

CIF papers

From Sir John Sainsbury Chairman & Chief Executive

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**SAINSBURY'S**

26th August 1983

The Rt.Hon. Margaret Thatcher MP,  
The Prime Minister,  
No.10 Downing Street,  
London SW1

*Dear Prime Minister,*

I am much looking forward to our meeting next Tuesday and would like to thank you for arranging to see me. I thought it might be helpful if in advance of the meeting I sent you a note on the particular subject I would like to discuss (although, if time allowed, it is certainly not the only topic I would welcome the opportunity of raising).

The issue I should like to concentrate on is that of the complexities of our planning system and the inefficiencies and bureaucracy it engenders. I raised the subject first in my Chairman's Statement last May and spoke on it at our Company's A.G.M. in July, when it was reported in the press. I enclose our Annual Report with the relevant extract from the former marked on Page 5 (attachment 1), as well as some extracts from my A.G.M. speech (attachment 2) which include a brief account of our Company's progress since we became a public company ten years ago. I trust you will find this of interest also.

Last year Sainsbury's investment programme was larger than any other retailer (attachment 3) and, therefore, we have extensive experience of the cumbersome way the planning system works, of the huge delays it causes and the great cost it so often adds to development schemes. I am attaching a short precis (attachment 4) of the two cases I have quoted of Gloucester and Ipswich. However, my purpose in raising this subject is not because of the problems our Company suffers: after all, it could be said

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that our very success and expansion demonstrates that we cannot be that inhibited by "the system".

My purpose is rather that I am convinced that it is in the national interest at this particular time that we ask ourselves some fundamental questions in the area of planning of what are our objectives and how effectively are we achieving them.

As I see it the system essentially remains as it was when it was first established in the late '40s, but the world is much changed and the scale and nature of planning decisions required has greatly altered. Rather than adjusting to those changes the administration of planning at both national and local level has shown a typically inflexible bureaucratic response which inevitably has resulted in longer delays on the more important cases.

Often local government defers to Whitehall decisions that could and should be taken locally in order to avoid responsibility for a difficult problem and the unpopularity that can be created among vocal minorities. This only adds to congestion and delay in Central Government. The planning system is also used at local level to protect vested interests and inhibit competition which was never the purpose of planning.

In essence my premise is a very simple one.

Planning laws exist in the first place to protect our environment and to ensure as far as possible the wise use of our limited resource of land, be it in urban areas or in the countryside. To achieve that first objective does the planning process need to be so complex? Could not areas in town and country be zoned for residential, commercial/ industrial or agricultural use and, as long as developments were consistent with that designation and certain other criteria were met, then planning permission would have to be granted. Criteria such as effects on road networks and density of use are amongst those that would require specifying. Exceptions to the general rule would be made for developments of national significance.

Reform I suggest should seek both to deregulate in a controlled manner and to reduce the political (both local and national) content of the planning process. It should also aim to make planning applications as predictable as

possible, thus reducing the vast number of applications submitted "on spec", as well as the high cost of uncertainty and delay that faces developers of whatever nature.

In the case of commercial/industrial areas I suggest the major criterion should be the creation of employment rather than the nature of the employment.

→ There should be much stronger disincentives in the planning appeal process which would award costs against local authorities found to be refusing planning permission unreasonably in relation to the facts or criteria specified by planning law. Costs should also be awarded in the opposite situation on those who submit applications that are found to be clearly unreasonable and thus incur unnecessary administrative costs to local or national government.

I recognise such reform, if ever it was thought desirable and politically possible, would be a huge undertaking. It would require much investigation and thought. There can be no easy or quick solution.

However, I thought that if ever there was a time to raise such questions it was now at the beginning of a new Parliament, and in the early months of the second term of your government that has shown its ability to tackle old and intractable problems in fresh ways, and has been radical in its refusal to accept the "received wisdom" of its predecessors on many of our most important national problems.

With this in mind, and in advance of the election, I arranged to meet with Tom King. The election intervened and the meeting had to be cancelled. I, therefore, wrote to Patrick Jenkin as soon as you appointed him, hoping to be able to meet with him to have a full discussion on the subject before seeking to see you. Unfortunately, the pressure on his time and the fact we got into the holiday season has meant that I have only had a very brief discussion with him to outline my thinking.

*I very much look forward to our meeting.*

*Yours sincerely*

*John Sainsbury*

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