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10 DOWNING STREET

From the Private Secretary

23 January 1985

Dear John,

Agriculture and Conservation

The Prime Minister chaired a meeting this morning to discuss agriculture and conservation. Those present in addition to your Secretary of State were the Lord President, the Secretary of State for Scotland, the Minister of Agriculture, the Chief Secretary, the Paymaster General, Mr. Stradling-Thomas (Welsh Office) and Mr. Waldegrave (Department of the Environment). The meeting had before it your Secretary of State's minute of 30 November, to which was attached a report by officials; his further minute of 11 January; and minutes from the Chief Secretary (21 December), the Minister of Agriculture (9 January), the Secretary of State for Scotland (17 January) and the Secretary of State for Wales.

Your Secretary of State said that the Government's record in promoting a sensible balance between agriculture and conservation was a good one. The Wild Life and Countryside Act had worked a good deal better than its critics alleged, and had been widely welcomed. The Minister of Agriculture had taken initiatives in the European Community designed to place greater emphasis on conservation; and there had been a marked change in attitude among members of the National Farmers' Union and the Country Landowners Association.

These successes had been based on the voluntary principle, which he hoped would remain the cornerstone of the Government's policy. The alternative approach of expanding detailed planning control to agriculture would be bitterly resented by those who had so far offered their willing co-operation; and it would risk imposing additional costs and delays on the agricultural industry.

Against this background your Secretary of State recommended a study by consultants of the financial guidelines underpinning the present compensation arrangements; a new Landscape Special Development Order to extend certain controls to environmentally sensitive areas; further work on the possibility of providing Landscape Conservation Orders and Nature Conservation Orders with permanent effect; and an experimental scheme of grazing grants to preserve the Broads' landscape.

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In discussion, the progress made under the voluntary principle was acknowledged: it would be wrong to hazard these gains by departing widely from it. Nevertheless, many people found it hard to understand why so much agricultural development was free from controls which applied to manufacturing industry. One possible counter to this argument was that agriculture was a non-mobile activity, involving land itself, whereas industrial activities were mobile and could reasonably be directed to particular sites. Even if this was accepted, however, there remained the difficulty of what to do in the last resort, where the voluntary principle failed to deliver an agreement on reasonable terms. The majority of those present favoured a study of the possibility of introducing compulsory stop powers along the lines discussed in the report by officials. The Minister of Agriculture expressed serious reservations about the wisdom of such legislation.

In discussion of current compensation arrangements, concern was expressed about the costs of site safeguard, which were running ahead of earlier expectations, and would undoubtedly rise further. On the other hand, it was argued that the cost was not disproportionate when compared with other programmes such as support for the arts, or indeed with total expenditure on agricultural grants. If the Government wished to respond to political pressure for effective conservation, then some expenditure was inevitable. Aspects of the present regime were hard to defend, particularly the payment of compensation to farmers for agricultural grants foregone.

In further discussion, there was clear support in principle for the extension of planning controls over farm and forestry buildings and roads to the remaining 7 national parks not already covered. But before the Government committed itself to such an extension the expenditure implications should be more thoroughly assessed.

Opinions were divided on the question of extending controls also to Areas of Outstanding Natural Beauty (AONB). If this were not done, some very attractive landscape would be left vulnerable to insensitive agricultural development. On the other hand, the farming community would be deeply opposed to planning control in AONB's, especially if the compensation provisions which applied in the national parks were not also extended to them. Local feeling, and pressure from within the NFU and the CLA, could be equally effective in persuading farmers to be reasonable. The Minister of Agriculture drew attention to certain controls which already applied nationally to large or high agricultural buildings. Planning permission was required for buildings or works greater than 465 square metres in area, 12 metres in height, or within 25 metres of a trunk or classified road.

As regards the proposed experimental scheme of grazing grants for the Broads, some doubts were expressed about the uniqueness of the site and consequently about your Secretary of State's ability to withstand demands for similar schemes

elsewhere. For this reason, the Chief Secretary said that he would prefer 90 per cent grant-in-aid to a specific grazing grant. This however would create a precedent of a different sort.

Summing up the discussion, the Prime Minister said that the Government's approach to matters of agriculture and conservation should continue to be based so far as possible on the voluntary principle. Nevertheless, the cost of compensation under management agreements, and the financial guidelines on which compensation was calculated, gave cause for concern. The proposed study by consultants of possible changes in the financial guidelines should proceed; and further work should be undertaken by officials on the possibility of providing for Landscape Conservation Orders and Nature Conservation Orders with permanent effect. It was agreed in principle that planning controls over farming and forestry buildings and roads should be extended to all 10 national parks, by means of a Landscape Areas Special Development Order, subject to a more detailed assessment of the costs involved. The case for extending these controls also to AONB's had not been fully made out. The Minister of Agriculture - in consultation with colleagues - should review current controls on large scale agricultural development to see whether they might be made more stringent either in AONB's only, or generally. In carrying out this review, he should take full account of the implications for UK manufacturers of, for example, grain silos. The Experimental Grazing Grant Scheme for the Broads was approved, subject to agreement being reached with the Chief Secretary on the terms of the grants and the provision of resources. The scheme should provide for an overall limit to be set on the money which could be made available for grazing grants in any one year.

I am sending copies of this letter to the Private Secretaries to those Ministers who attended the meeting, and to Richard Hatfield (Cabinet Office).

Yours ever,
John

John Ballard Esq
Department of the Environment.