



M/S 28 MAR 1980. EG

DEPARTMENT OF ENERGY  
THAMES HOUSE SOUTH  
MILLBANK  
LONDON SW1P 4QJ

Direct Line 01-211 3290  
Switchboard 01-211 3000

THE MINISTER OF STATE

Hamish Gray Esq MP

Mr Abbott

for advice pl

Lord Gowrie  
Minister of State for Employment  
Caxton House  
Tothill Street  
London SW1

"PS/ld Pres

PS/Perm Sec

PS/2nd Perm Sec

Mr Widging 27<sup>th</sup> March 1980

Mr Peace

Mr Traynor

MS ✓

You will be aware that considerable interest has been generated by the report of the Burgoyne Committee presented to Parliament on 6 March 1980, and in particular to the speculation aroused by its principal recommendation, that the Government shall discharge its safety responsibility for offshore oil and gas operations through a single Government agency,

At present there is divided responsibility, with policy for occupational safety resting with the Health and Safety Executive (HSE) and the technical aspects of structural safety and the 'blow-out' risks involved in tapping the oil or gas reservoir resting with my Department's Petroleum Engineering Division, which also acts as the inspecting agency of the HSE on matters of occupational safety, the Department of Trade is also concerned. This division of responsibility was criticised by most of the organisations giving evidence.

The majority of the Committee recommended that the Department of Energy is capable of discharging the entire responsibility effectively, providing it seeks advice from other bodies on matters of common concern, for instance Health and Safety Executive on occupational safety, but there was a strong minority report by the two trade union members, recommending that total responsibility should go to the Health and Safety Executive.

For a number of reasons and subject to the necessary reallocation of funds and financing between Departments I am disposed to accept the recommendation of the main committee; because the chief hazards offshore concern the possibility of total loss of an installation by fire, storm or blow-out; because the risk of blow-out is dependant on geological conditions and the geologists and geophysicists in Department of Energy have access to the necessary information to advise on the risks; because the environmental and structural hazards are intimately linked with occupational safety and the Governmental expertise in these areas rests in the Department. I do of course recognise that you may have differing views as my Cecil Parkinson in the Department of Trade.



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I would like, in view of the possible differences of opinion, to seek your agreement that a group of officials from the concerned Departments, should examine the arguments and report to Ministers. I further suggest that since these Departments are likely to hold conflicting views, the Committee should meet under impartial chairmanship. In my opinion, the Civil Service Department is the logical provider of the Chairman, and I very much hope they will be willing to take on the role.

There are 60 or so generally non-controversial technical recommendations in the Burgoyne Report and these are being considered by the Department's Petroleum Specialists who will discuss them in the usual manner with their opposite numbers in the Health and Safety Executive, Department of Trade and so on, and I will make a report on them to Parliament this summer. I assume that you are content with this arrangement, but if you have any comments please let me know.

I am copying this letter to Cecil Parkinson and to Paul Channon at the CSD who will no doubt consult No. 10 if he thinks it necessary.

*C. Channon*

*H. H. H.*