

cf JV  
Next Fri  
Prime Minister (2)

11/10

SECRETARY OF STATE FOR ENERGY  
THAMES HOUSE SOUTH  
MILLEBANK LONDON SW1P 4QJ

01 211 6402

The Rt Hon The Baroness Young  
Lord Privy Seal  
Management and Personnel Office  
Whitehall  
LONDON  
SW1A 2AZ

11 October 1982

*John James*

GAS SAFETY ETC

Thank you for your letter of 9 August. I am also grateful for Nicholas Ridley's letter of 6 September and Norman Lamont's of 8 September, and for copies of Norman Tebbit's of 17 August and Arthur Cockfield's of 24 August.

I note that the proposal to transfer the safety work of the Gas Standards Branch to the Health and Safety Executive has been agreed by colleagues, subject to the Prime Minister's approval. My officials in consultation with other interested Departments are therefore working up the proposal.

I have noted the points raised by Nicholas Ridley and Norman Lamont on the metrology proposals and no doubt Arthur Cockfield will take these into account when considering the proposals in the light of the further work being done by his officials and ours, which I hope will be completed shortly.

I am anxious to make progress on the question of the safety regime, but I do see difficulties in the route proposed by Norman Tebbit. I hope soon to be in a position to put proposals to colleagues for dealing with the problem of BGC's gas appliance retailing activities. However, the Government is committed to maintaining gas safety standards at least as their present levels after the appliance retailing decision is implemented and therefore the question of how to control gas installers needs to be resolved before any decision on gas showrooms can be taken. If the Health and Safety Commission were to conduct formal consultations at this stage, the gas unions would inevitably see this as a sign that we were starting to take action on the highly contentious showrooms front. Since we would not have finalised our policy or announced our proposals, this would give them a golden opportunity to get in first with a damaging campaign against us. Quite apart from the adverse politics of this I need hardly stress the importance of not provoking industrial action in the gas industry at the beginning of the winter.

Thus while I accept that the HSC must conduct their formal consultations I would prefer these to take place after we have reached agreement in principle on some form of control of gas installers. I therefore propose that my officials, in consultation with HSE and other interested Departments, should



as a matter of urgency prepare a paper on possible safety regimes with recommendations on which we can take a decision in principle. Once we have taken a view the HSC can begin their consultations and the gas safety work can then be transferred to HSE.

Copies of this letter go to the Prime Minister, Norman Tebbit, Arthur Cockfield, Patrick Jenkin and Nicholas Ridley.

*Yours  
Nigel*

NIGEL LAWSON



Walt Incl

Gas & Elec

12/17 OCT 1982





RESTRICTED  
MANAGEMENT IN CONFIDENCE

RSI Prime Minister



DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB  
TELEPHONE DIRECT LINE 01-212 5902  
SWITCHBOARD 01-212 7676

From the  
Minister of State  
Norman Lamont MP

The Rt Hon Nigel Lawson MP  
Secretary of State for Energy  
Department of Energy  
Thames House South  
Millbank  
London SW1

8 September 1982

*Dear Nigel*

GAS SAFETY ETC

I have seen copies of your letter of 4 August to Janet Young and of Janet's reply.

While I remain sceptical of the need for a rigorous licensing system for gas installers I recognise the implications of our stance on the disposal of gas showrooms and I am content to leave the matter to your judgement. To minimise the inevitable criticism, particularly from small firms, any system of licensing should be as simple as possible and not restrict unduly the entry of new firms into the gas installation market. It would also be helpful if we could present the introduction of licensing as being the other side of the coin to the new opportunities for private enterprise following the disposal of BGC's gas retailing activities.

I welcome the proposal to merge the relevant metrology functions of your Department and of the National Weights and Measures Laboratory. As the recent ACARD report "Facing International Competition" observed, the fragmentation of metrology responsibilities in this country is not to our advantage. I trust, however, that this merger would not prejudice the question of the proposed merger between the NWML and the National Physical Laboratory which the Prime Minister will be reconsidering in the Autumn.

Whatever organisational solution is adopted I assume that the possibilities for private sector participation mentioned in paragraph 20 of the report will be pursued. In particular it would be consistent with practice of quality assurance elsewhere for the meter manufacturers to check their own meters.

I am sending copies of this letter to the recipients of yours.

*Yours*



Nat Ind : Gas Pt 6.

19 SEP 1964

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*cc J*

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Nigel Lawson MP  
Secretary of State for Energy  
Department of Energy  
Thames House South  
Millbank  
LONDON  
SW1A

6 September 1982

*Dear Nigel*

GAS SAFETY ETC

Thank you for sending me a copy of your letter of 4 August to the Lord Privy Seal. I have seen the letter of 9 August from the Lord Privy Seal's Assistant Private Secretary to your Private Secretary, Norman Tebbit's letter to the Lord Privy Seal of 17 August and Arthur Cockfield's letter of 24 August.

Your proposal to make the Health and Safety Executive responsible for the licensing of gas installers has the advantage that it can be introduced relatively quickly under existing legislation, and should in principle be the most economic solution if we are going for a system of licensing. While I am sympathetic to Norman Tebbit's argument for a system of control without licensing, I think that only a system involving licensing will carry conviction and enable us to go forward with the disposal of the showrooms.

However, I hope that despite what has been said in Parliament it will prove possible to confine the licensing system to companies since this will reduce the staff requirement. The option of licensing companies alone should therefore be thoroughly explored, including its manpower implications. Could your officials please keep me in close touch on this aspect in their consultations with the Health and Safety Executive, so that we can decide how to deal with the increased staff for licensing in the manpower count exercise.

Finally, on the licensing work, I assume that it will be entirely self-financing with fees from licensees covering HSE's expenses. This seems appropriate since the costs should be borne by those who will primarily benefit, ie the installers who will no doubt pass the charges on to their customers. This is not a cost to be borne by the taxpayer through public expenditure.



I have no objection in principle to the transfer of gas safety functions from the Gas Standards Branch to the HSE, nor to the establishment of unified legal metrology service subject to the following two points:

- i) whatever arrangements are agreed, do not obstruct the development of checks on the meters used for measuring flows of oil and gas for tax and royalty purposes;
- ii) there should be no increase in the running costs of Government or in civil service manpower as a result of such reorganisation. Indeed, our aim should be thereby to secure savings. Your officials should be in touch with mine about the PES transfers necessary.

We need to be satisfied on these two matters before we come to final decisions.

Finally, could I ask about your proposals for the disposals of BGC's gas showrooms? I recall from last year that there was also discussion about the future of BGC's wholesaling and contracting business and I should be interested to know your plans for this as well.

I am sending copies of this letter to the Prime Minister, Norman Tebbit, Arthur Cockfield, Patrick Jenkin and to Janet Young.

*Tomson*  
*Nick*

NICHOLAS RIDLEY



06 SEP 1989

1 2 3 4 5 6 7 8 9



LFC JV



*From the Secretary of State*

The Rt Hon Baroness Young  
Lord Privy Seal  
Management and Personnel Office  
Whitehall  
London SW1A 2A Z

24 August 1982

*Dear Janet,*

GAS SAFETY ETC

Nigel Lawson proposes in his letter of 4 August taking decisions of principle immediately on both the transfer of gas safety and licensing to the HSE; and of his metrology functions to me.

I agree with the first and the suggestion that the actual method of licensing should be looked at further. I hope his and HSE officials will keep in touch with mine on that work, mainly because of our competition policy interest.

Of course extension of my Department's existing metrology functions has obvious attractions. It would be a substantial step towards a comprehensive legal metrology service. But I myself am not satisfied yet that there would be clear net benefit from the change. There are a number of issues, particularly regarding resources, lines of responsibility and the like, which are not touched on, or only partially so, in the report by the Working Group, which itself recognised that further work was required. I think that should be done before any decision is taken. I am therefore arranging for these matters to be looked at quickly by my officials, in consultation with the Department of Energy and your own Office as necessary. That can take place while Nigel Lawson's people are looking at the licensing detail.





We must of course get on with this since it has been around so long. But both aspects, the licensing and the metrological, raise more problems than perhaps were expected and we must avoid running into difficulties later.

I am copying this letter to the Prime Minister, Nigel Lawson, Norman Tebbit, Patrick Jenkin and Nicholas Ridley.

Yours,  
Arthur

LORD COCKFIELD





Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400  
Switchboard 01-213 3000

The Rt Hon The Baroness Young  
Lord Privy Seal  
Management and Personnel Office  
Whitehall  
LONDON SW1A 2AZ

17 August 1982

*D. James*

GAS SAFETY ETC

Nigel Lawson sent me a copy of his letter to you of 4 August.

I agree with his conclusion in favour of option II in the Working Group's report, in so far as affects safety. The issue of the administration of metrology is not one upon which I feel able to comment. Bill Simpson the Chairman of the Health and Safety Commission has also written to me giving the Commission's support for option II.

I also agree that further work needs to be done on the arrangements for controlling gas installation work. A majority, but not all, of the Working Group accepted the case for some form of licensing but there was no agreement on what the form should be. I quite accept the reasons why Nigel Lawson sees a need for licensing but I feel that I should repeat my earlier view that licensing is a costly approach requiring additional resources and one that we have not adopted in other hazardous areas, and that we should think carefully before setting a precedent which could lead to pressure for similar schemes in other areas.

The Health and Safety Commission has suggested that it should carry out formal consultation with the interested bodies as it does on other proposals for which it is responsible. It estimates that it could bring forward its advice within four months. This strikes me as the best way forward and, if Nigel Lawson agrees, his officials and the HSE should quickly start discussions on arrangements for transferring the existing gas safety work from his Department and for consultations on controlling gas installers.

*J. Norton*



18 AUG 1982

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10 DOWNING STREET

W

Sas Satchi etc

Are Industry and  
Trade intending to comment  
on the proposals in Mr  
Lawson's letter of 4 August?

W  
18/8

Thanks W 18/8

WR

Trade will reply next  
week. Industry have  
no comments. Treas.





Management and Personnel Office

Whitehall London SW1A 2AZ

Telephone 01-273 } 4400  
GTN 273 }

9 August 1982

*BF with  
her minutes  
comments. 10/8*

Jeremy Clayton Esq  
Private Secretary to the Secretary of State  
Department of Energy  
Thames House South  
Millbank  
London SW1P 4QJ

*Dear Jeremy*

Before she went on holiday, the Lord Privy Seal saw your Secretary of State's letter of 4 August, and was glad that the official working group's advice had been found helpful.

For her part, she is happy with the proposals in your Secretary of State's letter, and considered that they represented the most effective ways of discharging these tasks. The proposals do, of course, involve changes in the machinery of Government which are a matter for the Prime Minister, who will no doubt consider them in the light of the views of the other Secretaries of State concerned.

Copies go to the Private Secretaries to the other recipients of Mr Lawson's letter.

*Yours sincerely*

*Douglas Board*

D R H BOARD  
Assistant Private Secretary



SK SV )  
Nat Ind

Prime Minister 2

Mr Lawson recommends that  
we move quickly to  
implement option II below.

01-211 6402

The Rt Hon Baroness Young  
Lord Privy Seal  
Management and Personnel Office  
CSD  
Whitehall  
London SW1A 2AZ

Lh  
5/8

4th August 1982

Dear Lord Privy Seal

ms

GAS SAFETY ETC

In your letter of 26 March you offered the services of your officials to convene a Working Group charged with recommending organisational arrangements to cover the licensing of gas installers and the work of the Gas Standards Branch (GSB) and the Electricity Meter Examining Service (EMES). I have now considered the Working Group's Report.

On gas licensing, the Working Group concluded that powers under existing Health and Safety legislation could be used to set up a system of gas licensing. They also agreed that licensing was a necessary corollary of the action to be taken on gas appliance retailing following the Monopolies and Mergers Commission Report. But they were not able to recommend a particular licensing system.

On organisation, the Group identified the following options covering gas licensing and the present functions of GSB (gas safety and legal metrology) and EMES (legal metrology);

- I - maintain the broad status quo: gas licensing to go to GSB (responsible through HSC to myself).
- II - divide the functions: gas licensing and gas safety to go to the HSE (responsible through HSC to myself) metrology work of GSB, EMES and National Weights and Measures Laboratory (NWML) to be combined into a new central service.
- III - treat metrology as in (II) but gas safety and licensing as in (I).
- IV - set up a new non-departmental public body to cover gas licensing and the work of GSB, and possibly also the functions of EMES.

The Group also identified a sub-option which is to leave metrology as at present (option I) but to place gas safety and licensing within HSE (option II).



The Group's Report sets out the arguments for and against each option, and I will not repeat them. I should however stress the importance of introducing a rigorous system of gas licensing quickly so that progress can be made on the follow-up to the MMC Report.

My objectives are to provide effectively and quickly for gas safety before taking action on appliance retailing, and to ensure that the statutory functions now carried out by GSB and EMES continue to be carried out satisfactorily. Any proposals for organisational change need to take into account both cost and career structures for the staff concerned.

The Working Group favoured options II and III with some preference for option II (gas safety based in HSE and a unified metrology service). My own preference is also for option II, and I think that we should now endorse that in principle.

On gas safety, I am sure that the Working Group were right to recommend that GSB's existing gas safety responsibilities and the new gas licensing function should be carried out together. I am also persuaded by the argument that the Health and Safety Executive have the experience of licensing systems and the administrative superstructure to take on this task relatively quickly and at a relatively low cost. The line of responsibility would run from the HSE through the Commission to myself. Experience with similar arrangements for the Nuclear Installations Inspectorate and the Mining Inspectorate suggests that this would work satisfactorily. The transfer of GSB's gas engineers to the HSE would provide a helpful degree of continuity.

On metrology, the establishment of a unified legal metrology service seems a sensible approach which would result in greater efficiency from which Government, consumers and industry should benefit. It would also establish a broader career structure for the officials concerned.

I do not agree with the suggestion in Paragraph II of the Report's Summary and Conclusions that further work will be necessary before agreement can be reached on metrology. Paragraph 26 of the Report fully makes the case for a unified service. We need to minimise any delay, both because urgent action is required on gas safety and to avoid prolonging uncertainty for the staff concerned. I propose therefore that we should agree now to the establishment of a unified legal metrology service. Officials will of course need to consider further the details.

On gas licensing, it is clear that more work is required before a final decision on the type of licensing system can be taken. I therefore propose that my officials should discuss urgently with the HSE the transfer of gas safety and gas licensing. I can then



further consider possible licensing arrangements, and also what administrative arrangements need to be made to transfer to HSE the functions covered by existing gas safety legislation.

To sum up, it is clear that a more effective disposition of functions within Government would be achieved by transferring the tasks of GSB and EMES from my Department to a unified legal metrology service and to the HSE. In addition, I am satisfied that the HSE could take on the urgent task of licensing gas installers rapidly and cost-effectively. I should be grateful for your agreement and that of colleagues to these proposals.

Copies of this letter go to the Prime Minister, Norman Tebbit, Arthur Cockfield, Patrick Jenkin and to Nicholas Ridley.

*Yours sincerely*  
*E. Drake*

PP NIGEL LAWSON

*(approved by the Secretary of State and signed in his absence).*





Chancellor of the Duchy of Lancaster

✓ JV  
Management and Personnel Office

Whitehall London SW1A 2AZ

Telephone 01-273 { 4400  
GTN 273 }

26 March 1982

WR  
29/3

The Rt Hon Nigel Lawson, MP  
Secretary of State for Energy  
Thames House South  
Millbank  
LONDON SW1P 4QJ

Dear Nigel,

GAS SAFETY AND STANDARDS

Thank you for copying to me your letter to Norman Tebbit of  
23 March. — TPM

I am happy to proceed with a review of how licensing of gas installers should be handled, and of GSB and EMES, on the lines you suggest. I hope that our colleagues will also agree. Time is short if officials are to report back to us by mid-May, and I am asking my officials to get in touch with others likely to be concerned as soon as possible.

I am copying this letter to the Prime Minister, Patrick Jenkin, John Biffen, Norman Tebbit and Nicholas Ridley.

Yours  
Baroness Young

BARONESS YOUNG





*At 9.00*  
*24/3*

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Nigel Lawson MP  
Secretary of State for Energy  
Thames House South  
Millbank  
LONDON  
SW1

24 March 1982

*Dear Nigel*

Norman Tebbit copied to me his letter to you of 20 January, in which he suggested that the Health and Safety Executive might take on the administration of a licensing scheme for gas installers, and proposed that officials from relevant Departments should prepare a report for Ministers on the options available.

I think Norman Tebbit's suggestion is helpful. It will be important to maintain public confidence in gas safety if our proposals in relation to the disposal by BGC of its appliance retailing business are to command acceptance. If it is more probable that the HSE can take on the administration of a licensing system within our overall objectives for civil service manpower than that the Department of Energy can, then this is an attractive option. I also gather from Janet Young's letter to you of 8 February that it might be possible to use the powers in the Health and Safety at Work Act and thus avoid further legislation: we clearly need to look into this because it would be a considerable advantage.

I should like my officials to be associated with the proposed study. Subject to your views, I am content with Janet Young's suggestion that the Manpower and Personnel Office should chair the discussions.

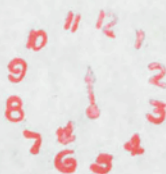
I am copying this to the Prime Minister, Patrick Jenkin, Norman Tebbit, Janet Young, John Biffen, and Gerard Vaughan.

*Nicholas Ridley*

NICHOLAS RIDLEY



24 MAR 1982



1.4.1



Gas & Electricity  
Tebbit

CC JV

MS

SECRETARY OF STATE FOR ENERGY  
THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ

01 211 6402

Prime Minister 2  
Nigel Lawson agrees with  
a proposal made by Norman  
Tebbit that officials should  
consider the possibility of  
transferring the work of the Gas  
Standards Branch, the Electricity Meter  
Examination Service, and the new job  
of licensing gas installers, to the HSE.  
He calls for a report by mid May.

Rt Hon Norman Tebbit MP  
Secretary of State for Employment  
Dept of Employment  
Caxton House  
Tothill St  
London  
SW1H 9NA

23 March 1982

Wh  
23/3

Dear Secretary of State,

GAS SAFETY

You wrote to me on 20 January suggesting that the Health and Safety Executive might take on the role of licensing gas installers (if it is decided to proceed in that way) as well as assuming the present responsibilities of Gas Standards Branch (GSB) and the Electricity Meter Examination Service (EMES). Patrick Jenkin raised the possibility of privatising these functions, in his letter of 3 February, and Janet Young drew attention to the Metrology area in her letter of 8 February and offered the help of her officials.

I am most grateful for these suggestions. Let me say first that I still believe that we should introduce statutory licensing of gas installers. As a volatile asphyxiating and inflammable substance used in the home, gas presents unique safety problems. We have also committed ourselves to ensuring that existing gas safety standards do not suffer as a result of action taken in response to the MMC report on BGC's appliance retailing despite a possible reduction in the British Gas Corporation's installation and servicing role.

We have been struggling with the problem of the future of GSB and EMES for some time. As you say, in July last year my predecessor proposed to E(EA) that these functions should be hived off to a new non-Departmental body. E(EA) concluded that we should explore the HSE option instead. My officials have since had discussions with HSE and have been awaiting the latter's final views. These interchanges are now of course overtaken by your letter. At the time of the E(EA) discussion we foresaw various difficulties with transferring GSB's functions to other private and public sector bodies. But I agree that the proposed new licensing function and its staffing implications justifies looking at this problem again.

I think, therefore, that we shall take up Janet Young's offer of MPO officials to lead a small working group. They could have an open remit to consider ideas for GSB and EMES including Patrick Jenkin's privatisation ideas, though I would have serious reservations about privatising any of GSB's or EMES's safety functions. Any move in that direction could create political difficulties. The group would need to take account of aspects such as:-

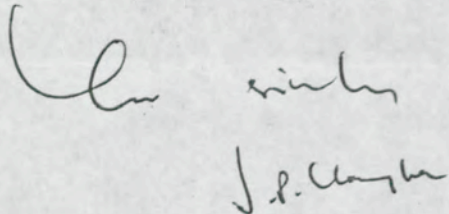




- the future licensing arrangements for gas installers;
- GSB and EMES's consumer protection responsibilities for gas and electricity metering and gas quality testing;
- GSB's work for Government and both oil and gas metering for taxation and regulatory purposes;
- links between GSB/EMES activities and this Department's policy responsibilities;
- manpower and financial implications.

Because we will have to make decisions soon on the gas safety legislation in 1982/83 it is obviously important that the working group should reach conclusions quickly. I hope that they can report back to us by, at the latest, mid-May. As to membership it seems probable that the Department of Industry, Trade and possibly the Treasury will need to take part as well as our Departments and the MPO. If you, Janet and our other colleagues are content I hope that MPO can now set this work in hand.

I am copying this letter to the Prime Minister, Geoffrey Howe, Janet Young, Patrick Jenkin and John Biffen.

  
Nigel Lawson

NIGEL LAWSON

(Approved by the Secretary of State  
and signed in his absence)



MAR 1982







NBPM

C.C. JV  
AD

Caxton House Tothill Street London SW1H 9NAF

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Baroness Young  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
LONDON SW1A 2AZ

26 February 1982

D Janet.

## GAS SAFETY AND STANDARDS

Thank you for sending me a copy of your letter of 8 February to Nigel Lawson following on from mine of 20 January.

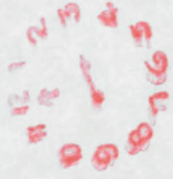
For my part, I should welcome your people taking a lead as honest broker in the discussions on the work of the Gas Standards Branch and the Electricity Meter Examination Service. I would also be content for the discussions to range beyond the HSE's role on gas safety to take in other metrology work and the work of other Government laboratories if you think that might be useful.

Copies of this go to the recipients of the earlier letters.

*[Handwritten signature]*  
Nouri



1-1 MAR 1982





CONFIDENTIAL

NBPM <sup>cx JV</sup>  
WHL/AB

Management and Personnel Office

Whitehall London SW1A 2AZ

Telephone 01-273 4400  
GTN 273

Chancellor of the Duchy of Lancaster

8 February 1982

The Rt Hon Nigel Lawson, MP  
Secretary of State for Energy  
Thames House South  
Millbank  
LONDON SW1P 4QJ

*Dear Nigel,*

#### GAS SAFETY AND STANDARDS

Norman Tebbit copied to me his letter to you of 20 January about arrangements for gas safety work, and in particular the proposal to set up a licensing scheme for gas installers.

I am sure that it is right that we should examine the possible role of the HSE in relation to gas safety; and the related possibility that the powers in the Health and Safety at Work Act could be used for the licensing of gas installers without requiring further primary legislation. I think too that it would also be useful to examine the work of the Gas Standards Branch and the Electricity Meter Examination Service (GSB/EMES) in relation to other metrology work and the work of other government laboratories.

I should be happy for officials in MPO's Machinery of Government Division to take part in these discussions; indeed if an "honest broker" is required to lead the discussions my people would be glad to do so, as they have done in other cases.

Copies of this go to Norman Tebbit, the recipients of his letter, and - in view of what I have suggested about metrology and the work of Government Laboratories - John Biffen.

*Yours ever*

*Janet*

BARONESS YOUNG

CONFIDENTIAL



- 9 FEB 1982



1982





DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301  
SWITCHBOARD 01-212 7676

NBPM pas 5/2

Secretary of State for Industry

3 February 1982

The Rt Hon Nigel Lawson MP  
Secretary of State for Energy  
Thames House South  
Millbank  
London SW1P 4QL

Nationalised  
Industries

cc AD  
JV

Dear Nigel,

GAS SAFETY AND STANDARDS

Norman Tebbit kindly copied to me his letter to you of 20 January.

2 My concern is that the Gas Standards Branch and Electricity Meter Examination Service cannot at present meet the demands made upon them by industry because of the restrictions on the number of civil servants. If the transfer of these functions to the Health and Safety Executive helps matters in this regard I should support it but I note from Norman's letter that the HSE would also be constrained by these restrictions. I wonder therefore if officials should also be instructed to take a further look at the feasibility of privatising these functions. I wonder too whether it would also be sensible to consider whether there is a private sector solution to the licensing of gas installers - the licensing of heavy goods vehicles or, indeed, CORGI, might provide some ideas.

3 I am sending copies of this letter to the recipients of Norman's.

Yours  
Peter



- 5 FEB 1982







Caxton House Tothill Street London SW1H 9NA

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The Rt Hon Nigel Lawson MP  
 Secretary of State for Energy  
 Department of Energy  
 Thames House South  
 Millbank  
 LONDON SW1P 4QL

20 January 1982

*D. Nigel,*

GAS SAFETY AND STANDARDS

David Waddington drew my attention to your Private Secretary's letter of 23 December to the Prime Minister's Private Secretary about the staffing requirements for a regulatory body for the licensing of gas installers. He also reminded me about the proposal which David Howell put to the E(EA) meeting on 7 July to set up a new non-Departmental body to oversee the responsibilities of what are at present your Gas Standards Branch and Electricity Meter Examination Service (GSB/EMES). As you know, E(EA) decided that Departments should explore the possibility of transferring to the Health and Safety Executive the functions of the GSB/EMES. It struck us that the same option might also be worth exploring for the licensing of gas installers. David Waddington has looked into this with the Director-General of the HSE and, at first glance, it looks as though the HSE should be able to do what is needed with some considerable savings in resources and without the need to create two new quangos. We have not worked this idea up in great detail but it certainly merits further examination.

I should say, in fairness to HSE, that this is not a case of their seeking to empire-build. The initiative has come from us and HSE have told us that this is something they would willingly take on if Ministers wished. I might also add that it is not obvious to me or HSE, on the information we presently have, that licensing - which is a comparatively expensive form of control, in terms of staff numbers and of charges - is, on any objective criteria, necessary in this area; we do not have it, for example, in relation to electrical installations or solid fuel boiler systems. However it may be that you would feel it necessary from your point of view to stick to the licensing approach.





On the licensing of gas installers your current estimate is of up to 200 extra staff for the statutory scheme to replace CORGI to deal with an increase in private sector installation work. This licensing work could be done by the HSE under the Health and Safety at Work Act, and they tell me that by using their existing organisation they estimate that they would need only about 50 extra staff to do the routine checking a licence scheme requires. The costs of the scheme would still be recouped by fees to licence holders as in your scheme but the fees could be lower.

On the GSB/EMES side the work on gas safety fits naturally with that of the HSE and there seems no reason why the HSE should not take it on and liaise with your Department on policy issues arising from your responsibilities for the Gas Act. If this work could be slotted into the HSE set up it would be likely to be more economical than setting up a new statutory body.

I am sure that this option would bring us up against some possible problems. In particular, neither this Department as a whole nor the HSE could meet the staffing for either scheme within its existing ceilings. If the HSE option is to be a runner the staff and budget (for numbers and costs) of the GSB/EMES will need to be transferred from your Department as an addition to the HSE's resources and their manpower ceiling will have to be increased also to cover the work on licensing.

Because we have not worked up all the details of this alternative approach, there may be aspects of which we are unaware which could affect the arguments, nonetheless I do not think we can afford to lose sight of what may be a cheaper and easier approach. If colleagues are content to endorse it in general terms, I think the best approach would be for my officials to get together with yours, Treasury and MPO to produce a paper we could consider collectively in the spring.

Copies of this go to the Prime Minister, Geoffrey Howe, Patrick Jenkin, Janet Young and Sally Oppenheim.

*John*  
*Norris*



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