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SECRET

C.P.(46) 311

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31st July, 1946

CABINET

TOWN AND COUNTRY PLANNING
(DEVELOPMENT RIGHTS) BILL

Memorandum by the Lord President of the Council

1. The Sub-Committee on Compensation and Development of the Lord President's Committee discussed on Tuesday, 30th July, the Minister of Town and Country Planning's memorandum (C. P.(46) 296) on the Development Rights Bill and it may facilitate discussion at the Cabinet if I give a brief indication of the views formed by the Sub-Committee on the points at issue.

Compensation for the General Restrictions

2. The Majority of the members of the Sub-Committee were inclined to favour the discount basis of compensation for out-of-pocket loss.

The refund basis of compensation presents very substantial difficulties from the point of view of valuation. The discount basis, on the other hand, presents no serious difficulties on this score, and of the two schemes it may prove to be more flexible in allowing concessions to be made, for example, in regard to the amount to be paid out in compensation.

3. The general view of the Sub-Committee was that some payment would have to be made in respect of Death Duties paid on development values in cases in which no compensation would be payable under the out-of-pocket formula. It would not be regarded as just to have taxed a man in respect of development values and then to confiscate those values without making any refund on what had been paid. The exact provisions to be included in the Bill would have to be discussed between the Chancellor of the Exchequer and the Minister of Town and Country Planning and the Secretary of State for Scotland.

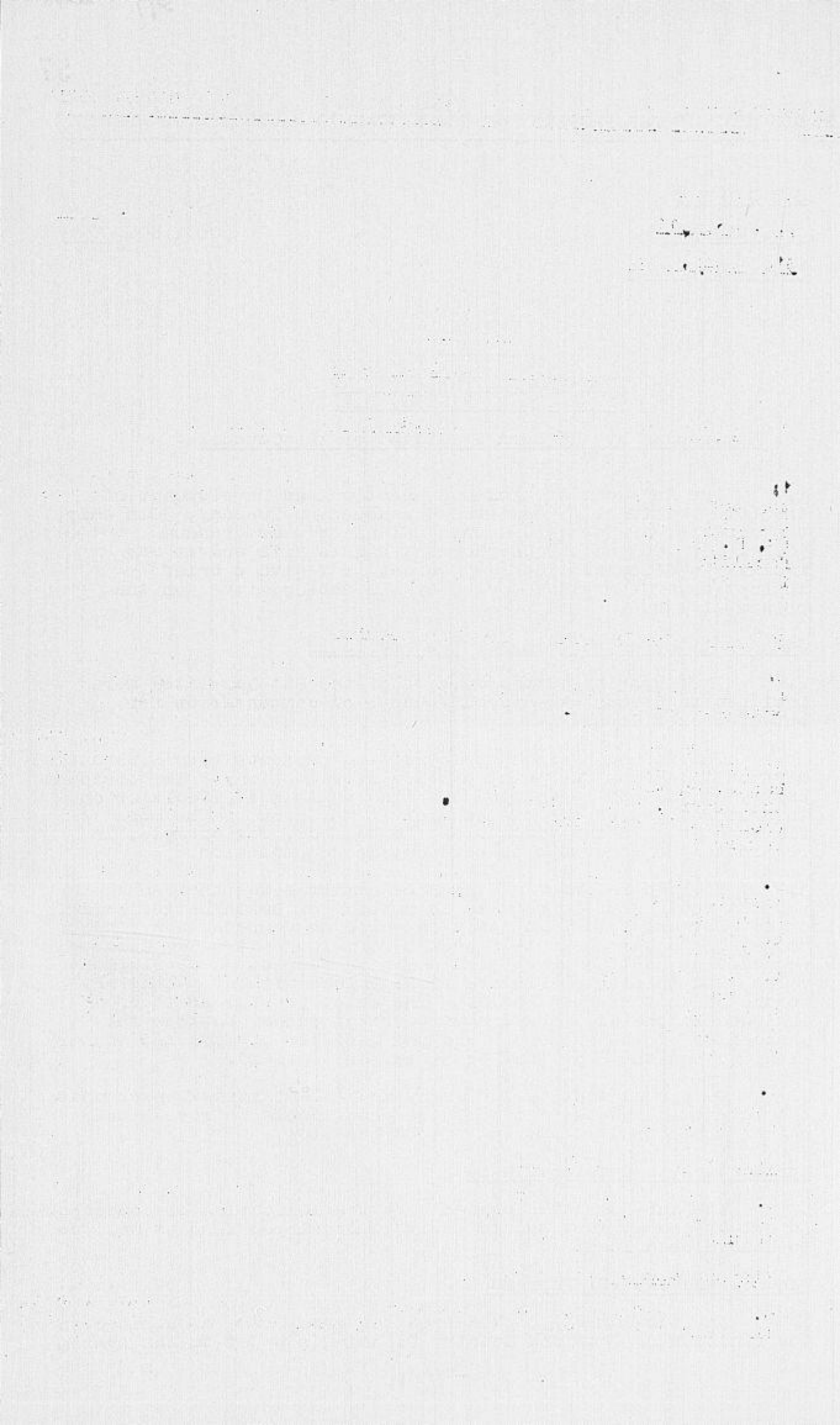
4. We agreed that the Treasury and the Planning Departments should examine whether it would be practicable to give stock, rather than cash, in payment of compensation.

Application to Developed Land

5. The Sub-Committee agreed that the limitation of compensation to out-of-pocket loss should apply to developed land as well as to undeveloped land.

Finance and Central Purchase

6. The Sub-Committee preferred the grant scheme outlined in the Minister of Town and Country Planning's paper to the system



of central purchase which he originally put forward.

The Sub-Committee recommends the grant scheme for adoption.

Planning Authorities

7. The Sub-Committee recognised the force of the argument put forward by the Minister of Town and Country Planning in favour of planning functions being left with County Districts and the City of London. Briefly, these arguments are that the County districts are responsible for the execution of the plans and it is undesirable to divorce preparation from execution. Further, by means of Joint Committees it is possible to group planning authorities into units which are more suitable for planning purposes than administrative Counties would be in many cases.

Nevertheless, having regard to the relative inefficiency of many District Councils and to the special arrangements which could be made for Joint Planning Authorities, even if the preparation of plans was made a function of County Councils and County Borough Councils, the majority of the Sub-Committee considered that planning functions should be taken out of the hands of County Districts and given to County Councils.

The City of London presents a rather special problem, and the Minister of Town and Country Planning proposes to investigate specially the question whether there are any practical objections to the transfer of planning functions in respect of the City to the London County Council.

Control of Outdoor Advertisement

8. In view of the urgency of securing control of outdoor advertisement, the Sub-Committee recommend that the matter should be handled in the present Bill. The alternative, which would involve delay, would be to leave the subject to be dealt with in an Amenities Bill which is contemplated for another Session.

H.M.

Privy Council Office, S.W.1.

31st July, 1946.

