

→ CF. Mrs M R 24/11/79



DEPARTMENT OF ENERGY  
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ENERGY CONSERVATION DIVISION

T Lankaster Esq  
Private Secretary to  
The Prime Minister  
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Prime Minister  
see below

20th November 1979

Dan Tih

M E C

You asked about our difficulties in collecting information for the committee. As the outset of MEC's work the Chairman asked Departments to co-operate in setting up a simple data base for nationalised industry to enable effective monitoring of saving. Our own nationalised industries have not found difficulty in complying. But we have met with a very obstructive attitude from the Departments of Trade and Industry (the attached copy letters are illustrative) and other Departments have dragged their feet. It is an uphill task to get energy conservation an acknowledged place in other Department's policies!

Yours etc.

D E F Carter (Mrs)  
Head of Energy Conservation

Am I right in thinking that this new letter is asking industry to provide further statistics? Or are we over asked energy to look at and monitor - ?? It is more than we can cope with. I will keep this report out. Further info will only be sent if it is worth the effort.

Prime Minister

You asked which Departments were not cooperating in collecting data from their nationalised industries. D/Energy should not be trying to interfere too much; but data for monitoring purposes does seem desirable.

R. 20/11





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From the  
Parliamentary Under Secretary of State

John Moore Esq MP  
Parliamentary Under Secretary of State  
Department of Energy  
Thames House South  
Millbank  
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7 September 1979

*Dear John,*

PUBLIC SECTOR OIL SAVING CAMPAIGN

We have given careful thought to the proposal that public bodies should be requested to fill in quarterly oil monitoring returns as part of the energy saving campaign. I am very concerned about the burdens this would impose on our nationalised industries at the very time when we are seeking ways of interfering less in their management. I have concluded that it would not be practicable to expect for example, British Airways to provide these returns. The size and complexity of British Airways operations world-wide, coupled with their own concern to run an efficient and competitive business, make such an exercise nugatory.

I certainly recognise that Nationalised Industries must all play their part in conserving energy, but I do not think that the methods of enforcement and monitoring suggested would have much practical meaning. Accordingly I am instructing my officials not to request returns.

However as far as this Department itself is concerned we shall continue to co-operate fully with the Property Services Agency to achieve every possible economy in the use of heating oil, motor fuel and electricity. I understand the PSA makes quarterly reports to your Department to enable you to monitor oil savings achieved.

I am copying this letter to all members of MEC.

*Yours ever  
Reg.*

REGINALD EYRE

174/9





52/6  
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29 August 1979

Bryan Hampton Esq  
Department of Energy  
Thames House South  
London SW1

Dear Bryan, *BA*

#### OIL SAVINGS IN THE PUBLIC SECTOR

In my letter of 12 July, I said that I would write to you again when we had given further thought to the question of monitoring oil consumption in the public sector. Mr Mitchell did outline our Department's views at the MEC meeting on 25 July. But as we have now obtained the views of all divisions which sponsor nationalised industries it may be helpful if I now set them out more fully.

We consider that we could ask nationalised industries to participate in a regular monitoring exercise only if the statistics so gathered were both meaningful and likely to be useful as a basis for policy-making. Otherwise we would be collecting statistics for statistics sake. We question whether the proposed exercise meets either criterion. We do doubt whether statistics comparing actual deliveries with likely deliveries "in the absence of oil saving measures" can be prepared in any way that is meaningful. To take but one example, the oil shortage earlier this year caused British Steel Corporation considerable operational problems: the BSC had to seize whatever flexibility they had to use various fuels to meet fluctuations in local supplies of oil. Statistics for savings of oil by BSC in 1979 "in the absence of oil savings measures" would be meaningless. Again, how could one take account of, say the industrial difficulties which British Shipbuilders are experiencing?

More substantively, on the assumption that every nationalised industry, local authority, health authority etc did provide meaningful statistics, we remain unclear how they would help your Department's policy making. Were the figures to suggest average savings of, say, one per cent would the public sector be penalised in some way? Would rationing be introduced? Or would the Department rely upon greater efforts at exhortation? It is our view that energy use is a management responsibility, in the same way as personnel or sales policies, and that the





Government has no more influence on energy matters in the nationalised industries than on any other area of management. This is not to say that our nationalised industries do not take energy saving seriously. The Post Office actively explores energy conservation possibilities - as can be seen from the information it provides in its Annual Reports. Again, the BSC and ETSU are currently in touch about the latter's energy audit of the iron and steel industry.

We consider that energy conservation requires a pragmatic industry-by-industry approach rather than the collection of statistics on an arbitrary and all too likely misleading basis. If the Government wishes to demonstrate internationally that the public sector is playing its part, it could do this effectively by quoting specific examples of the efforts being made by individual industries to improve energy conservation. (We could ask colleagues to provide examples if you wished.) But the Government does not need a quarterly monitoring exercise to enable it to do this.

*Yours*

*Alastair*

A J MACDONALD

20 NOV 1979

