

FROM: CHIEF SECRETARY

DATE: 14 JULY 1983



EN-0

PRIME MINISTER

ENERGY CONSERVATION AND EFFICIENCY

I have seen a copy of Peter Walker's minute of 6 July seeking your help in establishing an Energy Efficiency Office (EEO) following the recommendation of a Rayner Report.

TPM

2. I am generally sympathetic to the proposal, and welcome the more active approach to resource allocation inherent in it. The Rayner Report envisaged some modest savings in administrative costs and Civil Service manpower. I can therefore agree to Peter Walker's proposal/^{but only} on condition that the other Departments concerned give up the funds and manpower it requires from within their existing allocations, such that:

- (i) there is no addition to programme expenditure overall;
- (ii) the savings in administrative costs and manpower are actually secured.

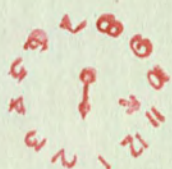
3. While Peter Walker would take over the policy responsibilities, some schemes - such as for Home Insulation - will continue to be administered by other Departments. The Treasury will wish to see a clear definition of financial responsibilities, so that for example, Cash Limits are not put at risk by any unexpected surge in demand. Some clarification is also needed, I believe, of the EEC's proposed "promotion" of the energy conservation industry. We must be careful to avoid duplication with DTI or generating public expectations that any additional resources will become available overall. I should therefore be grateful if Departments' officials could continue to keep in close touch with their Treasury counterparts over the details of the reorganisation.

I am copying this letter to the Chancellor of the Exchequer,
to the Secretaries of State for the Environment, Trade and
Industry, Scotland and Wales, and to Sir Robert Armstrong.

PR

PETER REES

Energy Policy: Energy ^{Part 1} Conservation: Part 2



25 JUL 1983

CONCLUSION