

SUBJECT

cc Master



File  
285  
cc: Mr. Gregson, Co.

10 DOWNING STREET

From the Principal Private Secretary

30 August 1983

The Prime Minister was very grateful for the advice sent in Helen Ghosh's letters of 18 and 26 August for her meeting with Sir John Sainsbury today.

Sir John Sainsbury outlined his comments on the planning system, on the lines of his letter of 26 August. Emphasising that he was not making a special plea for Sainsburys or for the retail industry, he said that in his view the present planning system was too complex and unable to keep up with changing conditions. He left the attached schedule of Sainsbury's recent experience of the time taken over planning applications. As an example of overplanning, he said that Sainsbury's application in Gloucester had probably been turned down because the structure plans provided for industrial warehousing on the site, and it would involve the Secretary of State departing from his own structure plan if he approved a retail development. It had also been argued that a large store already existed in the locality and another one was not needed: Sir John Sainsbury commented that this was an example of planners introducing considerations which it had been no part of the original purpose of planning to invoke - the question whether a further retail development was necessary was surely one best judged by those who were investing their own money in it. Planners also found difficulty in keeping up to date with changing conditions: Sir John Sainsbury quoted as an example the fact that Sainsburys had been far in advance of the planners in recognising the preference of shoppers for one level car-parking attached to stores. Another criticism was that local authorities were too ready to shuffle off responsibility for difficult decisions to central Government. Some sanction was needed to discourage them from unreasonably refusing applications and to prevent developers from submitting irresponsible or tactical applications: on the latter aspect, Sir John Sainsbury commented that it was extraordinary that under the present system people could submit applications for development of sites which they did not own and had no intention of acquiring.

As regards his suggestions, Sir John Sainsbury favoured a more general system of zoning, divided into just three categories: residential, agricultural and industrial/commercial. If local authorities then refused an application for a development falling within the use for which the area had been zoned, the matter could be taken to the courts and costs awarded against the authority.

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More generally, he thought that it should be possible for his people, in consultation with the Department of the Environment, to improve the present processes as they affected retailing. But he thought that the present system was basically flawed in the ways which he had described, and suggested that the start of the Prime Minister's second administration would be a good occasion for a fundamental review, whether by Royal Commission or in some other way, with a view to simplifying the system and confining it to the essential role of protecting the environment, with greater reliance on market disciplines on matters where the issue was whether developers were providing what the community really wanted.

The Prime Minister thanked Sir John Sainsbury for raising these points with her, and said that she would pursue them with the Secretary of State for the Environment. She was sceptical about referring the matter to a Royal Commission, because this would itself take a long time to consider, and it would not necessarily come up with an acceptable solution. The planning process had been speeded up, but she accepted that this may have principally benefited smaller and non-commercial applications, and there was a tendency for large applications to be delayed in a way which discouraged enterprise and investment. She would consider with the Secretary of State for the Environment what further could be done to make the planning system less time-consuming and more responsive to changing circumstances.

On leaving the Prime Minister, Sir John Sainsbury asked me whether he should now pursue his ideas with the Secretary of State for the Environment. I said that he should, leaving time for me to report to you what had passed between the Prime Minister and him and for your Secretary of State to consider it.

*Yours sincerely,*

*Robin Butler*

John Ballard, Esq.,  
Department of the Environment.