



Nat Ind

EM

10 DOWNING STREET

From the Private Secretary

31 January, 1983

Deeu Corche,

The Prime Minister has seen a copy of your Secretary of State's letter of 11 October to the Lord Privy Seal, which records Ministers' agreement, subject to her approval, that the responsibilities at present exercised by the Department's Gas Safety Branch should be transferred to the Health and Safety Executive.

The Prime Minister agrees that this change should be made. She understands that the Health and Safety Commission and its Executive will report to your Secretary of State on the discharge of these responsibilities. She also believes that the new function of controlling gas appliance installers should be discharged by the HSE on the same basis.

The Prime Minister notes that the question what form the controls should take is still unresolved. She agrees with your Secretary of State that it is presentationally important to demonstrate that the Government is introducing an adequate safety regime to maintain and perhaps improve gas safety standards when the arrangements for gas appliance retailing are liberalised. But she does not think that demonstration of this fact necessarily rests upon the introduction of an exhaustive licensing system. She believes that the aim should be to ensure a control regime that is as unbureaucratic, cheap and unburdensome to industry as is commensurate with effective regulation; the views of the Health and Safety Commission and its Executive, as the experts in the operation of such controls, should be given due weight.

The Prime Minister also notes that the question of a transfer of responsibilities for some aspects of legal metrology from the Secretary of State for Energy to the Secretary of State for Trade is outstanding. She believes that, in principle, such a transfer is desirable, and that bringing together the main responsibilities for legal metrology in the National Weights and Measures Laboratory should benefit the services offered and lead to a more economical use of resources in the longer term. She hopes that the outstanding

/points

[Faint, illegible text]

[Handwritten signature]

points of detail can be settled quickly, so that work on re-allocating your Department's Gas Safety Branch and Electricity Metering Examination Service can proceed.

I am copying this letter to Felicity Everiss (Department of Employment), John Whitlock (Department of Trade), Caroline Varley (Department of Industry), Paul Cann (Lord Privy Seal's Office), Jane Swift (Chief Secretary's Office) and Richard Hatfield (Cabinet Office).

Y
ours ever,
Tim Flesher.

(Timothy Flesher)

Miss C.E. Brooks,
Department of Energy

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GA
Pse Tynn
as in RIA
Minute

Ref. A083/0319

MR FLESHER

The Prime Minister has now agreed that the responsibilities at present exercised by the Department of Energy's Gas Safety Branch should be transferred to the Health and Safety Executive.

X
2. This clears the way for you to write to the Private Secretary to the Secretary of State for Energy on the lines of the draft attached to my minute of 2 November.

R. H. H. H.
Approved by
ROBERT ARMSTRONG
and signed in his absence.

28 January 1983

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SECRETARY OF STATE FOR ENERGY

10, DOWNING STREET, SOUTH
MILLBANK, LONDON, W1H 4DQ

01 211 6402

TF
15/12

The Rt Hon Norman Tebbit MP
Secretary of State for Employment
Caxton House
Tothill Street
London
SW1H 9NF

10th December 1982

Dear Secretary of State

GAS SAFETY ETC

Thank you for your letter of 15 November about the regulation of gas installers and transfer of gas safety functions.

I have now written to Geoffrey Howe bringing colleagues up to date on the position on the general question of BGC's appliance retailing (a copy of my letter of 25 November is attached for your information). In view of the nature of the proposals and the fact that the effects will take some time to percolate through the BGC system, I have concluded that there is no reason why a decision should not be taken on the main issue before a decision is taken in principle on the control of gas installers.

For the same reasons I am satisfied that we do not need to decide on the safety aspect before BGC have announced their proposals on appliance retailing. On the basis that colleagues agree to my proposals, I would, if questioned about the safety implications of BGC's announcement, say that the Government stood by its commitment on safety and was working on detailed proposals prior to consultation.

However it is still important to press ahead towards a decision on a safety regime with the aim of ensuring that, in line with the Government's commitment, there will be no lowering of safety standards once BGC's dominance of the gas appliance market is broken. I am convinced that some form of licensing of installers will be essential if the public's present belief that BGC are safer than the private sector is to be changed and competition enabled to flourish. My officials are therefore looking forward to receiving HSE's paper on options.

The transfer of gas safety functions generally to HSE is still subject to the Prime Minister's approval. However, my officials are working towards effecting the transfer by 1 April 1983 and, while there are a number of administrative points (including manpower and financial transfers) still to be resolved between my

officials and yours, I understand that these should not prolong this timetable.

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

Yours sincerely
Nigel Lawson

NIGEL LAWSON

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

Nat Ind

Gas & Elec

PT-7

10 DEC 1982



We must have
a brief discussion about this
I have no confidence
in the

Ref. AO82/0168

HOSB.

MR FLESHER

Note:

Prime Minister discussed
with Sir Robert Armstrong at
Business Meeting on 28.1 and agreed
that the transfer to Health and Safety
Executive should go
Prime Minister: ahead. FEB

You asked us here were 3-1-83

any alternatives to the proposal in Sir Robert
Armstrong's minute (flag A) that the HSC
should take on responsibility for gas safety.
This minute explains the background. If you
agree a draft minute is at
flag B. H 19/11

Gas Safety Etc.

In your minute of 9th November, you said that the Prime Minister would like to know if there were any possible alternatives to the proposal in Sir Robert Armstrong's minute of 2nd November that responsibility for Gas Safety should be transferred from the Department of Energy to the Health and Safety Commission (HSC) and its Executive (HSE).

2. The issue arose because of the need, if the British Gas Corporation's showroom network is to be privatised, to introduce a regime of licensing of installation of gas appliances. This called into question the existing safety and metrological work of the Department of Energy's Gas Standards Branch. Four options were identified for the organisation of the safety work:

- a. in-house by the Gas Standards Branch of the Department of Energy;
- b. by HSE, reporting through the HSC to the Secretary of State for Energy,
- c. a new non-departmental public body (quango); or
- d. contracting the work out to the private sector.

3. Options c and d would avoid the need to employ civil servants on this work. It would require legislation to put the work out to the private sector, in effect to an expanded Council for Registration of Gas Installers (CORGI). That would mean putting extensive regulatory and prosecuting powers, which could include depriving people of their livelihood, completely outside Government. A basically self-regulatory arrangement of this nature might not command sufficient public or parliamentary confidence. It would certainly be necessary to divorce CORGI from BGC, on which it is at the moment heavily dependent. The industry is itself known to favour Government regulation.



4. A new quango would certainly have been possible, and had some attraction in that the staff would then be outside the Civil Service manpower count. But it would require legislation, and it is Government policy to avoid setting up new non-departmental public bodies where there are existing bodies which can equally well do the work.

5. The clinching argument for putting this work with HSC and HSE was one of efficiency. ? It was clear that the work could be integrated into HSE's existing field organisation in a way which, while employing the necessary specialists, would avoid the need to set up a separate inspection force and the overhead costs in managing and servicing them. Further, HSE's existing computer installation could take the licensing of installation firms (though probably not of individual operatives) in its stride. The new work would also benefit from HSE's general expertise in safety work. Thus the net use of resources would be minimised by giving this task to HSC and HSE. Another and by no means negligible advantage was that the powers in the Health and Safety at Work Act could be used to introduce the new regime if it was enforced by civil servants, thus avoiding the need for further legislation.

6. On the question of legal metrology, I understand that the Secretary of State for Trade is still studying the organisational and staffing implications of taking on gas and electricity meter work, and also the future location of the National Weights and Measures Laboratory, the lease on whose existing premises expires in March 1984. One promising option is to co-locate it at Teddington with the National Physical Laboratory, thus achieving most of the advantages of common management without the disadvantages which had been identified earlier.

A handwritten signature in dark ink, appearing to be 'R P Hatfield'.

R P HATFIELD

18th November 1982

Nat Ind:



Gas & Elev

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

15 November 1982

D. Nigel,

GAS SAFETY ETC

Part 6

In your letter of 11 October 1982 to Janet Young you said you would prefer to see the consultation by the Health and Safety Commission, which I had proposed as the means of helping us decide how best to regulate gas installation work, take place after we have reached a decision in principle on some form of control.

I doubt if there is any need for us to reach hasty conclusions which would pre-empt the Commission giving us their recommendations about the several options available. I understand HSE officials have already been in touch with yours both on the issue of regulation of gas installers and to begin planning the transfer of gas safety functions. A paper on the options for controlling gas installation work is well advanced and I am told it will be discussed with your people in the next two or three weeks.

I fully take your point about needing to avoid triggering a campaign by the gas unions before you are able to put forward your proposals on BGC's gas appliance retailing. I do not agree, however, that our commitment to maintain safety standards requires us to decide about controlling gas installers before you can make progress on the broader issues. All the options being considered are based firmly on that premise. The solution seems to lie in holding back consultation on gas installers until you are ready to announce the general proposals.

In the meantime, I do not think we should confuse the particular issue of gas installation with the transfer of gas safety functions generally to HSE which we have already agreed in principle; and for planning purposes it would seem wise to aim at effecting the transfer of functions by about next April.



My officials and the HSE stand ready to meet yours if that would speed progress on either of these issues.

Copies of this go to the Prime Minister, Janet Young, Arthur Cockfield, Patrick Jenkin and Nicholas Ridley.

J. Norman

Gas & Electricity Price in Nat Grid : Pt 7

12 NOV 1987

12 NOV 1987

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10 DOWNING STREET

From the Private Secretary

MR HATFIELD

Gas Safety, etc

B/R | The Prime Minister has now seen Sir Robert Armstrong's minute, reference A09943, about the transfer of responsibility for gas safety functions. Before agreeing to Sir Robert's proposal, the Prime Minister would like to know if there are any possible alternatives to the arrangements proposed by Sir Robert and, if so, what considerations led to the recommendation that the Health and Safety Commission and its executive should exercise those functions. I should be grateful if you could arrange for this to be done.

T. FLESHER

9 November 1982

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JSV 1

Ref. A09943

PRIME MINISTER

Why don't we look at the alternative decision before we Prime Minister

Agree Sir Roberts proposals at X, Y and Z? If you do, a draft letter is attached reflecting this. Tof 4/4

Gas Safety, Etc

I have seen the Secretary of State for Energy's letter of 11 October to the Lord Privy Seal, which was copied to you. In it he notes that his colleagues have agreed, subject to your approval, that the responsibilities for gas safety at present exercised by his Department's Gas Safety Branch should be transferred to the Health and Safety Commission and its Executive (HSC/HSE), reporting to him.

2. This proposal results from a report of a working group of officials under the Chairmanship of MPO's Machinery of Government Division, which examined responsibilities for existing gas safety functions, for the new function of controlling gas installers that will need to be discharged when the Government's proposals for gas appliance retailing are implemented, and for the legal metrology functions discharged by the Department of Energy. The report recommended that HSC/HSE, reporting to the Secretary of State for Energy, should take on both the existing gas safety functions and the new work of controlling gas installers. It also recommended that the Secretary of State for Energy's legal metrology functions, at present discharged by the Gas Safety Branch and the Electricity Meter Examination Service, should be transferred to the Secretary of State for Trade and be linked organisationally with the work of his National Weights and Measures Laboratory.

X | 3. I recommend that you should approve the allocation of both the existing and the new gas safety functions to HSC/HSE. These arrangements would link gas safety organisationally with related safety functions, in an organisation which is well equipped to discharge them effectively and economically, and with minimum delay in putting a new system of controls over installers into operation. No legislation would be needed to give effect to the proposals; the Health and Safety Commission and its Executive have ample powers to do the new work on behalf of the Secretary of State, and there is no change of final Ministerial responsibility for the existing work.



4. One issue has arisen which prevents immediate allocation of responsibilities for controlling gas installers. This is the question of the form which the controls should take, referred to by the Secretary of State for Energy in his letter. The Secretary of State wants an exhaustive licensing regime, not least to demonstrate that the Government takes seriously its commitment to maintain gas safety standards when the arrangements for gas appliance retailing are liberalised. The Health and Safety Commission and Executive, supported by the Secretary of State for Employment, believe that more effective results could be achieved by other means of control at the disposal of the HSE, and that licensing of individual installers would be excessive and expensive. Other Ministers concerned are fairly agnostic, but would not wish to see extensive controls that might deter competition and entry to the market, or which would prove costly. My own view is that, if the Health and Safety Executive, as the experts on safety regimes and the people who will have to operate the controls to the Secretary of State's satisfaction, believe that they can do so with something other than a full licensing system, weight should be attached to their views. The Secretary of State has proposed further study by officials. You might like to suggest that the time has come to steer those concerned in the direction of a rapid resolution of the disagreement, and against any presupposition that licensing is the only form of control that is acceptable in both practical and political terms.

2 | 5. The question of responsibilities for legal metrology work at present done by the Department of Energy is also still not resolved, as the Secretary of State for Trade wished the organisational and staffing implications to be studied further before he agreed to take on the work. The proposed transfer, which would bring together all the main responsibilities for legal metrology and should permit a more economical use of resources in the longer term, seems sensible and you may want to indicate your approval in principle. But you may be pressed by the Secretary of State for Industry to consider that question together with your final decision on where responsibility for standards should lie. A proposal that the Secretary of



State for Trade's metrology functions exercised by the National Weights and Measures Laboratory should be transferred to the Secretary of State for Industry was a subordinate consideration in the standards issue.

--- 6. If you are content to proceed as I have suggested, I attach a draft of a minute which your Private Secretary might send in response to the letter from the Secretary of State for Energy.

RA

ROBERT ARMSTRONG

2 November 1982



(B)

DRAFT MINUTE FROM THE PRIVATE SECRETARY, NO 10 TO
THE PRIVATE SECRETARY TO THE SECRETARY OF STATE
FOR ENERGY

Gas Safety, Etc

The Prime Minister has seen a copy of your Secretary of State's letter of 11 October to the Lord Privy Seal, which records Ministers' agreement, subject to her approval, that the responsibilities at present exercised by the Department's Gas Safety Branch should be transferred to the Health and Safety Executive.

2. The Prime Minister agrees that this change should be made. She understands that the Health and Safety Commission and its Executive will report to your Secretary of State on the discharge of these responsibilities. She also believes that the new function of controlling gas appliance installers should be discharged by the HSE on the same basis.

3. The Prime Minister notes that the question what form the controls should take is still unresolved. She agrees with your Secretary of State that it is presentationally important to demonstrate that the Government is introducing an adequate safety regime to maintain and perhaps improve gas safety standards when the arrangements for gas appliance retailing are liberalised. But she does not think that demonstration of this fact necessarily rests upon the introduction of an exhaustive licensing system. She believes that the aim should be to ensure a control regime that



is as unbureaucratic, cheap and unburdensome to industry as is commensurate with effective regulation; the views of the Health and Safety Commission and its Executive, as the experts in the operation of such controls, should be given due weight.

4. The Prime Minister also notes that the question of a transfer of responsibilities for some aspects of legal metrology from the Secretary of State for Energy to the Secretary of State for Trade is outstanding. She believes that, in principle, such a transfer is desirable, and that bringing together the main responsibilities for legal metrology in the National Weights and Measures Laboratory should benefit the services offered and lead to a more economical use of resources in the longer term. She hopes that the outstanding points of detail can be settled quickly, so that work on re-allocating your Department's Gas Safety Branch and Electricity Metering Examination Service can proceed.

5. I am copying this minute to the Private Secretaries to the Secretary of State for Employment, for Trade and for Industry, the Lord Privy Seal and the Chief Secretary, Treasury, and to Sir Robert Armstrong.

Nat. Ind



Sas + Elec Pricing Pt 7

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