

RESTRICTED



cc P.H.

2/2/89

Treasury Chambers, Parliament Street, SW1P 3AG

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

Dear Cecil,

10th. April 1989

CLIMATIC CHANGE: ENERGY EFFICIENCY IN THE PUBLIC SECTOR

Thank you for your further letter of 23 March. *May 198*

The key lies in making sure that departments understand that under the new arrangements for charging energy use and for monitoring efficiency gains in running costs they already have a clear interest to make the fairly small investments necessary for the relatively rapid savings you foresee.

You might do this in your paper by emphasising that:-

- overall, the £14 million energy investment you want to see is equal to no more than 0.1 per cent of Civil Service running costs
- the £45 million savings you foresee can be counted towards departments' three-year efficiency gain targets and will make them easier to achieve
- most departments already have plans to meet their efficiency gain targets. If they can deliver these without counting in further savings in energy use they stand to benefit.

I suggest that, subject to rapid clearance of the details with my officials, you should amend and circulate your paper accordingly.

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

*Yours Faithfully,
John*

JOHN MAJOR

END AFFAIRS : Acid Ram PTB

