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The Rt Hon Nicholas Edwards MP  
Welsh Office  
Gwydyr House  
Whitehall  
LONDON  
SW1

My ref:

Your ref:

25 November 1986

*Dear Nick*

In the light of the very considerable pressures of development in the South of England, especially in the Green Belt, and the widespread public concern about it, I have decided that I need to issue further guidance on our planning policies and, in particular on land for housing. This would supplement and clarify our earlier circular 15/85 on Land for Housing. You concluded that you would not join us in promulgating that circular since the circumstances in Wales are different and distinctive. I assume therefore that you would not wish to join in the new circular that I now propose to issue in draft for public consultation, but I thought I should let you know of this and explain its purpose.

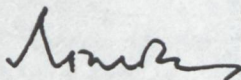
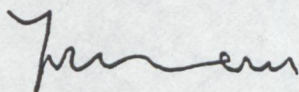
Apart from the general pressures which result from the relative economic prosperity of the south, there are a large number of proposals for major development in the London Green Belt, and indeed in other Green Belts. The public promotion of these proposals arouses widespread concern about the firmness of our commitment to the Green Belt Policy and a suspicion that we are in some way encouraging such development. We have of course maintained Green Belt policy unaltered and our decisions on individual cases will be taken against the policy background. But there is a danger that the public do not understand this. More generally, there is concern on the part of our supporters to see development taking place in urban rather than rural areas, and strong demands that we should "call a halt" to large scale housing development in the South East.

The new circular is intended to re-assure those who are concerned about our attitude towards the Green Belt, and also to show what we are doing to encourage development in those parts of the country that need it. It also gives us the opportunity to clarify a number of matters in our circular 15/84 on land for housing which have been the source of some uncertainty and needless disputation at public inquiries.

I enclose a copy of the draft circular which I intend to issue for consultation. I would be glad to know as soon as possible whether or not you would want this to be a joint circular. Other colleagues will wish to have the opportunity to see the circular in draft. It would be helpful to receive any comments by 1 December (earlier if possible), so that the draft circular can be issued at the beginning of next month.



Copies of this letter and enclosures are going to the Prime Minister, Willie Whitelaw, David Young, Malcolm Rifkind, Michael Jopling, Paul Channon and Sir Robert Armstrong.



NICHOLAS RIDLEY



Circular from the

Department of the Environment  
2 Marsham Street, London SW1P 3EB

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PLANNING POLICY AND LAND FOR HOUSING

Sir,

Development and Conservation

1. This circular advises local planning authorities and others concerned on the balance which has to be struck between the needs of development and the interests of conservation, and with particular reference to land for housing. It does not introduce new policies but is directed at reinforcing and clarifying aspects of existing policies as set out in successive circulars since 1979.

2. Properly used, the planning system can help to secure economy, efficiency and amenity in the development and use of land. An efficient planning system can facilitate much needed development which helps create jobs - in construction, in commerce and industry and in small firms. The Government is equally concerned to protect and enhance the environment in town and country, and to preserve our heritage of historic buildings and rural landscape. The Government has also reaffirmed its strong commitment to the maintenance of the approved Green Belts - see Circular 14/84.

3. Within existing built up areas, and especially in the older parts of towns and cities that are suffering from economic decline and physical obsolescence, every encouragement should be given to attracting new investment and to fostering local enterprise. This positive promotional approach will influence the exercise of planning control and it can be seen from the statistics of planning applications granted that local planning authorities generally are active in facilitating development that will provide employment and in encouraging small firm development. Especially in areas of high unemployment, planning authorities will generally be disposed towards permitting new development, without imposing unnecessary conditions or restrictions, and it is right



that they should do so. A positive attitude towards development can help to create a climate favourable to attracting economic activity and new investment.

4. More generally within built-up areas there is a continuous process of change and adaptation which can be accommodated without detriment to the environment and, skillfully managed, can improve and enhance it. Special care is needed, of course, in conservation areas and other areas of historic and architectural importance.

5. The Secretary of State emphasises that, in stressing the need for a positive and constructive approach to change and development, he is concerned primarily with urban areas where the normal and continuous process of renewal can help to accommodate the needs of new development and to relieve pressure on the countryside. Beyond the built-up areas, the well established policies of maintaining the Green Belts and conserving the countryside must continue. The maintenance of these policies, especially in those parts of the country that are under heavy development pressures, can help both to ensure that full use is made of derelict and unused land in urban areas, and also to encourage development in parts of the country that need it and where developer interest is welcome.

6. This broad approach to facilitating change and development in urban areas, and especially in those where new economic activity is badly needed, while exercising necessary constraint in those areas where other objectives must prevail, underlies the Government's policies for development, redevelopment and conservation.

7. It is against this background that the Secretary of State wishes to reaffirm the policies on land for housing set out in Circular 15/84 and to clarify certain aspects of implementation.



## Land for Housing

8. Circular 15/84 set out the Government's policies for ensuring that the planning system provides an adequate and continuing supply of land for housing. It emphasised that this must be done in ways that take account of the trends underlying market demand for housing and which pay proper regard to well established conservation and Green Belt policies, and to both local interests and those of the community at large.

9. Effective conservation policies and the firm protection of the Green Belts clearly restrict the amount of land available for development and the scale and location of new housing, especially in areas of high demand, and the cost of both new and existing housing will reflect this. The Secretary of State is not persuaded, however, that in the foreseeable future it would be right to relax these policies or that they are unduly restricting the supply of new housing.

10. If these policies are to be maintained, it is essential to make full and effective use of land within existing urban areas. Experience has shown that there are many practical opportunities arising from conversion, improvement and redevelopment, the bringing into use of neglected, unused or derelict land, including sites on Land Registers, and sites suitable for small scale housing schemes. It is essential that the planning system, as well as identifying suitable new land for housing, should identify and release the development potential of derelict, underused and waste land in urban areas.

11. It is important that the private and voluntary housing sectors should be encouraged to develop or redevelop sites for housing in urban areas, particularly inner city areas, whether for sale or for renting. This will increase the diversity of housing in those areas, and the range of choice available there to house purchasers or tenants. Weak market demand and high costs may limit developers' scope for such development; and there may be difficulties in assembling suitable sites, and some existing users may need relocation. Substantial preliminary site work may be needed to clear dereliction or pollution, and there may be difficulties in designing layouts for unusually shaped sites or



that fit well with existing development. For all these reasons developers will sometimes need financial assistance to overcome these problems and produce practicable schemes. Urban development grant (UDG) and derelict land grant (DLG) can help facilitate such schemes. The Secretary of State looks to local authorities to co-operate with developers to get worthwhile schemes under way.

12. The Secretary of State wishes to emphasise again that sites proposed for new housing should be well related in scale and location to existing development, well integrated with the existing pattern of settlement and surrounding land uses, and sympathetic in scale and character. He takes the view that this process of incremental development, moderate in scale and well related to existing communities, can be better adapted to people's needs, the pattern of economic activity, job opportunities and journeys to work, than the concentration of development in very large "growth areas" which can completely change the character of an area, overload local services and antagonise local residents. Provision for moderate growth of this kind must be planned in ways compatible with approved Green Belts and established conservation policies.

13. The Secretary of State also attaches great importance to the need to sustain smaller communities in rural areas where there is no pressure for major development but where provision for new housing can help to maintain local services, shops, pubs, schools, and other features of community life.

14. Paragraph 6 of Circular 15/84 said that "In a few cases it may be practicable to consider making provision in structure plan for new settlements. Any such proposals for structure plan alterations, and any specific proposals of this kind by private developers, must be subject to normal planning procedures." Several local planning authorities are considering proposals of this kind in reviewing their structure plan, and these may range in scale from moderate sized townships to small villages. The Secretary of State considers that well conceived schemes of that kind may well have a part to play in meeting the demand for new housing, especially where the development provides for meeting all or most of the costs of local infrastructure needed to service the site



and to meet the need for community facilities generated by the new development. Any such proposals must not conflict with established planning policies, nor detract from the emphasis placed on the re-use of derelict or recycled urban land. It is important to distinguish "new settlements" of moderate size from the kind of major "growth areas" referred to in para 12 above.

#### CONCLUSION

15. The Secretary of State considers that this approach to the policies set out in Circular 15/84, together with the clear commitment to Green Belt policy in Circular 14/84, should enable those policies to be implemented in ways that are likely to arouse less antagonism to new development, provided that both local planning authorities and prospective developers show that they are ready to take account of the concern of local residents and to adapt the scale and pace of new development to what can be assimilated without too much difficulty. Housebuilders can do a great deal to help in this by producing schemes of good quality, well designed and landscaped, and taking particular care over how their development relates to neighbouring property.

16. The Secretary of State trusts that the advice in this circular will be of assistance to local planning authorities and others in implementing these policies. He hopes that the detailed procedures recommended will be applied with the requisite degree of practical common sense, acknowledging that there may always be good grounds for departing from them in particular circumstances, and that exceptions may be warranted, provided always that the reasons for such departures or exceptions are clearly explained and justified.

17. In conclusion, the Secretary of State hopes that by adopting this approach local planning authorities and housebuilders will be able to meet the continuing need for new housing in ways that enhance rather than detract from the quality of the environment, and that all concerned will recognise that good housing is an essential part of the environment in which we live.

I am, Sir, your obedient Servant



## IMPLEMENTATION AND PROCEDURES

1. This Annex deals with certain points in Circular 15/84 that have given rise to difficulties in some circumstances. The essential point is that techniques or procedures which are intended to ensure that policies are operated in a fair and consistent manner, should not be applied in a way that becomes an obstacle to sensible decisions. There must always be room for negotiation and compromise in the conduct of the planning process.

2. Circular 15/84 set out in detail the relationship between the provision for housing in structure plans and its translation into local plans and development control decisions. It stressed that "It is essential that sufficient land is genuinely available in practical terms to enable the policies and proposals in approved structure plans and adopted local plans to be carried forward". While the advice in that circular (including Annex A) remains generally valid, it should not be applied in a doctrinaire or legalistic manner which can sometimes lead to protracted attempts at public local inquiries to prove a case with mathematical exactitude. It was to guard against this tendency that paragraph 18 of 15/84 said "It is not the intention, however, that decisions on individual planning applications should turn on a precise calculation of whether the supply of identified sites for housing exactly matches or varies from the 5 year provision derived from the structure or local plan. Such calculations can rarely be exact, bearing in mind the constraints on land becoming available, the incidence of in-fill and other small sites, and variations in the capacity of allocated sites".

3. It follows that the advice in 15/84 on detailed procedures should be applied in a way that allows for reasonable flexibility and exceptions; and that advice of general application should be adapted as necessary to particular situations. In particular, the following points are relevant (references to 15/84):

- (i) Market demand (paras 2, 5 and 7): in referring to the need to take account of market demand, the intention is to ensure that the provision made in structure and local plans takes proper account of the factors underlying trends in market demand - e.g. demographic changes, the distribution of economic activity and employment,



accessibility, journeys to work, availability of local services, and the kinds of housing that housebuyers want to buy. Clearly it is no use making provision for housing in ways that bear little or no relation to these factors. Equally, as is made quite clear in para 3 of 15/84, it is certainly not the intention that established conservation and Green Belt policies should be overridden in response to the market demand for housing.

- (ii) Phasing (para 8): in saying that phasing should not be used as an "arbitrary rationing process governing the release of land available for development", the intention is to discourage the practice of specifying in development plans the precise number of acres or houses to be developed each year. Such precision is inappropriate in plans covering several years ahead, and can impose unnecessary costs and constraints on orderly site development. The circular recognises, however, that the provision of major infrastructure and other services may affect the programming of development, and there may be other relevant reasons why the development of large areas of land should be carried out in stages. Similarly, where a plan extends over a long period, and the local planning authority wish to indicate how they envisage development being programmed over the period of the plan, this should be done in reasonably broad terms that allow scope for flexibility. The key requirement is that any such proposals should be clearly explained and justified and should not be introduced simply as "an arbitrary rationing process".
- (iii) Policy in the absence of an identified 5 year supply of land (Annex A paragraph 2 & 3): these paragraphs amplify paragraph 12 of the circular. Paragraph 3 states that, in the absence of an identified five year supply of land for housing in accordance with structure plan policies, there should be a presumption in favour of granting planning permission for housing except where there are clear planning objections which in the circumstances of the case outweigh the need to make land available for housing. This involves two stages:



first, to calculate whether sufficient land is available to meet the structure plan requirements; and secondly, if there is not, to decide whether in the particular case there are planning objections that outweigh the presumption in favour of granting permission.

Paragraphs 4 and 5 of Annex B to the Circular prescribe a residual method for the first-stage calculation\*. That method is practical where the level of housebuilding in recent years has been broadly in line with, or greater than, that indicated in the plan. But it may not be a useful method if housebuilding has been, and is likely to remain, well below the level indicated in the plan and this is not caused by an overall shortage of land for building. In those cases, the particular residual method suggested in Annex B can result in unrealistically high levels of notional land requirements for the remaining years of the plan. It may then be illogical to infer that there is not a five year supply of land. If the existing supply of land is likely to be sufficient to sustain the probable future level of housebuilding over the 5-year period, there should be no "presumption in favour" in respect of land not allocated for development during that period. Whether or not the "presumption in favour" applies, each case has to be assessed on its merits, having regard to all material considerations. Where housebuilding rates have been higher than envisaged in the structure plan, it may be necessary to bring forward proposals for increasing the provision made in the plan for future years.

- (iv) Policy on a 2 year's supply of land (para 12): this states that, within the context of a five year supply of land, "the aim should always be to have at least 2 year's supply available on which development can start straight away". The objective is to avoid a situation in which, for example, a five year supply of land may have been identified but none of it is available for development until the last year or two of that period. Again, there is no need for this guidance to be applied with absolute precision but the intention is clear, as illustrated by that example.

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(Footnote) \* Circular 30/85 (para 1.17) deals with transitional arrangements in metropolitan areas.









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10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

4 December 1986

Dear Robin

**PLANNING POLICY AND LAND FOR HOUSING**

The Prime Minister has seen your Secretary of State's letter of 25 November to the Secretary of State for Wales. She has also noted the comments of various of his colleagues.

She is of the view that the time is not right for a further circular and suggests that if he feels it necessary your Secretary of State should make his points in an appropriate speech.

I am sending a copy of this letter to Joan MacNaughton (Lord President's office), Caroline Slocock (Department of Employment), Robert Gordon (Scottish office), Colin Williams (Welsh office), Ivor Llewelyn (Ministry of Agriculture, Fisheries and Food), Michael Gilbertson (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).

Yours  
Sincerely

(P. A. BEARPARK)

Robin Young, Esq.,  
Department of the Environment.

SK



PRIME MINISTER

PLANNING POLICY AND LAND FOR HOUSING

The Secretary of State for the Environment has proposed a further circular intending to clarify the balance between the needs of development and the interests of conservation - Flag A. He feels this is necessary because of public concern about the firmness of the Government's commitment to the Green Belt Policy, and the aim of his draft is to reassure people.

The Secretaries of State for Employment and Trade and Industry disagree - Flag B and C. They fear that the circular would only appease one lobby at the expense of another.

A note by Hartley Booth is also attached.,

Agree that I should write saying that you do not think that the time is right for another circular? |

*AMB*

P.A. Bearpark

3 December 1986

*Yes - a speech  
perhaps if S.P.S. feels  
the need to make one  
mt*



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PRIME MINISTER

2 December 1986

PROPOSED CIRCULAR ON PLANNING POLICY AND LAND FOR HOUSING

In the last two years your Government has issued Circular 14/84 on the maintenance of approved green belts, 15/84 setting out in detail the assessment of need for land for housing and Circular 14/85 on development and employment. The last represented a trophy in your battle to simplify the planning system.

Nicholas Ridley has been heavily lobbied by the "no more building" brigade. Instead of making speeches that can clarify and underline the existing set of relevant circulars he has been advised by officials to produce yet another circular which rephrases all the existing circulars on the subject. The proposed circular risks the following:

1. That the first section of the draft will have the effect of modifying or confusing the message of our circular 14/85 which set out the presumption in favour of development.
2. In place of clearly worded existing circulars including the one and a half page circular 14/85 the proposed circular has 17 paragraphs and a three page annex and while the Secretary of State says nothing new of substance he repeats existing policies in different words and so is likely to achieve only obfuscation.

Conclusion

We agree with David Young that this circular is not needed. Instead the sentiments expressed would be better included in a Ministerial speech. We also agree with Paul Channon that inasmuch as this circular may restrict housing it will



further hinder mobility of labour and the growth of enterprise.

Finally, it should be remembered that the excellent circular 15/84 was greeted with approval by those who are not traditionally our supporters in the Council for the Protection of Rural England. We should rest on these laurels.

We recommend that in the first instance you write to the Secretary of State discouraging him from issuing this new circular.

HS.

HARTLEY BOOTH





SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

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

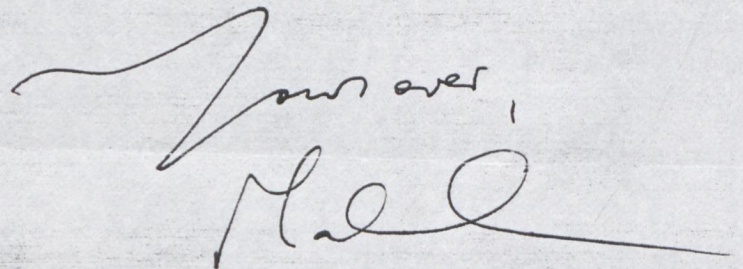
3 December 1986

Dear Nick,

**PLANNING POLICY AND LAND FOR HOUSING**

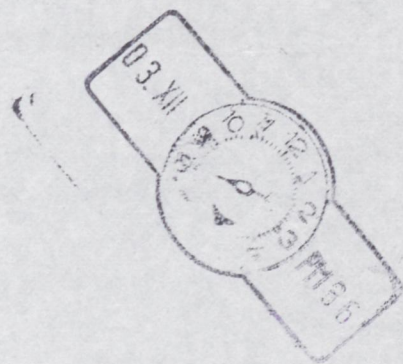
Thank you for copying to me your letter of 25 November to Nick Edwards in which you sought comments on a draft circular on this matter. You indicated that Nick had concluded that he would not join you in promulgating this circular since the circumstances in Wales are different and distinctive. Scotland is in the same position as Wales in this respect. The very considerable pressures of development in the South of England, especially in the Green Belt, are not mirrored in Scotland. Moreover our current guidance to Scottish planning authorities on Green Belts was issued only last year, and I think that any proposal now to modify or supplement that guidance, or our guidance on land for housing, would give rise to needless controversy. Against this background, while I am content for my interest for you to proceed as you propose, I see no need to follow suit.

I am copying this letter to the Prime Minister, Willie Whitelaw, David Young, Michael Jopling, Paul Channon, Nick Edwards and Sir Robert Armstrong.

Yours ever,  


**MALCOLM RIFKIND**









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

December 1986

*Nicholas Ridley*

**PLANNING POLICY AND LAND FOR HOUSING**

Thank you for copying to me your letter of 25 November to Nicholas Edwards. *at 11am*

I was surprised to receive this, and the proposed draft circular without warning or any exchange of views at official level. I wonder if you are right to respond at this time and in this way to pressures that have built up partly as a result of the success of our own planning and economic policies.

There is good advice on planning already in place. I am especially concerned that your circular may be misunderstood where it seeks to repeat these existing guidelines. There is a danger that the first section of the draft, headed 'Development and Conservation', will have the effect of modifying or even replacing the message of your circular 14/85 on 'Development and Employment' that was annexed to the White Paper 'Lifting the Burden' last year, particularly the 'presumption in favour of development' which was an important feature of that document.

We discussed at length the overall balance and nuances of wording in that circular. It is not clear to me why we need yet another document at this stage when not much has changed (we knew then, of course, all about environmentalist pressures, and took them adequately into account).

By seeking to please one lobby we may upset another and create confusion at planning inquiries instead of clarity. Moreover, I do not think that those who seem to be asking for no development at all will be satisfied by this new step in their direction. My fear is that if we rush out another circular



now they will simply want more and in a few months there will be calls from all the pressure groups involved for a further tightening of the screw.

I therefore favour no action at this stage to adjust planning policies. I hope instead that you will be able to rely on statements of the kind that you made recently to the Conservative Businessmen's Dining Club about the need to protect the Green Belt. This seems to have received a great deal of media coverage and should have left those concerned about the environment with no doubt about our sensitivity to their concerns.

I am copying this letter to the Prime Minister and to other recipients of yours.

*Les  
Hard*



LOCAL GOVT Planning PT3







Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
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GTN 215 .....  
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1st December 1986

ccBG  
B  
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16 pm yet.  
Be chub Thurs if  
any 4B comments.

The Rt Hon Nicholas Ridley MP  
Secretary of State for the Environment  
Department of the Environment  
2 Marsham Street  
LONDON  
SW1

Dear Nicky.

Thank you for sending me a copy of your letter of 25 November to Nicholas Edwards, asking for comments on the draft circular on Planning policy and land for housing which you propose to issue for consultation.

While I recognize that the primary purpose of your proposed circular is to deal with land for housing, my main interest, as you know, is to ensure that sufficient land of the right quality is available for the needs of business; and that planning regulations and procedures are not unduly burdensome. I agree of course that we need to ensure that our attitude towards the Green Belts and other protected areas is clearly understood. But I am a little concerned that the draft circular implies a more restrictive approach to development at a time when we wish to attract and encourage business growth, and reduce the restrictions on enterprise.

I am particularly concerned that your proposed circular emphasises the need to encourage development in urban areas at the expense of others; and should like to have seen some reference to the presumption in favour of development generally. Your draft implies a move away from some of the earlier guidelines, such as DOE Circular 16/84, which states that applications should not be refused merely in order to try to steer development to one location or another. I am reluctant to see planning policy used for this purpose, especially since those enterprises which are discouraged from developing in a certain place - which may be outside the urban areas - may decide not to develop here at all. This could be

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particularly damaging to the South East which is better placed to compete than other areas of the UK for internationally mobile investment looking for a home in the centre of Western Europe.

As it stands, the draft circular, for example in paragraphs 5 and 6, might give the impression that development will be restricted not only in the Green Belts, but in the countryside generally. This might not sit easily with decisions we have yet to reach in the context of ALURE, where we have been considering the possibility of planning changes to facilitate rural development. In the circumstances, might it be better not to issue your circular until we can take account of the outcome of the Prime Minister's meeting on ALURE next month.

I should also record my concern about the shortage of housing in areas of economic growth, particularly the South East. This increases regional house price differentials; and hampers the mobility of labour both to the South East and from the South East to less prosperous parts of the country. Added restrictions on the location of housebuilding in the South East risks aggravating this problem.

I am sending copies of this letter to the Prime Minister, Willie Whitelaw, David Young, Malcolm Rifkind, Michael Jopling and Nicholas Edwards; and to Sir Robert Armstrong.

*Yours,*  
PAUL CHANNON *Paul*

DW4BSY





LOCAL  
GOVT PLANNING.  
PT 3