

CONFIDENTIAL

✓ Press



W a Judge - the Chancellor would have

2 MARSHAM STREET  
LONDON SW1P 3EB

to be consulted  
no

Use not

Prime Minister

My ref:

Your ref:

This statement will have to be made on

18 March 1981

Tuesday. But the Chairman may not have been settled by then. This is not wholly satisfactory, but further delay will be difficult. Content? MAP 18/3

CANVEY ISLAND  
At the meeting of E on 12 March (E(81)10th meeting) it was agreed that my Secretary of State should clear the draft of a statement on the setting up of an inquiry with members of the Committee. I attach a draft statement on which my Secretary of State would appreciate comments, if possible by close of play tomorrow, Thursday 19 March. The Chancellor of the Duchy of Lancaster's office has suggested Tuesday or Wednesday of next week for the statement and publication of the Report.

My Secretary of State is very attracted by the idea of appointing Mr Justice Parker, but even if he is willing, it may not be possible to tie up the appointment in time for the statement.

I am copying this to the Private Secretaries to all members of E Committee, the Chancellor of the Duchy of Lancaster, and Sir Robert Armstrong.

Yours  
D A Edmonds

D A EDMONDS  
Private Secretary

CONFIDENTIAL

CANVEY ISLAND

DRAFT STATEMENT TO BE MADE BY THE SECRETARY OF STATE FOR THE ENVIRONMENT

With permission I shall make a statement about Canvey Island.

An exploratory local Inquiry was held in 1975 to consider whether to revoke planning permission which had been granted to United Refineries Limited for an oil refinery. At that Inquiry an Assessor recommended study of the inter-related risks of the Canvey area, which was then carried out by the Health and Safety Executive. The local Inquiry was reopened in 1980 to take account of their findings. The Inspector was asked to consider the safety aspects of the proposed refinery, having regard to existing uses in the vicinity.

I am publishing the Inspector's report today. On the matters under consideration before the Inquiry, he found no real disagreement with the HSE finding on risks. Although there were doubts about the ability to achieve certain recommended improvements which would reduce the extent of risk, he concluded that the additional risk from the proposed refinery would in itself be comparatively small.

However, as a result of his enquiries, he referred to risks arising from the nearby British Gas Methane Terminal. He was concerned about possible consequences of any incident at the Terminal. He judged that the Terminal should not remain sited so close to the resident population unless a foolproof device for protection of the public could be installed. I quote his recommendation: "There are no grounds for United Refineries Limited's planning permission to be revoked on health and safety grounds, but only if either the Methane Terminal installs a source of ignition on its perimeter or it is closed down."

I must stress that the Methane Terminal was not the subject of the Inquiry. The Inspector did not and was not asked to consider all the issues involved in the safety of this plant. But in the light of his remarks I consider that it is essential for the issues to be properly and urgently subjected to a full inquiry at which all the

facts and opinions can be evaluated and considered.

I am therefore today contacting the Castle Point District Council with a view to arranging a full inquiry under planning powers, to be arranged as soon as possible. The Inspector, with specialist assessors, will be asked whether it would be right to begin discontinuance procedures or whether, in the light of the evidence given to the Inquiry, such a step would be inappropriate.

[                                  will be appointed to chair the Inquiry].

As the Terminal is operational land of a statutory undertaker, the report will be made to my Rt Hon Friend the Secretary of State for Energy and to me. Meanwhile I propose to defer further a decision on whether the United Refineries Limited permission should be revoked. I also shall defer deciding a planning appeal by London and Coastal Oil Wharves Limited for development at their site near the Methane Terminal.

I am sure the House will agree that we must reach properly informed decisions on these issues which concern both the safety of people living in the area and the public interest in maintaining the gas supply.

DRAFT OF 18 MARCH 1981

289

File



cc: D/N  
D/M  
Lo Chanc.  
Ch. J. L.  
CO

10 DOWNING STREET

From the Private Secretary

19 March 1981

B G 26/3/81 for handson.

The Prime Minister has seen the draft statement on Canvey Island which was enclosed with your letter to me of 18 March.

I understand that the statement is now scheduled for Tuesday, and the Prime Minister is content with this.

She has noted that it may not be possible to tie up the appointment of the Chairman of the Inquiry in time for the statement. On the assumption that you hope to appoint a Judge, you are no doubt in consultation with the Lord Chancellor.

I am sending copies of this letter to Julian West (Department of Energy), Richard Dykes (Department of Employment), Michael Collon (Lord Chancellor's Office), Nick Huxtable (Chancellor of the Duchy of Lancaster's Office) and David Wright (Cabinet Office).

M. A. PATTISON

AW

David Edmonds, Esq.,  
Department of the Environment.

CONFIDENTIAL

PRIME MINISTER

Canvey Island Statement

Mr. Heseltine had no problems with his statement. Mr. Kaufman responded for the Opposition, welcoming the statement. He sought assurances of speediness and quick publication, and asked that the Government should not flinch from carrying out the enquiry's recommendations, whatever interests might be effected.

Bernard Braine accepted his victory with good grace. Whilst forecasting that he would have many more questions after studying the report, he wanted to know immediately why the enquiry was only to be exploratory; how long British Gas would take to complete the decommissioning of their below ground storage; and whether Mr. Heseltine would prevent British Gas reactivating the LPG pipeline in the interim. Mr. Heseltine explained that the Environment inspectors' report had only incidentally covered the methane terminal, and did not therefore provide a basis for a final judgment whether to move for discontinuance.

Oonagh McDonald wanted Thurrock Council to be kept in the picture, and Albert Costain wanted Trinity House to have the opportunity to give evidence. Sydney Chapman asked what compensation might be necessary if this process led to the revocation of planning permission for the terminal. Mr. Heseltine declined to be drawn into speculation, whilst making it clear that public safety issues would be paramount.

24 March 1981

Top copy with  
Questions.

Home Affairs 2

MAP



*With the Compliments of the  
Parliamentary Clerk*

✓  
MAD

*Department of the Environment  
2 Marsham Street London SW1P 3EB  
Telephone 01-212 3711*

STATEMENT BY THE SECRETARY OF STATE FOR THE ENVIRONMENT  
CANVEY ISLAND

With permission I shall make a statement about Canvey Island.

An exploratory local Inquiry was held in 1975 to consider whether to revoke outline planning permission which had been granted to United Refineries Limited for an oil refinery. At the Inquiry an Assessor recommended study of the inter-related risks of the Canvey area.

This study was then carried out by the Health and Safety Executive who concluded that the risks did not justify closure of any of the existing installations at Canvey provided that certain improvements were carried out.

The local Inquiry was reopened in 1980 to take account of their findings and the Inspector was asked to consider the safety aspects of the proposed refinery, having regard to existing uses in the vicinity.

I am publishing the Inspector's report today (copies have been placed in the Library).

On the matters under consideration before the Inquiry, he found no real disagreement with the HSE findings on the order of risks involved, and he concluded that the additional risk from the proposed refinery would in itself be

comparatively small.

However, notwithstanding improvements initiated following the HSE study, the Inspector was concerned about the possible consequences of any incident at the nearby British Gas methane terminal, and judged that it would be wrong for that terminal to remain sited so close to resident population unless a foolproof device for protection of the public could be installed.

I must stress that the Methane Terminal was not itself the subject of the Inquiry.

The Inspector did not and was not asked to consider all the issues involved in the safety of this plant.

But in the light of his very serious remarks I consider that it is essential for these issues to be properly and urgently subjected to a full inquiry at which all the facts and opinions can be evaluated and considered.

I am therefore today contacting the Castle Point District Council with a view to arranging a full inquiry under planning powers, to be arranged as soon as possible.

The Inspector, with specialist assessors, will be asked whether it would be right to begin discontinuance procedures



or whether, in the light of the evidence given to the Inquiry, such a step would be inappropriate.

As the Terminal is operational land of a statutory undertaker, the report will be made to my Rt Hon Friend the Secretary of State for Energy as well as to me.

Meanwhile I propose to defer further a decision on whether the United Refineries Limited permission should be revoked. I also shall defer deciding a planning appeal by London and Coastal Oil Wharves Limited for development at their site near the Methane Terminal.

I am sure the House will agree that we must reach properly informed decisions on these issues which concern both the safety of people living in the area and the public interest in maintaining the gas supply.

cc A. Ogurd

✓  
MAD

01-211 6402

The Rt Hon Michael Heseltine  
Secretary of State for Environment  
2 Marsham Street  
London  
SW1P 3EB

20 March 1981

Dear Michael

Your Private Secretary circulated a copy of the draft statement you were proposing to make on Canvey.

My main concern is that the draft should make it clear that HSE has already concluded that the risks on Canvey were acceptable subject to certain improvements which have been, or are, in the process of being completed, and that the Inspector accepted their assessment of the risks. Despite this he concluded that the methane terminal should be closed unless a foolproof device for the protection of the public could be installed.

I would therefore hope you could make the following amendments to your draft statement:-

(a) after the second sentence of the first substantive paragraph insert the following:-

"They concluded that the risks did not justify closure of any of the existing installations at Canvey provided certain improvements were carried out. These improvements have now been, or are in the process of, being completed."

(b) The only example we have been able to find of the Inspector expressing doubt about the ability to achieve the improvements recommended by the HSE relates to the means of overcoming a spill of ammonia or hydrogen fluoride. I do not think that this is a risk which is specifically associated with the methane terminal. Since the main thrust of the statement relates to the terminal, I think it would be wrong to include this qualification. In any event, it does not seem to warrant as prominent place in the statement as it has. I suggest therefore that "and" be substituted for "Although there were doubts ... the extent of risk, he" at the start of the second sentence in the second substantive paragraph.

(c) The start of the third substantive paragraph implies that the Inspector did not agree the HSE's assessment of the risks. He did, but concluded that they were not acceptable. Indeed, he seemed to imply that any level of risk was unacceptable. I would therefore like the first three sentences of the third substantive paragraph to be amended as follows:-

"Despite this he was concerned about possible consequences of any incident at the nearby British Gas methane terminal and judged that the terminal should not remain sited so close to the resident population unless a foolproof device for protection of the public could be installed."

(d) I question whether the Inspector adequately considered any of the issues involved in the safety of the methane terminal. He certainly did not consider all the issues. I suggest therefore that "all" be deleted from the second sentence of the fourth substantive paragraph.

I am copying this to members of 'E' Committee, the Attorney General and Sir Robert Armstrong.

D A R HOWELL

*Handwritten:*  
Gan er  
David  
→