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1. MR LANKESTER  
to see

2. PA

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Nick Sanders Esq  
Private Secretary to the  
Prime Minister  
No 10 Downing Street  
London SW1

/ October 1979

*Dear Nick,*

ADVISORY COUNCIL ON ENERGY CONSERVATION

I am writing to advise you that the Advisory Council on Energy Conservation will be publishing their third report to the Secretary of State for Energy on Wednesday 3 October. It is being published at this time to tie in with the start of International Energy Conservation Month. I attach a copy of the report along with a draft copy of the press notice which will accompany it.

*Yours ever,*

*Denis*

DENIS WALKER  
Private Secretary



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## USE SMALLER CARS, SAYS REPORT.

A vigorous campaign backed by fiscal measures, to make new cars more efficient in the use of fuel and to encourage the use of smaller cars is called for in a report\* published today (Tuesday, October 2 1979) by the Advisory Council on Energy Conservation. It also says that the use of diesel engines for high mileage cars and light freight vehicles should be encouraged.

Energy saving insulation standards enforced by new Building Regulations are identified as needing particularly urgent attention, and the report calls for the establishment of an energy conservation service industry.

In its third report to the Secretary of State for Energy, which is timed to mark International Energy Conservation Month, the Council brings up-to-date its assessment of the world energy situation. It also examines the development of energy conservation policies in the UK since 1973 and discusses how the UK might further adjust to a future in which energy will be scarcer and very much more expensive.

The report welcomes as a 'magnificent and valuable development' the central role within energy policy which the efficient use of energy has come to occupy over the last five years.

Looking at future oil consumption by all forms of transport the report forecasts an increase of 38 per cent (from 29 million tonnes to 40 million tonnes), by the year 2000, mainly reflecting increased consumption by civil aviation and cars. The forecast allows for the effects of energy conservation and increases in the real price of oil to the consumer. It says "It is necessary that such prices should reflect movements in the world price of oil, buttressed by increases in fuel taxes. The vigorous pursuit of improvements in the fuel efficiency of new vehicles and the encouragement of an increasing proportion of fuel economical cars in new production may have to be supplemented by fiscal measures. The improvement of driving techniques is also important.

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\* 'Advisory Council on Energy Conservation: Report to the Secretary of State for Energy'. Energy Paper 40.



"A switch to diesel powered cars covering high mileage and to diesel powered light vans would be advantageous in energy terms and should be encouraged by Government policies. This requires the restoration, as a minimum, of parity of tax as between petrol and diesel. It is also desirable to accelerate the commercial exploitation of electric vehicles, and notably vans with limited urban mileage, and a greater research effort should be directed to this end".

The Council also recommends that:

- the policy decision by the last Government to phase out the vehicle excise duty on petrol vehicles, with an increased tax on petrol substituted should be proceeded with;
- National fuel consumption targets for new car production should be revised from time to time; and a substantially stiffer target should be set for the medium term, perhaps for 1990 or 1992;
- better publicity should be given to the relaxation in the legal requirements in connection with car sharing and pooling;
- the private use of business cars as a fringe benefit should be examined from an energy conservation point of view;
- the enforcement of parking restrictions should be tightened up, thus reducing traffic congestion and helping to improve the fuel consumption of cars. Road improvements and traffic management measures designed to ease congestion are equally to be welcomed;
- public transport should be developed to provide acceptable alternatives to the private car. More financial support is accordingly likely to be required.

The report says that there is a strong need for improved Building Regulations on the thermal properties of buildings and the level of controls on Heating systems. Building Regulations setting standards for the performance of buildings as systems should be adopted. "Buildings are the key to a successful energy conservation strategy", says the report. "They dominate energy use in the United Kingdom".

In the report the Council says "the UK has the poorest insulation standards in Europe and we feel that further work on Building Regulations is needed". Acknowledging that this is a complex area, with a split of responsibilities and where energy conservation may be secondary to considerations of safety and health, it identifies it as a priority area which should receive adequate resources.



Many heating and hot water systems in buildings are badly designed and inadequately controlled, says the report and it recommends "Controls are the major consideration and we believe that action similar to that taken to improve buildings through insulation grants is required".

report

The/recommends that an energy conservation service industry should be developed and marketed if necessary by Government and that Government should extend its cooperation with the building professions in developing training in energy conservation.

Emphasising that most non-domestic buildings in the UK are owned, wholly or in part, by public sector bodies the report points out that "This puts a major holding of the existing building stock in the public sector and where it should become a model for remedial action".

The report draws attention to the fact that everyone is an energy consumer and to achieve substantial savings in fuel and power the whole population must play its part. "A substantial reduction in national demand will come about only through the actions of millions of individuals". It also highlights the need to educate the children of today as the adults of tomorrow, in energy saving.

In its conclusions on publicity and education the Council says that the Government must take the lead in a programme to motivate the population of the UK to save energy; in this respect they add "We commend the role played, particularly by the Department of Energy, in getting existing energy saving programmes off the ground". "Much of the last five years have been spent in preparing for action in gaining the necessary background and knowledge. While there is still much to be done in the R and D field, we know enough now to prosecute an effective energy saving programme. The Government's major task (and indeed that of this Council) is to ensure that this knowledge is put to effective work".