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The CHAIRMAN noted that apologies had been received from the representatives of the Ministry of Defence, the Foreign and Commonwealth Office, the Home Office and the Welsh Office. The meeting was held in the Department of Energy as accommodation at the House of Commons was not available at short notice, but for the convenience of members he proposed that future meetings should be held at the House.

2 The Committee had two tasks: in the short term to monitor the public sector's response to the call for oil savings, and in the longer term to secure the effective co-ordination and development of energy conservation generally. The Prime Minister had asked for a report on the Committee's effectiveness by October, on the basis of which a decision on its future would be taken. Clearly, little progress could be expected with their long term remit in three months and he therefore proposed that they should concentrate initially on the short term task. Evidence of their success in this would provide the basis for the Committee's continued existence to pursue the long term remit.

ITEM 1 - OIL SAVING CAMPAIGN: INITIAL PUBLIC SECTOR RESPONSE

3 THE CHAIRMAN said that effective monitoring of the public sector response was essential to put reality into the commitment to cut oil consumption by 5 per cent. The Department of Energy at present had totally inadequate information by which to judge progress. By the Committee's second meeting, which he envisaged would be towards the end of September, they must be in a position to show positive results on the basis of returns up to the end of the June quarter.

4 The PARLIAMENTARY UNDER-SECRETARY for EMPLOYMENT questioned the base period for the 5% cut and suggested that it should be related to fuel consumption over the past three years. The CHAIRMAN replied that the detailed basis of the cuts should be left to officials to sort out. The important point was that Departments and public sector organisations should have the will to achieve a cut in consumption, and that the required information should be available. There was a need for Ministers to put pressure on their Departments to secure this.

5 The PARLIAMENTARY UNDER-SECRETARY OF STATE for INDUSTRY said that he was anxious to comply with the Prime Minister's direction that the burden on industry should be minimised. The returns called for would place a considerable burden on nationalised industries, particularly the BSC. He wondered whether the information needed could not be obtained by the Department of Energy from the oil suppliers. MR HAMPTON explained that there were a large number of oil suppliers and that it would not be feasible to expect them to distinguish between their public and private sector customers. The CHAIRMAN said that there would be increasing pressure from the public for the Government and the public sector to set an example. It was

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important that they should start the coming winter fully prepared. He could not believe that reports of the kind called for would place an excessive burden on nationalised industries. But the Department of Energy would have a look at the possibility of getting returns from the oil suppliers.

6. The Parliamentary Secretary for Transport said that within the transport industries there was some reluctance to produce the required data from a fear that it would merely result in pressure to reduce services. The industries would wish to qualify the data by pointing out that increases in public transport services could result in overall energy savings in the transport field when consequent reductions in private consumption were taken into account. For example he warned that in the case of British Rail detailed figures would show increased consumption over the last year due to the introduction of new projects. Never-the-less he was confident that the information would be produced.

were able to do so, PSA should provide data.

8 The PARLIAMENTARY UNDER-SECRETARY OF STATE for INDUSTRY asked that consideration be given to the extent to which a continuing dialogue with the nationalised industries would be preferable to quarterly returns.

9 The CHAIRMAN said that in the face of increasing criticism of the public sector, Departments must accept responsibility for providing the quarterly figures. He did not think the type of return required need prove an undue burden. Whilst some organisations were legitimately concerned that the need for savings in the short term might prejudice their long term energy saving, there was nonetheless an overriding need to be able to demonstrate that the 5% oil saving commitment undertaken in the IEA was being fulfilled in those sectors where the Government was directly involved or could exert influence. In summing up, he acknowledged the obvious monitoring difficulties but asked members to urge their officials to establish the basic data on oil savings. This information must be available to provide the basis for a report to the Prime Minister in the first week of October.

ITEM 2 -- IMPLEMENTATION OF THE LONG-TERM CONSERVATION PROGRAMME

10 Introducing the Progress Report MR INGHAM said that the Government's long-term programme was designed to save 11 million tonnes of oil equivalent a year after 10 years. £450 m had been allocated for the first four years of the programme. An inter-Departmental committee of officials from 18 Departments monitored progress every six months, and reported the results to Ministers. This was the third report. It should have provided a clear indication of the implementation of the programme but, because of deficiencies in reporting by the public sector, notably the local authorities, it was not possible to assess progress on the schemes designed to bring some 5.6 million homes in the public and private sector up to a minimum standard of insulation over a period of ten years. On the basis of information received from local authorities, one would conclude that progress was slow. This inference was however contradicted by information obtained from the insulation industry whose figures suggested that in fact local authorities were doing far better than programmed. Problems were not however confined to local authority reporting; more effective reporting was clearly needed from the Department of Education and Science, the Department

of Health and Social Security and the Scottish Office. In conclusion Mr INGHAM hoped that the members would accept the need for a prompt and greatly improved standard of reporting, in time for the next Report which was due in December. A good example from Government was fundamental to persuading ordinary consumers to save now and in the longer term. For the returns so far it was not possible to say that the opportunity to set a good example, under the present programme, was being seized, and the Government was therefore vulnerable.

11 In a brief discussion the PARLIAMENTARY UNDER-SECRETARY OF STATE FOR EMPLOYMENT suggested that if information on the number of dwellings insulated was not available it might be possible to assess performance on the basis of expenditure. MR INGHAM replied that there were substantial deficiencies and contradictions in the returns made by local authorities, which officials at the Department of Environment were anxious to resolve. Until this had been done it was not possible to come to any conclusion on the progress of the programmes, although impressionistic information from the insulation manufacturers suggested that there was in fact considerable activity.

12 In further discussion the PARLIAMENTARY UNDER-SECRETARY OF STATE FOR EMPLOYMENT suggested that the STEP programme might provide a means of accelerating the insulation of dwellings. The PARLIAMENTARY UNDER-SECRETARY OF STATE, NORTHERN IRELAND referred to the possibility of a link between Energy Managers and the Industrial Training Boards. Commenting on this Mr INGHAM said that the Department of Energy had had discussions with Industrial Training Boards, but had gained the impression that they tended to be reactive bodies which were less effective in innovating and anticipating training requirements.

13 Summing up the discussion, the CHAIRMAN said that the report was concerned with longer term energy conservation and could not contribute to the proposed report to the Prime Minister, which would be confined to progress with short term oil saving. But it was important to have reliable information as a basis for monitoring progress with the longer term programme, and the standard of Departmental reporting must clearly be greatly improved.

ITEM 3 -- ENERGY CONSERVATION: THE SCOPE FOR MANDATORY MEASURES

14 Mr INGHAM said that this Report, prepared by an inter-Departmental group under his Chairmanship, arose from a request by the previous Administration for an examination of the scope for mandatory measures. The report had been completed before the General Election it had since been considered by the full Inter-departmental Official Committee on Energy Conservation, which took the view that it would be useful to Ministers to know of the work undertaken and the conclusions reached on the role of legislation in promoting energy conservation.

15 The UK had a largely voluntary energy conservation policy. The basic problem which the report attempted to answer was whether compulsory energy saving measures were needed now, when energy was relatively plentiful, rather than later, when it was expected that scarcity and high energy prices would induce savings. The Report clearly showed that, except in time of crisis there was little disposition towards compulsion. Enforcement presented a problem, especially since there were powerful objections to interfering with people's lives in their own homes, and to putting avoidable burdens on industry. The Group considered that there were some

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measures which might be pursued more effectively on a voluntary basis, for example by persuading those involved in the house market to promote good insulation and effective heating system controls as a selling point. Even if it were decided to introduce further mandatory measures, a great deal of work had yet to be done on feasibility and the likely benefits. The report made only two proposals for action: to extend domestic building regulations as far as possible to require controls on new or replacement heating systems; and to incorporate in consumer protection legislation, protection against misleading information in advertisements about home insulation and contracts

16 In discussion the PARLIAMENTARY UNDER-SECRETARY OF STATE for the ENVIRONMENT said that his Department was seriously considering whether building regulations could be abolished. He had found that totally out of date discount rates were being used in the appraisal of oil-fired heating installations. He considered that more effort should be put into solar energy. The PARLIAMENTARY UNDER-SECRETARY OF STATE, FOR HEALTH AND SOCIAL SECURITY said that the Treasury were looking into the question of fringe benefits, including company cars. Mileage allowances were an invitation to use cars, and an annual flat rate allowance would perhaps be a better basis. The PARLIAMENTARY UNDER-SECRETARY OF STATE, NORTHERN IRELAND raised the question of maximum heating levels in offices. In discussion it was confirmed that the 68°F maximum was still in force, but that owing to the difficulty of enforcement it was not very effective. Nonetheless the maximum provided a useful guide to energy managers. If the maximum were lowered it would provide firms with some leverage for renegotiating agreements with unions on minimum temperature limits.

17 The PARLIAMENTARY UNDER-SECRETARY OF STATE for EDUCATION AND SCIENCE said that when in Opposition they were in some degree committed to energy consumption labelling of domestic appliances, but this would appear to require legislation. The CHAIRMAN replied that provision for this was involved in the proposed Energy Conservation Bill which would be introduced later in the Session.

18 The PARLIAMENTARY SECRETARY for TRANSPORT said that he agreed with the report in largely rejecting compulsion. He supported the Society of Motor Manufacturers and Traders' recently announced voluntary scheme to improve average fuel consumption of new cars by 10% by 1985. He was concerned at the possible effect on this of moves to reduce the amount of lead in petrol, and to bring in higher exhaust emission standards. He stressed the need for close co-ordination and co-operation between the Departments concerned, including the Department of Health and Social Security.

19 The conclusions of the Report were formally endorsed by the Committee.

CONCLUSION

20 In conclusion the CHAIRMAN reiterated the need for Departments to provide adequate and prompt reporting of both short-term oil savings and progress with the energy conservation programme. The Committee would meet again in the second half of September to consider a report to the Prime Minister. It was essential that up to date information on oil saving was available by then.