



10 DOWNING STREET

From the Private Secretary

30 April 1986

Dear Robin

PLANNING: THE SAINSBURY GROUP

The Prime Minister chaired a meeting this morning to consider the progress made since her last meeting with the Group in December 1985.

Sir John Sainsbury was accompanied by Mr. Christopher Benson (MEPC), Mr. Clifford Chetwood (George Wimpey), Mr. Nigel Mobbs (Slough Estates), Mr. Idris Pearce (Richard Ellis), Mr. John Taylor (Chapman, Taylor & Co.) and Mr. Roger Suddards (Last Suddards, Solicitors). Ministers present, in addition to your Secretary of State, were the Secretary of State for Employment, Lord Elton and Mr. Michael Howard. Mr. Hartley Booth was also present.

The Prime Minister thanked Sir John Sainsbury and his colleagues for coming to the meeting and asked him to open the discussion. Sir John said the Group was very much aware of the efforts being made by the Department of the Environment to improve the appeals procedure, and in particular to speed it up. There had been a change of attitude, and a new impetus for reform. More appeals were being dealt with by written procedures. But there had been too little progress on the time it took to determine appeals. For instance, the median time for decision on cases involving a Secretary of State inquiry had increased from 49 weeks in 1979 to 56 weeks last year and, on an inspector inquiry, from 27 weeks to 32. There had been a slight improvement in the time taken on appeals dealt with by inspectors on written representations from 23 to 20, (though the 1981, 1982 and 1983 figures had been better). Sir John said that the Department had accepted a target that 90 per cent of cases should be resolved within 24 weeks by the last quarter of 1988 (the current figure was 54). It was encouraging that an improvement of that order was agreed to be possible. But 1988 was too far away.

The Prime Minister agreed: a special effort was now needed to effect a significant improvement on the time taken to determine appeals. She accepted some progress was being made, and that the number of appeals being dealt with increased last year by a quarter. But there was much yet to be done.

In discussion the following points were made:

- (i) Speeding up the timetable for appeals would help create an incentive for local authorities not to turn down applications unless there were sound reasons for doing so. It was suggested that the Secretary of State should be willing to consider taking to task local authorities who lost appeals, particularly in the case of deemed refusals.
- (ii) About half of the time taken to resolve appeals elapsed before an inquiry took place. The lack of availability of premises, or of the local authority solicitor, etc. were frequently advanced as a reason for the delay. The Group reaffirmed that it would help to set firm dates for hearings, and to stick to them, as in the courts.
- (iii) Some major planning decisions were still taking a very long time. One application cited had taken four years to determine. The Department had agreed to submit to the judgement of the High Court, and even so it took a further year for the Department to decide how to proceed.
- (iv) Time limits for the submission of written representations, provided for in the Housing and Planning Bill, should be strictly enforced.
- (v) Sharp local political sensitivities, often on the part of Government supporters, meant that local authorities sometimes deliberately in effect referred decisions to Central Government to get themselves off an awkward local political hook. The Housing and Planning Bill would provide for stiffening the regime for the award of costs; this would encourage local authorities to take sensible decisions for themselves. It might also be helpful to publicise cases where local authority decisions had been overturned on appeal. Another option might be to insist that local authorities, where they took no decision on an application, and where the application was therefore deemed to have been refused, should be required to give reasons for their course of action; and that costs should subsequently be awarded against the authority, whether they won or lost the case on appeal.
- (vi) The Group was concerned that insufficient consultation with Departments and other interested bodies was taking place before applications were submitted. Some Departments argued that they could give no guidance in response to hypothetical enquiries. There were of course circumstances in which these arguments were sound. But earlier guidance to applicants could help speed up the process, and weed out applications which were unlikely to be successful. Such guidance would

need of course to be offered on a 'without prejudice' basis.

- (vii) The insertion of restrictive local user clauses by local authorities, which frequently allowed only local firms to use particular properties, was causing difficulties.
- (viii) Your Secretary of State said he would be announcing shortly new advice to inspectors, which would encourage redundant farm buildings to be used more freely, for industrial or residential purposes. The Group welcomed this.
- (ix) The Group had proposed extending unitary plans beyond the metropolitan counties to other conurbations. A pilot scheme in say two districts would enable this proposal to be evaluated. The Department might, however, need to provide extra resources, particularly staff support. Your Secretary of State agreed to consider this.
- (x) Your Secretary of State also said that, more generally, structure plans had become very cumbersome. Unitary plans were being drawn up, under his guidance, in the metropolitan counties. This would remove one tier in the planning process. But he wanted to go further than this, and he was now looking at the possibility of fundamental reform of the system. He would need, however, to move carefully, and in confidence, at this stage.
- (xi) The Group believed a review of the education of inspectors and planning officials was called for, possibly with the help of private funding. Too often they had little grasp of the economic aspects of their work, yet their decisions could have major effects on industry and commerce, development, investment and jobs.
- (xii) The dramatic and rapid development of the Enterprise Zone at Dudley was cited as an example of how effective Zones could be in combating backward looking influences on development. The link between reform of the planning system and jobs was clear. Thought needed to be given to extending the concept of Enterprise Zones. Their record of success was generally impressive in rehabilitating run-down and derelict areas.
- (xiii) Restrictions on the mobility of labour, particularly skilled labour, was the result in part of a shortage of rented accommodation. Your Secretary of State's decision to extend the arrangements for assured tenancies would help, and was welcomed by the Group.

- (xiv) The disposal of unused land was still taking place only slowly. It was re-emphasised that disposal of publicly-owned land, particularly in the Green Belt, would need particularly sensitive handling. There was a case for extending incentives to encourage public authorities to get rid of land which they did not need. Your Secretary of State would take this up with the Departments concerned.
- (xv) Your Secretary of State said that he now needed to assume his decisions would be challenged in the courts. The prospect of judicial review inevitably lengthened the time taken to reach decisions, to enable his decisions to be made as legally watertight as possible. The climate of judicial challenge, and what was often a bias against development, also discouraged inspectors and others from taking the tough decisions which were required.

Summing up the discussion, the Prime Minister said that she and her colleagues were grateful to the Sainsbury Group for the important work they continued to do in drawing attention to ways in which the planning system could be improved. She also congratulated your Secretary of State on the progress which had been made. Very much more remained to be done, however, particularly in speeding up the planning process. A major drive was needed to achieve this. Your Secretary of State would also consider the other points which had been made during the meeting, in particular: encouraging local authorities to tackle difficult decisions themselves by imposing a stricter regime on the award of costs, and by other means; encouraging prior consultation with interested authorities before an application was made; and extending the concept of Enterprise Zones. Your Secretary of State would take forward the consideration he was giving to the radical reform of structure plans. With other Departments, he would also be looking at ways of encouraging the disposal of unused public land.

The Prime Minister would hold another meeting with the Group in November to review progress. She would like that meeting to focus on the links between planning and jobs, with special reference to the role of Enterprise Zones. DOE officials concerned might also be invited to the meeting, as well as representatives from other Departments who had a role to play in the planning process, and who were involved in the disposal of public land; your Secretary of State would consider the arrangements for the November meeting and offer the Prime Minister advice in due course.

The Group would let your Secretary of State have a note on their assessment of the impact of the Enterprise Zone; on restrictive user clauses imposed by local authorities; and on the training of inspectors and officials.

I am copying this letter to John Lambert (Department of Employment), Steve Watts (Lord Elton's Office, Department of the Environment), Paul Madden (Mr. Howard's Office, Department of Trade and Industry) and Michael Stark (Cabinet Office).

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Mark Addison

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