, and the overall, "macro," scale of human activities (e.g. aggregate energy production and use, and GNP).

The "top down" approach deals in broad economy-wide aggregates, without specifying the technological detail, the specific policy instrument, or calculating the full costs associated with various emissions reduction policies.[4] Policies considered are usually general policies such as, increased energy efficiency, fuel switching, or reforestation. The weakness of such analysis is that broad policies of this type are actually implemented with specific policy instruments like regulations, taxes, subsidies, information and education campaigns, and technology R&D spending. These measures may differ in effectiveness; i.e., ability to implement the policy goal, and in the underlying technology basis upon which individual decision makers can draw. Their effectiveness will differ, depending upon such factors as: public acceptability of the instrument, costs, distribution of impacts, technological availability, etc.

While both the "bottom up" and "top down" methodologies provide valuable insights into the nature of global responses to potential climate change, a next step to supplement existing analysis is the consistent evaluation of these implementing measures and the integration of technological detail with macro-economic behavior at the country level. This is precisely the objective of the USDOE analysis.

At the heart of the USDOE analysis are two energy sector models: FOSSIL2 and TEEMS. FOSSIL2 is an energy technology model which incorporates both end-use and supply side technologies. The transportation sector is insufficiently detailed in FOSSIL2, so the TEEMS transportation model is used to represent that sector. Economic, demographic and crude oil price assumptions are used as inputs into these two models. The output of the TEEMS model is fed into FOSSIL2 and then the output of the FOSSIL2 model is in turn fed, with the economic, demographic, and crude oil price assumptions into Data Resources, Inc. 25-Year Growth Model to estimate macro-economic implications of the reference case and the policy cases. Figure 6a depicts the flow of information within the modeling framework. While the FOSSIL2 and TEEMS models are used to forecast energy related emissions of greenhouse gases, a separate analysis has been conducted to assess emissions of CFCs.

There are feedbacks between modeling cases for some of the policy runs and between TEEMS and the DRI model for reference case. The information requirements for a TEEMS run are sufficiently detailed that neither of the input assumptions nor a FOSSIL2 run can provide that information. The DRI model provides the necessary inputs.

FOSSIL2:

FOSSIL2 is a simulation model with technology detail on the energy sector. It is described in detail in the Appendix. The model contains descriptions of both energy supply and demand behavior. The basic structure of the FOSSIL2

model is given Figure 6b. Adjustments in demand occur largely in response to price, higher fuel prices causing both an overall reduction in demand and a shift to other less expensive fuels whenever possible. Supply changes in response to price as a result of both short-term and long-term adjustment mechanisms. Short-term production adjustments occur in response to changing demand and are achieved by changes in production capacity utilization. Long-term changes are effected by increasing (decreasing) production capacity through profit-induced investments.

The model takes a set of exogenous inputs including the world oil price, base GNP, population, occupied housing stock, commercial floor space, industrial production (index), and the total number of automobiles and trucks, and generates a description of the U.S. energy system in equilibrium. The system is described by production, transformation and consumption information by fuel and by sector, net imports and exports, and energy prices including production costs, intermediate prices, and end-use prices.

Supply or production is disaggregated by fuel type into four sectors: oil, gas, coal and electricity. The sectors all have the same basic or generic structure, however, specific differences attributable to each sector are fully incorporated. Each of the supply sectors can be further subdivided into a fuel supply/demand balance subsector, a financial subsector, and a fuel production subsector, which included a representation of each proven or new production technology. Interactions between the fuel supply sectors exist when a production technology demands another fuel as either a feedstock or an energy input, such as electric utilities' demand for coal.

The demand side of the model is based on the concept of energy services. This approach considers energy as a means of providing services to final consumers, for example mobility, comfort, and industrial process heat. Fuel is just one component in providing energy services--various types of equipment are also needed. Because of this, consumers do not simply choose fuels but rather end-use fuels and technologies, which include conservation devices (such as furnaces) and conservation measures (such as insulation). The list of energy services by sector is found in Table 7.

Each of these end-uses are met through a least cost competition of end-use technology data incorporated in conservation supply curves and delivered fuel prices. The least-cost algorithm which represents the consumers' decision to invest in end-use equipment and conversion and conservation technology are combined with fuels to meet the energy service demands at the lowest possible cost. Generally, a trade-off is made between investment in capital and annualized energy costs. The least-cost competition depends on costs and efficiencies of technologies and prices of fuels. Therefore, as prices of fuels rise (e.g., in response to a policy measure like a tax on fuels), more efficient end-use technologies are purchases.

Table 7: **ENERGY SERVICE DEMAND CATEGORIES**

RESIDENTIAL
Space Heat
Cooling
Thermal
(hot water, cooking, drying)
Lighting and Appliances

COMMERCIAL
Space Heating
Cooling
Thermal
(hot water, cooking, drying)
Lighting

INDUSTRY
Steam (including Cogeneration)
Machine Drive and Electrolytic
Other Heat
Feedstock

TRANSPORTATION
Auto
Truck
Air
Miscellaneous

Considerable evidence exists in the literature on the economic benefits to end-users, especially in the residential sector, of emerging end-use technologies. That literature concludes that market imperfections or short-payback period requirements lead to an under-investment in conservation technologies. FOSSIL2 analysis incorporates such consideration by adjusting end-user discount rates, represented in the model by the capital recovery factor (CRF). These factors are diagrammatically represented in Figure 6b. The behavioral response represented in the adjustments in discount rates to account for factors other than cost influencing the consumer decisions. The output of the demand structure is projected energy use by fuel and by sector and estimates of efficiency and conservation contributions. This final box indicates that the consumer may have investments in more energy efficient equipment, but may also make more short run response including adjusting thermostat levels and turning off lights.

A different representation of the demand side competition effecting market share can be found in Figure 6c. In this representation, the competition is between two fuels. Of particular importance, is the logit function which allocates market share between fuels competing for the same energy service market. This function allocates market share on the basis of cost. As the cost of providing an energy service declines, market share rises. The sensitivity of the logit function is controlled by an elasticity parameter.

For values of the logit elasticity greater than -∞, the function never allocates the market entirely to a single fuel. The justification for this representation is the observation that for various reasons including geographical fuel price diversity and institutional arrangements which result in a variety of prices actually paid for fuels, there is a distribution of competitions rather than a single grand national least-cost competition by technologies. Reductions in the mean cost for an energy service competitor tends to increase share, but there will always be some circumstances in which the higher mean cost technology is locally least-cost.

Another important feature of the demand sector module is that it keeps track of stocks of service demand equipment by fuel and efficiency level. As new service demand is met by fuel and conservation combinations, the average stock slowly changes at a rate dependent on the growth of service demand and the retirement rate of existing stock. In this way the model mimics the real-world stock turnover process, where conservation measures and fuel choice changes are reflected gradually in the total stock and fuel use.

TEEMS:

The Transportation Energy and Emissions Modeling System is actually a set of related simulation models assembled to predict energy requirements for and resulting emissions from virtually all forms of transportation in the United States. In general, it operates on a baseline set of transportation activities and modifies it in light of exogenous economic and demographic data and assumptions to provide predictions of future activities. The model structure is graphically depicted in Figure 7. The various modules of the model are as follows:

The Disaggregate Personal Transportation Activity Module (DPTAM) accounts for vehicle ownership at the household level within a household-characteristic matrix. The 1985 baseline for the assignment of the vehicle population is the 1983 Nationwide Personal Transportation Study. Future year household counts within the matrix cells are computed using an iterative proportional fitting algorithm.

The Disaggregate Vehicle Stock Allocation Module (DVSAM) allocates vehicle ownership to households within the matrix. In so doing it is able to effect changes in technology and performance overtime. A logit model estimates the probability of owning a vehicle given price, operating cost, seating capacity, and performance criteria. It also computes changes in vehicle operating cost from year to year. It further projects changes in vehicles per driver as a function of disposable income and vehicle operating cost. The output of these two modules is total private (auto and light truck) local and inter-city vehicle miles traveled.

The Passenger-Oriented Intercity Network Transportation System (POINTS) computes intercity personal travel by selecting from a variety of modes using a utility-maximizing principal. Each mode is represented in terms of travel time and costs. The empirical basis for POINTS is the 1977 National Travel Survey. The principal output is intercity air travel.

The Freight-Responsive Accounting for Transportation Energy, Version 3 (FRATE3) accounts for freight activity through a utility maximizing procedure and then applies an accounting model to estimate modal activity and energy consumption. The model is applied at the commodity sector level, with growth in sectoral output based on an external forecast. It uses baseline freight-flow data from the 1977 Commodity Transportation Study with subsequent updates, along with the 1982 Truck Inventory and User Survey. Five modes are included: Rail, Truck, Marine, Air, and Pipeline.

Other procedures are used to update present-day activities in such areas as private- and rental-fleet automobiles, general and military aviation, and bus vehicle miles travelled.

The overall output of the model is energy utilization for transportation by sector and fuel type.

CFC Analysis:

The analysis of CFCs is handled separately from the analysis of energy related greenhouse gas emissions. The analysis of the impact of the Montreal Protocol and an accelerated phase-out of CFCs is conducted on the assumption that the U.S. complies precisely with the requirements of the agreements.

THE REFERENCE CASE

The reference case is applicable to the specific analysis being done for the U.S. submissions to EIS. It is not necessarily consistent with the base case being developed for the National Energy Strategy during 1990. As such it does not represent a DOE official projection of energy demand and supply. It is rather one scenario among many potential energy futures which may occur. It is not a policy scenario, on the contrary it is a scenario which deliberately ignores all possible changes in current policy.

Assumptions:

As previously described, the model is benchmarked to selected historical economic and demographic data and makes outyear projections depending on the scenario associated with the case under study. Chief among these indicators are shown in Figure 8. For the reference case, the rate of change of most indicators declines somewhat over the approximately four decades under consideration. The Gross National Product initially is rising from $4.7 trillion at 3.0% annually, slowing to a 1.8% rate. Population grows from about 244 million at 0.8%, slowing to 0.5% after the turn of the century. Growth rates for Occupied Housing (90 million units initially), Commercial Floor Space (37 billion sq. ft. initially), and Motor Vehicles (160 million units initially) lie somewhere in between. The Industrial Production Index (1985=100) is rising at 3.3% but slows to 2.0%.

Energy Prices:

In a similar fashion, energy prices are keyed to world oil prices as reflected in Figure 9. For this scenario, oil is projected to rise by a factor of two-and-a-half, from $18.16 a barrel to $45.71 by 2030. Refiner's crude cost is assumed to be essentially identical to this cost. The corresponding prices for coal and natural gas (in $/MMBTU) are shown for comparison. Natural gas more than quadruples over the period of interest (equivalent to $1.62 per MCF in 1987 and $7.06 in 2030). Coal due in part to the enormous indigenous supply rises only by a factor of about 1.5 (equivalent to $23.79 per short ton in 1987 and $35.86 in 2030).

These resource costs are then used in turn to project the delivered cost of energy. Liquid fuel prices such as distillate fuel for the residential, commercial, and industrial sectors, along with the transportation fuels--gasoline, diesel, and jet fuel--are scaled up from crude cost to reflect the cost of refining and transportation. Note that automotive gasoline is projected to rise from $0.96/gallon in 1987 to $1.68 in 2030. Utility fuel, the bulk of which is residual, follows the price of crude almost exactly. Natural gas costs are accelerated by a nearly constant factor representing the additional cost of transmission and to the customer. Note also, that residential natural gas prices run from $5.74/MCF to $10.73 during this period. Coal which is used primarily in the industrial and utility sectors varies according to the projected minemouth price in the $30 to $57 per short ton bandwidth.

Energy Supply and Demand:

The above economic factors combine to produce a projected primary energy supply as depicted in Figure 10. For the reference case, gas and oil utilization remains relatively stable at about 18 and 32-36 quads respectively. Most of the growth in energy supply occurs in coal which increases from about 20 to 60 quads. Nuclear remains virtually constant at about 6 quads, while renewables use doubles from 6 to 13.5 quads. The net contribution to the total from international trade is shown in Figure 11. Imports of gas are approximately half as large as exports of coal. Imports of oil more than double over this period representing a growth in its share of total consumption from about 40% to 80%. The overall total primary energy supply increases from about 67 quads to nearly 98 quads in 2030.

Primary energy demand grows from 79 quads to 126 quads over the period to 2030. This is shown in Figure 12. Figure 13 shows the resulting energy intensity (energy per unit GNP) which is seen to decline by about a third overtime, while energy use per capita (Figure 13, lower segment) increases slightly.

The corresponding projected end-use consumption of energy by source is shown in Figure 14. Most growth occurs in the form of electricity which more than doubles from 8.4 to 19.7 quads. This in turn corresponds to the previously highlighted increase in primary coal supply. Consumption of liquids, gases, and solids is relatively constant except for a peak in the use of liquids about 2010. The doubling of the renewables total is about equally

split between electricity (mostly in the form of hydro power) and direct use where most significant growth is in the form of decentralized consumption of biomass. The same consumptions totals are shown spread across economic sectors in Figure 15. Consumption in the residential and transportation sectors increases by the smallest amounts (20% and 30%) driven mostly by demographics. Industrial consumption increases by 36%, while commercial with the smallest share grows by the largest amount (85%) due in part to the expansion of the services subsector. Within sectors, residential and commercial combined show more than double the use of electricity, with a net shift of about 1 quad from liquids use to renewables. In the industrial sector, electricity use more than doubles, and there is a similar but smaller net shift from liquids to renewables. Transportation which uses almost all of its energy in liquid form shows most growth in the area of diesel and jet fuel (60-70%), while gasoline usage accounting for over half of the total increases by only about 7%. Specific model projections of transportation activity are shown in Figure 16. The number of operating vehicles is seen nearly to double (from 152 to 281 million) with a parallel increase in vehicle miles traveled. However, this is partially offset by a modest improvement in fuel economy, so that total fuel consumption increases by only about 30%.

Greenhouse Gas Emissions:

This energy production and consumption picture can now be reduced to projections of greenhouse gas emissions. Figure 17 shows the resulting energy-related CO_2 emissions (in terms of millions of metric tons of carbon). By far the most significant contributor to the growth in emissions is the increased use of coal (nearly a thousand megatons over the period of interest)--principally for electricity generation. Increased emissions from liquids is a distant second in growth contribution at about a hundred megatons. Also note the appearance of a non-trivial contribution (61 Mt in gross emissions in 2030) from use of renewables resulting from the conversion of biomass to alcohol. This amount must be offset by biomass carbon uptake during the growth phase. It should also be noted that about a tenth of the total carbon emission appears initially as CO which is further oxidized to CO_2 within a few months. This fraction stems primarily from incomplete combustion in the transportation sector. Although not in itself a greenhouse gas, CO competes with methane for atmospheric OH radicals as a sink and oxidizes to CO_2 rapidly.

Figure 18 gives projections of emissions of methane resulting from the production of energy. The time profile of the Reference case energy related CH_4 emissions differs markedly from that of fossil fuel CO_2. Emissions rise from something less than 10 $mTCH_4/yr$ after 1987, but peak by the year 2020 at slightly more than 14 $mTCH_4/yr$, and then decline. This time profile is the result of two different forces. Increasing production of coal tends to increase coal production related CH_4 emissions, while emissions related to natural gas production and distribution mirror the peaking and decline of domestic natural gas production. It is important to note that the emissions coefficients for these sources are still highly uncertain. Not included in these projections is a small amount of methane (probably a fraction of a megaton) resulting from combustion processes.

Also not included are projections of energy-related emissions of N_2O owing to the present lack of any credible emissions coefficients.

CFCs: The reference case is U.S. adherence to the Montreal Protocol (see Table 8). The Protocol calls for halving the 1986 ozone depletion potential (ODP) of Group I (CFCs) substances by 1998, while freezing Group II compounds at 1986 levels. ODP is a measure of the destructive potential (towards ozone) of a substance. It is a relative scale with CFC-11 arbitrarily set equal to 1. The ozone depletion potential of a group of compounds is calculated by multiplying the production of each compound by its ODP, and then summing for the group as a whole.

It is difficult to predict how production will be scaled back among the Group I compounds in order to achieve the 1998 goal. The higher ODPs of CFC-11 and CFC-12 would tend to put more pressure on these substances. However, the relatively greater potential for recycling of solvents would tend to decrease demand (production) for CFC-113. A straight linear assumption that all CFCs are reduced proportionally to their production would mean that total CFC and halon production would fall to around 350 million lbs. The fall off in emissions would lag production by about ten years as noted above.

Table 8. Montreal Protocol Controlled Substances

Group I (Chlorofluorocarbons)	ODP	Group II (Halons)	ODP
CFC-11	1.0	Halon-1211	3.0
CFC-12	1.0	Halon-1301	10.0
CFC-113	0.8	Halon-2402	6.0
CFC-114	1.0		
CFC-115	0.6		

Source: Montreal Protocol

CONCLUSIONS AND LIMITATIONS

Conclusions:

A reference case analysis of potential future U.S. energy related greenhouse gas emissions was presented in this analysis. Additional policy option scenarios are being developed but are unavailable at this time. While this analysis must be viewed as preliminary, some conclusions are worth drawing:

1. U.S. total primary energy production and consumption rise.

2. Both fossil fuel CO_2 and CH_4 emissions increase.

3. Increases in energy efficiency reduce the energy to GNP ratio at an average annual rate of approximately one percent per year.

4. An increasing share of primary energy demand comes from coal and renewable energy sources, with a decreasing share coming from oil and gas. The share of primary energy coming from nuclear power declines slightly.

5. Domestic production of oil and gas cannot keep pace with demands for oil and gas, despite the declining share of total primary energy demand accounted for by these two energy types.

Limitations:

The results of this study are tentative. They hinge on numerous factors including the particulars of the reference case assumptions, the models used to derive energy scenarios for the United States, and the emissions coefficients used to translate energy cases into emissions cases. The purpose of this study is not to predict the future, but rather to provide a first analysis of the potential for and cost of reductions in greenhouse gas emissions associated with energy production, distribution and consumption, that could be achieved by various policy instruments.

The assumptions that generate this case provide a wealth of information, and uncertainty too broad to adequately discuss in this paper. Needless to say, results would be different if different assumptions were employed. Key assumptions include the economic character and resource and reserve base of fossil fuels. Of particular interest is natural gas. More important are the assumptions about the cost and availability of conservation, renewable and nuclear technologies. Assumptions regarding the technology and cost descriptions that are included in the reference case relative to those included in the policy instrument cases are important.

Modeling is also important. Assumptions regarding economic and non-economic behavior are critical. These include the propensity to repower existing fossil powerplants, the rate of retirement of existing energy using facilities, and the rate at which purchasers of energy using equipment are willing to adopt new technologies, among others.

Finally, emissions coefficients for methane have great uncertainty associated with them. Methane emissions scenarios should be viewed as indicative, based on best current knowledge, but subject to change as new information emerges, and in no way represent a forecast. Emissions coefficients for N_2O are so uncertain that no scenarios were constructed.

FIGURES

NOTES

1. Trabalka, J. (ed.) (1985). Atmospheric Carbon Dioxide and the Global Carbon Cycle. DOE/ER-0239. National Technical Information Service, U.S. Department of Commerce, Springfield Virginia 22161. p.70. U.S. emissions of CO_2 grew at 2.2 percent per year between 1950 and 1980.

2. This holds as an identity when changes are small. To demonstrate this, define the following notation:

Y = GNP
E = Energy
C = CO_2 Emissions.

It follows then that,

$$C = (C/E)(E/Y)Y,$$

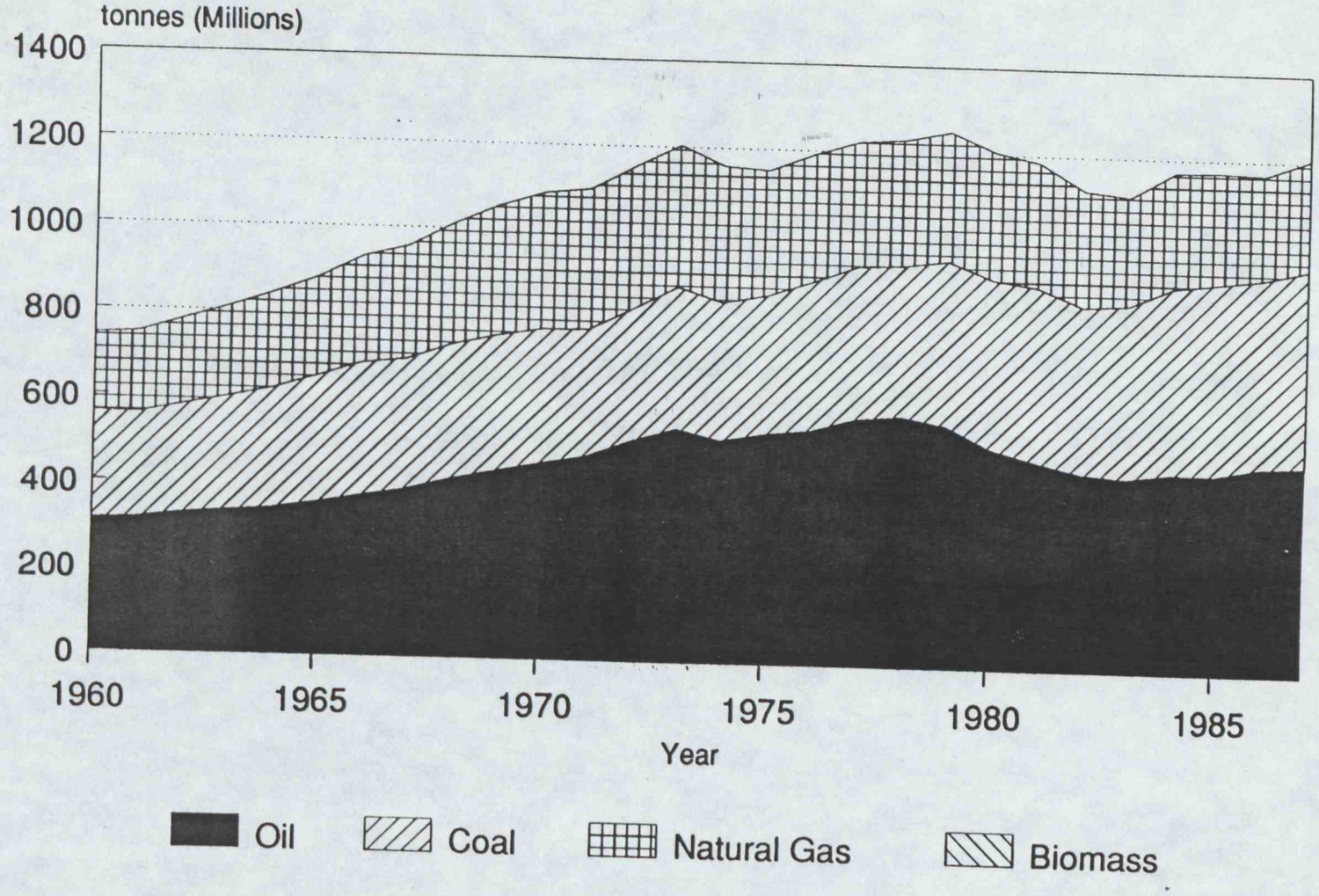
and that therefore,

$$\frac{d\ln C/dt}{C} = \frac{d\ln (C/E)/dt}{(C/E)} + \frac{d\ln (E/Y)/dt}{(E/Y)} + \frac{d\ln Y/dt}{Y} .$$

3. For example, see Goldemberg, Jose, Thomas B. Johansson, Amulya K. N. Reddy, and Robert Williams, Energy for a Sustainable World, World Resources Institute, September 1987, Washington D.C.

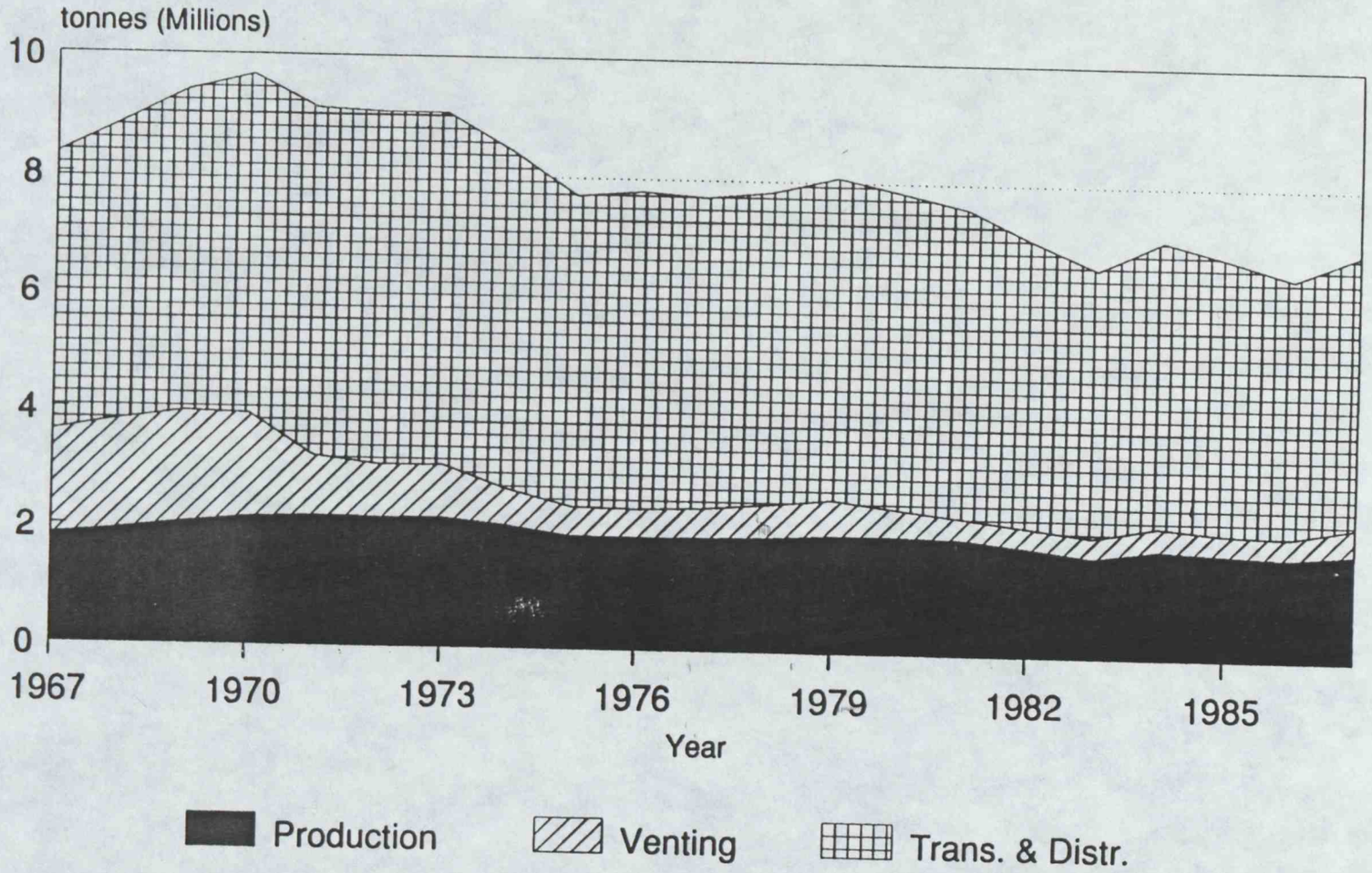
4. For example, see Lashoff, Daniel A. and Dennis A. Tirpak (eds), Policy Options for Stabilizing Global Climate, Draft Report to Congress, United States Environmental Protection Agency, February 1989, Washington, D.C.

FIGURE 1. Carbon Dioxide Emissions From Combustion-USA



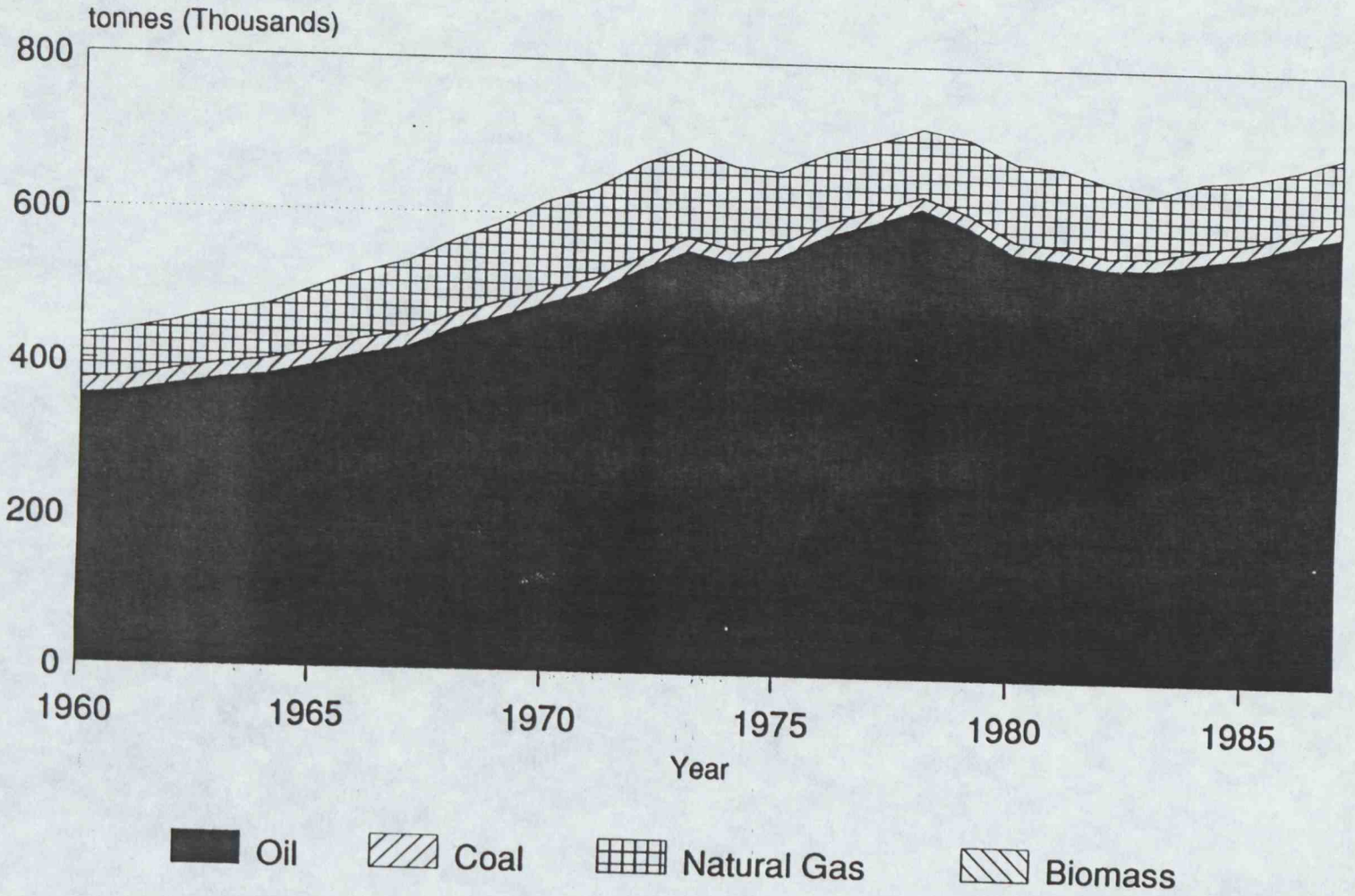
SOURCE: DOE/EIA SEDS 1960-89

Figure 2. Methane Emissions From Natural Gas-USA



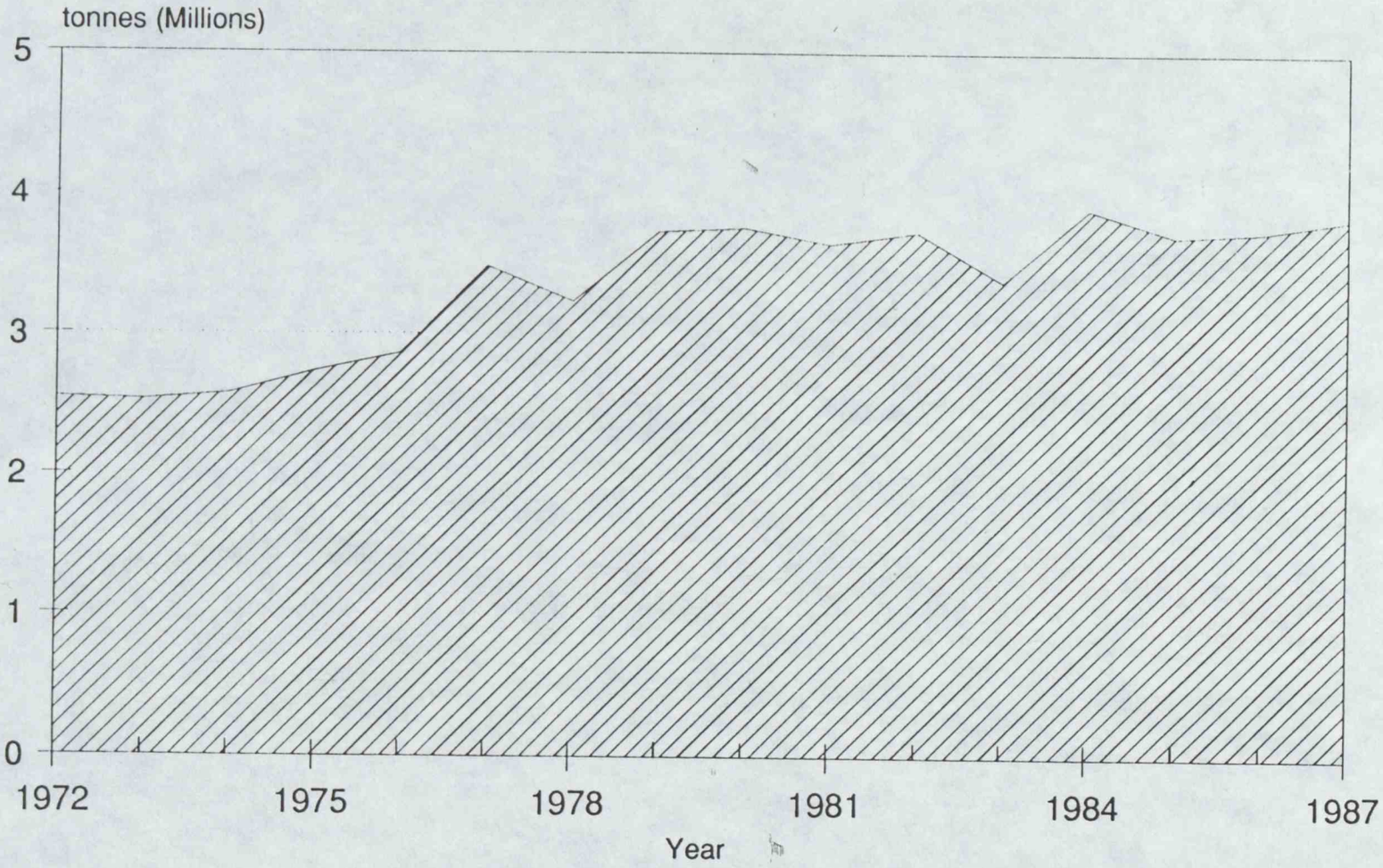
SOURCE: DOE/EIA Natural Gas Annual 1986-7

FIGURE 3. Methane Emissions From Combustion-USA



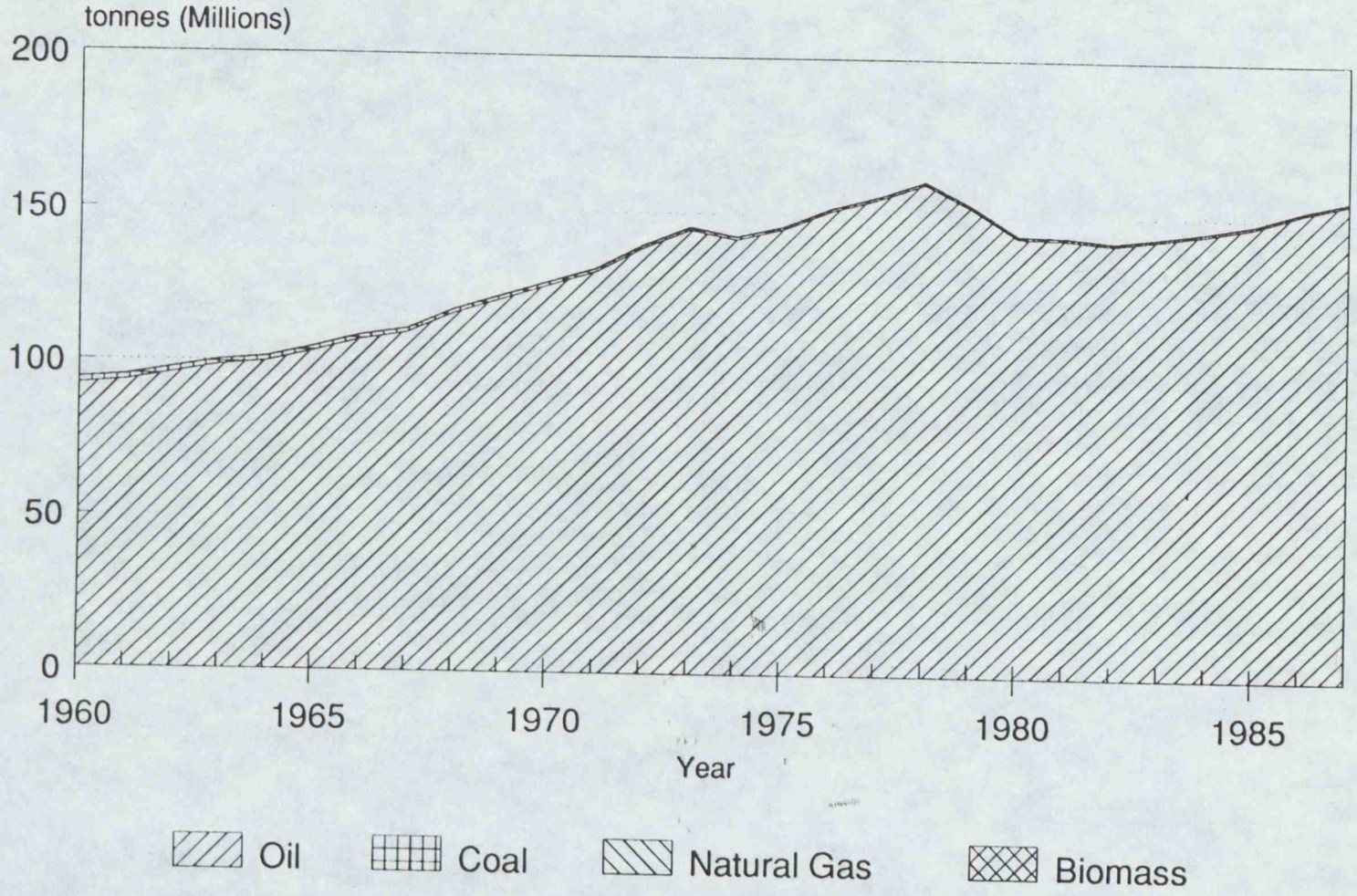
SOURCE: DOE/EIA SEDS 1960-89

Figure 4. Methane Emissions From Coal Mining-USA



SOURCE: DOE/EIA Coal Production 1977-87

FIGURE 5. Carbon Monoxide Emissions From Combustion-USA



SOURCE: DOE/EIA SEDS 1960-89

FIGURE 6A. U.S. CASE STUDY MODELING FRAMEWORK

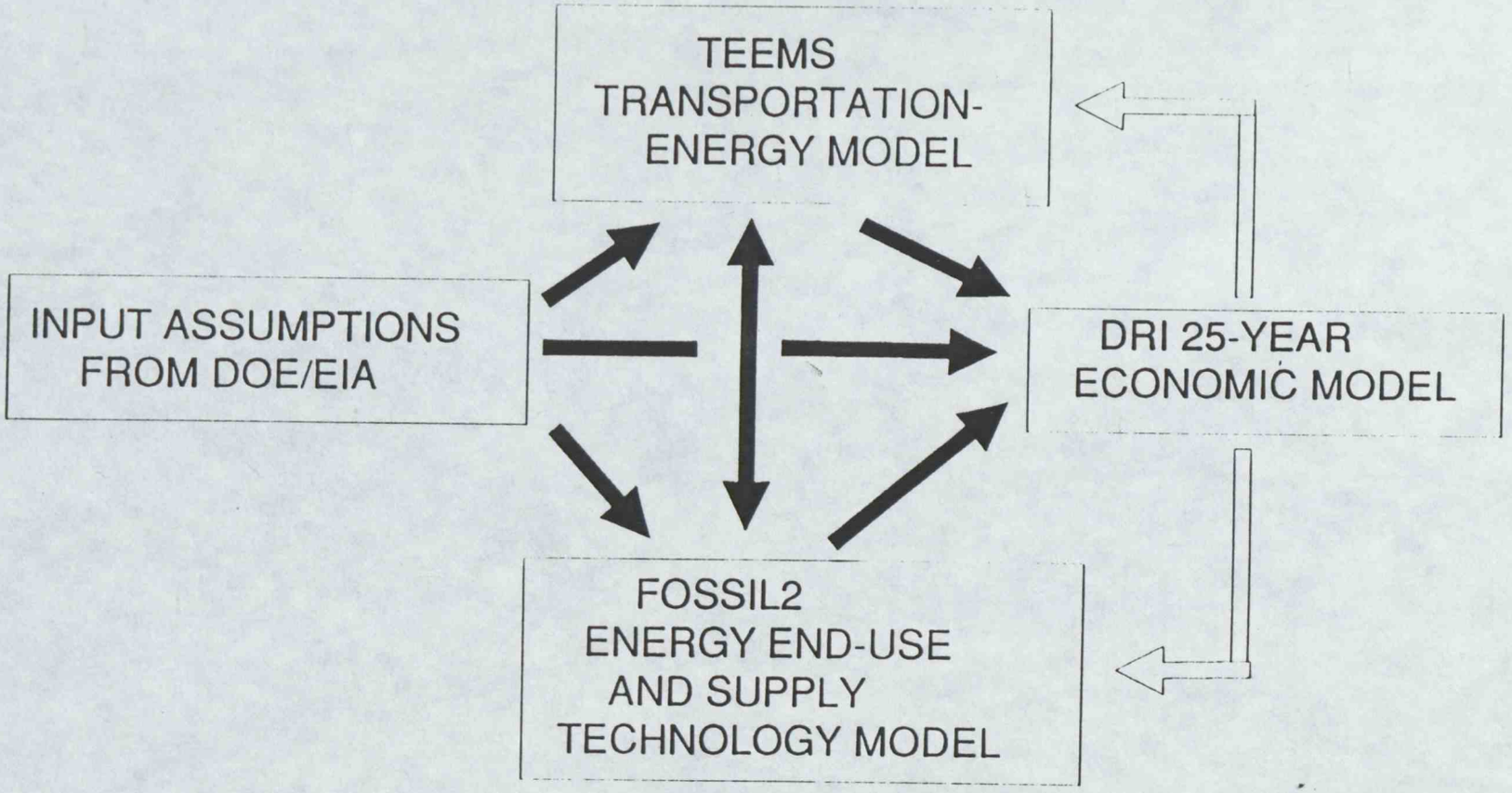


FIGURE 6B. BASIC STRUCTURE OF THE DEMAND MODEL

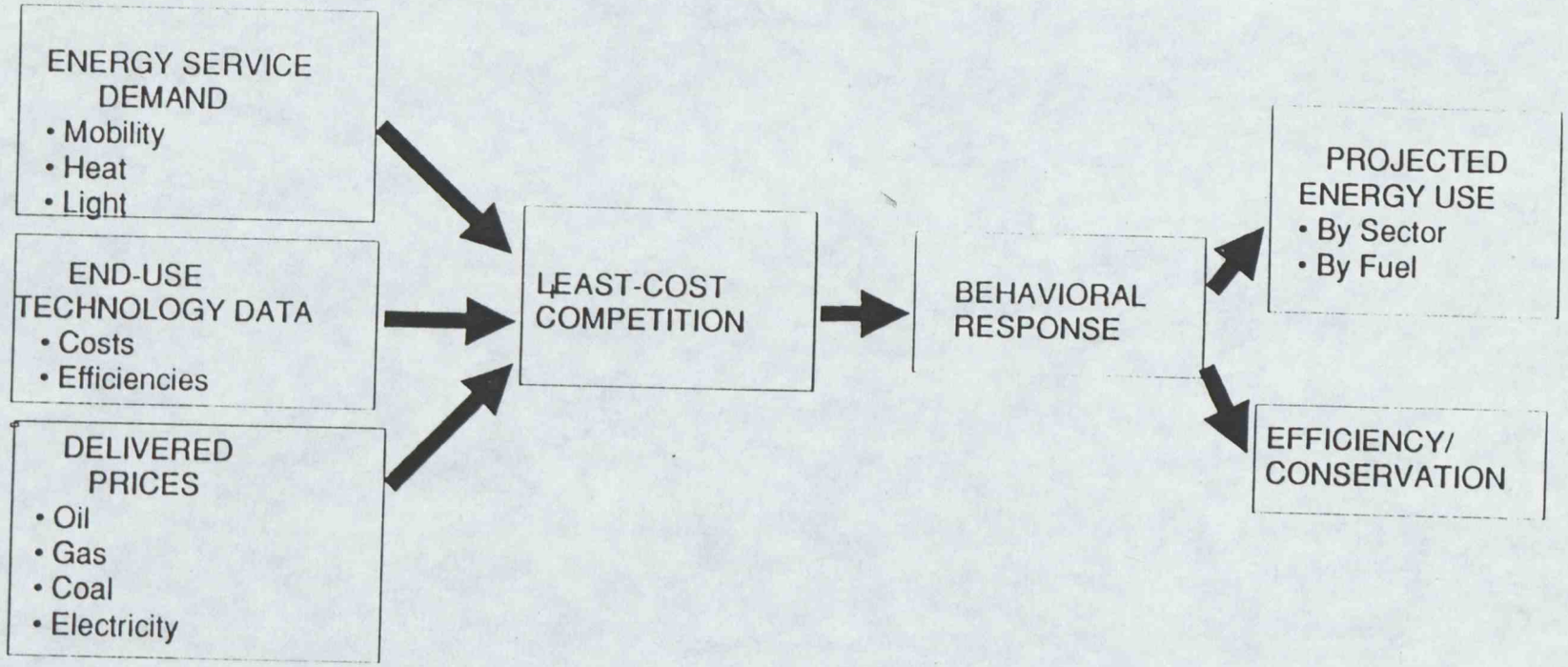


FIGURE 6C. FOSSIL2 DEMAND SECTOR

MARKET SHARE COMPETITION BETWEEN TWO FUEL CHOICES

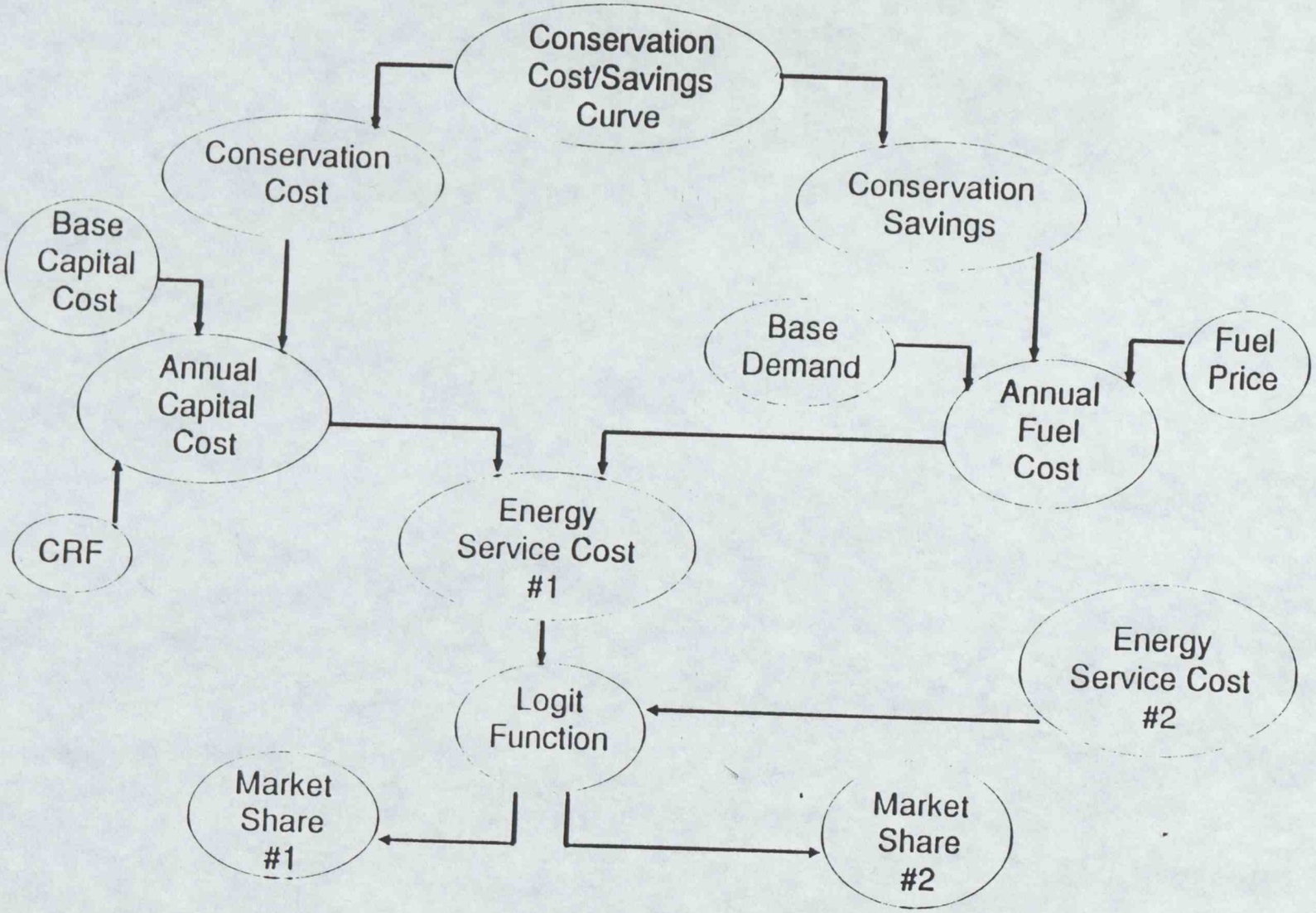
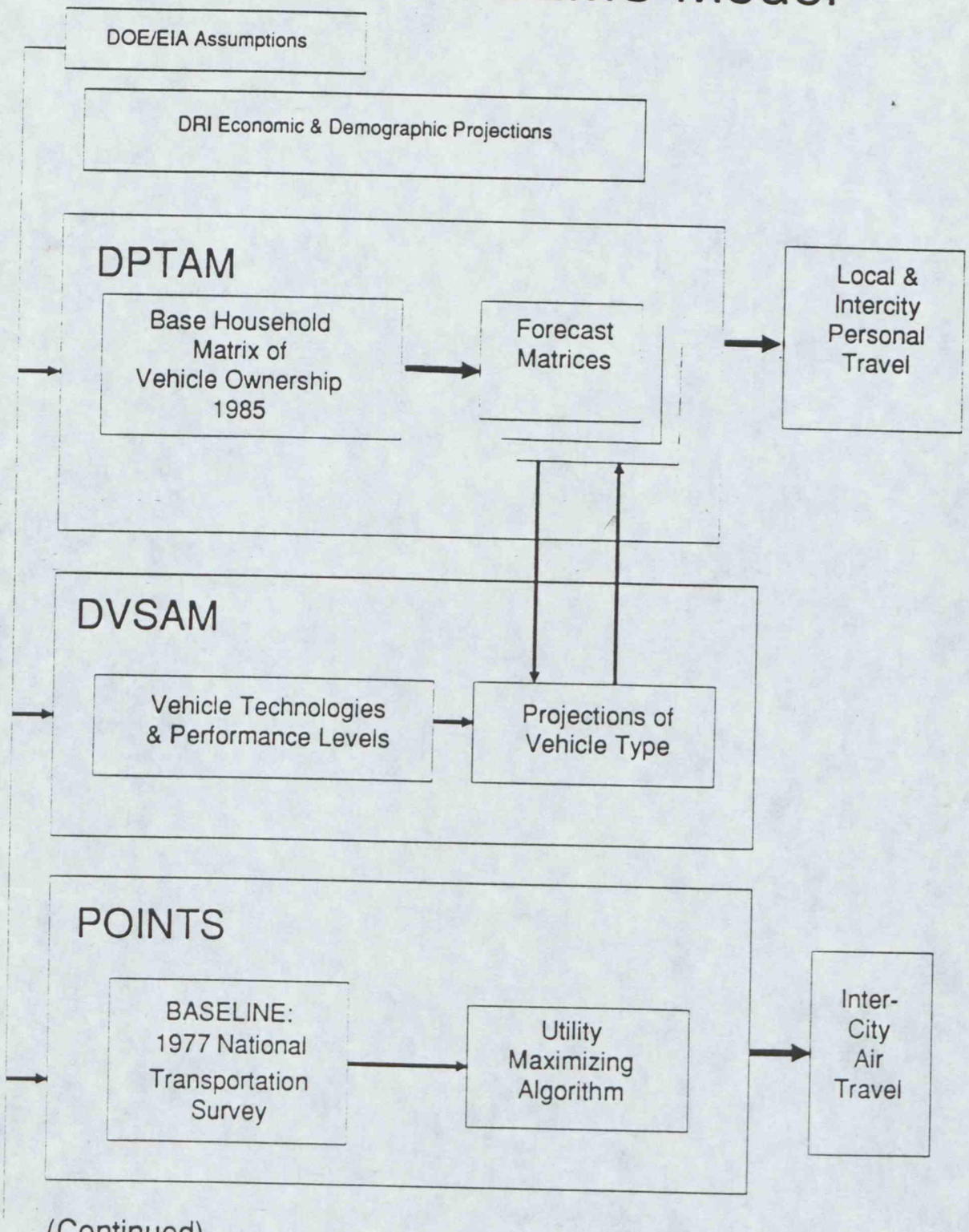


FIGURE 7. TEEMS Model



(Continued)

FIGURE 7. TEEMS Model (cont'd)

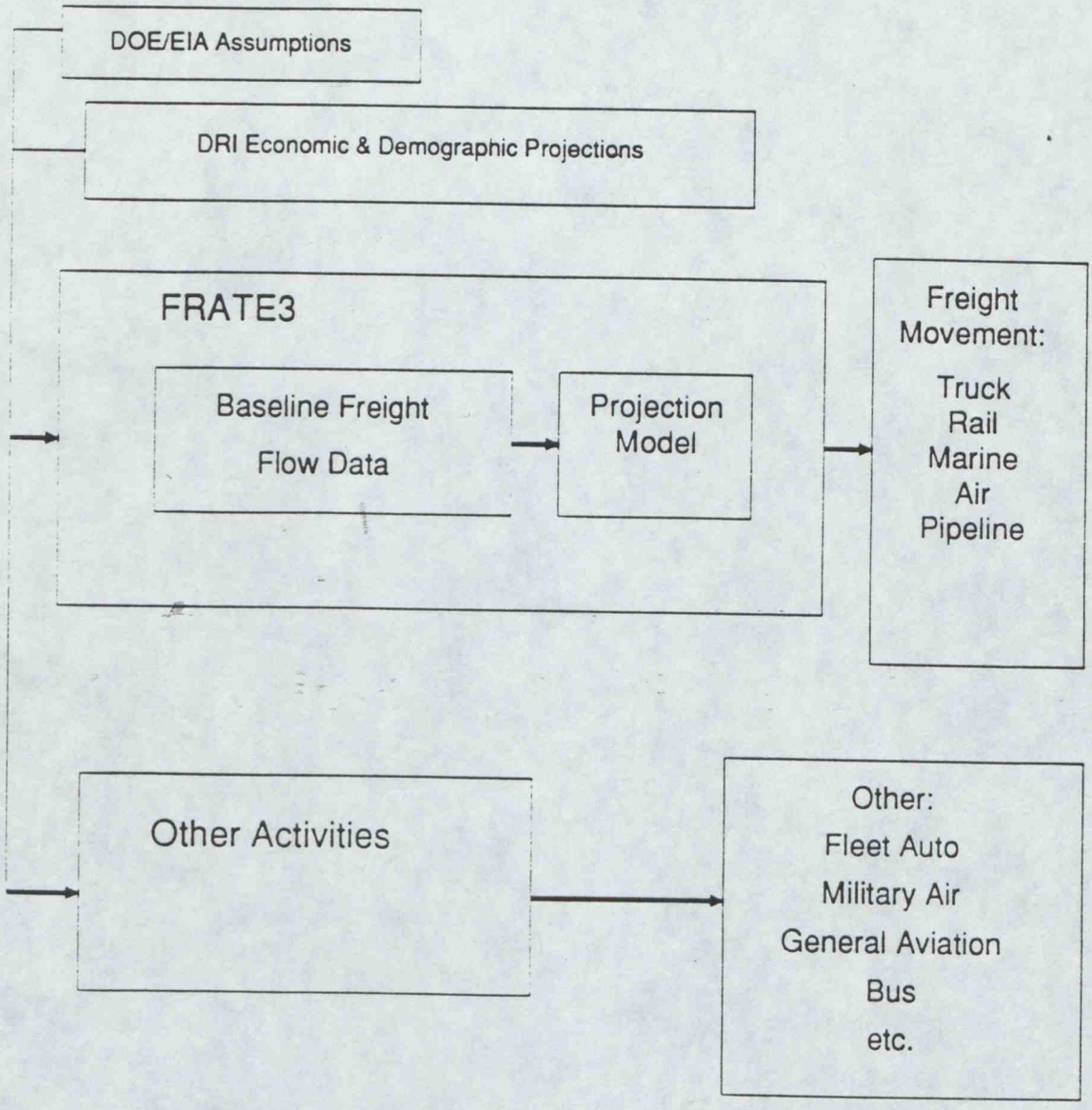
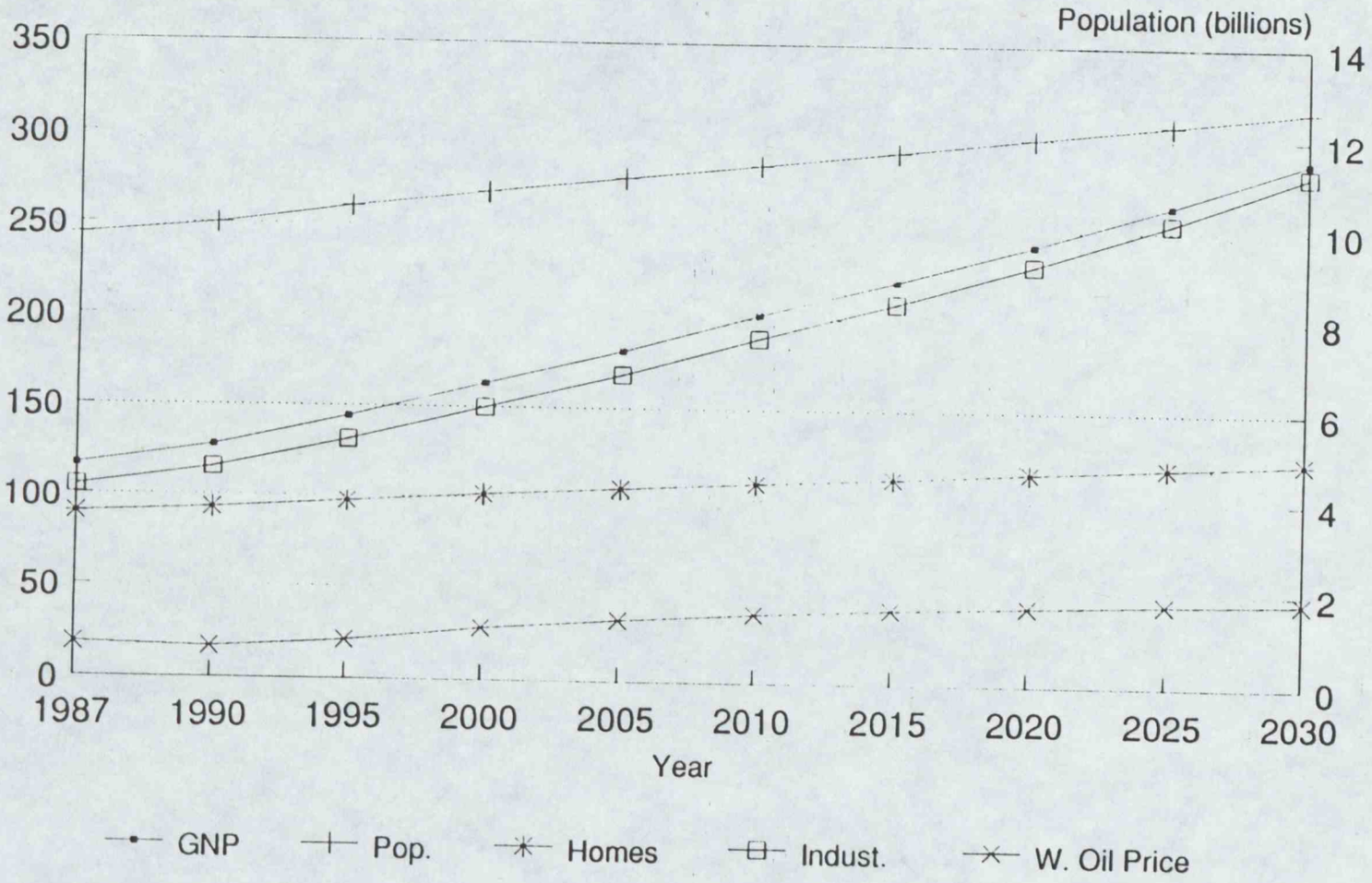


FIGURE 8. Reference Case
Key Economic Data and Assumptions



EIS Reference Case 12/19/89

FIGURE 9. Reference Case
U.S. Fuel Prices

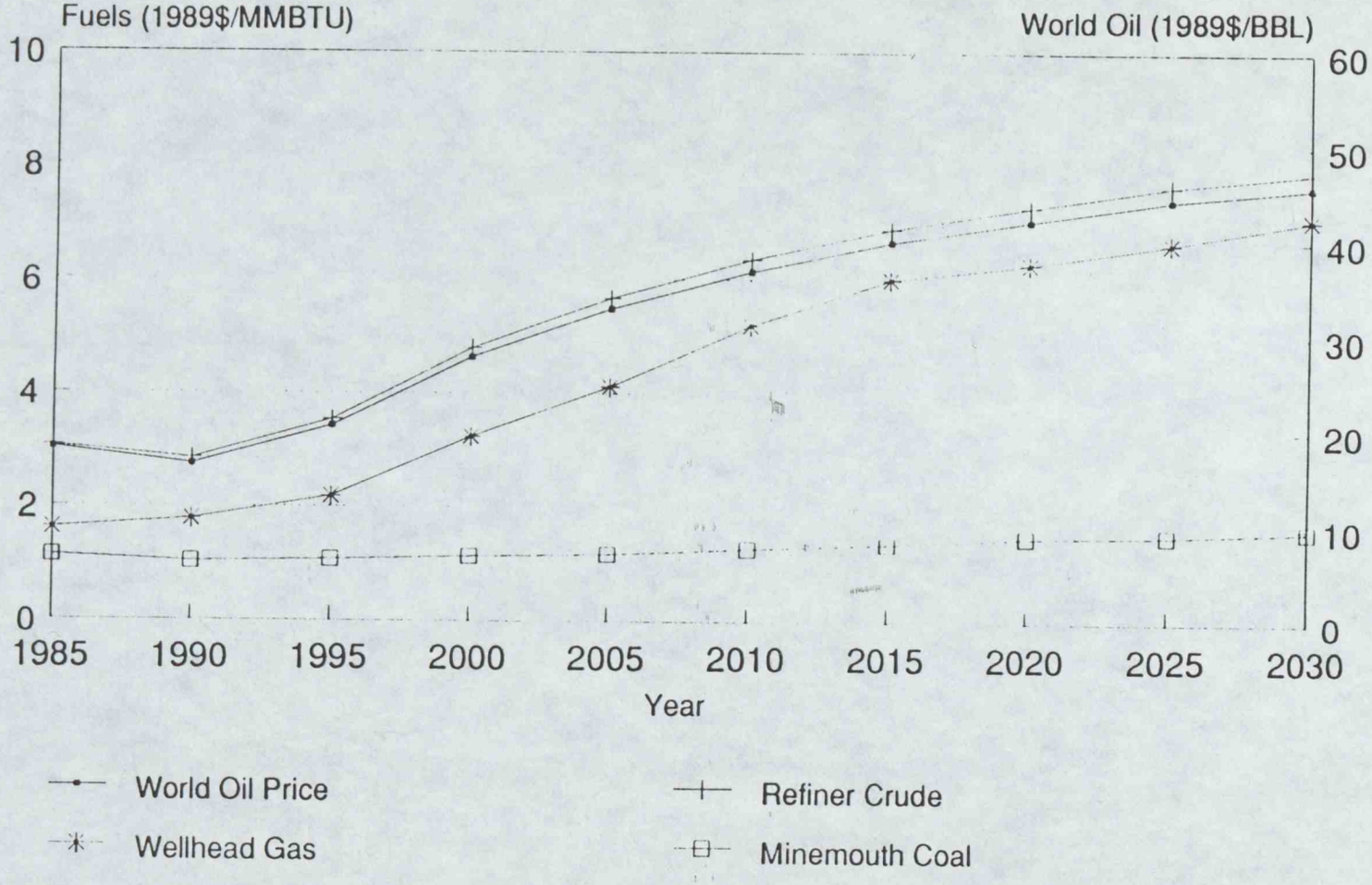
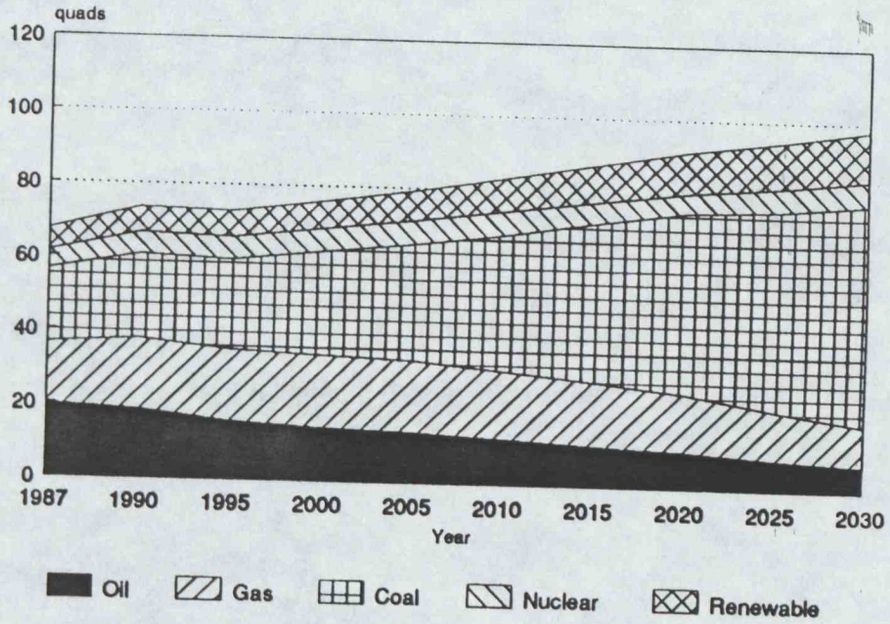


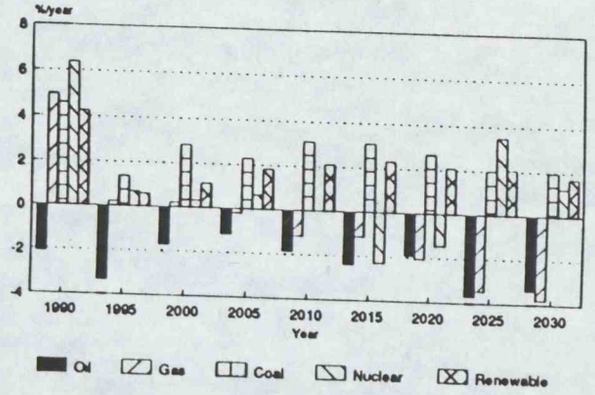
FIGURE 10.

Primary Energy Supply



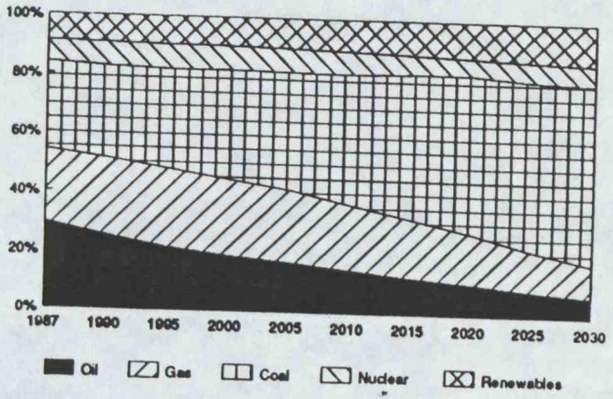
EIS Reference Case 12/19/89

Primary Energy Supply
Growth Rate



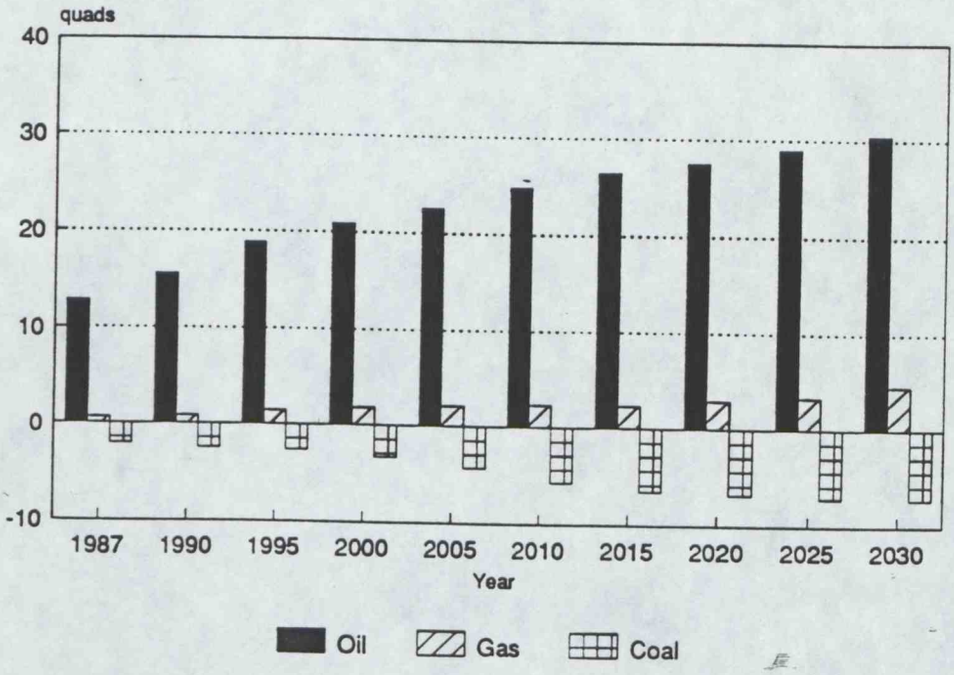
EIS Reference Case 12/19/89

Primary Energy Supply
Fuel Shares



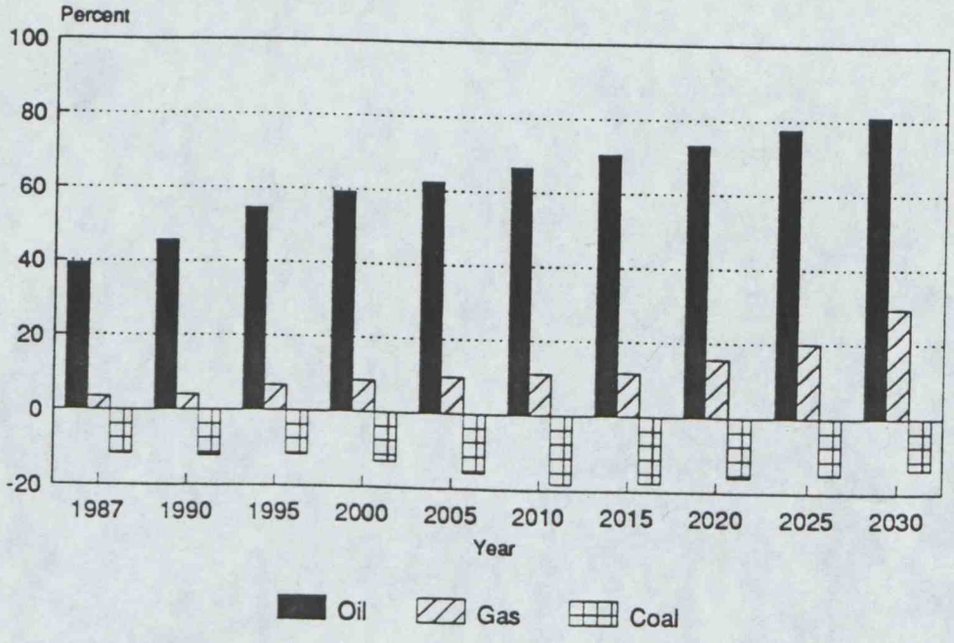
EIS Reference Case 12/19/89

FIGURE 11. Energy Imports



EIS Reference Case 12/19/89

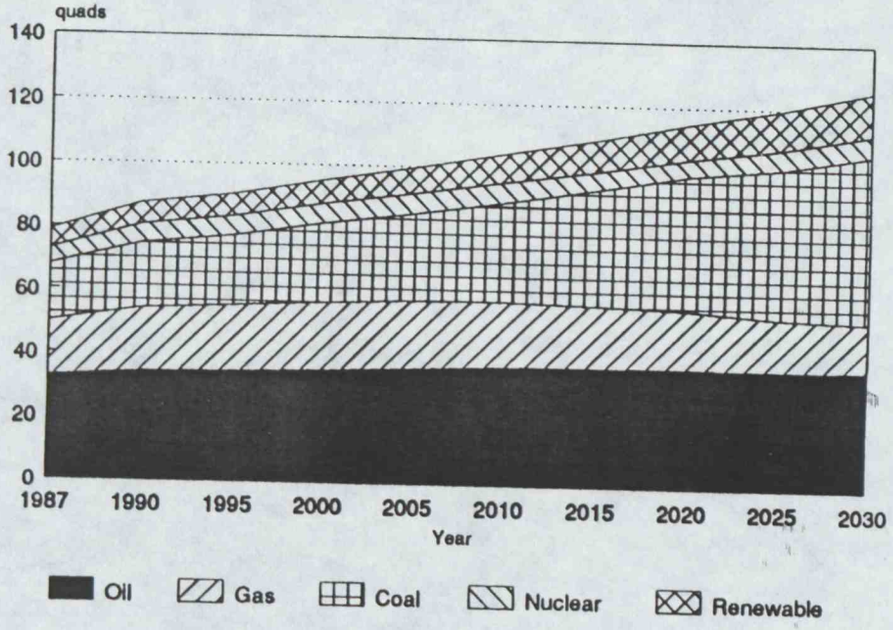
Energy Imports
Percent of Total Consumption



EIS Reference Case 12/19/89

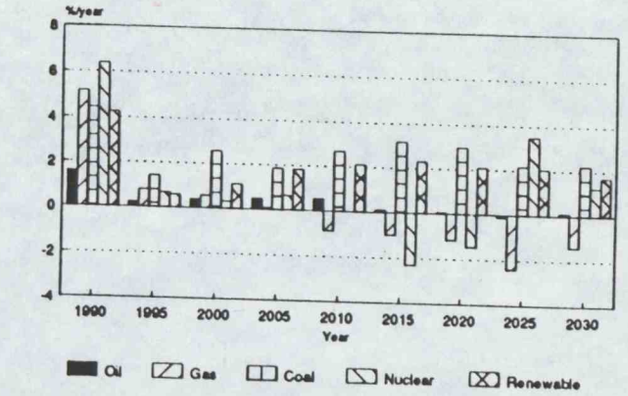
FIGURE 12.

Primary Energy Demand



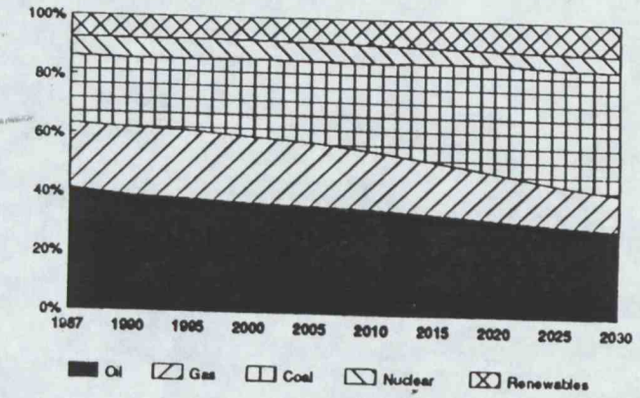
EIS Reference Case 12/19/89

Primary Energy Demand
Growth Rate



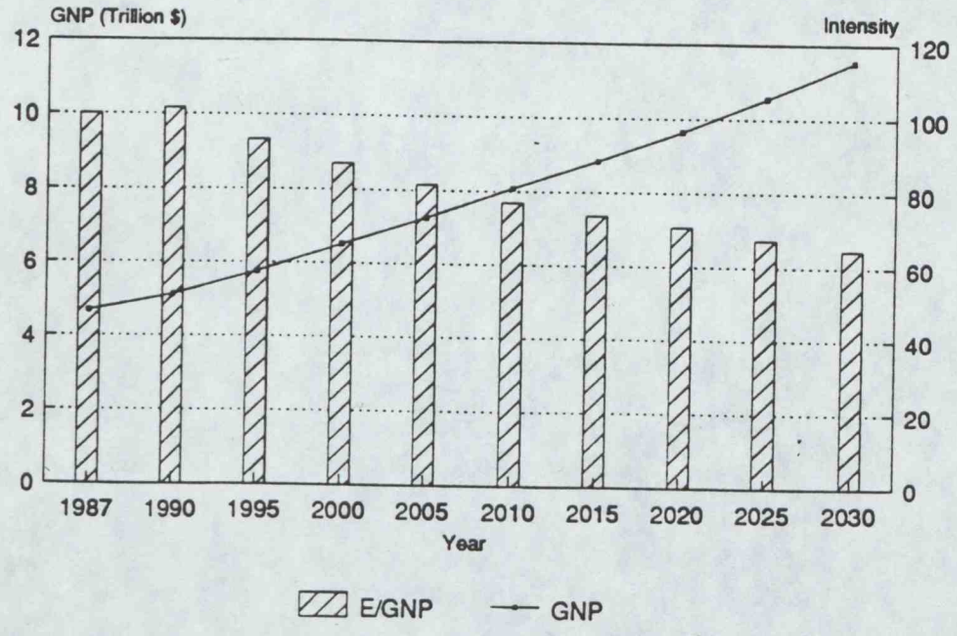
EIS Reference Case 12/19/89

Primary Energy Demand
Fuel Shares



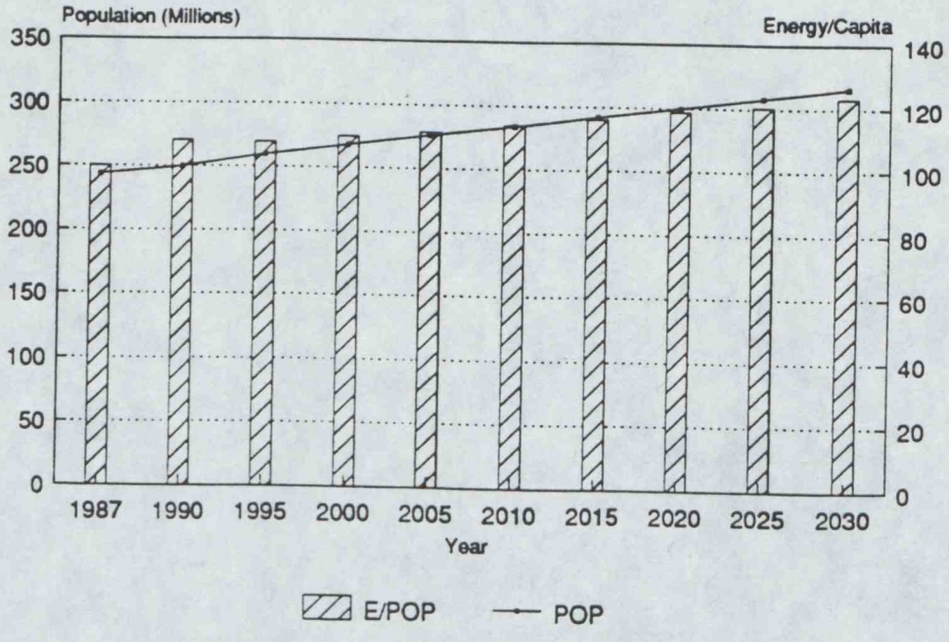
EIS Reference Case 12/19/89

FIGURE 13. U.S. Energy Intensity
(1987 = 100)



EIS Reference Case 12/19/89

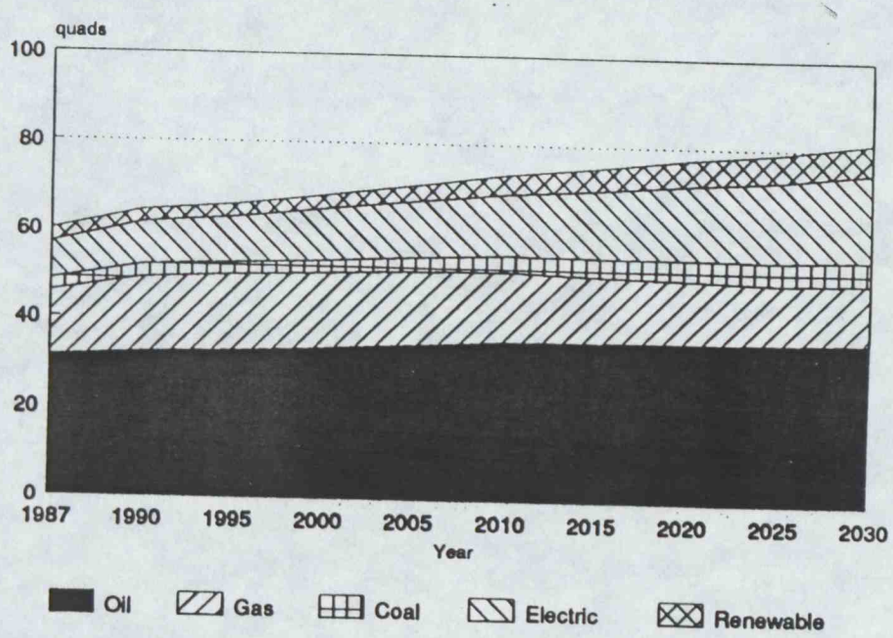
U.S. Energy Per Capita
(1987 = 100)



EIS Reference Case 12/19/89

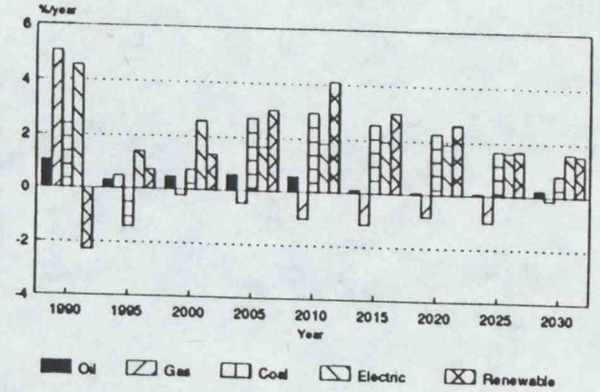
FIGURE 14.

End-use Energy Demand



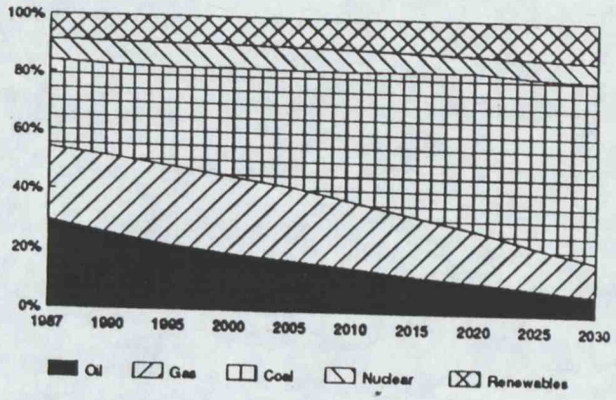
EIS Reference Case 12/19/89

End-use Energy Demand
Growth Rate



EIS Reference Case 12/19/89

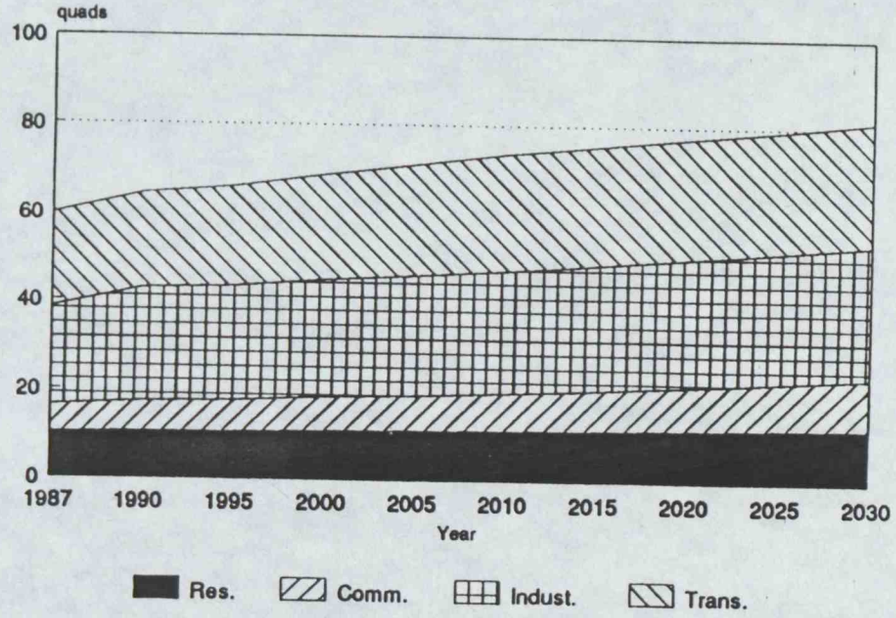
End-use Energy Demand
Fuel Shares



EIS Reference Case 12/19/89

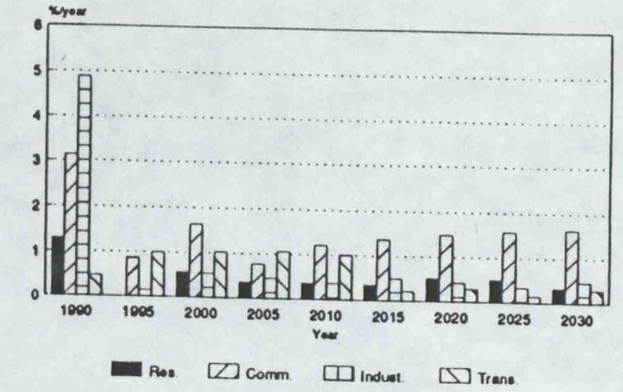
FIGURE 15.

End-use Energy Demand: By Sector



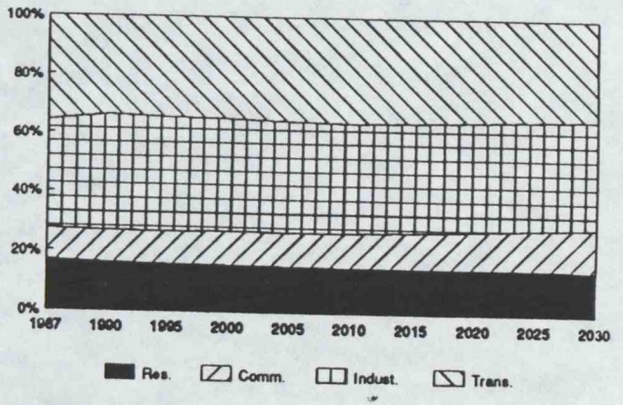
EIS Reference Case 12/19/89

End-use Energy Demand: By Sector
Growth Rate



EIS Reference Case 12/19/89

End-use Energy Demand: By Sector
Fuel Shares



EIS Reference Case 12/19/89

FIGURE 16. Reference Case
U.S. Transportation Activity

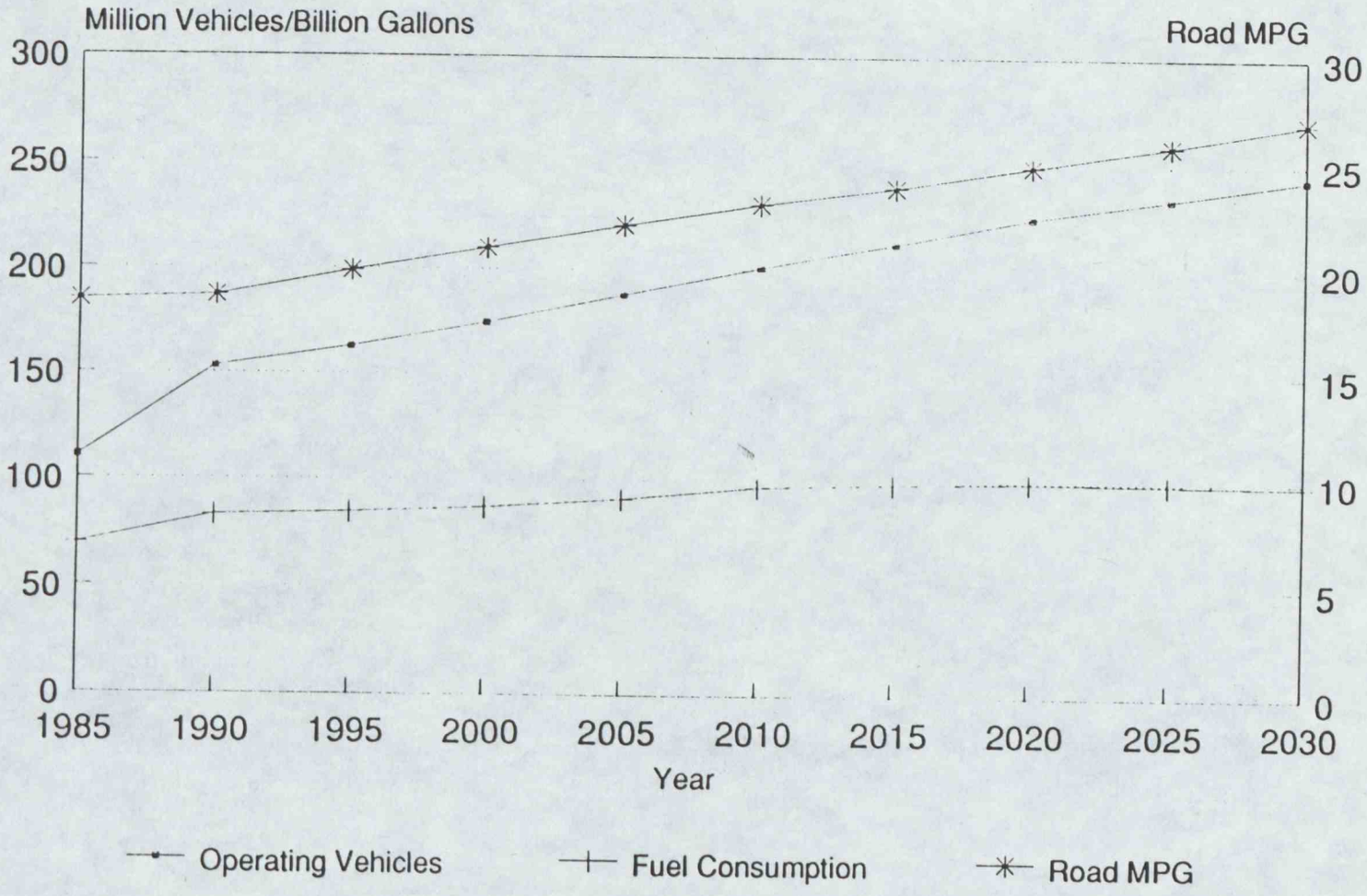


FIGURE 17. Reference Case
U.S. Carbon Emissions

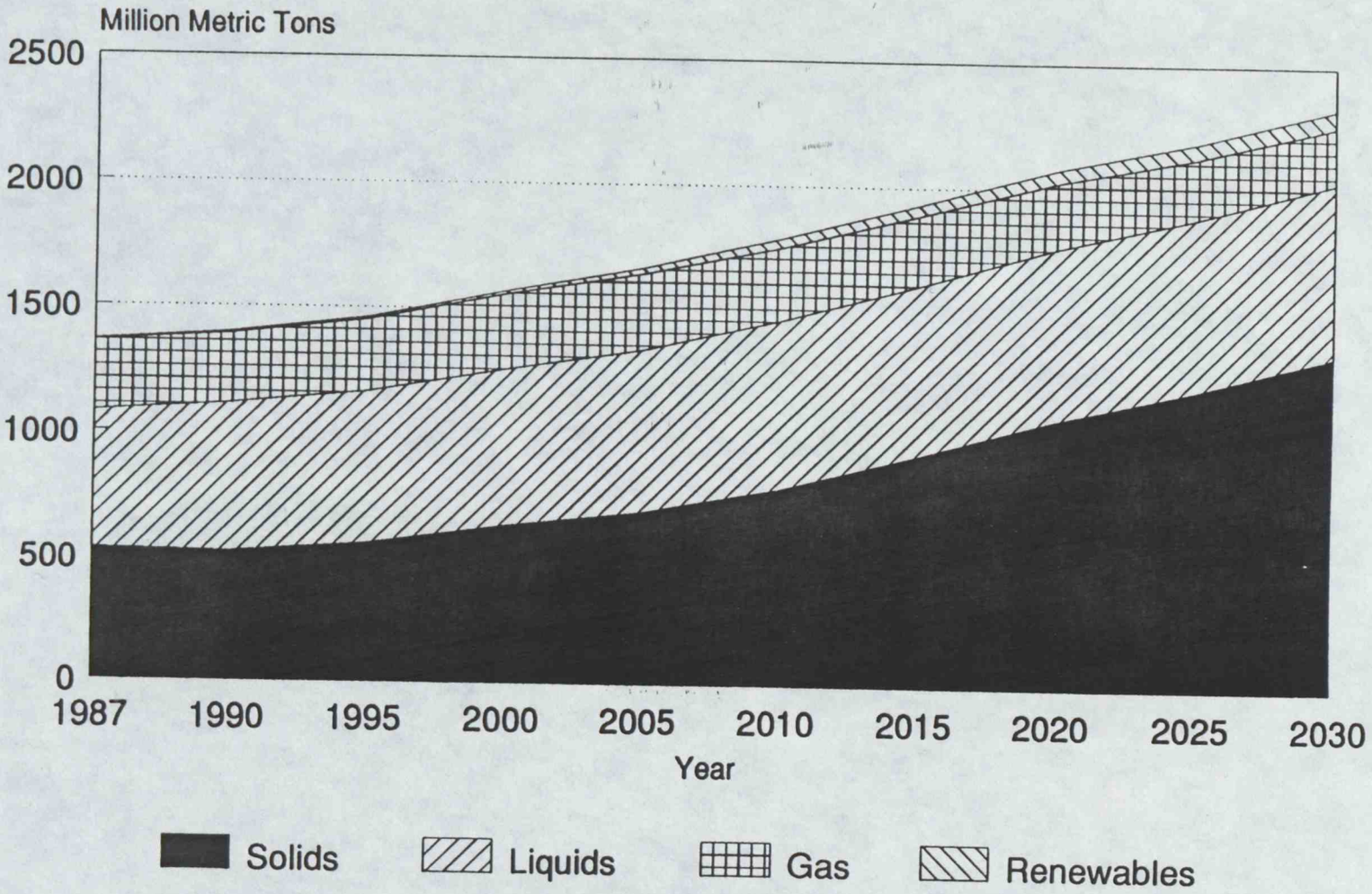
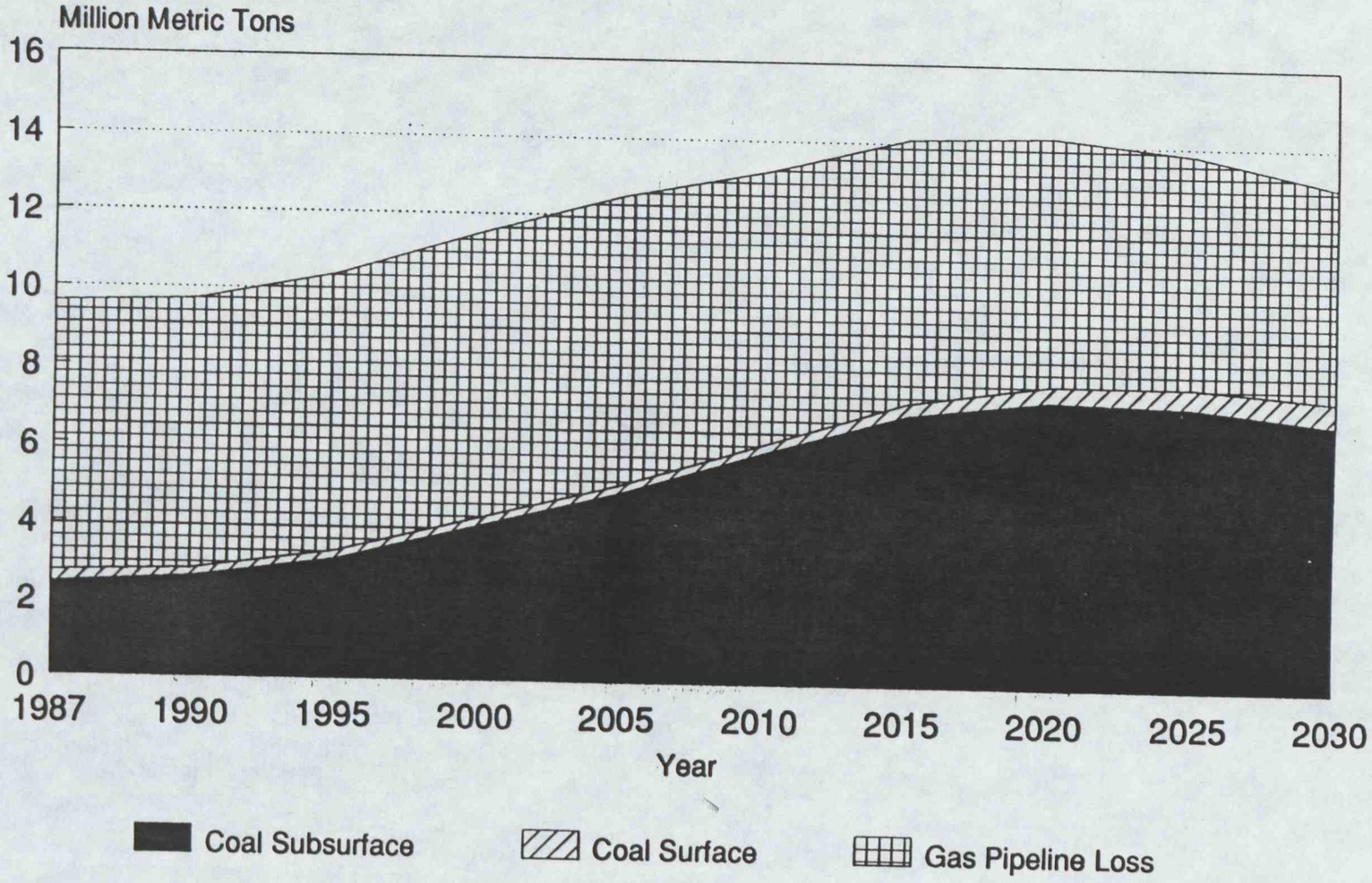
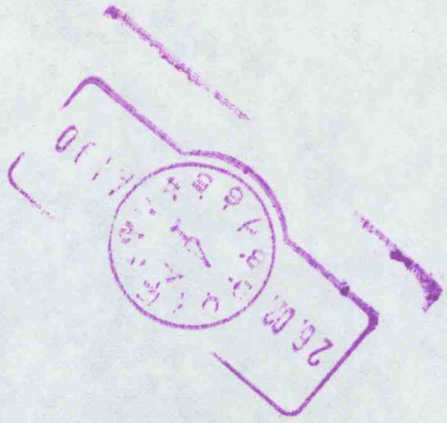


FIGURE 18. Reference Case
U.S. Methane from Energy Production



APPENDEIX

GNV. ATTACKS : Acid Rain
pt 4



The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2966 (one piece/item number)	Date and sign
Extract details: US President to PM dated 23 February 1990 (2 copies)	X
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	13/8/2016 J. Gray
MISSING AT TRANSFER	
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DOCUMENT PUT IN PLACE (TNA USE ONLY)	

CONFIDENTIAL

10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

22 February 1990

Dear Roger.

POLICY ON THE ENVIRONMENT

The Prime Minister was grateful for your Secretary of State's minute of 7 February asking Departments to review their existing policies from an environmental viewpoint.

She agrees that it is important that Departments should be asked to make the best contribution they can to the forthcoming White Paper, not only by setting out their past achievements but also where possible by developing further their policies and practices. She still has reservations however about whether a separate exercise, outside the MISC 141 framework, would be the most effective way of doing this.

More generally she has noted the substantial workload which is building up for MISC 141. She sees a need for new arrangements to ensure that broad decisions of environmental policy taken in MISC 141 are followed up in detail, and to oversee the drafting of the White Paper which will be a major task in itself, including the consideration of proposals from Departments about what changes in their policies and practices they could contribute to it.

As she mentioned at today's meeting of MISC 141, the Prime Minister therefore proposes to establish a new MISC group at Ministerial level, under the chairmanship of your Secretary of State, with the membership and terms of reference shown in the note attached.

I am copying this letter to Sir Robin Butler.

Yours sincerely

Andrew Turnbull

Andrew Turnbull

Roger Bright Esq
Department of the Environment

CONFIDENTIAL

RLe ECL

bcc C.Sinclair

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

22 February 1990

Further to my telephone call, I am writing to confirm that a meeting on Planning and the Environment will take place here at No.10 on Thursday 1 March at 1130. This is taking the place of MISC 141 which has now been cancelled.

I am copying this letter to the Diary Secretaries to the Chancellor of the Exchequer, the Secretary of State for Trade and Industry, the Secretary of State for Transport, the Minister of Agriculture, Fisheries and Food, the Lord President, the Chancellor of the Duchy of Lancaster, the Secretary of State for Employment and Richard Wilson (Cabinet Office).

(MRS. AMANDA PONSONBY)

Miss Kate Bush,
Department of the Environment.

THE RT HON JOHN WAKEHAM MP

SECRETARY OF STATE FOR ENERGY

Department of Energy
1 Palace Street
London SW1E 5HE
01 238 3290

The Rt Hon Christopher Patten MP
Secretary of State for the
Environment
2 Marsham Street
LONDON
SW1P 3EB

21 February 1990

Dear Chris

I am writing to let you know about an advertising campaign that my Energy Efficiency Office are running in the "quality" press during the middle two weeks in March.

The theme will be how decision takers in industry and commerce can save on fuel costs and, while so doing, help reduce the risk of climate change.

Readers will be asked to cut out and return a coupon which will result in an information pack about the EEO's publications and services being sent to them.

I am copying this letter to members of MISC 141.

Yours ever

John

JOHN WAKEHAM

CONFIDENTIAL

PRIME MINISTER

MISC 141

You saw the papers over the weekend.

Since then you have received a note from Richard Wilson about the membership of the new sub-committee of the Group (Flag E); further correspondence on North Sea Dumping (Flag C); a note from Carolyn about the environmental impact of burning sewage sludge (Flag F); and a note from the Chief Secretary about the PES implications of Misc 141 (Flag G).

At the meeting, you might want to:

- announce the formation of the new sub-committee of Misc 141, which will be chaired by Chris Patten. A note of its membership will be circulated (see Flag E), if you are content with what is proposed?

- to reach a decision on dumping, leading to an announcement before the North Sea conference, on:

(i) a deadline for ending of industrial waste (MAFF and DTI seem in broad agreement that this should be by the end of 1992, with an extension if necessary for 2 companies into 1993);

(ii) a deadline for ending the dumping of sewage sludge by 1998 at the latest; using the burning of sludge (rather than disposal on agricultural land) as the alternative. Scotland may want this to apply only to England and Wales; you might argue that they should absorb the costs. You were concerned about the environmental implications of burning sludge. Carolyn (Flag F) suggests these need not be great;

(iii) a commitment to ending the discharge of untreated sewage in relation to major coastal towns. Again Scotland wants this to apply only to England and Wales, because of costs. MAFF also raised a concern about the

effect of any remaining outflows on coastal shellfisheries.

- on the Montreal Protocol, to set the terms for negotiations starting on 26 February on whether additional funds will be necessary to encourage developing countries to phase out CFCs; and on the need for additional international institutions. You might ask the Treasury to think how the impact on public expenditure should be minimised; and concur with Mr Patten's view that established commercial arrangement should be used for technology transfer;

- on aid and technology transfer on climate change, you might commission further work on trends in developing countries; and seek the Chief Secretary's views on additionality, remitting further work to the new Misc 141 sub-group;

- on the papers on countryside and agriculture; and on forestry you might remit detailed work to the sub-group, giving a broad steer on the issues flagged up by Richard Wilson;

- on the PES implications of the emerging proposals you may want to endorse the Chief Secretary's minute of 20 February (Flag G).

As you know, Mrs Chalker will be attending in the Foreign Secretary's place. The Chancellor has asked to be excused; the Chief Secretary is of course also on Misc 141.

Content with the membership of the new subgroup of Misc 141 at Flag E?

CNS

Caroline Slocock
21 February 1990

10 DOWNING STREET

Amanda

Please set up a meeting with these participants.

(Treasury to decide which Minister to send).

Within the next few weeks

CMB

21/2

PS I have written to Depts today about Mrs.

CONFIDENTIAL

+ C.S.
+ R.W.

PRIME MINISTER (1)

AD HOC GROUP ON PLANNING AND THE ENVIRONMENT

You said that you wanted to chair a small group of Ministers to take a look at Mr Patten's paper on planning and the environment. You particularly wanted Mr Ridley to be present.

Richard Wilson suggests you might invite the following Ministers:

+ Mr Patten Env
Mr Major/Mr Lamont Chancellor (or CS)
+ Mr Ridley DTI
+ Mr Parkinson Transport
+ Mr Gummer MAFF

I understand that Mr Patten has suggested that Sir Geoffrey Howe and Mr Baker might also be invited. Carolyn Sinclair has suggested that Mr Howard (as the former Planning Minister) might also be a useful participant.

Content to invite the list above? Yes

+ Lol Pres + Ch DL

Do you want Sir Geoffrey and Mr Baker to be present? Yes

+ Emp

And Mr Howard? Yes

CMS

Caroline Slocock
20 February 1990

CONFIDENTIAL

E

From: R T J Wilson
20 February 1990

MR TURNBULL
through Sir Robin Butler

P 03637

POLICY ON THE ENVIRONMENT

file with CAS

1. Your minute of 9 February asked us to discuss with Sir Terence Heiser the proposed new Ministerial Group on the White Paper on the Environment and to submit proposals for its membership and scope, together with a draft reply to the Secretary of State for the Environment.

2. I enclose drafts which have been cleared with Mr Patten.

3. The membership of the new MISC group - MISC 144 - is mostly at the level of Minister of State. You may in particular wish to note that Mr Patten is keen that the group should include Mr Portillo although the Minister responsible for environmental matters at the Department of Transport is the Parliamentary Secretary, Mr Atkins. He would also very much like to have Mr Hogg on the group in view of his industrial responsibilities rather than Mr Forth, who deals with waste management matters.

I think that this can be justified on the ground that the Committee is at Minister of State level.

4. As to handling, we have already suggested to the Prime Minister in the brief for MISC 141 on Thursday that she should explain the background to the new group and her reasons for setting it up to other colleagues then.

RJW

R T J WILSON

CONFIDENTIAL

CONFIDENTIAL

QR M Tyrie

VFM Confirms.

DRAFT MINUTE FROM ANDREW TURNBULL TO ROGER BRIGHT

POLICY ON THE ENVIRONMENT

The Prime Minister was grateful for your Secretary of State's minute of 7 February asking Departments to review their existing policies from an environmental viewpoint.

She agrees that it is important that Departments should be asked to make the best contribution they can to the forthcoming White Paper, not only by setting out their past achievements but also where possible by developing further their policies and practices. She still has reservations however about whether a separate exercise, outside the MISC 141 framework, would be the most effective way of doing this.

More generally she has noted the substantial workload which is building up for MISC 141. She sees a need for new arrangements to ensure that broad decisions of environmental policy taken in MISC 141 are followed up in detail, and to oversee the drafting of the White Paper which will be a major task in itself, including the consideration of proposals from Departments about what changes in their policies and practices they could contribute to it.

(As she mentioned at today's meeting of MISC 141)

The Prime Minister therefore proposes to establish a new MISC group at Ministerial level, under the chairmanship of your Secretary of State, with the membership and terms of reference shown in the note attached. ~~She intends to inform other colleagues of her decision to set up this new group at the next meeting of MISC 141 on 22 February, making clear the importance she attaches to its work and the continuing role which she envisages for MISC 141.~~ She explained

I am copying this letter to Sir Robin Butler.

CONFIDENTIAL

MINISTERIAL GROUP ON THE WHITE PAPER ON THE ENVIRONMENT

Membership

Secretary of State for the Environment (Chairman)

Chief Secretary, Treasury

Minister for Overseas Development (Mrs Chalker)

Minister of State, Foreign and Commonwealth Office (Mr Waldegrave)

Minister of State, Welsh Office (Mr Roberts)

Minister of State, Department of Trade and Industry (Minister for Industry and Enterprise) (Mr Hogg)

Minister of State, Department of Education and Science (Mrs Rumbold)

Minister of State, Department of Transport (Minister for Public Transport) (Mr Portillo)

Minister of State, Department of Energy (Mr Morrison)

Minister for the Environment and Countryside (Mr Trippier)

Minister of State, Ministry of Agriculture, Fisheries and Food (Baroness Trumpington)

Parliamentary Under-Secretary of State, Department of Health (Mr Freeman)

Parliamentary Under-Secretary of State, Scottish Office (Lord James Douglas-Hamilton)

Terms of Reference

To develop in detail proposals on environmental policy endorsed by MISC 141; to oversee the preparation of the White Paper on the environment including the consideration of proposals from individual Departments about what changes in their policies and practices they could contribute to it; and to report back to MISC 141.

F

MISS SLOCOCK 20 February 1990

SEWAGE SLUDGE

Paragraph 15 of MISC 141(90)6 says that:

> "compared with alternative disposal routes sea dumping can be the best practical environmental option."

This suggests that disposing of sewage sludge on land brings its own environmental disbenefits. I have been exploring what this means as far as incineration is concerned.

The main objection to incineration will be on planning grounds. People will not welcome the idea of incinerators in their back yard. I am told that good modern incinerators properly operated do not leave smells or other unpleasantness. This is tried technology widely used in France and Germany (all of the sewage sludge from Paris is incinerated).

The advantage of incineration is that it reduces bulk by two thirds, leaving a pleasanter residue in the form of ash which can be buried. It is therefore preferable to disposing of sewage sludge direct into landfill sites, and should give rise to fewer planning problems since fewer sites and less land would be needed for incinerators than would be needed for (bulkier) landfill.

An incinerator is about the size and shape of a small factory or warehouse. The Department of the Environment reckon that about 10 sites might be needed for incineration to cover the whole of the UK. On some sites these might be more than one incinerator: the plan is to have three on a single site at

Beckton. The aim will be to build the incinerators as far as possible beside existing sewage works: this cuts transport costs and should ease planning difficulties since (a) a sewage works has already been accepted and (b) the land will already be classed for industrial use.

While there no doubt will be objections to planning permission for incinerators on some sites, it does not seem well founded. Given the limited number of sites required, incineration does look the best bet and is worth pressing ahead with. But it would be worth asking Chris Patten for an assurance that the planning system will not be allowed to frustrate the move from sea dumping to incineration.

CAROLYN SINCLAIR

10 DOWNING STREET

Prime Minister ①

You have seen this before but did not specifically endorse the points made. The Treasury would find it helpful if you did so.

Content to endorse the attached?

CAS
28/2

cst.ps/11nl20.2/drfts

CONFIDENTIAL

Prime Minister ①

You did not have time to refer to this at today's MISC 141.

Shall I write round saying that you endorse the points made here?

CPS. 22/2

Yes

FROM: CHIEF SECRETARY
DATE: 20 February 1990

PRIME MINISTER

MISC 141 AND PUBLIC EXPENDITURE CONTROL

On reading the papers for the MISC 141 meeting later in the week, I have been struck by the number of ideas which colleagues have for spending more money. In many cases colleagues seem to envisage new spending commitments for announcement in the September Environment White Paper.

2. I hope you will feel as I do that, awkwardly timed as the White Paper will be in relation to the next public expenditure Survey discussions, it is not part of our task in MISC 141 to decide on increases in Departments' public expenditure programmes, still less to pre-empt the Survey. Any conclusions we reach in MISC 141 which have public expenditure implications should not only be discussed in advance with the Treasury (as has indeed been happening) but should also be subject in the normal way to agreement between the Departments concerned and Treasury Ministers on the expenditure implications.

3. The prospects for the next public expenditure Survey are already extremely worrying. If we are to have any chance of keeping spending under control there must be a strong presumption, in this as in all other fields, that any new initiatives should be financed by re-ordering priorities within existing programmes, and not by additions to programmes.

4. I am copying this minute to MISC 141 colleagues and to Sir Robin Butler.

NORMAN LAMONT

FILE KK

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

MISS SONIA PHIPPARD
CABINET OFFICE

MISC 141, THURSDAY 22 FEBRUARY

This is to note that the Prime Minister has agreed that, as the Foreign Secretary is unable to attend, Mrs. Chalker will be attending MISC 141 on 22 February.

CAROLINE SLOCOCK
19 February 1990

CONFIDENTIAL

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

19 February 1990

Dear Roger,

PLANNING FOR THE ENVIRONMENT

Your Secretary of State sent the Prime Minister on 16 February a copy of a draft paper the Department of Environment has been preparing on Environmental Objectives and Land Use Planning.

The Prime Minister was grateful for an early opportunity to see this and would very much like to discuss the terms of it in a small ad hoc group of Ministers which she would chair. I am copying this letter to the Ministers who are invited (the Treasury may wish to decide whether the Chancellor or the Chief Secretary should attend) and to whom you will wish to copy your Secretary of State's draft paper. We shall be in touch shortly to set up a time for the meeting.

I am copying this letter to Tim Sutton (Lord President's Office) Duncan Sparkes (HM Treasury), Carys Evans (Chief Secretary's Office), Ben Slocock (Department of Trade and Industry), Tricia Rennie (Department of Transport) and Andy Lebrecht (Ministry of Agriculture, Fisheries and Food), Robert Canniff (Chancellor of the Duchy of Lancaster's Office) and Anne-Marie Lawlor (Department of Employment).

Yours sincerely,

Caroline

(CAROLINE SLOCOCK)

Roger Bright, Esq.,
Department of the Environment.

CONFIDENTIAL

CONFIDENTIAL

PRIME MINISTER

MISC 141: PLANNING

As you know, one of the most important parts of the Environment White Paper will be the section on planning, on which many of our supporters pin very high hopes. So I have paid particularly close attention to our proposals in this area as they are drawn up. When my draft paper was discussed by officials in the Cabinet Office Committee, however quite a number of concerns about it were expressed. This is wholly understandable: it is a very tricky area. Although the paper has been revised to take some account of these worries, I thought that you would want to see it yourself before I circulate it formally as a MISC 141 paper.

I enclose the paper as it now stands following those official discussions, and would obviously be interested in your views on it. Subject to them, I wonder whether the best way of proceeding might be not to take it at next Thursday's meeting of MISC 141, but for you to remit it to be taken in the first instance by the new Sub-Committee which I understand you are about to set up. There is a lot of detail in the paper, which should perhaps be considered at a more prosaic level before coming back to MISC 141.

I am copying this minute and enclosure to Sir Robin Butler.

RB

CP

16 February 1990

(Approved by the Secretary of State and signed in his absence).

RESTRICTED

ENVIRONMENTAL OBJECTIVES AND LAND USE PLANNING

1. Land use planning is for many people the touchstone of the Government's commitment to the environment. It should make a crucial contribution to promoting rather than impeding economic growth. It can help to achieve solutions which both enhance the environment, safeguard public health, and promote worthwhile development. Where there is conflict it can help to achieve an appropriate balance between conflicting goods. It can at the margin help to minimize future CO_2 emissions and their contribution to global warming, in particular by reducing the need to travel by car. It contributes to people's pride in their surroundings and sense of identity.

2. The system has substantial achievements to its credit, for example the protection afforded by green belts, greatly extended under the present Government, and the containment of sporadic development in open countryside. Other achievements are difficult to distinguish from the effects of changes in demography, wealth, mobility and attitudes. There are also drawbacks: the time and resources deployed in obtaining planning permission has sometimes hampered economic growth.

Objectives

3. The purpose of the planning system, as set out in current guidance (Planning Policy Guidance Note 1, January 1988) is "to regulate the development and use of land in the public interest.[It] should be efficient, effective and simple in conception and operation, to facilitate much needed development and to strike the right balance between the development and the interests of conservation. It should not be regarded simply as a means of preventing change. Properly used, it can help to secure economy, efficiency and amenity in the development and use of land."

4. I do not propose that we change those underlying objectives. This paper is concerned with striking the right balance between:

1. Development - we are in Government to achieve economic growth in an acceptable form as the engine for all our other objectives:

2. Conservation - both of the natural environment and of the built heritage; this should mean making full use of the rich heritage we enjoy - particularly by encouraging the private sector, but with public sector assistance playing an important part at the margin where necessary; it should not mean treating either the rural areas, or the country as a whole as a green museum"; and;

3. Wider environmental considerations, including the need to ensure that necessary development takes place in the optimal location for accessibility and journey times, contributing towards the reduction of CO_2 emissions, especially from the transport sector, in the medium to long term.

5. Each decision on planning requires reappraisal of the balance between development and the status quo. The development control system does not require the developer to prove the case for his proposal. Rather, the system provides the opportunity for the planning authority to examine what is proposed in the public interest and ensure that there are no overriding planning reasons to reject or amend the proposal.

6. There is no conflict between the objectives and the need to ensure that the planning system operates flexibly and efficiently; that decisions, whether on application or appeal, are not unduly delayed and that any additional requirements, for example for environmental assessment, are not so burdensome as to inhibit sensible development. We should maintain our proposals for strengthening the enforcement of planning controls. If a place is found in the 1990/91 session for it, my proposed Planning Bill will contribute to this end.

7. We do, however, need to ensure that the mechanisms for achieving the appropriate balance in individual cases operates more effectively. There is public concern, rightly or wrongly, that too little weight has been given in planning to environmental factors. Important improvements have already been made, but we can do more. Until the implementation in 1988 of a European Directive there was no formal requirement for the environmental assessment even of very large projects. Even now, the requirement is limited. The case for rejecting or amending a proposal on environmental grounds may still not be systematically addressed.

8. I have sought to respond to this public concern by stressing the role that local choice can play in the planning process and by removing a strong particular presumption in favour of housing development. I propose that the White Paper should incorporate a Government commitment, in the context of land use planning, to achieve greater co-ordination between policies for environmental conservation and improvement and those for economic growth.

What about enough houses at reasonable price?

9. The Planning system tends to concentrate on local environmental impacts. We are not always well placed in central Government to analyse the wider environmental implications of major land use changes flowing from our policies. In particular, land use patterns - where we choose to live, work and take our leisure - are the major determinant of the journeys we make. The Department of Transport paper has already referred to the role changes in land use policy could have in reducing CO_2 emissions from the transport sector for the medium to long term. A common thread in pursuing my planning proposals, would be to encourage developments in the optimal location for accessibility and journey times, whilst eschewing the over-detailed strategic planning which was attempted in the 1960's and 70's.

10. The annexes to this paper focus on five broad approaches to the development of our planning policy.

11. In summary, I propose that in consultation with colleagues concerned, I develop propositions for inclusion in the White Paper along the following lines:

a. to continue the systematic review of existing planning policy guidance, to ensure that it gives due weight to environmental considerations without losing the important gains we have made in deregulation;

b. to promote positive environmental improvement, where possible by harnessing the resources of the private sector to promote beneficial development, but supported where necessary by the public sector, through such instruments as derelict land grant and the successful "Groundwork" initiative;

c. to accept a necessarily rather more active central government role in the preparation of regional planning guidance for each of the English regions, starting with the south east. This will provide a framework for development plans, taking full account of the interests of the economy as well as of the environment and helping us to reduce our involvement in subsequent detailed decision taking;

d. possibly to extend, after consultation with the Agriculture and Forestry Ministers, some planning controls to agriculture and forestry, especially in sensitive areas but perhaps more generally; and

e. finally, to propose a wider role for environmental assessment in examining new development proposals. This may be of particular relevance to transport, and I propose to consult first with the Secretary of State for Transport.

12. The cost and other implications of these proposals are discussed in the attached paper. However, they do not lend themselves to precise quantification. The point of my proposals is that we consider that environmental costs and benefits are relatively greater than we used to judge them. We therefore need to introduce more system and rigour into the assessment of these factors at all stages stages in the planning system so that a proper balance can be drawn between benefits and disbenefits. So far as my proposals have public expenditure implications, these are a matter for resolution in the forthcoming Public Expenditure Survey.

ENVIRONMENTAL OBJECTIVES AND PLANNING - DETAILED PROPOSALS

1. I propose five broad approaches to the development of our planning policy, to be set out in the White Paper.

Planning guidance

2. First, I propose to continue the systematic review of existing policy guidance to ensure that it gives due weight to environmental considerations, as well as to such other Government policy priorities such as promoting a liberal and competitive environment for enterprise. Close attention is paid to this guidance by planning authorities in drawing up their development plans and in considering planning applications, and by planning inspectors in deciding planning appeals.

3. The series of Planning Policy Guidance Notes launched two years ago put emphasis on deregulation. We should go on streamlining the decision-taking process. Indeed, as a result of a current review of extant planning guidance I expect to scrap some [40] redundant circulars, and over time to conflate several more. But revisions of existing guidance notes, and forthcoming notes, should give greater emphasis to the importance of balancing economic growth with environmental protection. This should help those engaged in planning to consider in a more structured way the environmental gains and losses (see also paras 23-27 below).

4. The process has already begun. Revised notes on housing, and on the countryside, issued for consultation last autumn and generally welcomed, should be ready to publish in final form by the spring. Other examples are at Annex A. We also have a series of mineral planning guidance notes. These aim to strike a balance between the need to work minerals and to protect the environment. I will wish to keep this guidance under review.

5. Aesthetic considerations must already be taken into account by local planning authorities in development control decisions whenever they are material and especially in sensitive areas like national parks, conservation areas and areas of outstanding

natural beauty; and listed building consent procedures control alterations to buildings of architectural or historic interest. Departmental guidance should continue to stress that planning authorities should not normally seek to impose their tastes on developers. Rather, planning conditions should relate where necessary to more objectively defined issues such as density, the use of sympathetic materials and careful landscaping. Such considerations are important to marketing, and major housebuilders, for example, already take this into account.

Positive planning

6. Second, we already have a major programme of derelict land reclamation. I intend to propose to the Chief Secretary in the coming Public Expenditure Survey (PES) that this should be substantially enlarged and should concentrate more on environmental improvement. We should also see what more can be done to prevent land from becoming derelict by following the polluter pays principle and I will be circulating a further paper on this. We should make the most of public sector resources directed to conserving the built heritage for current and future use and enjoyment. Again without pre-empting the PES round, I attach particular importance to work currently being promoted by the Countryside Commission through its "Groundwork" initiative and its community forests project: both can engage the enthusiasm of local communities for environmental improvement. Further details are at Annex B.

7. We can also take more positive action by a combination of planning measures to promote environmentally beneficial schemes. As a major example, green belt policy has restricted urban sprawl, but has not prevented the deterioration of landscape quality or cleared up eyesores on the fringe of the metropolitan areas. The green belt was always intended as a positive environmental and recreational asset. We must do more to achieve this. Present policy guidance recognises that "open air" uses may be appropriate in the green belts. We should give more encouragement to developers to come forward with appropriate environmental improvement schemes. This would be done by taking

a positive line in green belts on land uses which do not detract from their primary function but offer more opportunities for both recreation and environmental improvement.

8. Although we want to avoid any implication that planning permissions are for sale, it is reasonable for planning authorities to seek environmental gains in association with development, often by means of planning agreements. I am preparing revised guidance on the circumstances in which such agreements should be used (see Annex C).

Setting the framework

9. Third, we must do more to provide an appropriate framework within which individual planning decisions can be taken. This is in the interests of efficiency as well as the environment. It will require a more active approach by my Department, in consultation with others and particularly DTp, to the preparation of regional planning guidance for each of the English regions.

10. We must continue firmly to reject the over-elaborate regional planning attempted in the 1960's and 1970's; plans invalidated by economic and social developments. But central Government should give the broad strategic guidance within which local authorities can prepare development plans for counties and districts. In preparing that regional guidance, we should give weight to environmental concerns, as well as to supply side issues. We would consider not only the obvious conservation issues, but wider questions such as the effects of development, settlement patterns and traffic on pollution, non-renewable resources and greenhouse gas emissions. We must evolve for the land use context an appropriate approach to sustainable development.

11. The first test will come in the South East. The South East Regional Planning Conference (SERPLAN) expects to submit its regional review to me [illegible] August. That review will inevitably be expressed in broad-brush terms. The Government's response, which will form the guidance, should be given by summer 1991. It

should demonstrate how seriously we take these issues. A bland, superficial reply would, I believe, open us to substantial domestic criticism.

12. The response will inevitably deal with key transport programmes. Action against urban congestion must proceed in parallel with the trunk road network. Main issues will be the need to accommodate growth without merely adding to traffic generation and the steps that might be taken to encourage development to take place where there is room to the east of London, relieving some of the strain on areas to the west. Progress on inter-urban transport and other major development projects should be less difficult politically if we can demonstrate more clearly that the strategic planning implications and environmental effects have been fully considered from the outset (see also paras 23-27 below). Details are at Annex D.

13. Outside the South East the process is furthest advanced in East Anglia where regional guidance is likely to be issued in 1990, followed by the South West where a conference of local authorities is actively at work. Other regions are not working to a set timetable but may be expected to follow with regional guidance during the coming 18 months to 2 years.

Revised paragraph 14.

14. There is now a good possibility that we shall be promoting a Planning Bill in the next Parliamentary Session. This should include provision for streamlining the development plan process, reducing central Government involvement in decisions which should properly be taken at local level provided that they conform to national policy and regional guidance. I need to consider the details with colleagues and will be bringing forward proposals separately.

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14. Ahead of a possible Planning Bill, I shall be looking again at the details of the proposals in our White Paper "The Future of Development Plans' (Cm 569) published a year ago, and particularly at whether those proposals too far marginalise the future role of the county councils in planning. The aim must continue to be to streamline the process, reducing central Government involvement in decisions which should properly be taken at local level, provided that these conform to national policy and regional guidance. But I see some attractions in retaining the county structure plan, in streamlined form, as part of the statutory development plan, as a necessary stage in conforming to the Government's regional guidance and interpreting it for the district-wide local plans. I shall separately bring proposals before colleagues on this.

The Boundaries of control

15. Fourth, we should look again at whether control adequately copes with new types of development that affect the environment. Some environmentally significant developments at local level fall outside specific planning control. Thus I am considering whether we should do more to restrict permitted development rights for uses which are environmentally unfriendly - for example the temporary use of land for markets or helicopter landing places - but which are not at present subject to specific controls (Annex E).

16. We should look too at the position in those areas designated as deserving special protection: national parks, areas of outstanding natural beauty (AONBs), sites of special scientific interest (SSSIs) and conservation areas. Special planning controls of one sort or another apply in all these classes of area. It may well be right to consider introducing a presumption against inappropriate development, which already applies to green belts, to those areas.

17. At least in the case of those SSSIs designated as special protection areas under an EC directive, there is a case for considering whether complete protection should be afforded other than in the most exceptional circumstances, in line with a recent House of Lords Committee report on habitat protection. But we must bear in mind that large areas of land might, in effect, be sterilised if we went along this route. Finally, in a very few cases, it may be right to consider a major new designation, for example to look again at whether a further national park should be established in England. Details are at Annex F.

Agriculture and Forestry

18. More radically, the Minister of Agriculture and I consider that we ought to look again at the issue of planning controls on agriculture and forestry. Three-quarters of the total land area of England and Wales is used for farming and a further 7% for woodland. Agricultural use is the dominant factor in landscape quality but does not constitute "development" and so does not

require planning permission. We should firmly rule out now any proposal which would require planning permission for agricultural operations. That would be absurd. But more lasting changes deserve further consideration.

19. Large-scale afforestation has long-term effects on the appearance of the landscape, and can result in major changes to the local ecology. It has long been a matter of concern to the environmental bodies that control is exercised through the Forestry Commission's grant approval procedures. However true it may be that public criticism is based on an inadequate understanding of those procedures, we can be sure that the issue of controls over forestry will be raised again when the White Paper is published.

20. The Secretary of State for Scotland, the Minister of Agriculture and I consider that we ought to look at the present system of control over afforestation, with a particular aim of ensuring that we have a transparent system which demonstrates that environmental considerations are taken fully into account. The present system may well be capable of being improved to meet that aim, though other options would need to be looked at as well. A planting licensing system or bringing forestry within planning control are possibilities, though it should be noted that the recent Agriculture Committee Report on Land Use and Forestry did not favour the latter. We propose that officials should review all the options and report back quickly.

21. There is little justification for the fact that many agricultural buildings escape all scrutiny (though there are certain controls over siting and external appearance in the national parks). Changes here could be controversial but both the Minister of Agriculture and I consider that the present rules on permitted development should be reviewed.

22. These are some proposals which I believe should be considered immediately:

i. strengthening planning controls in special areas (national parks, areas of outstanding natural beauty (AONBs) and sites of special scientific interest (SSSIs)). One option would be to give planning authorities more say in the siting and design of farm buildings in these areas;

ii. to review permitted use rights for agricultural development generally (eg the size of holding - at present the 1 acre minimum size gives "hobby" small-holders freedom from much development control). A particular concern at present is temporary uses which damage sites of special scientific interest (eg war games).

Further details are at Annexes F (8-9) and G.

Environmental Assessment

23. I propose a wider role for environmental assessment as a tool for examining the implications of new development proposals. In 1988, we implemented a European directive requiring such assessment for major projects, not only those requiring planning permission, but also those approved under other legislation such as trunk roads, major power stations and afforestation. The United Kingdom is ahead of many other EC members here. By retaining the initiative, we can both demonstrate the importance we give to environmental considerations and encourage other members to protect sensitive and ecologically important areas - often in Southern Europe - from ill-planned and damaging development.

24. Within the UK, we have issued advice on good practice, but this needs to be developed to help decision-makers in evaluating the information provided in environmental statements and in developing predictive techniques. We have already agreed that the requirement for environmental assessment should be extended to projects approved by Private Bill. We should consider its further extension, for example to development on sites of special

scientific interest and to development plans. We could also extend the use of the environmental assessment technique, for example to look more closely and systematically at the energy implications of major new developments (apart from those already covered by Building Regulations) and their implications for energy conservation and greenhouse gas emissions, as well as at programmes of schemes as well as at individual projects.

25. The improvement of the transport network is essential for the continued economic and social life of both the cities and countryside, major schemes, road and rail, can be perceived as environmentally damaging and arouse fierce opposition although most road schemes, with the present careful planning and consultation (which takes a long time), are constructed without much opposition. Already all individual trunk and other major road schemes are subject to environmental assessment, and the effects of wholly new routes are now also considered, although we are still having to take difficult decisions on segments of routes planned many years ago. Many objectors are against new roads on principle and will not be appeased by any improvements in assessment methods. But with more moderate opinion, the Government takes too little credit for the environmental assessment it does and the care and resources which go into making roads more environmentally acceptable.

26. Close liaison between DOE and DTp in the preparation of regional guidance (paras 9-13 above) will help to ensure that the broader planning implications of the road programme are taken into account before decisions which may pre-empt the location of future transport developments are made.

27. We should also consider the need to strengthen public confidence in the environmental assessment. Annex H discusses the possibilities for a broader approach to environmental assessment. I propose that officials of the Departments concerned should examine these ideas, bearing in mind their possible costs to industry and local government, with a view to carrying forward those which are most likely to lead to more environmentally responsive decision-making.

Cost and other implications

28. As yet, the proposals in this paper are tentative only. The further study required, which will have small manpower and resource implications for my Department and possibly others, will examine the wider implications more fully.

29. Implementation will have a cost, but it cannot be quantified in advance. Development of regional strategies and revision of published planning guidance would have small manpower implications for my Department. Positive steps to improve the urban fringe and make green belts attractive would have public expenditure consequences where they cannot be secured by planning agreement. The extent to which I may wish to make proposals to the Chief Secretaryfor additional programme expenditure provision is a matter for the coming PES Round. There will also be implications for local planning authorities. To designate a new national park, or to extend planning control to agricultural buildings, would have significant manpower consequences both for local authorities and my Department and possibly MAFF.

30. The additional requirements imposed by these proposals on the private sector should not, for the most part, add to what responsible companies planning a development would already do. Good environmental assessment, for example, will help to improve the quality of their decision-taking and reduce the time otherwise taken in securing planning approval. Better regional guidance and faster approval for development plans should have the same effect. It is therefore not practicable to say what net cost, if any, these proposals would represent for the economy at large.

31. There is nothing inconsistent in these proposals with our EC obligations - many would help to put us in the van of environmental thinking in the Community.

32. Most of the proposals (eg regional guidance, positive planning guidance and some of the changes to be considered for agriculture) can be implemented by administrative action or by secondary legislation. Some however (eg applications of

environmental assessment requirements that go beyond the scope of the EC Directive) would require primary legislation and could therefore not be implemented before 1992 at the earliest.

A

THE SCOPE FOR "GREENING" PLANNING POLICY GUIDANCE

1. In January 1988 the Government launched a series of Planning Policy Guidance Notes (PPGs). With one exception (PPG6: Major Retail Development), they did not set out fresh policy guidance, but rather expressed existing advice about the Government's planning policies in a clearer, more accessible way than was done in Departmental circulars and Development Control Policy Notes. Circular 1/88, which introduced the PPG series, announced that in future circulars would explain procedures while planning policy advice would in general progressively be found in PPGs.

2. PPGs have been well received by local authorities, developers and planning commentators. The 1988 PPGs put particular emphasis on de-regulation. There is scope for revising the tone of the guidance, which can be highly important in the context of planning decisions, to emphasise the importance of environmental considerations when considering proposals for new development.

3. Revised draft versions of PPG3, 'Land for Housing', and of PPG7, 'Rural Enterprise and Development', have already been sent out for public consultation under the proposed titles "Housing" and "The Countryside and the Rural Economy" respectively. Revisions of PPG1 ('General Policy and Principles'), PPG4 ('Industrial and Commercial Development and Small Firms'), and perhaps PPG13 ('Highways Considerations in Development Control') will follow.

4. The remaining PPGs of the initial batch will be reviewed in due course:

PPG2 Green Belts
PPG5 Simplified Planning Zones
PPG6 Major Retail Development
PPG8 Telecommunications

5. Further PPGs are in preparation, to include guidance on archaeology, the built heritage, sport and recreation, and unstable land.

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B

"GREENING' THE GREEN BELT AND THE URBAN FRINGE

1. Designated Green Belts around the major English conurbations cover 4.5 million acres - 14% of the total land area. A significant proportion of this (perhaps 10%, though estimates vary) is derelict or run-down to some extent.

2. Successful farming is often difficult at the edge of the urban area because of trespass and vandalism. These difficulties, combined with the existence of other opportunities, eg for horse-riding or non-agricultural activities in farm buildings, can combine to reduce the normal incentive to keep the land in productive use. In addition, long-term 'hope' value for development may mean that land is bought up by speculators who have no real interest in its immediate use for agriculture.

3. Landscape quality is not a pre-condition of an area's designation as Green Belt: the primary function of the Green Belts is to restrict urban sprawl, and keep neighbouring towns apart. But the better the quality of the landscape, the more likely the Green Belts are to perform one of their ancillary functions, which is to provide access to the open countryside for the urban population and opportunities for refreshment and recreation.

4. We must continue firmly to maintain our present policies on the permanence of the Green Belts and the strong presumption against inappropriate development within them. But we could take a more positive stance on the encouragement of projects - particularly for public access, sport and recreation - which could help to improve run-down areas of Green Belt. This would be a change in the emphasis of current policy, not in its fundamentals. We could make clear that planning authorities should be looking to developers to offer significant environmental improvements - through S.52 agreements etc - as

part of their proposals. Some modification of existing policy on 'planning gain' might be necessary to achieve this. (see Annex D).

5. Landscape and other environmental improvements are already undertaken under several schemes sponsored by the Department -for example, the urban programme, the Derelict Land scheme, the Groundwork initiative and the Countryside Commission's community forests project. It could, therefore, be relatively simple to introduce a scheme for encouraging improvements in the Green Belt and urban fringe by boosting the resources and drawing on the expertise of existing schemes. Groundwork and Community forests are particularly attractive in that they engage the local community's resources and enthusiasm for improving and protecting the local environment. ~~In the coming PESC Round I shall propose to the Chief Secretary an increase in the resources~~ currently provided for these purposes to the Countryside Commission ~~currently running at about £2.5m a year~~. I shall consider proposing an increase to the Chief Secretary in the coming PES Round.

6. A more radical approach, advocated for example by the Adam Smith Institute in 1988, starts from the premise that there is too much Green Belt and proposes that development of the poorest parts should be allowed if most of the profits are invested in improving the quality of the rest. As it stands, this idea is unacceptable. It implies a two-tier Green Belt, with higher and lower quality areas, and would encourage dereliction in the Green Belt in the hope that development would be allowed. There is a good theoretical case for reviewing Green Belt boundaries but I consider this is best left to the current process of development plan reviews. Any general announcement that boundaries are to be reviewed would excite wide public hostility and create exactly the planning uncertainty (para 2 above) which leads to dereliction.

Annex C

PLANNING AGREEMENTS

1. Section 52 of the Town and Country Planning Act 1971 enables a local planning authority to enter into an agreement with any person interested in land in their area for the purpose of restricting or regulating the development or use of the land. There are similar powers in the Local Government Act 1972, the Local Government (Miscellaneous Provisions) Act 1982, and in local legislation.

2. The Department's advice about the use of such agreements is in Circular 22/83, and summarised in Planning Policy Guidance Note 1. Broadly, the advice is that local planning authorities should not use an applicant's need for planning permission as an opportunity to exact a payment for the benefit of ratepayers at large; and that a planning agreement is likely to be reasonable if what it requires

(a) is necessary to enable the development to proceed (eg road access alterations or additional sewerage) or is directly related to the development or its subsequent use (eg car parking or open space);

(b) is fairly and reasonably related in scale and kind to the proposed development; and

(c) represents a reasonable charge on the developer, as distinct from being financed by national or local taxation or other means.

3. In July 1989 the Department issued a consultation paper which invited views on some proposals to amend or supplement section 52 of the 1971 Act by providing for unilateral undertakings by developers as an alternative to planning agreements; for agreements or undertaking to be dischargeable when their planning purpose has evanesced; and for the Crown to enter into section 52 agreements. The paper also sought comments on some fresh draft guidance on the use of planning agreements, which substantially reaffirmed the advice in Circular 22/83. Responses to that consultation paper are now being analysed.

4. There is a diversity of views about planning agreements among planning practitioners. Some argue that they are potentially corrupting to the integrity of the planning system, and should be confined strictly: these support the Department's existing advice. Others point out that, notwithstanding that advice, many local authorities and developers are increasingly

concluding agreements which provide for throwing in some item of infrastructure which is only loosely related to the development being granted permission. For example, an agreement may provide for a bypass (or a school, library or swimming pool) for a village where several hundred houses are to be built.

5. The consultation paper's proposals for legislative change (and substantially unchanged advice) sprang from developers' persuading Ministers that local authorities enjoyed too strong a negotiating position and that some authorities took improper advantage of the situation.

6. The Department have advised that in general a condition on a planning permission is preferable to a section 52 agreement. But paragraph 26 of draft revised PPG3 (Housing) advocates use of section 52 agreements for low-cost housing for local needs. In general it is far from easy to discern what is appropriate for a condition and what cannot be covered by condition and so must be the subject of a planning agreement. In practice some local authorities eschew agreements and always use conditions, probably because their legal resources are scarce; other authorities with strong legal departments prefer agreements because they can be enforced as a contract and are not (yet) subject to appeal as conditions are. Yet other authorities reprehensibly go for belt and braces, using both!

7. The revised guidance would maintain the need for a close link between the development and the benefits sought under the planning agreement, but would emphasise the scope for agreements to embrace environmentally desirable improvement, such as landscape treatment, a nature reserve or improvement of some related tatty green belt or urban fringe land.

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ANNEX D

RESTRICTED

REGIONAL PLANNING GUIDANCE

1. Regional Guidance provides a planning policy framework for structure and local plans which are prepared by local authorities. It is well established in the south east, but moves towards preparing regional guidance are not confined to that region. Outside the south east the most advanced regions are East Anglia, where a standing conference of local authorities (SCEALA) has already submitted a "regional statement" to the Secretary of State for the Environment, and the south west where local authorities are also engaged on preparatory work. Planning authorities in all regions are showing interest in having new regional guidance, as envisaged in the White Paper on the Future Development Plans (Cm 569).

2. The major occasion for reviewing and developing regional planning guidance will come with the south east regional review, which Serplan expects to submit to the Secretary of State in August 1990. New regional planning guidance which will be the Secretary of State's response to the Serplan review statement, would be issued nine months or so later. This will be an opportunity to ensure that environmental objectives are carried through in planning policies from the regional level.

3. The existing regional planning guidance, issued in 1986, places emphasis on fostering economic growth, and is couched in terms of making provision for the industrial, commercial and housing development required, while protecting the environment. Prominence is given to the protection of the countryside, and particularly to maximising the use of urban sites and the recycling of urban land. Wider environmental questions are not addressed, such as the effects of development, settlement patterns

and traffic on pollution, non-renewable resources and greenhouse gas emissions. In land use terms a "sustainable development" approach may be implicit, but it is not explicit, and there is no comprehensive appraisal of environmental objectives.

4. The two main challenges to government in giving prominence to environmental objectives in regional guidance will be :

a) to put forward a planning strategy which accommodates the necessary growth and development in environmentally acceptable ways, and

b) to tackle the issues relating to transport and its relationship with land use.

5. The main transport issues are:

a) the need to find acceptable ways of coping with congestion without adding to traffic generation, and

b) how far it is possible to plan for forecast-levels of traffic growth while pursuing the objective of achieving a reduction in the level of greenhouse gas emissions.

Regional guidance is not likely to be the medium for resolving transport policy issues as such, but it will be important for the Departments of Environment and Transport to work together to ensure a consistent approach to those matters in which transport and land use planning policies interact, namely the relationships between modes of transport, interchange and patterns of development. Some of the more specific transport issues in the south east which need to be addressed are:

(i) the Channel Tunnel and strategic rail links;

(ii) surface access to and between airports and airport capacity;

(iii) orbital links on the motorway and primary road networks;

(iv) major developments in London and their implications for commuter networks.

6. The strategy for growth and development will need to take on board the environmental issues already reflected in planning policies, including the protection of the countryside and the emphasis on the recycling and re-use of urban land. It should also take account of the pressure on areas already suffering from overheating, and the need to avoid the adverse effects of cramming development into existing urban areas.

7. A recurring theme in existing regional guidance, which will need to be taken further is that of shifting the balance of attractiveness for development from West to East within the region. Attractive parts of the region to the west of London, particularly Surrey, Berkshire and Hampshire have experienced continuing high growth over the past 10 years and are economically buoyant. Congestion is high and land for development is under pressure. Local communities are increasingly opposed to further growth. East of London, growth has been much slower and opportunities for new development remain. Opening up these opportunities may, however, depend on increasing accessibility through transport investment.

8. More general environmental questions are raised by the form of development. It may be necessary to consider whether a more concentrated form of development might be preferable to the more dispersed pattern which has tended to develop in recent years, with a resultant increase in movement demand and hence pollution.

9. There will be limits to the sophistication with which environmental objectives can be worked into regional planning guidance. Nevertheless it will be important to do this as far as possible, in order to ensure that development planning is seen to be pro- rather than anti-environmental. While the first main opportunity will be in the south east, this is likely to extend to all other regions in due course.

ANNEX E

PERMITTED DEVELOPMENT RIGHTS

1. The Use Classes Order groups together different classes of use of land (eg shops, food and drink, business, dwellinghouses). Planning permission is not needed to change from one use to another within the same use class. The Order was extensively re-cast in 1987. Research into the effects of the changes introduced by the 1987 Order, to be completed by the end of June 1990, will provide an independent assessment on the basis of which Ministers can consider whether the Order needs any further revision for the 1990s.

2. The General Development Order gives general permission for particular small-scale developments and uses of land. The Order was revised and consolidated in 1988. Comments were invited in May 1989 on possible additions to the range of uses of open land and existing buildings in the countryside for which the GDO grants permitted development rights. There was a hostile reaction, and in October the Government withdrew the proposals.

3. It would be possible to respond to the earlier criticisms by inviting views on proposals to restrict existing permitted development rights to extend buildings and to use land. Particular, well-targeted restrictions (eg on the temporary use of land for markets, clay pigeon shooting, the taking off and landing of helicopters) would have environmental attractions, although in each case special interest groups would oppose the change. Any move in this direction would increase the workload for local planning authorities and the Government, at a time when the volume of planning applications and appeals is daunting. But this may be a price worth paying for the environmental improvement.

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ANNEX F

SPECIAL AREAS

Definitions

1. National Parks in England and Wales are designated under the National Parks and Access to the Countryside Act 1949 for the twin purposes of preserving and enhancing their natural beauty and promoting their enjoyment by the public. Areas of Outstanding Natural Beauty (AONBs) are designated under the same Act, but lack the extensive stretches of open country suitable for recreation, and thereby for National Park status. They are nevertheless of such fine landscape quality that there is a national interest in protecting them. Both National Parks and AONBs are designated by the Countryside Commission, subject to confirmation by the Secretary of State. The Broads Authority which is not a National Park but has a very similar planning regime, was created in 1989 under its own legislation. Sites of Special Scientific Interest (SSSIs) are designated by the Nature Conservancy Council in order to protect the habitat of rare flora and fauna or geographical features of special interest.

Conservation Areas

2. There are some 5,500 conservation areas. They vary considerably in size, and may be in rural or urban areas. In the past there has been some criticism that it is too easy for local authorities to designate conservation areas. Authorities may then invoke the more rigorous regime of development control which such areas attract as a means of extending their own influence.

RESTRICTED

(The regime comprises more restrictive permitted development rights, advertisement requirements, the need to obtain consent for demolition, stricter aesthetic control, and the statutory duty to pay special attention to the desirability of preserving and enhancing conservation areas when exercising powers under the Town and Country Planning Act 1971). Accordingly, the Government has proposed that the designation of conservation areas should be part of the development plan process. This will enable a greater degree of public participation in deciding whether to designate a conservation area in a particular locality. Although this might reduce the number of new conservation areas declared, the additional procedure would both help to avoid abuse and underline the importance of this category of special area. The remainder of this annex is devoted to the other categories of special areas.

Present Policies

3. Unlike Green Belts, there is no general presumption against development in either National Parks, AONBs or SSSIs. Nor, in the case of SSSIs, are there any special controls over development. Planning authorities are required to consult the NCC and to ensure that the opportunity exists for applications to be called in for the Secretary of State's decision where appropriate. So far as policy is concerned however the only requirement is to ensure that nature conservation considerations are taken into account and given appropriate weight.

4. In both National Parks and AONBs, however, more restrictive policies apply. Unless proven national interests and lack of alternative sites can justify an exception, major industrial and commercial developments would be inconsistent with these designations. Applications for new mineral workings, or extensions to existing workings, must be subject to the most rigorous examination and any planning permission be subject to the highest standards of operation, restoration and aftercare.

Investment in trunk roads should be directed to developing routes for long distance traffic which avoid National Parks unless it can be demonstrated that there is a compelling need which cannot be met by any reasonable alternative means. Finally both National Parks and AONBs are among those areas in which the General Development Order (GDO) withdraws certain permitted development rights, the effect of which is to reduce the tolerance for householder and certain agricultural and industrial developments.

Options for Strengthening Protection

5. The most significant change in planning policy to strengthen protection for the special areas would be to create some presumption against development there. The draft PPG Note on planning in the countryside issued in December states that policies and development control decisions in both the Parks and AONBs should be in favour of conservation, but does not go as far as placing the onus on prospective developers to argue why any particular development would be in the interest of a National Park. Such a change could however be incorporated in the final version.

6. It is difficult to see justification for any such presumption in the case of the generality of SSSIs. On the other hand, for some of them, particularly those designated as Special Protection Areas (SPAs) under the EC Wild Birds Directive, there is a case for providing full protection save in the most exceptional circumstances. Indeed the European Commission are at present arguing in the European Court of Justice (ECJ) that that is what the Directive requires. The recent House of Lord Select Committee report on habitat protection also argued for a degree of absolute protection for designated sites of European importance. Such an approach would mark a fundamental change in planning philosophy. An alternative approach to emphasise the

importance the Government attached to protecting such sites might therefore be to adopt a policy of more frequent call-in for proposals affecting them.

7. The other major change which might be contemplated is to bring within the planning system, in the special areas only, more of the farming and forestry activities which are at present exempt (see also Annex G). This could be particularly important for SSSIs where NCC are at present required to pay considerable sums in compensation to farmers who voluntarily refrain from potentially damaging operations which do not need planning permission.

8. More modest strengthening of planning control could be achieved by amendments to the GDO to reduce further the tolerances it grants in the special areas. This too could be particularly valuable in SSSIs which can suffer severe damage from temporary activities such as war games.

Scope for Further Designations

9. Designation of SSSIs is entirely a matter for the NCC, who do so according to strict scientific criteria. There is a steady programme of notifications now nearing completion. Designation of SPAs is a matter for the Secretary of State, on NCC's recommendation, and there might be scope for increasing the rate of such designations. But given the interpretation placed on activities allowed within SPAs after designation, we must treat this possibility with some circumspection.

10. Interest in designating new National Parks, especially in lowland England, has grown recently and there is no doubt that one or more additional designations would have a substantial presentational impact. The number of realistic candidates is however very small. The South Downs AONB is regularly put forward as a candidate for upgrading to a National Park, as is,

more recently, the North Pennines. Any such upgrading would however be controversial. Opposition could be expected on the grounds that the Countryside Commission by designating an area as an AONB (and the Secretary of State in confirming it) had already concluded that it did not meet the criteria for National Park designation. The New Forest is the other obvious candidate for National Park status, though it is generally recognised that designation under the 1949 Act would be inappropriate and special legislation would be required. Additional planning powers for the New Forest could however be achieved through amendments to the GDO or a Special Development Order, but since much of the area is Green Belt or Crown land or is designated as AONB, the overall effect might be limited.

11. In Scotland, consideration is being given by the Countryside Commission for Scotland, at the request of the Secretary of State, to designations and management regimes for areas of outstanding national and international landscape value focussing in particular on those areas that are subject to the greatest recreational pressures.

PLANNING CONTROLS ON AGRICULTURE AND FORESTRY

Present Position

1. Three quarters of the total land area of England and Wales is used for farming, and a further 7% for woodland. Agriculture in all its forms is therefore the main feature of the landscape and the activity that most influences the appearance and character of the countryside.

2. The use of land for agriculture or forestry does not constitute 'development' under section 22 of the Town and Country Planning Act 1971 and so does not require planning permission. The construction, extension or alteration of a building, and the carrying out of excavations or engineering operations, including the formation of private roads, are 'development'. If this development is 'reasonably necessary' for the purposes of agriculture or forestry, however, it may qualify as permitted development under Part 6 or 7 of Schedule 2 to the Town and Country Planning General Development Order 1988 (the GDO) and so not require specific planning permission.

3. Agricultural development permitted by Part 6 of the GDO is subject to a range of conditions, the most important of which are that the development must be on at least 0.4 hectares (1 acre) of farmland and that buildings must not exceed 465 square metres in ground area. Dwellings are wholly excluded, as are livestock units and associated structures such as slurry tanks when these are proposed to be built within 400 metres of most residential and other permanent buildings such as schools, hospitals and offices. Forestry development permitted by Part 7 of the GDO is subject to less detailed conditions.

4. In National Parks and some small adjacent areas planning authorities have a discretionary power to control the siting, design and external appearance of farm and forestry buildings and the siting and means of construction of roads where these are intended to be built with the benefit of the permitted development rights in Part 6 or 7 of the GDO. In such cases prospective developers are required to give the local planning authority 28 days' notice of their intentions. If the authority decides to exercise its power, its approval for the specified details, though not the principle, of the proposed development is needed. This arrangement has applied in all National Parks in England and Wales since 1986.

Options for strengthening protection

5. The permitted development rights are long-established features of the planning system and have been defended by Ministers as reflecting the traditional and predominant place of farming and forestry in the countryside. There is, however, little information available about the use made of these permitted development rights and whether they are suited to the present needs of farming and industry.

6. It seems clear that planning control over agricultural land use (eg. change from pasture to arable farming, type of crop) would be both burdensome and impractical. There is however a much stronger case for reviewing present controls over large-scale afforestation, which can significantly alter the appearance of the landscape for many years. The environmental bodies have long been dissatisfied with present arrangements, under which control effectively rests with the Forestry Commission through its grant approval procedures. Primary legislation would be necessary to bring forestry under planning control.

7. Possible changes to permitted development rights in all areas might be:-

i. an increase in the minimum size of agricultural holding attracting permitted development rights for agriculture, from the present one acre;

ii. a review of the current GDO limits, eg as to the maximum permitted area and height of farm buildings.

8. The primary purpose of National Park and AONB designations is the conservation of the beauty of the landscape and it would be logical for the same planning regime to apply. The options are:-

(i) withdraw permitted development rights for agricultural buildings in these areas and bring them within full planning control subject to the GDO rights which apply to businesses generally;

(ii) extend to AONBs the prior notification arrangements which at present apply to permitted development in National Parks;

(iii) impose lower limits than elsewhere on the dimensions of permitted agricultural buildings.

ANNEX H

ENVIRONMENTAL ASSESSMENT (EA)

1. Environmental assessment (EA) (or environmental impact assessment (EIA) - the terms are interchangeable in practice) is a technique for ensuring that the environmental effects of a proposal are taken into account in the decision-making process for that proposal. A European Directive requiring EA for many types of development projects has been implemented in the UK by means of various regulations incorporating EA requirements into existing consent procedures. The most important of these regulations which came into effect in July 1988, require EA for major projects which require planning permission; other regulations require EA for projects which are not approved under planning legislation, such as trunk roads, major power stations and afforestation. The following paragraphs are mainly concerned with the planning system.

2. EA is mandatory for all crude-oil refineries; power stations; nuclear waste installations; major steel, asbestos and chemical works; major roads, railways and airports; major ports and waterways; and toxic waste disposal installations (Annex I to the Directive). EA is also required for specified projects likely to have significant environmental effects (Annex II). Under the UK planning regulations there is a procedure for the local planning authority or Secretary of State to determine whether a project requires EA; advice on which projects are likely to have significant effects is given by circular and includes advisory thresholds. Where EA is required the developer must publish an environmental statement giving specified information about the project and its environmental effects. This must be sent to the statutory consultees including the NCC and Countryside Commission, and the deciding authority must then take the statement and all comments on it into account. DOE has recently published an advisory booklet on operating the new procedures.

3. The EA provisions are still new and DOE is currently commissioning research into their operation. However, it is already clear that many environmental statements provided by developers are poorly presented and provide inadequate information; on the other hand there are also some excellent practitioners as well as specialists in predictive techniques whose expertise could be tapped for the preparation of further advice on good EA practice. It is also clear that decision-makers often have difficulty in assessing the significance of the environmental effects described in environmental statements and that there is a need for advice in this area. It may be possible to build on recent work by Manchester University in this field, but the issue raises wider questions, for example about the role of cost benefit analysis, on which more research is likely to be necessary.

4. In spite of these practical problems related to the operation of the existing provisions there is no doubt that EA is a valuable aid to ensuring that environmental concerns are properly addressed in the decision-making process. There would be much to be said for extending the principle beyond the scope of the present provisions. The following possibilities (d-h would require primary legislation) are under consideration.

a. **Extend to more cases within existing legislation.** The advisory thresholds for identifying which Annex II cases have significant environmental effects so as to require EA could be revised downwards. In particular, advice could be given that all such cases in SPAs or SSSIs require EA.

b. **Extend advice on effects to be covered to concentrate more on energy use and greenhouse issues.** EA could be used to help assess the energy implications of a project.

c. **Extend EA requirement to projects approved by private Bill.** This recommendation of the Joint Committee on Private Bill Procedure was accepted by the Government in April 1989. Its implementation will entail amending Parliamentary standing orders and possibly primary legislation. DOE is working on this proposal with the House authorities.

d. **Other extensions:** The Directive permits member states to impose more extensive EA requirements. To do so would require primary legislation (except where the Directive itself is amended). We could both add to the list of Annex I projects for which EA is mandatory (eg to deep mines) and require EA for any project which is likely to have significant environmental effects even if it is not listed on the Directive.

e. **Make EA obligatory for projects in SPAs/SSSIs** or other sensitive areas. The EC are likely to be proposing this as a means of increasing the protection of such areas.

f. **EA for groups of projects.** There are circumstances in which local authorities rather than developers are best placed to prepare environmental statements, eg where two or more projects have little environmental effect individually but may have a significant effect together; and where a programme of several related projects is proposed. Powers could be taken to require authorities to do so.

g. **EA for public development programmes.** Public bodies with rolling development programmes could be required to undertake EA for them.

h. **EA for development plans and regional guidance.** It is intended to work up proposals to incorporate EA procedures into the procedures for preparing local plans, structure plans, unitary development plans and regional guidance with the objective of ensuring that the environmental effects of the proposals in such plans are understood and evaluated. The responsibility for assembling the relevant information would fall on the plan-making body (the Secretary of State in the case of regional guidance). Care will be needed to ensure that the approval procedures for such plans are not unduly lengthened.

5. Some of the ideas canvassed above, eg on EA in SPAs and SSSIs and on EA for plans and programmes, are under consideration in the European Commission. The UK has implemented the EA Directive ahead of most other states. By examining interdepartmentally the implications of the possibilities outlined above, the Government will be better placed to respond effectively to the Commission's further proposals. In addition the UN ECE is undertaking programmes of information exchange about predictive techniques and about EA for policies and programmes; we can learn from extensive US experience in this field.

C

From: R T J Wilson
16 February 1990

MISS SLOCOCK

P 03635

PLANNING FOR THE ENVIRONMENT

1. I understand that the Secretary of State for the Environment will be sending to the Prime Minister this evening a minute setting out his thoughts about planning and the environment.

2. This paper was originally produced for the next meeting of MISC 141. I have, however, suggested to the Department of the Environment that their Secretary of State might prefer to show it to the Prime Minister first. Apart from the fact that the agenda is already lengthy, Mr Patten's proposals contain ideas about the planning system which appear to go wider than the environment. For instance, there are ideas for strengthening the role of the county councils and the regional tier in planning which would give a rather different direction to the system from the one which Mr Ridley envisaged when he was at the Department of the Environment. There are important issues about freeing up development for housing which need to be addressed in this context. Mr Parkinson may also have views about the implications for transport if the environmental aspects of planning are to be strengthened.

3. I gather that Mr Patten will probably now suggest that his ideas should be developed further in the new Ministerial group on the environment which the Prime Minister has agreed to set up under his chairmanship. Before detailed work is done, however, the Prime Minister herself may wish to consider the proposals with Mr Patten. If so, one option would be to invite him to circulate a paper to E(A) setting out his ideas. Alternatively, the Prime Minister might wish to have an informal ad hoc

discussion with Mr Patten, perhaps with one or two other interested Ministers present. We would, of course, stand ready to provide a brief.

R T J WILSON

A

PRIME MINISTER 16 February 1990

MISC 141: PLANNING PAPER

1 Chris Patten has sent you a paper on planning as part of the work in MISC 141 on the Environment White Paper. He suggests that it should be considered first in the sub-group of MISC 141 which you are proposing to set up under his chairmanship.

2 Detailed aspects of the paper add up to a noticeable shift in the Government's position on planning. These need to be considered carefully from an economic point of view, not simply from the point of view of the Environment White Paper. Chris Patten's proposals should be discussed first by the Ministers who normally consider planning matters, including Nicholas Ridley. The conclusions of such discussions could then be fed into MISC 141.

Shifts of Emphasis

4 The Patten paper proposes:

(i) to consider extending some planning controls to agriculture and forestry for the first time. (John Gummer is said to be in favour of this);

(ii) to consider retaining a planning role for County Councils - one of the main proposals in Nicholas Ridley's White Paper on planning was to abolish County Structure plans;

(iii) to encourage "appropriate environmental improvement schemes" in Green Belts;

(iv) to consider restricting existing development rights to extend buildings or use land. Controls might be imposed on the temporary use of land for markets, clay pigeon shooting, taking off and landing of helicopters etc.

5 Some of these proposals might be generally quite popular - for example, the extension of planning controls to agriculture and forestry - but the impact on those industries would need to be looked at.

6 A 180° turn on County Structure plans would need careful thought, and even more careful presentation. It would be welcomed by the conservation groups, but this consideration cannot be allowed to dictate policy on planning since these groups give little weight to economic considerations. That said, the Sainsbury Group expressed some concern initially at the proposed abolition of County Structure plans. The arguments are not all one way.

7 Apart from the specific proposals above, the paper reflects a subtle shift of emphasis which will not be lost on developers. It talks of reviewing existing guidance notes to ensure that they:

> "give due weight to environmental considerations without losing the important gains we have made in deregulation."

The Department of the Environment's proposed revision of the guidance note on housing was already causing the Sainsbury Group some concern last summer. The changes are more of tone than anything else, including a number of references to the importance of maintaining established environmental policies. But textual nuances are important in the theological world of planning.

CONCLUSION & RECOMMENDATION

8 Chris Patten has clearly been rethinking planning policy in the light of his environmental brief. There may well be a case for changing planning in the way he suggests, even if it involves going back on what we said in the White Paper last year. Nicholas Ridley's proposal to scrap the County Councils' role in planning was largely driven by the need to get Marsham Street out of day-today decisions on planning (each County Structure plan has to be approved by the Secretary of State). The political attractions of the government distancing itself as far as possible from planning must be balanced against the need for a clear overall view of national environmental priorities. The latter requires a framework above the local level, and arguably counties form the natural link between regional guidance and district plans, especially on housing.

Something as important as planning cannot be settled as a by-product of drafting the White Paper on the Environment. Colleagues must look at the Patten proposals from every angle, including economic angles. Their conclusions can then be fed into the work of MISC 141.

CAROLYN SINCLAIR

CONFIDENTIAL

PRIME MINISTER (1)

PLANNING FOR THE ENVIRONMENT

Mr Patten has sent you a copy of a paper on planning - at Richard Wilson's suggestion - which he has been preparing for the Ministerial Group on the Environment, Misc 141.

This is an extremely interesting paper and suggests a number of potentially popular ideas for changing the planning system to help improve the environment - although it less easy to judge the likely response of industry and agriculture. The paper stresses the need to get the balance right between development, conservation and wider environmental considerations. It also makes the right noises about the need to keep an emphasis on deregulation, although this may not be its effect.

Examples of ideas in the paper are that planning ought to take account of wider environmental considerations including the need to shorten journey times to reduce CO2 emissions; the extension of planning controls to afforestation and non-agricultural use of agricultural land and buildings; increasing planning controls in national parks and environmentally sensitive areas; encouraging environmental improvement schemes in Green Belts, and perhaps the creation of a new national Park.

Carolyn Sinclair has given a very clear summary of the paper, which is at Flag A, and some excellent advice. But the paper itself is also well worth glancing at if you have time.

Carolyn Sinclair and Richard Wilson (a note is at Flag C) both make the point that the paper has too many economic implications to be discussed at Misc 141 alone. It also overturns some of the changes to the planning system proposed by Mr Ridley when he was Secretary of State for the Environment - and this needs thought. In particular, it calls for the reintroduction of strategic planning at county level, to help set strategic environmental objectives.

Mr Patten in his covering letter suggests that it might be discussed in Misc 141's new sub-group. But Richard Wilson - rightly, I think - argues that you ought to take a look at it first, either in EA or in small ad hoc group. The paper could then be considered at Misc 141.

Before the paper is discussed at Misc 141, do you want to consider the paper at EA?

or in a smaller ad hoc group with Mr Patten and one or two other interested Ministers?

I will take the chair.

CAS

Caroline Slocock
16 February 1990

Yes - and I think Chris should ask Nicko Ridley to that group (or I will suggest that he does) because I fear the paper has got a bit unbalanced and because it makes a lot of changes.

MF

CONFIDENTIAL

(2)

PRIME MINISTER

MINISTERIAL GROUP ON THE ENVIRONMENT (MISC 141)

The next meeting of Misc 141 is on Thursday; and you may like to take a look at the papers over the weekend. I am attaching:

Flag A — A steering brief and summary from Richard Wilson. This says that the two main decisions you need to take are on the aquatic environment and on aid and technology transfer; on other areas, Richard suggests that you give a broad steer and remit detailed work to the new sub-group which Mr Patten will chair. An important point he flags up is there are a growing number of proposals with PES implications - which may lead to timetable problems;

Flag B — A note from Carolyn Sinclair. On dumping in the North Sea, Carolyn thinks the UK should take the active initiative proposed by Mr Patten to stop it and to announce this before or at next month's North Sea Conference. Colleagues are in broad agreement on this. The main problem is Scotland (who cannot pass on the - relatively modest and long term - costs to a privatised water industry, as can England and Wales). Overcoming local planning objections for burning sewage sludge is another potential difficulty. Carolyn thinks neither insuperable and that you should press the Scots (who may be exaggerating the costs) to pass on the costs on in higher water charges. On the Montreal Protocol, Carolyn suggests that additonal funds will be necessary to encourage developing countries to phase out CFCs; but that Mr Major should be asked to think how the impact on public expenditure should be minimised.

I agree.

isn't that worse environmentally?

Their budget could take the cost - i.e. the Scottish Office.

Flag C — Ministerial correspondence on North Sea Dumping. You have already seen Chris Patten's original letter setting out the background.

Flag D — MISC 141 papers.

The Foreign Secretary will not be able to come to the next meeting but would like to send Mrs Chalker in his place.

CAS

Caroline Slocock
16 February 1990

A

PRIME MINISTER

P 03633

MISC 141: POLICY ON THE ENVIRONMENT
Steering brief

New Ministerial Group

1. You may wish to begin the meeting by saying that you intend to set up another group, chaired by the Secretary of State for the Environment, to work up proposals for the White Paper on the environment within the general framework of decisions taken by MISC 141. You may wish to stress that:

   i. MISC 141 will still be taking the main policy decisions (for instance on greenhouse gases). But there will need to be a lot of detailed work to follow through what MISC 141 decides. Mr Patten's group, which will be mainly at Minister of State level, will be doing this.

   ii. A lot of work is needed to pull together the achievements of Departments so far for the White Paper and to review policies and practices to see what further contributions Departments can make. This too will be a job for Mr Patten's new group.

   iii. Mr Patten's group will also be overseeing preparation of the White Paper in due course, again subject to the approval of MISC 141.

Issues for decision at this meeting

2. You may then wish to concentrate the discussion on the first two items on the agenda, the aquatic environment and aid and technology transfer, both of which require decisions at this meeting because of forthcoming international negotiations on the North Sea Conference and the Montreal Protocol respectively.

Issues for Mr Patten's new group

3. The remaining items, countryside and agriculture and forestry, will be important for the White Paper, but firm decisions are not needed yet. On these, you may wish simply to give broad guidance on the direction of further work and then remit them to Mr Patten's new MISC group.

Public expenditure

4. One thread running through the papers is the extent to which departments are going to make bids in the next Public Expenditure Survey for environmental measures. This may give rise to timetable problems: the White Paper will be coming out before the Survey is completed. You may wish to invite the Secretary of State for the Environment to discuss the problem with the Chief Secretary. You may also wish to give a steer towards environmental measures which pay for themselves, where possible, for instance by producing offsetting savings in the CAP (paragraphs 8 and 10 in the brief attached).

RTJW.

R T J WILSON
Cabinet Office
16 February 1990

PRIME MINISTER P03634

ENVIRONMENT POLICY

MISC 141(90)3,4,5,6 and 7

1. You may wish to concentrate on the first two items (see steering brief).

AQUATIC ENVIRONMENT (MISC 141(90)6)

2. Mr Patten wishes to develop and announce new policy initiatives urgently, so that the UK can adopt a positive stance at the North Sea Conference meeting on 6-8 March. The main items are:

i. Disposal of untreated sewage through sea outfalls. Mr Patten says that there is no evidence that our current policy, based on dilution and disposal of raw sewage in the sea, has adverse effects on the environment, taking effects on land and sea together. But we are now the only EC country to support disposing of sewage in this way, and can expect to come under great pressure at the North Sea Conference to abandon it. Mr Patten says this would require capital expenditure of at least £1.5bn, mostly between 1995 and 2004, and increase running costs by at least £40m per annum. In England and Wales this expenditure would fall on the privatised water industry, and would increase average water charges by about 6% by 2004. But in Scotland and Northern Ireland they would add about £350m to public expenditure between 1995 and 2005. You will want to decide whether it would be right to announce a change of policy ahead of the March meeting.

ii. Dumping of sewage sludge at sea. Again Mr Patten says that there is no evidence that this practice causes serious or long term harm to the environment. But we are the only North

Sea state continuing to dump sludge at sea. Moreover we committed ourselves at the 1987 North Sea Conference not to dump material for which there were practical alternatives. The main alternative in this case is incineration of sludge, which may itself give rise to environmental objections and be unpopular. Estimated costs are £180m in capital investment (including £60m in Scotland) and up to £25m per annum in running costs (£6m in Scotland). Here again, the costs in England and Wales would fall on the privatised sector, but elsewhere would be public expenditure. You will want to decide whether it would be right to announce ahead of the March meeting that dumping will be phased out.

c. Industrial waste. We are committed to ending the dumping of industrial waste at sea, subject to derogations while necessary treatment plant is constructed. Mr Gummer and Mr Patten propose an announcement that sea dumping should cease by the end of 1992, but may continue to mid-1993 if absolutely necessary for technical reasons. This seems a reasonable proposal. (There is a separate issue about minestone dumping which is not covered by the North Sea Conference. You might ask Mr Patten to resolve this with Mr Gummer and Mr Wakeham.)

d. Offshore oil and gas developments. Mr Patten proposes the development of a clear and public environmental policy for this industry. But DOE say this is unlikely to be a contentious issue at the March meeting. You might therefore ask Mr Patten to work up a policy, in consultation with the Secretary of State for Energy.

e. Bathing waters. We are committed to a £1.4bn programme to bring bathing waters up to EC standards over 10 years. Mr Patten proposes further low-cost and short-term action (screening and disinfection) to improve the appearance of beaches. This is not however for the March meeting. You might ask him to pursue his proposal in consultation with other interested Ministers.

3. If you agree that an announcement should be made before the North Sea Conference meeting in March, you will want to ask Mr Patten to agree the details urgently with the Secretary of State for Scotland, the Minister for Agriculture and the Chief Secretary, Treasury.

AID AND TECHNOLOGY TRANSFER

Montreal Protocol: CFCs (MISC 141(90)5)

4. Mr Patten's paper seeks decisions on the line to be taken by the UK representatives at negotiations on the Montreal Protocol which open in Geneva on 26 February, leading to the Second Meeting of the Parties which we are to host in London in June. The main issues concern funding of action in the developing countries:

i. Additionality. Mr Patten argues that the developing countries (particularly India and China) will not take effective action on CFC's unless the developed countries provide truly additional aid resources. He suggests that this should be on the basis of assessed contributions. Tentative estimates suggest a UK contribution of £2.5-8.5m per annum. You will want the Chief Secretary's views.

ii. Institutional arrangements. We have resisted the establishment of new international institutions, and this line seems to be prevailing. Paragraph 12 of Mr Patten's paper sets out five propositions for the Geneva meeting. You will probably want to endorse these points as the basis for the negotiating brief.

iii. Technology Transfer. Mr Patten says that established commercial arrangements should be used to ensure transfer of relevant technologies to the developing countries, using the aid resources provided by the developed countries where necessary. He argues that non-commercial arrangements would remove any incentive for companies to develop new technologies. You will probably want to endorse this line.

5. Subject to the outcome of the discussion you will want to ask Mr Patten to agree a detailed negotiating brief with the Foreign Secretary, the Secretary of State for Trade and Industry and the Chief Secretary, Treasury.

Climate change (MISC 141(90)7)

6. Mrs Chalker's paper takes a first look at aid and technology transfer in the context of climate change. No immediate decisions are required. The main points are:

i. Economic development in the developing countries will entail huge increases in carbon emissions. For example, China's coal consumption alone could add 50% to current global emissions by 2020. The paper says it is unrealistic to aim to stabilise their emissions at current levels: the most which could be achieved is to slow the rate of increase. Even if forecasts of economic growth are over-optimistic, this is an important conclusion. You might want to commission further work on trends in developing countries' carbon emissions.

ii. Additionality. The paper says that while there is scope for switching some existing aid resources towards the global climate, it will also be necessary to provide additional, earmarked funds for this purpose. You will want to seek the Chief Secretary's views.

iii. Technology Transfer. Like Mr Patten, Mrs Chalker concludes that commercial arrangements should apply, backed by aid resources for the poorest countries.

7. You may want to provide some general guidance on these issues, remitting further work to Mr Patten's new MISC committee.

COUNTRYSIDE AND AGRICULTURE (MISC 141(90)4)

8. The paper by Mr Gummer and the territorial Ministers proposes a sizeable programme of short-term initiatives (paragraphs 16-26),

and suggests objectives for the agriculture sector for the next decade (paragraphs 27 and 28). You will probably not want to work through these in detail. But you might seek to provide guidance on some of the main issues:

i. building environmental considerations into existing and new schemes. The paper suggests that in the short term we should make the best possible use of existing EC rules to ensure that farmers at least maintain and protect the environment. In the longer term it suggests progressive movement to a position where farmers benefitting from EC subsidy schemes would be expected to protect and enhance the environment. You will probably want to endorse these proposals.

ii. a possible UK initiative in the EC. The paper does not itself propose a wider UK initiative to ensure that EC agricultural policies enhance the countryside. There could be risks (eg more spending) as well as advantages in such an initiative. But you may wish to commission a proper study to determine whether this would be in the UK's interests.

iii. financial implications. The paper contains a number of proposals for new schemes and grants. It says that there would be some offsetting CAP savings, eg where production of surplus produce was reduced. You may wish to give a general steer in favour of options which at least cover their costs through CAP savings.

9. Here again you could remit further detailed work to Mr Patten's new MISC committee.

FORESTRY (MISC 141(90)3)

10. The paper by the Forestry Commission examines the options for increasing tree planting in the UK, with the aim of locking up carbon. Some of the main points are:

i. A vigorous programme of planting could absorb as much as 3.5% of current UK carbon dioxide emissions by 2020. But this would involve a major increase in the land area devoted to forestry.

ii. One of the aims of such a programme would be to persuade other countries to follow suit. But the UK already has a good record: current targets (including the Farm Woodland Scheme) already involve an increase of 2% per annum in UK forests. In contrast, the EC average increase in 1986 was only 0.25% per annum, and President Bush's recent initiative is designed to increase US forests by only 2.5% over 10 years. It is therefore doubtful whether we need to do more than maintain current policies to give an international lead.

iii. A major initiative would involve public expenditure by way of grants. But the costs of some planting, eg under an extended Farm Woodland Scheme, could be offset by CAP savings. You may wish to give a general steer in favour of initiatives which produce CAP savings.

11. Subject to the outcome of your discussion you will probably want to remit Mr Patten's new MISC group to develop detailed policies for the White Paper.

RTJW

R T J WILSON
16 February 1990

B

CONFIDENTIAL

PRIME MINISTER

16 February 1990

MISC 141: MEETING ON 22 FEBRUARY

Discussion will focus on two international issues where immediate decisions are needed viz.

(i) the line we should take on dumping at the North Sea Conference in early March

(ii) the line we should take on providing additional money to help developing countries buy the technology they need to phase out CFCs (parties to the Montreal Protocol will begin discussions in Geneva on 26 February).

Both (i) and (ii) involve money, though not necessarily public expenditure. The other papers on the agenda - on agriculture, forestry and aid for environmental measures in developing countries - are beginning to look like a series of Departmental shopping lists. They need careful scrutiny: we cannot afford everything and proposals for spending need to be ranked in terms of their environmental/political benefit. This is a task for the Chris Patten sub-group.

North Sea Conference

The issues were set out in my earlier note at Annex A. The key issue is whether we can agree to say at the North Sea Conference that we will end dumping of industrial waste, sewage sludge and untreated sewage.

Colleagues are broadly agreed that we can set a date to end industrial dumping. Only a handful of companies is involved,

and of these ICI is by far the largest. ICI are building a land disposal facility which they expect to be running by the end of 1992. They would like some latitude to use sea disposal in 1993 if they run into technical difficulties.

John Gummer and Chris Patten propose that we should say at the North Sea Conference that all licences for the dumping of industrial waste will be withdrawn by the end of 1992, but with the possibility of extension to mid-1993 on technical grounds. This seems a reasonable negotiating position.

Sewage sludge poses a particular problem for the Scots. Because water has not been privatised in Scotland, Malcolm Rifkind suggests that the costs will all fall as additional public expenditure by local authorities. He does not want to change his priorities to give them extra money, and is unwilling to ask them to take this on without extra money. why?

The Scots have therefore suggested that we should go ahead and commit ourselves to ending the dumping of sewage sludge by a specific date in England and Wales alone, where all the costs can be passed on to consumers via higher water prices. So they can in Scotland. Chris Patten is reluctant to agree, since anything short of a commitment by the UK as a whole would weaken our position at the North Sea Conference.

The Scots are exaggerating the public expenditure consequences. They could pass on quite a lot of the cost over time in the form of higher water charges. The rules would allow them:

- to pass on the running costs;

- to pass on the interest payments on money borrowed to finance the capital investment.

No doubt this point has been omitted because Malcolm Rifkind does not want to have higher water charges in Scotland. But they are generally low by comparison with England and Wales.

An important point you will want to stress to Chris Patten is the need to ensure that enough incinerators can be built to dispose of sewage sludge. You could seek an assurance from him that local planning objections will not be allowed to frustrate a switch from sea dumping to land incinerators.

Ending the dumping of untreated sewage at sea is the most expensive item, but also the most emotive. Malcolm Rifkind can go along with this, probably because Chris Patten is only proposing that we commit ourselves to ending the practice as soon as we can ie not by a specific date. There are no public expenditure implications for England and Wales. And - as with the sewage sludge - the Scots could recoup quite alot of the costs over time through higher water charges.

Montreal Protocol to Phase out CFCs

Parties to the Montreal Protocol - in which the UK played a leading role - will begin meeting in Geneva at the end of this month to discuss a funding mechanism designed to bring in the developing countries, particularly India and China.

Chris Patten argues that the developing countries do not have a lot of interest in phasing out CFCs and will not do so unless the developed countries help them to meet the cost of adjusting their technology, mainly through the purchase of patents, licences and skills. Unless the developing countries agree to phase out CFCs, the Montreal Protocol will not have been worth the candle. A significant increase in the use of CFCs in India and China alone could wreck the condition for the removal of the ozone hole.

Pressure for new international organisations to channel money to the developing countries seems to have been successfully deflected; but pressure for new money remains. The USA appears to have committed itself to provide additional funds at an informal meeting of selected Protocol countries last month. The UK reserved its position.

Obviously we cannot give an open-ended commitment to provide new money. Chris Patten's paper suggests that the UK contribution might be of the order of £2.5m-£8.5m a year, but this is very broad brush. We do not yet know how much our assessed contribution might be.

Chris Patten proposes a number of safeguards, such as proper costing of the programme to what we are committing ourselves, World Bank stewardship etc. These are important, but second order questions. The main issue is whether we are prepared to make additional aid funds available to ensure that the initiative to close the ozone hole succeeds.

John Major is bound to be unhappy. It is just possible that we could find a way through in later years by not increasing aid to other recipients as fast as we would have done, thereby saving enough to cover this new commitment. But it is likely that some new money will need to be committed within the existing public expenditure period.

CONCLUSION

Acquatic Environment

On dumping at sea, there are very strong arguments for agreeing to Chris Patten's proposals so that we can move on this issue at the North Sea Conference next month. We will face plenty

of pressure on other issues. Sooner or later we will stop dumping at sea (it is controversial at home - we are not simply bowing to international pressure). We might as well get credit for a policy shift at The Hague. The Scots are exaggerating the public expenditure difficulties insofar as they do not mention the possibility of higher water charges. They should be brought into line if possible.

Montreal Protocol

The arguments for agreeing to make additional funds available to help developing countries phase out CFCs are also strong, subject to the various safeguards Chris Patten proposes. John Major should be asked to think how the impact on public expenditure plans can be minimised.

On the other topics, a general spending spree should be discouraged. The North Sea is worth paying for (it will mainly be consumers who pay), and the Montreal Protocol, but we cannot fund every bright idea with a green tag.

Recommendations

- Agree Chris Patten's proposals on the acquatic environment in MISC 141(90)6, with the Scots brought into line if possible.

- Agree Chris Patten's negotiating line on the Montreal Protocol in MISC 141(90)5, ideally on a basis John Major can live with.

- Remit all the other papers for detailed consideration in the MISC 141 sub-group, with a discouraging word about spending sprees. Proposals involving money need to be whittled down to a priority list reflecting environmental/political benefits.

CAROLYN SINCLAIR

Miss Slocock

Can you check that No 10 would be subsumed within Cabinet Office. It may be that are Cabinet Office is too small to identify separately. PS now BSI to be minuted which indicates that the figure will be agreed and will be 'fair to all'. AT 15/2

BF 23/4 CB

MR TURNBULL

ENERGY EFFICIENCY

Ref Caroline Slocock's letter to PS/Minister re public sector energy efficiency.

I do **not** agree it would be valuable to publish a league table of performance of individual Departments. This is guaranteed to damage Government and particular Secretaries of State. More importantly, it is absolutely guaranteed to damage No 10 and the Prime Minister since it is difficult to imagine a more energy inefficient building than No 10.

All this is extremely ill-conceived nonsense and needs to be stopped smartly.

BERNARD INGHAM
February 15, 1990

ENV AFFAIRS: Acid Rain
Policy

The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2966 (one piece/item number)	Date and sign
Extract details: Lebrecht to Turnbull dated 13 February 1990	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	13/8/2016 S. Gray
MISSING AT TRANSFER	
NUMBER NOT USED	
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DOCUMENT PUT IN PLACE (TNA USE ONLY)	

ebruary 1990

THE INDEPENDENT

Ministers at odds over proposals for 'Green Bill'

By Colin Brown
Political Correspondent

TENSIONS between Cabinet ministers are surfacing in departmental rivalries over a major White Paper on the environment by Chris Patten, the Secretary of State for the Environment.

John Wakeham, the Secretary of State for Energy, is determined to oppose any move to include a "carbon tax" in the White Paper because he believes it would sabotage the sale of the electricity industry to the private sector, due to commence in the autumn.

However, Mr Wakeham is ready to support Mr Patten in challenging the ambitious road-building plans being laid by Cecil Parkinson, the Secretary of State for Transport, which they believe are based on false predictions.

Mr Parkinson will attempt this week to counter the ecological arguments against greater road building by presenting a review of roads as a contribution to the Government's "green" policies.

The review will foreshadow more bypasses to take cars out of towns and villages, and one of the biggest tree-planting programmes ever undertaken for the roads to make them more "user-friendly".

However, his Cabinet colleagues privately argue that this will do nothing to reduce the carbon dioxide gases which contribute to global warming.

Mr Wakeham does little to hide his irritation with the privatisation problems left for him by Mr Parkinson, his predecessor at the department. He dismisses the privatisation of British Coal — Mr Parkinson's "historic pledge" to the 1988 Tory Party conference — as less important than his own action to increase foreign competition in the supply of coal to the power stations.

Nicholas Ridley, Mr Patten's predecessor at the DoE, who was attacked for his lack of commitment to "green" policies, is dismissive of Mr Patten's plans to improve the Government's image.

Margaret Thatcher is holding the ring between the factions at monthly meetings of a Cabinet committee on the environment, which she chairs.

Both Mr Parkinson and Mr Ridley are concerned about the influence being exerted on Mrs Thatcher by Cabinet newcomers, such as Mr Patten, who is from the old wet wing of the party.

Mr Patten has an important ally in John Major, the Chancellor, who also is ready to challenge Mr Parkinson's traffic assumptions. Mr Major is expected to make his contribution with a "green" Budget on 20 March, in which he is expected to increase the price differential for lead-free petrol.

The Treasury, however, shares the reservations of the Energy Department about the introduction of a carbon tax. It has forestalled Cabinet discussion of the tax — imposed as part of the "polluter pays" principle on fuels such as coal — until after the Budget. There is pressure to put off a decision until after the election.

But Mrs Thatcher and the Cabinet could be forced into action by a report due to be delivered in the summer by International Panel on Climate Change, which could set targets for countries to meet in reducing CO_2 emissions, which cause global warming.

The report will be followed by difficult international negotiations about the targets. Mr Wakeham could be accused of acting as a block to progress by Britain.

One ministerial source said: "There is no acrimony. The Prime Minister is quite clear she wants people to offer proposals rather than sit on their hands and say they cannot do anything."

Robin

Cathie

To see.

RLG
19/2

16

fie SLH

c: Home Energy

bc: PU

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

9 February 1990

Dear David,

PUBLIC SECTOR ENERGY EFFICIENCY CAMPAIGN

The Prime Minister was grateful for your Minister's minute of 6 February and for his account of what has been achieved. She agrees that it will be valuable to publish before the summer recess a league table of performance of individual departments as you intend to do. She also welcomes his intention to circulate a paper for discussion in early May on what each department could do to become more efficient in the use of energy and to encourage its clients to do so.

BF

BF

I am copying this letter to the Private Secretary to the Parliamentary Secretary, (MAFF), Robert Keen (PUSS, MOD), Kevin Mullany (PUSS, DES), the Private Secretary to the PUS, (Department of Employment), the Private Secretary to the PUS, (Department of the Environment), Robert Court (Minister of State, FCO), the Private Secretary to the PUS, (Department of Health), the Private Secretary to the Minister of State (Home Office), Paul Stockton (Lord Chancellor's Office), Norma Sinclair (PUS, Northern Ireland Office), Donald Henderson (Minister of State, Scottish Office), Marianne Dempster (PUS, Department of Social Security), Mark Carvell (PUS, Department of Trade and Industry), Graham Pendlebury (PUS, Department of Transport), Gina Haskins (Economic Secretary, H M Treasury), the Private Secretary (PUS, Welsh Office).

Yours sincerely,

Caroline Slocock

CAROLINE SLOCOCK

David Murphy, Esq.,
Department of Energy

DTI

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CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233

12

F A Osborn Esq
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

P 03628

9 February 1990

Dear Duck,

MISC 141: WORK PROGRAMME

I am grateful to you and others who attended the official group meeting on Wednesday 7 February. Others present were Duncan Slater (FCO), John Odling-Smee (HMT), Robin Young (DOE), David Evans (DEn), David Rowlands (DTp), Julian Anderson (MAFF), Carolyn Sinclair (No 10 Policy Unit), and George Monger, Roy Walker and Andrew Wells (Cabinet Office).

FURTHER WORK ON GREENHOUSE GASES

I tabled the outline of a new Cabinet Office Note, which, together with annexes from Departments, would fulfil the various remits from MISC 141 on 1 February. I attach a slightly revised version, amended in the light of comments made at the meeting.

Emissions from the energy and transport sectors

The first two annexes to the Note would be papers by the Departments of Energy and Transport on the scope for stabilising carbon dioxide emissions at about 1990 levels by the years 2005 and 2010. In discussion of these papers, we agreed the following points:

i. It was important not to anticipate the Treasury paper on the relative merits of different instruments for limiting emissions, which would not now be taken before the Budget. At the same time officials had a clear remit to keep up the momentum of the work. Where necessary, therefore, the new papers would be more qualitative than quantitative, and would invite Ministers to give a steer as to the direction of work rather than reach final decisions. They would need to refer to the effects of real increases in fuel prices, but should not specify how these might be engineered. The question of what were the most efficient instruments for limiting emissions would need to be kept open until the

Treasury paper was available.

ii. The two papers should look separately at the scope for limiting carbon dioxide emissions in the two sectors, on the assumption of "equal misery". Any question of trade-offs between the sectors would be considered at a later stage of the exercise.

iii. The energy paper should cover points made during the MISC 141 discussion, including in particular the likely implications of the measures it considered for international gas prices, and the strategic implications of increased reliance on gas.

iv. The transport paper should discuss the merits of a possible UK initiative in the EC for measures to improve the fuel efficiency of road vehicles. It should also review the traffic growth assumptions underlying the forecasts of emissions: there might be a separate appendix to the DTp paper on this subject.

v. The options for limiting emissions in each paper should be quantified in such a way that they could be added up. The common currency of million tonnes of carbon (mtC) should be used throughout.

UK negotiating brief

We also discussed the arrangements for ensuring that UK representatives at the various international meetings are equipped with negotiating briefs which reflect considered Ministerial decisions. This is clearly an important point and there still seems to be some uncertainty about what needs to be decided by when. We agreed that we needed a paper on this for MISC 141 on 1 March. It should be prepared jointly by the DOE and FCO, and should set out:

i. precisely when we should need to ask Ministers for decisions on the negotiating briefs for various meetings, including in particular:

a. meetings under the IPCC on the analysis of options for international emission targets (where we have offered to act as "topic coordinators");

b. the IPCC meetings in June and August/September;

c. the Second World Climate Conference in October/November;

d. the Summit;

and e. any other relevant international gatherings;

ii. what the main elements of the UK negotiating brief might be, building on the decisions Ministers took at MISC 141 on 1 February (section c. of the minutes). Decisions may be needed soon for the IPCC gatherings at a. above;

iii. an analysis of present information on other countries' likely negotiating positions, and when we will have firmer information.

Electricity privatisation

We also discussed the interaction between electricity privatisation and the international timetable. We agreed that the Department of Energy would produce a brief annex to the Note, setting out their proposals for dealing with the problems outlined in MISC 141(90)2, which we could discuss in the official group.

We agreed that all these papers should be circulated to the official group by Friday 16 February at the latest. We can then discuss them on Tuesday 20 February, before they are circulated to Ministers on Friday 23 February for discussion at MISC 141 on Thursday 1 March.

AGENDAS FOR FORTHCOMING MEETINGS

We had a brief discussion of my letter to you dated 7 February. We agreed the following points:

i. It would be helpful if the countryside and agriculture, forestry and planning papers could be discussed at the same meeting. The planning paper should therefore be brought forward to MISC 141 on 22 February, not 1 March as suggested in my letter. It will need to be circulated to the official group by Friday 9 February.

ii. To balance the agendas, the housing paper should be taken on 1 March, but it would still be helpful if it could be circulated at official level without delay.

iii. Papers should be copied to the Treasury at the earliest possible stage, for example when other Departments with a major interest were consulted.

iv. Roy Walker had written to David Fisk seeking information for the forthcoming paper on research. It would be helpful if Departments could respond by the deadline of 12 February so that the timetable for circulation of the full paper could be met.

v. DOE were preparing a paper on past achievements, based on the material commissioned from Departments. This would be circulated to the official group, which could discuss how the material might be put to Ministers.

I am copying this letter to all members of the official group.

Yours ever,

Richard.

R T J WILSON
Economic Secretariat

MISC 141: OUTLINE OF PROGRESS REPORT ON GREENHOUSE GASES

CONTROL OF GREENHOUSE GASES

Note by the Cabinet Office

Introduction

Decisions taken by MISC 141 on 1 February. Accept likely scientific consensus that stabilisation of global carbon dioxide emissions at about current levels is likely to be necessary to avoid significant environmental damage. The UK cannot commit itself to achieving 1990 levels by 2000 without unacceptable effects on the economy, electricity privatisation and the coal industry. But this should be possible by some date between 2000 and 2020. Precise date and realistic policy measures to achieve stabilisation to be the subject of further work.

2. This paper reports on progress.

Non-transport energy sector (DEn paper annexed)

3. Analysis of what would be necessary to achieve stabilisation of UK emissions at 1990 levels by:

a. 2010;
b. 2005.

4. In each case, analysis of:

i. what could be achieved without pain, ie with resource savings or at least without significant economic costs;

ii. what further measures would be necessary to meet the target, and the costs involved (both resource costs and likely financial costs/price increases). Implications for the economy, including RPI, and for other aspects of Government policy.

5. Analysis of implications for the electricity supply industry, the coal industry, gas supplies (including the strategic position and international prices).

Transport sector (DTp [and DTI] papers annexed)

6. Review of traffic growth assumptions in light of MISC 141 discussion. Report on DTI discussions with vehicle manufacturers on fuel efficiency.

7. Identical analysis to paragraphs 3 and 4 above, taking account of paragraph 6.

8. Analysis of implications for transport in the UK.

Overall position

9. Analysis of overall position, bringing energy and transport together.

UK negotiating brief (DOE/FCO paper annexed)

10. Proposals for the stance the UK should adopt in international negotiations, taking account of the 1 February discussion. To cover:

a. preference for targets expressed in terms of all greenhouse gases (in some common currency) not separate targets for each gas. Likely reaction of other countries:

USA (and others?) in favour, others (who?) against;

b. stance relative to developing countries. Cannot accept pressure for the UK to make a disproportionate contribution to allow them growth in emissions. Better response to offer aid and technology transfer. Need to concert our position with other G7 countries;

c. stance relative to other developed countries. Should we be pressing those with higher emissions (eg USA, Canada) to make greater efforts?

d. position on EC and Commission role, and likely developments/initiatives from other member states.

Interaction between electricity privatisation and international timetable (DEn annex)

11. Proposals to resolve problems highlighted in MISC 141(90)2.

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10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

SIR ROBIN BUTLER

POLICY ON THE ENVIRONMENT

The Prime Minister discussed with you the minute from the Secretary of State for the Environment of 7 February on his proposal that Departments should review their environmental objectives; and Mr. Wilson's minute of 8 February proposing a sub committee for MISC 141. The Prime Minister continued to express doubts about the review by Departments of their environmental objectives. To judge from the sample provided by DoE, many of the objectives were statements of things departments should be doing anyway. The emphasis should be on concrete proposals for action rather than vague statements of direction.

The Prime Minister supported the sub committee suggested for MISC 141. In addition to developing in detail proposals endorsed by MISC 141 and overseeing the preparation of the first draft of the white paper, this should consider proposals from individual departments about what changes in their policies and practices they could contribute to the white paper. The latter would, in practice, cover much of the ground of Mr. Patten of environmental objectives, but do so in a way which was linked to the work of MISC 141 rather than as a free floating exercise.

It was agreed that the first step would be for you to talk to Sir Terence Heiser about Mr. Wilson's paper. Once agreement had been reached on the proposed sub committee, its membership and scope, a letter could be sent from No.10 to Mr. Patten incorporating those understandings.

(ANDREW TURNBULL)
9 February 1990

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NOTE FOR THE RECORD

LAND-FILL METHANE

The Prime Minister expressed concern at the statement in Annex A to Mr. Patten's minute of 7 February on the review of environmental objectives that "less than perfect land-use control by local authorities has led to perhaps 800 sites being at risk from methane explosion". She said that once the DoE was on record as acknowledging the existence of these risks, it was essential that they take steps to minimise them. If subsequently there were an explosion resulting in loss of life or damage, and the Department was shown to have known about the problem and done little, they could be severely criticised at any subsequent enquiry.

I reported this to Roger Bright at DoE. I said I thought it was essential that DoE were:

- taking steps to identify sites at risk

- had in hand measures to ensure that methane was vented safely

- were working on guidance to local authorities on best practice for new sites.

Mr. Bright acknowledged the problem and undertook to provide a report in due course on what was being done.

AT

(ANDREW TURNBULL)
9 February 1990
a:\economic\methane (srw)

PRIME MINISTER

9 February 1990

REVIEW OF ENVIRONMENTAL OBJECTIVES

Chris Patten has returned to the charge following the doubts you expressed about his proposed review of environmental objectives by Government Departments.

His further letter does not dispel the worry that his proposal could turn into a bureaucratic exercise yielding little, but providing an unwelcome distraction from the real work of MISC 141.

There is a way through which would avoid having to reject his proposal - which he clearly feels strongly about - a second time. This would involve:

- integrating the exercise into the work programme of MISC 141; and

- focussing more sharply on what Government Departments themselves can do eg on energy efficiency, purchasing environmentally friendly goods, recycled paper, reducing paper use etc.

The next two meetings of MISC 141 will take a raft of papers. Apart from considering specific measures in the energy and transport fields, colleagues will look at:

- the aquatic environment
- aid and technology transfer
- housing, land use and planning
- countryside and agriculture

- forestry
- waste minimisation, recycling and disposal
- pollution control technology.

All these papers will contain proposals which Ministers will be asked to endorse. Chris Patten could be asked to chair a sub-group of MISC 141 to chase progress on the agreed items.

This would be a more businesslike way of ensuring that environmental considerations were given high priority in policy decisions. By contrast, asking all Government Department to address the question in the attached Annex is likely to produce a ream of pious proposals often involving action by others.

The second leg of an alternative approach would require all Government Departments to take specific steps to:

- reduce energy use
- conserve paper/recycle paper etc
- reflect environmental objectives in public purchasing.

A programme of action on these lines - which would need to be proposed and co-ordinated by Chris Patten - would enable the Government to say what its own "Green Audit" had yielded. We have already made a start on energy efficiency in central Government, as Peter Morrison's minute of 6 February reports.

Conclusion

Accept the idea of an environmental review within Government, but ask Chris Patten:

(a) to use the proposed work programme of MISC 141 as the basis for reviewing policy from an environmental standpoint.

(b) to chair a Ministerial sub-group to chase progress on the items agreed for action in MISC 141.

(c) to draw up a list of specific "green" actions which the Government machine could take, building on the public sector energy efficiency campaign launched by Cecil Parkinson last summer. Key areas could be public purchasing and recycling. There may well be others.

CAROLYN SINCLAIR

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ANNEX B

QUESTIONS FOR ENVIRONMENTAL REVIEW OF POLICIES AND PROGRAMME

- to identify the main impact of each policy area on the environment;

- to identify the instruments available for enhancing that impact;

- to suggest environmental aims and objectives attainable within existing policies, costed where possible;

- to consider resource costs within the public sector and burdens on the private sector;

- to identify cross-command interactions within the Department;

- to suggest policy changes - in this or other Departments -that would be useful;

- to comment on standards; and

- to comment on the international dimension.

B

From: R T J Wilson
8 February 1990

P 03626

I think that this is a neat way of killing two birds with one stone. The Prime Minister may want to have a word about it at our bilateral tomorrow.

PERB 8.2.

MS SLOCOCK
through SIR ROBIN BUTLER

MISC 141: POLICY ON THE ENVIRONMENT

1. The Prime Minister might find it timely to look again at the handling of environmental issues. There are two particular problems.

2. First, the volume of detailed work involved in the lead-up to the White Paper is likely to be considerable. The main decisions must of course be taken in MISC 141. This in itself will be a considerable workload, as the draft agendas for the meetings on 22 February and 1 March show (see the attached). Some of the biggest issues - for instance, acid raid and greenhouse gases - are likely to take some months to decide. But beyond that, once the main decisions are taken, there is likely to be a need for further detailed work on specific proposals to get them into a form ready for announcement (eg on energy efficiency, pollution controls, housing regulations, waste management, planning, relations with developing countries). This detailed follow-up may well be inappropriate to MISC 141.

3. Second, there is the question of "green audits". The Secretary of State for the Environment's minute of 7 February 1990 puts again to the Prime Minister the case for instructing departments to carry out "green audits" of their policies and practices. It is evident that Mr Patten attaches importance personally to this idea and feels that the Government will lose face if departments do not carry them out. On the other hand, it

↙ or credibility

is still not completely clear what a "green audit" is or what environmental objectives departments would be asked to pursue. The Prime Minister may well still be concerned that the exercise might produce a lot of paper without much practical benefit.

4. One possible solution to both problems which the Prime Minister may wish to consider would be to invite Mr Patten to chair his own Ministerial group with a remit:

i. to develop in detail proposals endorsed by MISC 141;

ii. to consider proposals from individual departments about what changes in their policies and practices they could contribute to the White Paper; and

iii. to oversee the preparation of a first draft of the White Paper.

In practice this remit - particularly paragraph ii - might have the same end-result as a series of "green audits". But unlike the free-floating exercise which Mr Patten is proposing it would be tied in closely with implementing the decisions of MISC 141 and with the preparation of the White Paper. It would also free MISC 141 to concentrate on the major decisions which need to be taken.

5. If the Prime Minister wishes to pursue this we could readily let her have a list of possible members and draft terms of reference. I imagine that membership would mainly be at Minister of State level; but in order to give Mr Patten the necessary backing to produce results there could be a remit to report back regularly to MISC 141 on progress with specific topics.

RJW.

R T J WILSON
Cabinet Office

AGENDAS FOR FUTURE MEETINGS OF MISC 141

MEETING ON 22 FEBRUARY 1990

i. Preparations for North Sea Conference (Item 10 in the Work Programme circulated by the Prime Minister's private office on 22 December 1989), a paper by the Secretary of State for the Environment;

ii. Aid and Technology Transfer (Item 16), a paper by the Minister for Overseas Aid and the Secretary of State for the Environment;

iii. Land Use and Planning (Item 9), a paper by the Secretary of State for the Environment;

iv. Countryside and Agriculture (Item 11), a paper by the Minister for Agriculture;

v. Forestry, a paper by the Secretary of State for Scotland.

MEETING ON 1 MARCH 1990

i. Waste minimisation and Recycling (Item 13), a paper by the Secretary of State for Trade and Industry;

ii. Waste Control and Disposal (Item 14), a paper by the Secretary of State for the Environment;

iii. Pollution Control Technology (Item 15), a paper by the Secretary of State for Trade and Industry;

iv. Housing (Item 9), a paper by the Secretary of State for the Environment;

v. Research (Item 17), a paper by the Chief Scientific Adviser, Cabinet Office.

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CCPU

A

PRIME MINISTER

REVIEW OF ENVIRONMENTAL OBJECTIVES

Dep.

Your Private Secretary wrote to mine on 29 January about the review of environmental objectives proposed in the draft letter that I sent you on 19 January. I was grateful for your helpful suggestion of an instruction that environmental matters be taken into account when new policies are proposed. I have also asked officials to take on board the results of Cecil Parkinson's initiative when Energy Secretary in taking forward work on our "green housekeeping" guide.

I am reluctant to put additional demands on colleagues and their departmental resources, but I should like to try to persuade you that there would be a worthwhile pay-off from asking them to review their existing policies from an environmental viewpoint. The MISC 141 work programme is directed at particular policy areas, whereas opportunities for environmental improvements no doubt exist in all policy areas.

Part of the trouble may lie in the description in the earlier draft of the outcome of the DOE exercise, which perhaps undersold the value of some of the suggestions that it produced. I have tried to remedy this in the annex to the revised draft minute below, which I have had redrafted to give more considered treatment to a smaller selection of examples. I certainly feel that the results of the initiative in DOE were well worth the effort, and I should be surprised if similarly worthwhile results could not be obtained by colleagues through a similar exercise.

But it is not just the risk of missing some good ideas; my strong feeling is that if we cannot say all Departments have done such an exercise, we will be in an impossibly weak position. We are already urging local government and business to do "green audits", and

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heaping praise on those who do. There is a widespread belief that central Government itself is doing this already. I think we must be able to say that we have been prepared to do no less than we have asked others to do. Indeed it will be hard to describe what my own Department has done, if we cannot then say that the lessons have been passed on to others.

I should be grateful if you could look at the revised draft material attached proposing to colleagues an environmental review of their existing policies. I have removed the technical annex on how we went about it here, which I hope might leave colleagues greater flexibility than the earlier draft and seem less bureaucratic.

If you still have doubts, I would welcome the chance to talk it through quickly. I am copying this to Sir Robin Butler.

RBrigden

pp CP

7 February 1990

(approved by the Secretary of State and signed in his absence)

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DRAFT MINUTE TO THE PRIME MINISTER

REVIEW OF ENVIRONMENTAL OBJECTIVES

1. I have been struck by the range and diversity of environmental achievements identified by the Cabinet Office exercise just completed. It is a timely reminder of just how much we have achieved in the past decade, and it will shortly be circulated in summary form. However, a recent internal exercise within my Department has persuaded me that in looking forward to the next decade there is the prospect of managing as many achievements again, across a wide range of policy areas.

3. Over the past two months I have asked Ministers here to take a systematic look at all DOE policies and programmes and consider what changes could be justified for environmental reasons. This has produced a number of useful ideas, which would not otherwise have emerged. Examples are given in Annex A. Not all will be worth pursuing, but many, subject to further discussions here and with other Departments concerned, may well end up in the White Paper. The outcome of this exercise has been so positive that I should like to suggest a similar look at the environmental aspects of all policies and programmes, not just in Departments represented on MISC 141, but across Government. This is very much the kind of thing that we are arguing strongly in public that others, including private sector

organisations and local authorities, should do; indeed many businesses find such 'green audits' highly cost-effective as well as producing excellent publicity.

4. The DOE exercise has not involved any complex new methodology. We simply took as our starting point the objectives set out in our Management Information System and considered the extent to which environmental concerns might warrant some bending of those objectives.

5. Consequently, and with your agreement, I should like to invite colleagues both in MISC 141 and more generally to carry out an environmental review of their own policies. The aim would be for colleagues to let us know the results before we reach general conclusions at Easter on the content of the White Paper. I recognise that it will be easier for Departments represented on MISC 141 to work to this tight timetable as they will already have been considering the implications of environmental issues in some of their policy areas, but I should be grateful if other colleagues could see what can be done. Such an exercise should produce valuable material which would strengthen the White Paper itself. My officials would be very ready to explain to their colleagues in other Departments in detail how we tackled our own initial review.

6. There is of course particular scope for environmental improvements in the way in which Departments manage their part of the Government estate and their procurement policies. I have already asked my officials, in consultation with the Treasury to consider how best we can draw on the knowledge in DOE and PSA to

draft a "best practice" environmental housekeeping guide which could then be of use to Departments generally.

7. I am copying this minute to members of MISC 141, to other Ministers in charge of Departments and to Sir Robin Butler.

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ANNEX A

DEPARTMENT OF THE ENVIRONMENT REVIEW OF ENVIRONMENTAL OBJECTIVES SOME POSSIBILITIES

Heritage

Environmentally friendly management of Royal Parks. At relatively low additional cost, Royal Parks could set an example to all other institutional land managers in environmentally friendly land management. This could for example include banning the use of pesticides, and developing energy saving and recycling policies.

New cathedrals initiative. The time is now right for overhauling with English Heritage the various mechanisms for preserving and protecting our cathedrals.

Wildlife and countryside

Bring a green dimension into main agricultural programmes: adapt the substantial support already provided to farmers through existing programmes to promote environmental objectives positively. Now discussing with MAFF.

Give greater protection to the countryside through the planning system. The planning system could give more weight to public concerns about countryside and landscape without putting major new burdens on farmer. Options for discussion with MAFF and the Forestry Commission could include limited planning controls on afforestation, strengthened planning controls in Natural Parks, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest, and perhaps some modification of permitted use regulations for agricultural development.

Planning (all for discussion with departments concerned)

Improve analysis of environmental impact of major developments. Extend environmental assessment to a wider range of projects and plans, giving a European lead that will help to ensure the advance appraisal of major development and mitigation of its environmental effects.

Adjust scope of development control. Review the boundaries of development control. Some permitted temporary uses (eg markets) can cause damage to amenity and might be made subject to specific planning control. Other cases, (eg small factory extensions to provide canteen or creche facilities) might be removed from control.

Positive initiatives to restore tatty land. The planning system cannot itself clean up the urban fringe to make the Green Belt green. But the public and private sectors together can make a considerable impact, using planning control to steer suitable development towards sites requiring restoration, with derelict land grant and Groundwork Trust initiatives where appropriate. Legislation can help to prevent new dereliction by extending the polluter pays principle to activities that would otherwise create dereliction.

Environmental Protection

Take faster action to deal with the worst local UK air pollution. There are 21 areas containing at least one site where WHO ozone standards are exceeded or where there are particular problem industrial processes. We could launch an initiative aimed at establishing upgrading timetables for all these sites.

Raise the profile of action to control risks of methane explosion at land waste sites. Less than perfect land-use control by local authorities has led to perhaps 800 sites being at risk from methane explosion. We could embark on a vigorous programme of guidance to raise local government awareness of the problem to establish local authority registers, and perhaps for an increase

This is a tragedy waiting to happen. AT

in the current provision for gas control (currently £33m).

Local Government

Have local authorities conduct environmental audits. Changes in local government policy on the environment - if only in their approach to purchasing - could have a significant impact.

Ensure that authorities give an account of their environmental performance. As well as informing the electorate, such measures would allow performance targets and league tables.

EIW AFFAIRS
Reid Rein Pt 14

Prime Minister ①

Content with what is proposed?

Yes

⑧ and ⑨ look particularly useful.

Yes. MF

CAPS

8/2

Prime Minister

PUBLIC SECTOR ENERGY EFFICIENCY CAMPAIGN

Last June you endorsed Cecil Parkinson's proposals for a new public sector energy efficiency campaign, concentrating initially on central Government. Since then a Minister, with specific responsibility for energy use, has been appointed in each of 16 Departments, and on 31 January I chaired the second in a series of Ministerial meetings to take the campaign forward. Six colleagues attended.

All Departments have produced detailed strategies to promote energy efficiency on their estates against the objective of achieving savings rising to £45 million per annum, and we have agreed a framework to monitor progress. We have discussed successful measures taken and projects planned.

I am particularly keen on introducing private sector expertise into the management of energy in the Government estate. To that end I am negotiating with Treasury and DOE arrangements for making contracts with energy management companies more accessible to Departments.

Added to that despite the problems associated with the complex nature of the Government estate we are close to agreeing the criteria for a league table of performance of individual Departments which will be fair to all. I hope to publish before the Summer recess a report which will include such a table. ⑧

Finally, John Wakeham and I have agreed that for the Ministerial Meeting in early May a Paper for discussion should be circulated concentrating on what each Department can do to embolden their clients, both public and private, to become more efficient in the use of energy. Hospitals in the Health Service and Defence Contractors with the Ministry of Defence, are two such examples.

(9)

I am copying this to colleagues on the attached list.

6.ii.90.

PETER MORRISON

Agriculture. Fisheries and Food:	David Curry
Defence:	The Earl of Arran
Education and Science:	Alan Howarth
Employment:	Lord Strathclyde
Environment:	David Heathcoat-Amory
Foreign and Commonwealth Office:	Lord Brabazon
Health:	Roger Freeman
Home Office:	David Mellor
Lord Chancellor's Department:	Lord Chancellor
Northern Ireland Office:	Richard Needham
Scottish Office:	Ian Lang
Social Security:	Lord Henley
Trade and Industry:	Eric Forth
Transport:	Robert Atkins
Treasury:	Richard Ryder
Welsh Office:	Ian Grist

ENV. AFFAIRS: Add Rom pr 14.

PART ~~13~~ 13. ends:-

CAS to PM: 13.1.90

PART 14 begins:-

Mui/Emery to PM 6.2.90

~~Norwegian Amb to CDP.~~

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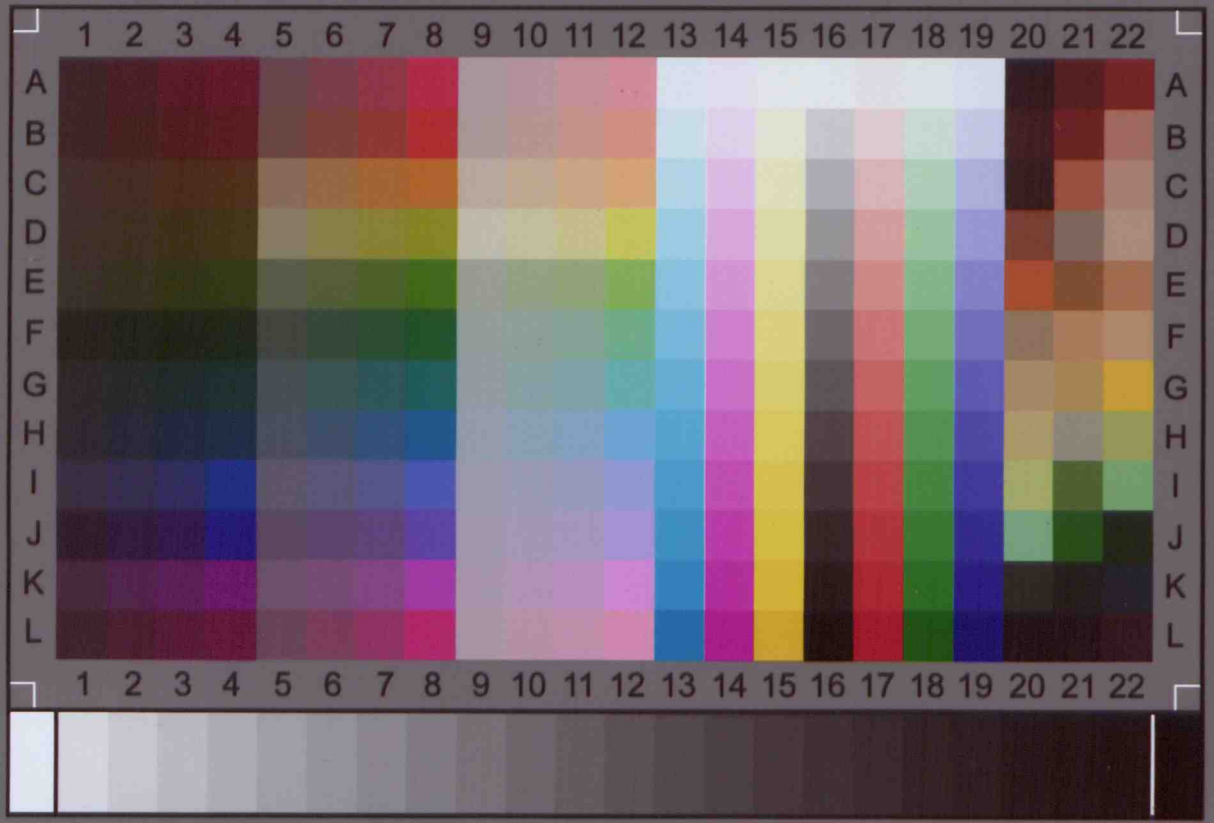

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