



H.L.

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10 DOWNING STREET

*From the Private Secretary*

21 February 1984

Superstores and the planning system

BF | We have been considering whether the Prime Minister should write to Sir John Sainsbury in addition to your Secretary of State. The attached draft has been prepared with this in mind. It has not yet been put to the Prime Minister and before this is done I would be grateful for your comments.

Andrew Turnbull

John Ballard, Esq.,  
Department of the Environment.

~~CONFIDENTIAL~~

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10 DOWNING STREET

*From the Private Secretary*

20 February 1984

Superstores and the Planning System

You wrote to Robin Butler on 17 February attaching a paper on Superstores and the Planning System and a draft of a letter to Sir John Sainsbury. The Prime Minister has seen the draft of the letter (as well as your Secretary of State's personal note to her) and commented that the last sentence of the penultimate paragraph, and in particular the reference to "the capacity of the area to absorb that amount of new retail development", seems to be reintroducing the concepts of need and competition which your letter and the Department's paper say will no longer be considered.

I would be grateful if you could look at this and let me know how you propose to meet this point.

Andrew Turnbull

Alan Davis, Esq.,  
Department of the Environment.

~~CONFIDENTIAL~~

MR TURNBULL

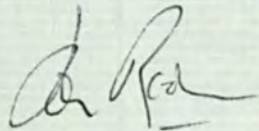
21 February 1984

SUPERSTORES

The draft reply to Sir John Sainbury is disappointing. It is long-winded and waffly. It uses a large number of phrases about issues that might affect planning decisions which lead the reader to the conclusion that all superstores can be blocked if the planning authorities wish. It trips itself up, as the Prime Minister has pointed out, over the issue of whether or not competition should be taken into account.

The draft policy statement on superstores is better. The list of policy conclusions in paragraph 6 could, however, be shortened. The relevant planning considerations should be: 1) land use. It is not desirable to allow development over agricultural land on the edge of a town if there are other suitable vacant or disused sites (often in public ownership). 2) The infrastructure cost to the local authority. It would be undesirable to encourage major development in an area where the local authority then has to provide an enormous investment in roads and other infrastructure if it is more cheaply available in another location.

The environmental impact would be covered by the land use question above and does not deserve a special mention. At the more detailed planning stages environmental consideration should be important in influencing decisions about the final appearance of the building proposed. I attach a suggested draft reply to replace the rather waffly one produced by John Ballard.



JOHN REDWOOD

E.R.

DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO SIR JOHN SAINSBURY

Thank you for your letter of 13 January about planning appeals and superstore development.

I have become worried myself about the trend of planning decisions concerning superstores. With this in mind the DoE is currently reviewing the basis of our planning policy towards such developments and the retail trade organisations have been invited to let us have their views on the subject. As a result of your letter I am writing to Patrick Jenkin to ensure that this policy review is conducted with all due haste.

It is not our intention to support a planning system designed to discourage superstore development. As a Government we welcome innovation, response to customer requirements and the lower food prices which competition between modern retailers can bring. We wish to encourage a positive response by the planners in the local authorities to the needs of development and change. The role of the planners should be to examine land use and infrastructure questions: they should never attempt to stifle competition.

The other most disturbing thing about your letter was the average 22 month delay between the initial planning application and the final outcome on appeal. Two years ago we made it a priority to increase the speed with which the original planning applications are handled. I am including in my letter to Patrick Jenkin a request that appeals should also proceed more swiftly so that companies such as yours are not left waiting for almost two years before knowing whether they can or cannot build a store.

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CC JR



2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

17 February 1984

Dear Robin

As requested in your letter of 16 January to John Ballard, I attach the draft of the reply which my Secretary of State proposes to send to Sir John Sainsbury's letter.

The Secretary of State and Mr Macfarlane have looked with considerable care at each of the superstore appeals raised by Sir John Sainsbury, and have also considered the way in which the planning system has come in recent years to deal with proposals for major retail development. Although legal proprieties (and the fact that we have before us a further 10 appeals involving Sainsbury's) make it impossible to argue with Sir John about the merits of individual decisions, the Secretary of State has concluded that the planning system has taken a wrong turning in recent years. The attached note sets out how and why planning appeals have come, wrongly, to address themselves to issues of need and competition, and what we propose to put the system back on the right road.

I should perhaps emphasise the very considerable political difficulties which will be involved in excluding need and competition from consideration of superstore appeals. The powerful interests which represent major investment in traditional shopping centres will fight hard to protect that investment, and will allege that the proposed change of course would have major and undesirable social consequences. Proposals for new out-of-town shopping facilities generate such controversy. For example, the proposed massive Centre 21 near Leicester has generated the fiercest opposition from established traders; the Chancellor of the Exchequer, wearing his constituency hat, has pressed the Secretary of State to dismiss the appeal.

There will need to be a careful assessment of how far and how fast changes can be made. The reply to Sir John Sainsbury is clearly not the appropriate vehicle for an announcement of a change in policy. The Secretary of State therefore proposes to reply on the lines of the attached draft.

Sainsbury's have indeed done badly with appeals in recent months. But we doubt that their experience of the planning system has been an entirely typical one. Sir John Sainsbury is known to be a perfectionist in his choice of sites; he

goes for locations and layouts which maximise customer appeal and minimise operating costs. Such sites are difficult to find, and are often subject to genuine planning objections on grounds like intrusion into open countryside and traffic generation. Other operators, like Tesco and Asda, are more prepared to compromise on their site requirements in order to get planning permission.

*Yours sincerely*  
*Alan Davis*

A H DAVIS  
Private Secretary

Robin Butler Esq

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DRAFT LETTER FOR THE SECRETARY OF STATE TO SEND TO  
SIR JOHN SAINSBURY

Thank you for your letter of 13 January about planning appeals and superstore development. I have also seen Mr Hoyer Millar's letter of 1 February.

It would, as you know from our earlier correspondence, be wrong for me to comment on individual appeal cases once a decision has been issued. I must confine myself to saying that I have noted your critical remarks about recent decisions on appeals made by your company. I am, however, very conscious of the problems that this type of development presents in relation to normal planning procedures. We are, as again you will know, at present reviewing this topic, and the retail trade organisations have been invited to let us have their views on the subject.

The implication of your comments about recent appeals is that there has been a policy decision to discourage the continuing growth of superstore development. I can assure you that there has been no such decision. The function of the planning system is the limited one of regulating the use of land in the public interest. It is certainly not to attempt to stifle competition, whether between retailers or anyone else, nor to discourage innovation and response to social trends. Indeed, I hope and expect that local authorities and others involved with the planning process will take a positive attitude to the needs of development and innovation. We have taken a number of measures to help achieve that aim and our efforts continue. The major issues to be decided in determining planning applications, whether by a local planning authority or by me on appeal, will be environmental and land use ones.

Issues about commercial competition between individual firms are not only



irrelevant to land use considerations: they are outside the scope  
of the planning system. But issues about the [general<sup>?</sup>] impact of a  
proposed development, on neighbouring property, local amenity,  
traffic, infrastructure and service provisions etc and on the  
limited supply of land available for development, are relevant  
planning considerations. These problems are intensified when a  
number of retailers are seeking planning permission for a new store  
in the same area, and in such cases the capacity of the area to absorb  
that amount of new retail development is clearly a relevant factor  
and has to be considered at the public inquiry.

I hope that this response will assure you that there is no bias  
in the appeals system, either against superstores generally or  
against individual retailers.

But I  
think he  
was right  
that  
competition  
was not  
a relevant  
factor -  
This is what  
says it is,  
not