

cc/PU



SECRETARY OF STATE FOR ENERGY
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The Rt Hon John Major MP
Chief Secretary
HM Treasury
Parliament Street
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COO
23/3

23 March 1989

Dear John,

CLIMATIC CHANGE: ENERGY EFFICIENCY IN THE PUBLIC SECTOR

Thank you for your letter of 14 March in response to mine of 6 March on my proposals for a new campaign to promote energy efficiency in the public sector.

I am glad that you recognise the importance of this campaign, but disappointed that that has not encouraged you to accept the need for new incentives to departments.

Our officials have discussed in some detail existing arrangements for financing energy efficiency investments within departments. I remain firmly of the view that without some new arrangement which improves the balance of advantage for departments undertaking such investments we cannot expect a sustained improvement in performance, nor can we expect the new campaign to carry conviction amongst outside observers. I believe that my proposals for improved incentives are justified in themselves, and the modest short term costs of less than £15 million over all departments in the first year will lead rapidly to opportunities for public expenditure savings.

Without some concessions on this point I see little prospect of being able to present the new campaign as a serious contribution to the action agreed at the Prime Minister's January meeting on Climatic Change which reflected increasing concerns over energy use on climatic change. Unless, upon reflection, you are able to see your way to accommodate me on this I think that we will need to meet for a discussion.

I am copying this letter to the Prime Minister and to Nicholas Ridley.

Yours
Erst,
Paul

ENV AFFAIRS: Aqua Law Pro

