



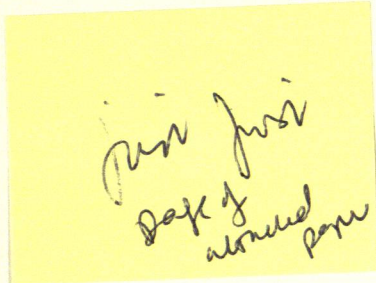
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23 December 1982

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FIVE YEAR FORWARD LOOK

In your letter of 16 September to the Home Secretary you asked Ministers in charge of Departments to send you a Forward Look at Departmental programmes for the next five years.

I enclose a report for the Department of the Environment prepared in consultation with Ministerial colleagues and senior officials. This includes several new initiatives which are in the preliminary formative stages. As our thinking develops I propose to bring forward separate papers, for discussion in the appropriate Ministerial forum, covering proposals set out in Part III on standards in local government, Urban Renewal Agencies, on enhanced roles for housing associations, the future of the planning system, and on environmental pollution control.

I am copying this to members of Cabinet and Sir Robert Armstrong.

you see
[Signature]

MICHAEL HESELTINE

Prime Minister

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DEPARTMENT OF THE ENVIRONMENT

FIVE YEAR FORWARD LOOK:

REPORT FOR THE PRIME MINISTER

PART I: MAJOR COMMITMENTS WITH WHICH THE GOVERNMENT
ENTERED OFFICE

All the major 1979 manifesto commitments in the Department's areas of responsibility have been fulfilled. The most specific of these were the introduction of a right to buy for public sector tenants and the abolition of the Community Land Act.
On rating reform the manifesto said:

"Labour's extravagance and incompetence have once again imposed a heavy burden on ratepayers this year. But cutting income tax must take priority for the time being over abolition of the domestic rating system".

There is thus no firm commitment outstanding on rates, though expectations aroused by the 1979 manifesto and earlier pronouncements remain unfulfilled. Proposals for meeting those expectations are covered in Part II (section 1(a)).

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PART II: MAJOR PROPOSALS TO BE CARRIED FORWARD

II 1. Local Government

II 1. (A) MISC 79 Discussions:

Proposals for the restructuring of local government, for rating reform and the control of local authorities' expenditure (as well as related transport and education matters) are being considered by MISC 79 and final recommendations to Cabinet are expected at the turn of the year. The following paragraphs report the latest position.

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CONFIDENTIAL**(i) Local Government Structure**

If Cabinet agree to MISC 79's recommendations to abolish the Greater London Council and Metropolitan County Councils, major legislation will be needed early in the next Parliament, preferably in the first session. Final abolition of the councils could be completed two years after the enactment of the necessary legislation although their activities would be steadily reducing over that period. Manpower implications for central government are a small division (Bill team plus follow up implementation) in DOE plus substantial legal load and extra pressure on finance divisions, and contributions from many other departments (of significance mainly in DTp, Home Office). Ultimately there would be manpower and financial savings in local government, but there would be transitional costs during abolition.

(ii) Rates Reform

A Green paper, "Alternatives to Domestic Rates", was published in December 1981. Consultation ended in April 1982. Future policy has since been under discussion in MISC 79.

The Group will advise Cabinet that the Government should not pursue the idea of introducing new forms of local tax

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in either the near or distant future. Instead they will propose a number of reforms to domestic and non-domestic rates. Legislation would be introduced in the first session of a new Parliament. The Group has yet to take a final view, but the proposals are likely to include:

(a) Discounts on domestic rate bills for households consisting of a single person. This is intended to distribute rates more fairly than at present in relation to consumption of local services. It would cost about £140m-£170m annually in current terms. This will have to be financed by the Exchequer or the general body of ratepayers.

(b) Rate Bills

(i) A revised form of rate demand note distinguishing more clearly than at present between amounts raised for the purposes of the rating authority and of precepting authorities; and

(ii) Annual rate statements for council tenants.

These measures will enhance the accountability of local authorities to local people by making their spending more perceptible. Manpower and cost implications are small. Legislation is desirable and probably necessary.

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(c) Statutory Consultation of Non-Domestic Ratepayers
Local authorities would be obliged to consult industry
and commerce before making rates or precepts. Manpower
implications would vary between authorities but could
be substantial in some cases.

(d) Revaluation

A revaluation of non-domestic property would take effect
within the five year period subject to resolution of
the manpower implications for the Valuation Office.
(700 staff if the work is all done in-house, less if
some is privatised). No steps will yet be taken to
prepare a revaluation of domestic property although
this will be needed in due course.

(e) Rating Procedures

Procedural changes to save manpower (up to 300 staff)
in the Inland Revenue valuation Office following a
Rayner Scrutiny report, subject to consultation. In
all cases save (d) above primary legislation would be
needed to give effect to the proposals for implementation
from the start of the financial year following
enactment.

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(iii) Control of local government Expenditure

A majority of MISC 79 is opposed to statutory control of local government expenditure or to limiting the non-domestic rate. Such measures would certainly require primary legislation and would have implications for central government manpower. MISC 79 has been concerned about the overall impact of these changes when seen in the context of public expectations arising from earlier commitments on rate reform. Cabinet will be invited to consider the possibility of reopening the issue of enhanced local accountability through more effective democratic control.

II 1 (B) Audit Commission

Legislation providing for the establishment of the Audit Commission was passed in the 1981/2 session and the Commission's major objective will be to bring about a substantial expansion of value for money auditing of local authorities thereby promoting a much needed improvement in economy, efficiency and effectiveness in all areas of local government activity.

(C) Contracting out in Local Government

Present initiatives designed to encourage local authorities to contract out services have met with some success and there is reason to believe that local authorities are increasingly considering this option to achieve cost savings or, by using competitive tendering, to promote greater efficiency in in-house operators. Progress has been slower than hoped for, but probably as much as could be expected given the political, trade union and other constraints at the individual local authority level. The immediate course for the present is to publicise the examples of success and to urge others to follow suit.

II 1 (D) Direct Labour Organisations

The Government has achieved very substantial progress in fully exposing DLO's to private sector competition. This is now being taken further. The Minister of Housing announced on 14 december the doubling of small housing repair work to go out to competition and ditto other new building work. All higher value work has to go out to competition already. Ministers are considering changes to put additional small highways work out to competition as from 1.10.83.

The Government also proposes to increase the proportion of building professional services carried out by private firms. The recent changes stemming from the Mergers and Monopolies Commission reports on fees and services give new scope for introducing a greater element of private sector participation. Legislation would probably be necessary.

This Session's Housing and Building Control Bill provides for building control to be carried out by private sector certifiers.

.2

Housing

(A) Further extension of the right to buy

The success of the Right to Buy scheme for public sector tenants must be carried further in this parliament and the next. We estimate that a maximum of about 40% of all tenants (2.6 million) in Great Britain are in a financial position to buy with right to buy discounts. However of these 2.6 million, about 1 million are unlikely to want to buy either because they do not like their present house or flat (one third of all council tenants live in flats), or because they are too old. leaving perhaps 1.6M potential sales to sitting tenants. In this Parliament a total of

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650,000 sales by April/May 1984 seems likely. There are therefore up to a further million potential sales to sitting tenants. There is also an additional sizeable home ownership demand to meet through our various other low-cost home-ownership initiatives from council tenants who want to buy- but not their present house or flat. The current Housing and Building Control Bill extends the right to buy to some 120,000 council and housing association tenants previously excluded and also opens up shared ownership to many who cannot afford outright purchase.

There are two further changes which could give a substantial stimulus to right to buy sales.

- i. the end of the rule that secure tenants must have completed at least 3 years' tenancy before they can exercise the right to buy;
- ii the extension of the discount scale from the current maximum 50% after 20 years' residence to a maximum of 60% after 30 years' residence.

The combined effect of these measures could be to produce 100,000 extra sales.

Legislation will be necessary. Colleagues are being consulted about the possibility of using the present legislation for this purpose. More sales should produce

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immediate capital receipts of about £27 million for each 10,000 houses sold, and savings from each 10,000 sales a year would yeild up to £40 million (current and capital combined) in the fifth year. Increased sales will require some extra expenditure on central and local government staff.

Detailed consideration is also being given to the Policy Unit's proposal for a rising repayment mortgage scheme which would reduce the mortgage payments in the early years. This could be adopted under existing legislation as an optional alternative to a conventional annuity mortgage from a local authority under the right to buy.

II 2 (B) Capital Allowances for Private Sector Shared Ownership.

An additional major boost to the extension of low cost home ownership would result from extending the availability of capital allowances to the rented element of private sector shared ownership schemes, undertaken by assured tenancy landlords (see below). This would make it possible for the first time to carry out shared ownership entirely in the private sector without the need for public expenditure to purchase the balance of the equity not bought initially by the shared owner. This vaulable extension of the private sectors contribution to low-cost home-ownership could be achieved in this year's Finance Bill.

II 2

(C) Extension of Assured Tenancies

The 1980 Housing Act introduced assured tenancies. The 1982 Finance Act built on this initiative by giving approved landlords 75% first year capital allowances on the construction expenditure. We now have the means of carrying out new building for rent in the private sector on a viable basis for the first time since the war. There has been an encouraging response and this scheme should be further developed in the next Parliament by enabling approved landlords to let newly converted and improved homes, as well as newly built ones, on assured tenancies. This would enable private builders to take difficult to let local authority accommodation (now totalling 300,000 dwellings) into the private sector for conversion and reletting.

Legislation will be necessary - ideally in the first session of a new parliament. The expenditure implications are difficult to assess but the overall PSBR cost would probably be under £5 million a year - taking no account of the public expenditure savings of getting difficult to let local authority stock into private ownership. There are no significant manpower implications.

II 2

(D) Tax Allowances for Landlords' Repairs

As a further boost to the private rented sector, private landlords should be enabled to offset repair expenditure against all income, rather than just rental income, for tax purposes. This would provide a greater incentive

for them to carry out substantial repair works and remove a possible disincentive to their acquisition of run-down public sector dwellings. (The Chancellor of the Exchequer might feel able to make this tax concession - which should cost very little - during the lifetime of this Parliament).

This provision would be covered in a Finance Bill. The expenditure and manpower implications would be insignificant.

II 2

(E) Local Management of Public Sector Estates

In certain urban areas conditions on large public sector estates are appalling. To overcome these problems tenants should be encouraged to take more responsibility for the well-being of their estates by the extension and development of two major initiatives:

i. to raise authorities' standards and sights by initiating management projects with an injection of incentives and advice from central government. Over the last 3 years the Priority Estates Projects and Community Refurbishment Schemes have shown how run-down and unpopular council estates can be turned round. Authorities generally should be encouraged to apply these lessons. It is proposed to experiment with estate budgets - pooling the resources of different local authority departments for problem areas and to consider the scope for reshaping resource allocation systems so as to stimulate effective locally-based housing management systems.

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ii. to build on the experience of a radical experiment at Cantril Farm on Merseyside to transfer the ownership of demoralised council estates to private non-profit making trusts created for the purpose of channelling private sector finance into the rescue and subsequent management and development of the community and its assets. This approach calls for imaginative and positive leadership from the local authorities, the financial institutions, developers and local residents, and requires careful negotiation by Ministers and officials but the prize is that of transforming depressing, decaying and costly council estates into mixed tenure, privately financed areas under sensitive and dynamic management. The trusts formed for this purpose should also be able to take advantage of the revised Assured Tenancy provisions proposed above.

Neither of these approaches is likely to require legislation and the initial costs of setting up such schemes will be contained within Housing PESC. But some small increase in DOE staff will be necessary.

II 2 (F) Right to Repair

Tenants should be allowed to carry out certain repairs themselves or have them carried out by their own contractors. The London Borough of Havering have successfully introduced a voluntary scheme which allows for this and for tenants to be reimbursed at 75% of what

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it would have cost the local authority to do the work. The tenant benefits and there is a saving to the local authority. Ministers are now considering going beyond this in order to provide public sector tenants with a right to repair, subject to suitable financial controls. Legislation is being contemplated, possibly in this Session's Bill. Manpower and expenditure implications would depend on the approach to tenants and their response. Ideas are also under review for strengthening the existing common law rights of private sector tenants to secure repairs to their dwellings, but to do so in a way that would not add further to the existing disincentives to landlords.

(g) Empty Council Dwellings

Attacking the problem of empty public sector dwellings has been a priority since 1979. There remains, however a hardcore of some 20,000 owned by local authorities which remain empty for more than a year. Pressure on local authorities will be increased by requiring them to publish details of every house kept empty for more than a year and the reasons for this in each case. But it is necessary to do more Ministers are now examining the use of existing powers of direction to oblige authorities to dispose of individual dwellings where without good reason they have not brought them back into use. Successful use of a direction would produce capital receipts for local

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authorities. Departmental consideration of representations before the power was used in an individual case would be manpower intensive, requiring administrators and lawyers. New, tailor-made powers may have to be sought if the present ones prove too cumbersome to use in practice.

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II 3. Urban Policy

(A) Introduction

Since 1979 more emphasis in inner city policy has been given to economic aspects and the role of the private sector, in order to stimulate local enterprise and business activity and to attract private investment into these areas. Priority will continue to be given to the areas most in need of assistance - via the Urban Programme and the partnership and programme authorities and the new Urban Development Grant which may need further adaptation. Resources available for the urban programme have been increased in each of the past three years and in 1983/84 will be £348m compared to £165m in 1979/80. Of this some £60m (and £25m of DLG) is earmarked for the Urban Development Grant and is expected to be matched 2½ times by private sector investment. The emphasis will continue to be on joint working between central and local government and other agencies, together with the resources of the private and voluntary sectors. Proposals for major new initiatives are covered in Part III.

II 3. (B) Derelict and Underused Land

Resources available for reclamation of derelict land have been increased; next year a total of £65 million will be available (as against the £45 million originally allocated for this year). This includes provision for the special programme in which reclamation projects by local authorities in urban areas are linked with firm plans for subsequent development by the private sector. Derelict land grant is

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available for reclaiming derelict sites identified in land registers. The general policy is to secure the disposal of registered sites and to ensure full and economic use of urban land so as to minimise encroachment on agricultural land and the countryside.

II 3. (C) Land Disposal

More vigorous action is needed to secure the release of vacant public sector land. Although public authorities are required to enter on the land registers comprehensive information about unused and under-used land in their ownership, some appear to be holding back. They must be pursued more rigorously to reveal fully the extent of their vacant holdings, and positive use should be made of the powers in the Local Government, Planning and Land Act 1980 to direct disposal. Legislation appears to be unnecessary, but the manpower consequences of taking a more active role to ensure registration of land and its subsequent disposal could be substantial.

II 3. (D) Operation Groundwork

On Merseyside the first Operation Groundwork Trust has succeeded in involving local industry, landowners and voluntary organisations and local authorities in a co-ordinated effort to convert waste land to productive farming use and to improve access to the countryside. Up to £4 million will be made available in 1983/84 to promote similar Trusts in other areas of the North West. Initiatives elsewhere in the country will be welcomed and supported with grant aid so far as resources permit.

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II 4. Planning

Hazardous Installations

Proposals to strengthen planning control over hazardous installations have been published for consultation.

Legislation will be necessary. (Further proposals for planning are presented in Part III).

II 5. Heritage: Commission for Ancient Monuments and Historic Buildings

The major heritage proposals which will be carried forward into next Parliament will be the effective establishment of the Commission for Ancient Monuments and Historic Buildings from October 1983 or April 1984. There will be a continuing effort to see that the Commission is set firmly on its feet during the first year. That will not involve further legislation but there will be organisational changes within DOE, involving the transfer of about 1,000 staff to the Commission.

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II 6 Rural Development and Conservation

(A) Rural Development

The continuing aim of the Government is to strengthen and diversify the rural economy, and for that purpose to encourage new initiatives especially through the development of new small businesses. The Development Commission and COSIRA have been given greater independence and freedom of action to select the rural areas in which to concentrate assistance. They will have a wider choice of aid schemes and, when legislation is passed, direct control of expenditure. For example, COSIRA can now help retailers and the Commission can provide workshops in partnership with Local Authorities wherever they identify a need. A more effective and co-operative relationship is being established between COSIRA and the Department of Industry's Small Firms Scheme in advising small businesses in country areas. The Wildlife and Countryside Act provides for farmers to be advised by ADAS on opportunities for diversifying the farm economy; COSIRA and the Development Commission will work more closely with ADAS in this task. These measures should allow rural communities to remain viable in areas where they might be threatened by a decline in traditional employment in agriculture.

II 6

(B) Conservation of the Countryside

The Government's policies are designed to secure the conservation of natural beauty, the protection of features of scientific interest and the promotion of recreation in the countryside. They rest substantially on voluntary co-operation between the statutory agencies (Countryside Commission and Nature Conservancy Council), local authorities (especially National Park authorities) and individual farmers and landowners.

The major measure introduced by the Government, the Wildlife and Countryside Act 1981, emphasises the voluntary principle. The Act provides, among other things, for payments to farmers and landowners who negotiate Management Agreements to forego agricultural improvements in order to safeguard scientific interest and landscape of high scenic value. Virtually all National Nature Reserves have so far been established without any use of compulsory purchase, many of them by agreement with a private landowner. The Government is committed to making the provisions of the Act work, and rejects the extension of planning controls over farming activities as bureaucratic and unnecessary.

II 7

Environmental Protection

(A) Water

The Government are determined to advance the cleaning up of dirty rivers and estuaries. There is a firm programme for the phased implementation of Part II of the Control of Pollution Act 1974. It would bring all discharges to rivers, coastal estuaries and underground waters under control. EC Directives have been negotiated and are being implemented, which will give added protection to rivers and other waters, without imposing undue penalties and costs on British industry. Proposals for cleaning up the Mersey system have been published with the aim of securing faster progress and promoting the better use and enjoyment of its banks.

II 7

(B) Waste

The initiative has been taken to get a better European system of control over the export and import of wastes. Control over the disposal of hazardous wastes in this country will be made more effective following the extensive review of the current system. A Waste Disposal Inspectorate is being set up to improve standards for the disposal of all forms of solid waste. The Government will continue to give strong support to the glass recycling movement, to the reclamation of cans, and to the re-use of waste materials wherever is practicable.

II 7 (C) Air Pollution

The record of dealing with most forms of air pollution is good. The worst problems have been tackled, but decent air quality standards must be observed everywhere. In some places that will mean reducing the level of smoke and sulphur dioxide still further; and possibly taking fresh action on other pollutants. Local authorities need more flexible powers to cope with pollution from different sources, and closer collaboration is necessary between the Government's central air pollution inspectorate and local authority environmental health officers in tackling air pollution problems. The pollution control authorities responsible for clean air, rivers, safe disposal of wastes will be encouraged to work together to achieve the optimum improvement in our environmental conditions.

II 8 Privatisation and Contracting out (DOE(C), PSA and Ordnance Survey and Other Non-Local Government Bodies)

As indicated in a full report to the Chancellor of the Exchequer (19 October), much has already been achieved or set in hand by way of privatisation, contracting out or hiving off to other bodies, functions formerly carried out by the Department and its related public bodies. Further opportunities may be identified in the current MINIS round.

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In the next Parliament there may be further possibilities for privatisation and contracting out in the water industry. Officials have been instructed to investigate these. An ambitious scheme for cleaning up the Mersey in which the private sector might play a major part has already been announced, others are in preparation.

The Property Services Agency will continue to provide scope for contracting out with consequent reductions in manpower. There will be further developments in the trading arrangements of this Ordnance Survey and the Building Research Establishment. There will also be benefits from having hived off the auditing of local authorities and functions relating to ancient monuments and historic buildings.

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PART III MAJOR NEW INITIATIVES

III 1. Local government

The statutory basis of local government assumes 'neutral' local government officials advising a Council as a whole, and reflects a long-standing convention that local politics will be confined to local issues and be more or less free of national party politics. But local government is now more overtly party-political than ever before. There are clear indications of practices growing up, especially among urban authorities, which put a strain on the institutional framework (ill-adapted for a political way of working) and on the conventions which have traditionally provided protection against over-politicisation. Examples are:

- emergence of the full-time councillor (through use of the allowance system, or on leave of absence from sympathetic employers - usually another local authority);
- the dominance of the party caucus (possibly including outsiders);
- manipulation of standing orders to neutralise Opposition parties;
- pressure on officers (who have no code of conduct to protect their position) to serve the majority party rather than the Council;

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- appointment of officials (in addition to overt political aides) because they are politically sympathetic to the majority party.

These developments could undermine confidence in the local democratic process, and exacerbate difficulties in relationships with central government. This is a highly sensitive area and it is essential that any proposals for change should be put forward against a firm basis of fact. There may be a need for Government action, including legislation, during the next Parliament, but some form of preliminary inquiry is a first essential. Proposals on the most appropriate form for such an inquiry will be put to Ministers collectively soon.

2. Housing

(A) Widening Building Societies' Powers

An important housing reform for the next Parliament would be a widening of the powers of Building Societies. The necessary legislation would be for the Chancellor to promote. Discussions have begun on what changes would be most desirable. These must, however, include provisions that would empower Building Societies to carry out developments themselves, rather than merely finance them on a relatively restricted basis. This would enable societies to act as private landlords, bringing a new vigour and acceptability - and fresh resources - to the private rented sector. It would enable them to build for shared ownership

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or rent under the assured tenancy scheme thus helping to tackle the underlying problem of the low rate of return to private sector landlords. The legislation should be introduced as early as possible in the new Parliament. There should be no manpower implications and there may be public expenditure benefits by a reduction in the need for public sector housing provision.

III 2. (B) Housing Association involvement in Urban Renewal

Housing associations with their increasing expertise in managing the improvement of older housing areas, could play a part in support of urban renewal agencies, and elsewhere in other urban areas. Associations already have limited powers to carry out environmental schemes, but they are not enough to secure the more comprehensive renewal that is often needed. It is proposed, therefore, to examine how best some of the bigger housing associations might contribute to urban renewal, bearing in mind that few of them have substantial funds of their own. They would need to work closely with the private sector (maximising private financial support). Their aim would be to secure the improvement of social and environment facilities in a defined neighbourhood, ie housing improvements, restoring derelict sites, running suitable local training schemes, providing nursery industrial units and minor infrastructure schemes. Legislation would be needed.

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III 3. Urban Policy

(A) Urban Renewal Agencies

Since 1979 the emphasis of urban policy has been changed and a new impetus given to the regeneration of inner cities by concentrating on economic development and by enlisting the resources of the private sector. Few local authorities are equipped, in terms of resources or experience, to undertake this work on the scale required. Two new types of organisation have therefore been introduced - the Urban Development Corporations (in London Docklands and Merseyside), and the Task Force concept (first on Merseyside and now in the form of Area Task Forces for example in Sandwell and Liverpool) in order to maintain and carry forward these new initiatives, with the emphasis on constructive partnership between the public and private sectors and the levering of private finance into urban area regeneration. The roles of the Task Force and the Urban Development Corporation need now to be combined. The result would be an Agency capable of initiating and co-ordinating urban renewal activities, working in co-operation with local authorities and the private sector, and (where necessary) undertaking development themselves.

For the next Parliament it is therefore proposed that:

- (a) provision should be made for the setting up of Urban Renewal Agencies in a few areas where the need for regeneration is most pressing;

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- (b) these Agencies would combine the main functions of the Urban Development Corporations together with the Task Force approach (this could probably be done under the provisions of the 1980 Act but we should consider the case for some additional provisions - eg to set up subsidiary companies for major projects undertaken in partnership with the private sector);
- (c) The Agencies would work in co-operation with the local authorities and other bodies concerned including housing associations (see III 2 above) and would not take over their statutory functions but could, by agreement, undertake similar work and, exceptionally, carry out such work in cases where the local authority withdrew co-operation or failed to deliver on a scheme already in progress;
- (d) The Agencies would be under the direction of the Secretary of State for the Environment; their staffing and budgets would be set in agreement with the Treasury within the block of expenditure that includes the urban programme.

To be effective, Agencies of this kind would probably involve expenditure and staff on roughly the same scale as the existing Urban Development Corporations (£25 - 40m a year and around 50-80 staff). But the scale of their direct

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expenditure will be less important than their ability to enlist private sector resources and to make a really effective contribution to urban regeneration.

III 4. The Future of the Planning System

The land-use planning system should not be an oppressive regulatory process or an impediment to desirable development and economic regeneration. At the same time it plays an essential part in the protection of property values and of the countryside. In the past four years we have taken effective action to improve the efficiency of the system. What is needed is not the dismantling of the system but reaffirmation of basic objectives and simplification of machinery and procedures; less detailed control at the local level and less involvement by central government in what are purely local issues, while retaining effective policies on matters that are of more than local significance.

Thus our aims should be to:

- (a) reaffirm basic objectives - proper provision for new development; urban regeneration; bringing back into use wasted and derelict land; conservation of the countryside - efficiency, economy and amenity in the use and development of land;
- (b) confirm basic components of the system (stability important to both developers and property owners)

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- equitable control of development, based on realistic plans, open to public participation and rights of appeal;

(c) adjust the balance of the system - less involvement by central government in local planning, but more effective policy guidance where it is needed;

(d) improve the efficiency of the system and simplify its procedures.

Given this basis of stability and continuity the ground can be prepared for changes in the system in a way that emphasises improvements in efficiency and more effective operation. In doing so it will be necessary to:

(a) Recognise that planning has an essential but limited role in the development process - there are other important ways of facilitating development and regeneration eg Enterprise Zones, Derelict Land Grant, innovations in housing policy and housing improvement, conservation of the countryside;

(b) Leave the way open for simplifications in the system that are consistent with this general approach and with our emphasis on de-regulation. For example, the following could be proposed:
redefining the status of structure plans as non

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statutory documents; extending the simplified form of control now used in Enterprise Zones; introducing new arrangements for adjudication on minor issues; encouraging architectural quality by removing detailed aesthetic control and letting responsibility for good design rest with the designer of the building.

The changes required to move in this direction would involve legislation, and they could well prove controversial. But most of what is needed to change direction requires a new approach rather than new powers.

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5

ENVIRONMENTAL PROTECTION

A

Environmental Action Areas

There are parts of some of our cities and towns, and some parts of the countryside, which suffer from a concentration of pollution, blight, contamination and dereliction. We need to focus action and money on these hotspots by creating environmental action areas in which the combined efforts of the public and private sectors and the voluntary organisations are brought to bear. In the first instance a few of these areas might be identified by the Government who would act as a catalyst in bringing the various interests together. The pollution control bodies and the planning authorities would be involved as necessary. In some areas the proposed Urban Renewal Agencies would have a major part; in other areas the Civic Trust, housing associations or new environmental trusts would play a leading role. The MSC might have a useful part to play The aim would be to marry public and private enterprise in order to create fresh opportunities for development, housing, employment or leisure activities as the environmental mess is removed. Government financial support would be required principally as leverage to secure private sector participation and to help firms achieve the highest standards of pollution control.

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need a strong home market as a base for competing in export markets. The imposition of higher standards would both improve the environment at home and increase competitiveness in foreign markets. In the past we have stuck too closely to the "Polluter Pays Principle" for our own good. Other Western countries are less afraid to give aid to their industries where special pollution control measures are required. Higher standards in this country might be encouraged, by giving discretionary grants to industry, rather than tax concessions, towards the cost of measures for minimising air and water pollution; and towards the cost of R&D on new pollution control equipment.

III 5 D Acid Rain

There is a growing public international and scientific consensus that action to control sulphur and nitrate emissions from power stations is now justified. Two decisions are called for - first, new fossil-fuel stations should include equipment to reduce these emissions; second a reasonable programme of retrofitting at some existing stations should be agreed.

III 5 E Lead

This is the most notorious pollutant at the moment. It is Government policy to reduce exposure to lead. Much has been done but public concern remains. Lead could be taken out of food cans and paint; and we could step

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III 5 B Cleaning up the worst rivers, canals and beaches

Only 2 per cent of our rivers are classified as grossly polluted, and a further 8 per cent as highly polluted. The worst is the Mersey, its estuary, tributaries and canals; and a major new initiative has already been announced for cleaning up the river and its banks. Programmes for South Yorkshire rivers and the Tees estuary should be accelerated. There are also beaches which are badly polluted by sewage. Cleaning them up would be a popular move and in some cases we must do it to comply with the EC Bathing Beaches Directive. Some of this pollution can be tackled as part of an environmental action area initiative. But not always. Faster progress will require some increase in capital investment by the particular Water Authorities, and we should consider the possibilities of limited grant aid. We must also consider making available discretionary grants to industry and to agriculture (for dealing with the effluents from intensive livestock units) where exceptional measures are required (see below). For the most part, it should be possible to adjust existing public expenditure programmes to achieve this.

III 5 C Tighter Standards: Benefit to the Equipment Industries

If we lag behind other advanced industrial nations in the standards set for controlling pollution, our manufacturers of pollution control equipment will lose out. They

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up measures to counter lead in drinking water in areas where the level is too high. Our current policy is to reduce petrol lead to 0.15 grammes per litre by the end of 1985. We can then expect a 80 per cent reduction in lead in the air. Nothing should be done to jeopardise this programme. Any new action must be agreed in Europe and should be compatible with the energy and motor industry policies. We could consider a target date, say 1990, for new cars to run on 92 octane lead-free petrol. The Royal Commission may point this way when they report around Easter 1983.

III 5 E Substitute materials and control over use

There is great concern about the harmful effects of particular toxic substances such as cadmium and asbestos, which are not fully met by traditional methods of pollution control. Grants should be given to speed up R&D into the development of substitutes. In some instances direct controls over the use of harmful materials are needed, and the use of substitutes should be required (a policy already applied to certain uses of lead).

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