

46. 12-11-81

CONFIDENTIAL

K01048

PRIME MINISTER

AGRICULTURE AND CONSERVATION

1. The Secretary of State for the Environment sent you in July a paper by officials. You asked for further work to be done on the compensation principle, in particular the removal of compensation for grants foregone, and the possibility of replacing annual with one-off payments, and on the possibility of "stop" powers to be used when owners or occupiers will not consider a Management Agreement (or will only do so at excessive cost). The Secretary of State has reported further with his minute (and attached report) of 30 November. Subsequently the Chief Secretary (21 December) and the Minister of Agriculture (9 January) have commented and the Secretary of State has also sent a further minute (11 January).

2. The Secretary of State feels strongly that the "voluntary" approach (with compensation) of the Wildlife and Countryside Act 1981 should be maintained, especially given increasing signs of co-operation by farmers. Costs of site safeguard are running at £15.7 million per annum at present and are expected to flatten out at about £35 million per annum in the mid 1990s. While not large in relation to, say, support for the arts, they are a cause for concern. It is too soon, however, to make clear recommendations for cost saving and Mr Jenkin recommends that consultants should be employed to examine, by September, the expenditure and conservation implications of possible changes in the financial guidelines. He also proposes that planning controls should be extended over farm and forestry buildings and roads in sensitive areas, and that proposals for permanent landscape and nature conservation orders should be developed for legislation (thus providing the "stop" power mentioned above). Finally Mr Jenkin wishes a decision to be reached on the steps to be taken to preserve the Broads landscape in the immediate future.



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The Minister of Agriculture generally gives strong support to Mr Jenkin's proposals though he thinks the extension of planning controls should be limited to National Parks, and is opposed to permanent landscape conservation orders. By contrast, the Chief Secretary believes that Ministers should now decide to move away from the voluntary principle down the route of extending planning powers (not necessarily with a built in right to compensation), though it is not clear how far he thinks the Government should move in this direction.

MAIN ISSUES

3. I suggest that discussion should concentrate on the central issue:

(a) Do Ministers want -

(i) to continue the present policy mix?, or

(ii) to make relatively modest adjustments either under existing legislation (eg. restricting the availability of farm capital grants, extending the planning regime slightly) or with minimal new legislation (eg. for landscape conservation orders)?, or

(iii) to go for much more sweeping changes (further away from the voluntary principle, no doubt involving contentious legislation)?

Subject to Ministers' views on this, and if there is time, the discussion could go on to -

(b) Action to reduce compensation payments,

(c) Extension of planning controls,

(d) the introduction of permanent landscape and nature conservation orders

(e) the Broads.

If time does not permit these supplementary issues could be remitted



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to H (under the Lord President's chairmanship) with guidance on which of the main options at (a) above is to be pursued.

The Main Thrust of the Policy

4. Whether the present policy is on the right lines must depend on a judgment between on the one hand the cost and success of the present policy and on the other the likely difficulties generally, with the Government's supporters, and in Parliament in pursuing a significantly different approach. On the face of it the present policy is reasonably successful and fairly modest in cost (though future increases are not covered in PESC). However, on the basis of what has happened so far, there must be a probability that there will be increasing pressure for wider and stricter conservation measures and that compensation costs will be greater than presently envisaged. Equally the agricultural lobby are likely to be strongly resistant to any significant change of direction and there are likely to be substantial Parliamentary problems with legislation. Apart from objections of principle, a major difficulty with the compulsion/planning control road is that effective conservation requires a positive contribution from the owner/occupier, that is to say it depends to a large extent on things being done (eg. land being cultivated in a certain kind of way) as well as on things not being done. Planning control is notoriously deficient at achieving positive results. On balance, the present approach is probably not so defective that it requires to be replaced by something radically different.

Compensation

5. Assuming that compensation is to be retained, the question is how it can be contained or reduced. Officials considered three possibilities - (i) that the number of sites to be safeguarded should be restricted, (ii) that the funds available to the Nature Conservancy Council should be restricted, (iii) that the amount of compensation payable in individual cases should be reduced (a number of options for doing this are in paras 19-26 of the Officials' report). The



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first 2 possibilities would be presentationally very difficult (except at the margin). ^{On the third possibility} / Mr Jenkin and Mr Jopling recommend that more work should be done, including the use of consultants, with a view to making decisions by September. Mr Rees argues that consultants should only undertake work with a clear remit to produce significant savings and to complete earlier than September. It might be sensible to put consultants to work in a fairly swift timescale and to ask Mr Jopling to bring forward as soon as possible recommendations on any relevant changes to agricultural grants and subsidies.

Extension of Planning Controls

6. Assuming that significant extension of planning control into the agricultural area has been ruled out earlier, there remains Mr Jenkin's proposal to extend planning control over farm and forestry buildings and roads in sensitive areas (by means of a Landscape Areas Special Development Order (LASDO)). Mr Jopling has indicated that this would be acceptable provided it is confined to National Parks. It is not quite clear whether Mr Jenkin has wider application in mind.

Landscape Conservation Orders

7. Mr Jenkin proposes legislation to provide for new Landscape Conservation Orders and permanent Nature Conservation Orders (temporary ones are provided for under the 1981 Act). These would respond to the pressure for better measures to protect the landscape and stop destructive action. Present arrangements certainly seem defective in this respect on the landscape side. Mr Jopling is opposed to permanent landscape orders as representing a serious step away from the voluntary approach and likely to prove costly. He is, however, willing to see provision for temporary (eg. 12 month) orders. There is no point in considering this unless Ministers are prepared to contemplate legislation (with the danger of finding in Parliament that it is not completely under their control).

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The Broads

8. H Committee considered in November, a proposal from Mr Jenkin and Mr Jopling to authorise an experimental scheme of grazing grants to encourage farmers in the Halvergate marshes and similar areas of the Broads to keep their land under grazing rather than to drain and plough it. The main alternative would be 90% grants from the Countryside Commission to the Broads Authority to assist management agreements with the same objective. (The Broads Authority have already said that the normal level of grant-aid, 75%, would be inadequate). The two ministers prefer the former approach as creating less of a precedent for 90% grants elsewhere (and arguably on financial grounds). The Chief Secretary dislikes the experimental scheme because of the precedent it would create. H Committee declined to come to a view in advance of your meeting. The decisions your meeting may have reached earlier will be very relevant to a solution to the immediate Broads problem eg. if landscape conservation orders are not agreed, then an enduring rather than a stop-gap solution is required. I suggest that your meeting should not seek to reach a conclusion. It might invite the 3 ministers concerned (Mr Jenkin, Mr Jopling and Mr Rees) to consider the best way forward in the light of the more general decisions reached by the meeting and to bring the matter back, if need be, to H Committee.

HANDLING

9. You will wish to ask the Secretary of State for the Environment to introduce his proposals. The Minister of Agriculture and the Chief Secretary are the other main protagonists but both the Secretary of State for Scotland and the Minister of State, Welsh Office are likely to have significant views. The Lord President of the Council will have a view on any course involving legislation as well as more generally.



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CONCLUSIONS

10. You will wish the group to reach conclusions on -

(a) whether there should be any significant change in Government policy on agriculture and conservation (if so you will wish to commission work from the Ministers concerned).

and if there is time

(b) how work is to be carried forward on compensation.

(c) whether planning controls on farm buildings and roads should be extended - in the National Parks or more widely.

(d) whether legislation should be planned for landscape conservation orders (permanent or temporary) and permanent nature conservation orders.

On the Broads you may wish to ask Mr Jenkin, Mr Jopling and Mr Rees to consider further what would be the best course in the light of the other decisions, and if necessary to bring the matter back to H.

C J S BREARLEY

18 January 1985

ENV.
AFF.
Acid Rain
M-3





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PRIME MINISTER

AGRICULTURE AND CONSERVATION
Supplementary Brief

The Broads

In my brief of 18 January I suggested that on this topic Mr Jenkin might be asked to give further consideration (with Mr Jopling and Mr Rees) to the best way forward in the light of the discussion of the more general issues before the meeting. This was partly on the assumption that the earlier discussion might well affect the best course of action on the Broads, and partly because there is likely to be little time left to consider this item properly.

However, I now understand that Mr Jenkin is likely to say that a decision on this is essential before the next meeting of the Broads Authority which is at the end of next week (1 February). I also understand that the Chief Secretary may be less resistant to the experimental scheme of grazing grants than he has so far implied. If this is so, it may be possible to agree the experimental scheme as the immediate way forward provided that this is consistent with the tenor of the earlier part of the discussion. On the face of it, because it is avowedly experimental, it may create a less unfortunate precedent than the alternative of 90% grant. It will, however, still be necessary for the Ministers concerned to work out for the future the best permanent approach to cases such as this one where 75% grant is argued to be inadequate. This might best be done when the further work proposed on compensation reaches fruition.

C J S BREARLEY

22 January 1985



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Blc: McOWEN^{en}

10 DOWNING STREET

From the Private Secretary

MR BREARLEY

CABINET OFFICE

AGRICULTURE AND CONSERVATION

As you know, the Prime Minister will be chairing a Meeting of Ministers on Wednesday, 23 January to discuss agriculture and conservation. It would be most helpful if the Cabinet Office could provide a brief.

(David Barclay)

2 January, 1985

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 this - but only
 when you're feeling
 strong.

10 DOWNING STREET

Dms
 11/10

Meeting: early in January: 1 hour

- Lord President ✓
- S/Few ✓
- MAFF ✓
- S/Scotland ✓
- S/Wales ✓
- S/NI (if he wants) ✗
- Ch Secretary ✓

S/T/I (in person preferably)

Mr Brearley (Cabinet Office)

Mr Owen (Policy Unit)

Subject: Agriculture & Conservation

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Wed: 23 JAN

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