Elizabeth House York Road
London SE1 7PH

Telegrams Anstider London SE1
Tel: 01-928 9222
26th January 1983

in minimum

After 15. Malay

e of 10 December



## Department of Education and Science

Office of Arts and Libraries From the Minister for the Arts

The Rt Hon Tom King MP Secretary of State for the Environment 2 Marsham Street LONDON SW1

Den Jon,

Michael Heseltine sent me a copy of his minute of 10 December to the Prime Minister about local authority capital expenditure.

Now that I have seen the subsequent correspondence on this, I would like to add one or two points arising from my responsibility for the local library, museum and art gallery services. The capital programme for these services is of course relatively small, at about £18 million a year with capital receipts of around £1 million. Moreover, in recent years it has not been underspent - if anything, the reverse. This argues for an increase in its allocation for future years.

I share Michael's reservations about the Policy Unit's analysis and proposals, and I endorse his view that the measures already taken should first be given a chance to work. I also agree that it would be worth considering the further options he mentions, particularly the possibility of introducing end-year flexibility (and not only for local authority but also for central government capital programmes, where this would be an enormous help in managing the flow of major building projects for the national museums and galleries and the British Library).

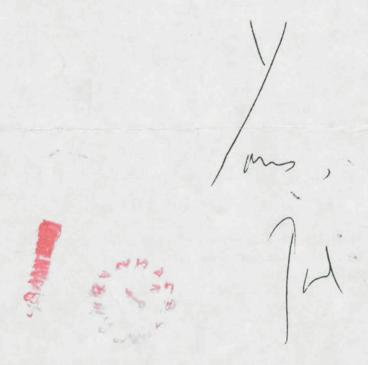
As for the immediate situation, the local library and museums services can play a small but useful part in helping authorities to make fuller use of the capital resources made available to them. I have done what I can to encourage them in this. For example, the Museums and Galleries Commission has been urging the Area Museum Councils to support proposals by local authority museums in their areas for capital projects. There is evidence of a widespread need for museum projects, such as improvements or major repairs to buildings, which have little or no revenue consequences. Indeed, some can actually lead to later revenue savings, for instance by facilitating more economical heating or environmental control systems, or by rationalising accommodation so as to make more efficient use of warding, security and conservation

... / ...

services. Much the same could be said of the library service.

If further guidance is to be given to local authorities on these matters, I would welcome a suitable reference to the library and museum services. I would also be glad to attend or be represented at any meeting on these issues.

I am copying this to the recipients of Michael Heseltine's minute.



PAUL CHANNON