

PRIME MINISTER



## SUPERSTORES AND PLANNING

The development of out-of-town superstores by the major retailers is an important and frequently controversial planning issue. Sir John Sainsbury has made a number of complaints over the last year or so about his company's difficulties in obtaining planning permission and about the planning system. Quite separately, the Group which he convened has, as you know, made a number of recommendations as to how they think the planning system can be improved. My officials are now discussing these in detail with members of the Group. Good progress is being made and I expect to be able to report back to you early next month on the outcome of these discussions. John Sainsbury has been careful to avoid the work of this group focussing on his own firm's particular interests, and it is important that we should deal separately with the special case of superstores.

As I explained in my recent paper on the planning system, the planning process has not prevented the rapid expansion of superstore retailing over the last 10 years - from 45 such stores in 1973 to 279 at the beginning of last year. The size of this type of store means that there is only a limited range of locations that can support one or more such stores.

We have consulted widely with the retail trade and the local authority associations on the need to revise existing policy guidance on retailing (which was originally issued in 1972 and up-dated in 1977). Responses to this consultation reflected the diverse interests involved. The big superstore operators would welcome a more liberal regime which allowed them to set up on the most commercially attractive sites out of town, or at least outside established shopping areas. But any new advice which appeared to be strongly biased in this direction would be fiercely opposed by a wide range of interests. These include not only the conservation lobby but also established





commercial interests such as small traders and major retailers based in town centres, and property interests and institutions who have invested heavily in town centre shopping development in reliance on established policies.

All these interests fear the possible effects on town centres of any major shift in shopping patterns to out-of-centre shopping. Their fears are very real and are a considerable argument for leaving well alone. There is little evidence from most superstore operators that existing planning policy guidance inhibits their expansion plans.

My view is that the existing guidance strikes about the right balance between all the interests and that there is no need to issue entirely new advice on the subject which might well provoke needless controversy and uncertainty. There has been a good deal of speculation that we were about to overthrow existing advice in favour of active promotion of superstores' interests, at the expense of existing shopping centres and their future vitality and growth. Some recent appeal decisions which have allowed superstores have attracted fears that the Government already has a 'secret' new policy; we already have High Court challenges over two recent decisions allowing appeals on superstores.

No I think that I should make a statement to clarify existing policy, by way of answer to a written PQ. I enclose a draft text. This statement is in a form consistent with previous advice and reiterates what has previously been said on the question of competition. One of the reasons for the problem with superstores appeals is the generally inadequate provision for modern retailing made by local authorities in their structure and local plans. The statement therefore also makes the point that, while I and my Inspectors must have regard to the provisions of development plans in dealing with appeals, we will also take account of whether they deal adequately with this type of development. I would propose to make this statement after we have completed our discussions with the





Sainsbury Group on the wider issues, so as to ensure that the two are kept separate.

I should add that Sainsburys have several planning appeals in progress for superstore developments. Decisions on at least four of these are likely to be ready for issue within the next month or two. In each of these four cases I expect to follow the Inspector's recommendation, which means that appeals will be upheld for superstore developments in Lambeth and Greenwich, and not upheld at Cheadle and Bolton. I propose to issue these decisions in the normal way, without publicity, at about the same time as I answer the written PQ. There are many other superstore appeals in the pipeline by other developers, and it is important that there should be no grounds for suspicion that any one developer is getting more favourable treatment than others.

I am copying this letter to George Younger and Nicholas Edwards, who also have to deal with planning appeals, and to Norman Tebbit, Michael Jopling and David Young.

PJ

P J

15 February 1985



CONFIDENTIAL

DRAFT PQ: MAJOR RETAIL DEVELOPMENTS

Q. To ask the Secretary of State for the Environment, what is his present policy in relation to planning applications for large new retail developments; whether that policy has recently changed; and whether he will make a statement.

A. After considering the representations that I have received on this subject, I have concluded that it is not necessary to add more detailed advice to that given in Development Control Policy Note 13 ("Large New Stores") and in the Memorandum on Structure and Local Plans published last year. I take this opportunity, however, to stress the point made explicitly in the existing guidance that it is not the function of the planning system either to prevent or to stimulate competition among retailers or among methods of retailing, nor to preserve existing commercial interests as such; it must take into account the benefits to the public which flow from new developments in the distributive and retailing field. The public needs a wide range of shopping facilities and local planning authorities must take full account of these various needs, both in framing structure and local plans and in dealing with applications for new shopping developments of all types.

I and my Inspectors will decide planning appeals in the light of these general principles and of the extent to which they are adequately dealt with in development plans, and in relation to the land-use planning and traffic considerations raised by individual cases. The function of the planning system is to strike a balance between the protection of the natural and built environment and the pressures of economic and social change.

As at January 1984 there were 279 hypermarkets and superstores built and open compared with 153 in January 1979 and only 45 in 1973. These figures show that the planning system can facilitate the development of these new types of retailing, for which there is clear public demand.



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