

CONFIDENTIAL

Prime Minister (2)

PRIME MINISTER

THE ARTS AFTER ABOLITION OF GLC AND
THE METROPOLITAN COUNCILS

Yes no

Agree X and Y?

MCS 29/7

Abolishing the GLC and the Mets is supposed to save money. Grey proposes that up to £15 million of GLC and MCC expenditure on the arts should be transferred to the Exchequer. But he does not appear to propose compensatory reductions on RSG to the constituent authorities, although he refers to "adjusting" the criteria.

The argument that we must spare the Halle Orchestra "three years uncertainty and demoralisation" is surely false. If the people in and around Manchester really are loyal to the Halle, then the councillors of Manchester, Stockport and so on, will not reduce their local contribution to the Halle's grant because that would make them unpopular with their electorates.

Grey does not consider the opposite possibility: that some boroughs will spend more pro rata on the arts than they did when enveloped in a Metropolitan Council.

The truth is that we do not know what the pattern of support will be after abolition. But if we believe that boroughs are best, it is surely irrational to show such distrust of their tastes.

We suggest that the Office of Arts and Libraries should be invited:

- i. to specify the "two or three museums or galleries and a few other arts bodies, of special regional or national significance which could not be left thus to take their chance."
- ii. to consult with the institutions concerned and the borough councils to seek solutions for them by voluntary joint action.

FERDINAND MOUNT
19 July 1983

fm

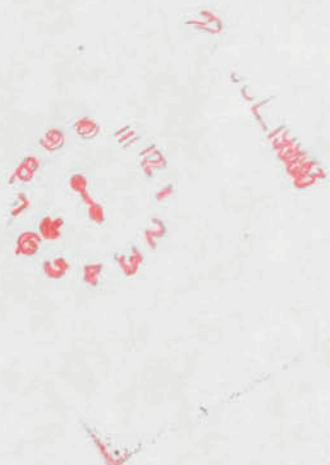
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(letter attached)

X

Y

Local Syst.
Central/Local Relations
Pt. 16.



Local
Govt
Reltn

CONFIDENTIAL

CC DOE DMSS
HO D/ETIP
DES D/TRANS
DTI CH SEC
LPS NS/DOE

TRUP



10 DOWNING STREET

RM
COL

From the Private Secretary

20 July 1983

bcc Mant

Dear Mary,

ABOLITION OF GLC AND METROPOLITAN COUNTY
COUNCILS: THE ARTS

The Prime Minister has seen a copy of your Minister's letter of 18 July to the Secretary of State for the Environment.

The Prime Minister believes that the Government's decision to return as many as possible of the powers of the GLC and the MCCs to the boroughs implies that in the main, the Government should leave to the boroughs the decision as to what resources they will apply in support of the arts. But the Government should, at all events, not start from a position of distrust of the boroughs' tastes.

The Prime Minister has asked if your Minister would specify the "two or three museums or galleries and a few other arts bodies, of special regional or national significance which could not be left thus to take their chance"; and to consult with the institutions concerned and the borough councils to seek solutions for these by voluntary joint action.

I am sending a copy of this letter to the Private Secretaries to the other Members of MISC 95 and to Richard Hatfield (Cabinet Office).

Yours sincerely,

Michael Scholar

Mrs. Mary Brown,
Privy Council Office.

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HL

OFFICE OF ARTS AND LIBRARIES
 Old Admiralty Building
 Whitehall
 London SW1A 2AZ
 Telephone 01-273 4400

Prime Minister

From the Minister for the Arts

18 July 1983

This looks

The Rt Hon Patrick Jenkin MP
 Secretary of State for the
 Environment
 2 Marsham Street
 LONDON SW1P 3EB

emblesome. Await

the Treasury's reaction

before taking a view?

MUS 18/7

Dear Patrick,

ABOLITION OF GLC AND METROPOLITAN COUNTY COUNCILS: THE ARTS

I promised to let the Committee know how I proposed to deal with the implications for the arts of abolishing the GLC and the MCCs.

In purely financial terms the implications, though not massive in relation to the scale of the whole operation, are very substantial in relation to the OAL expenditure programme. Moreover, they give rise to severe problems for the state of the arts in general and for the Government's standing in relation to them.

I have two basic aims. One is to protect artistic institutions of accepted excellence from suffering damage as a result of a reorganisation taking place for quite different purposes. The other is to see that a local government reorganisation which is thoroughly worthwhile for its own sake does not become subject to needless public criticism from perhaps the most articulate and well organised lobby in the nation, on the ground that we are using local government reorganisation to make backdoor savings on the arts.

Whatever their other failings, the GLC and the MCCs do much worthwhile work in running museums and galleries, and in supporting the living arts. In line with our policy, I want to see the responsibility for continuing this work assigned, in general, to the local borough councils (by which I mean the metropolitan district and London Borough Councils). However, this inevitably involves a risk that some of the institutions and activities concerned will be inadequately provided for, particularly where (as often happens) they serve constituencies extending beyond the boundaries of their "home" boroughs. I intend to press the institutions concerned and the borough councils to seek solutions to such problems wherever possible by voluntary joint action, and I am prepared to accept the risk that solutions will not be found in all cases. But there are two or three museums and galleries,

and a few other arts bodies, of special regional or national significance which could not be left thus to take their chance. The Hallé Orchestra, for example, could not nowadays make good from local sources, public or private, the third of a million pounds it gets annually from the Greater Manchester Council. The prospect of three years' uncertainty and demoralisation, with constant pressure on the Government to intervene to "save the Hallé", would in my view be unacceptable both politically and artistically.

I propose therefore that provision should be made for securing the future of a few such bodies on a national basis, within the present structure of national arts support. One or two museums and galleries, which I would provisionally designate after informal private consultation with people who know the field well, would be assigned to new trustee or similar bodies created for this purpose and financed primarily by the OAL like the existing national museums. The major museums of the GLC would be assigned to the trustees of appropriate national museums and, with the latter, would also be supported directly by the OAL. A few major orchestras and other arts bodies in the areas concerned, which are likewise of special regional or national significance, are already supported primarily by the Arts Council or similar national bodies but rely also, to a substantial extent, on support from the councils which are to be abolished. I propose that the national bodies concerned should take over this additional support role. The GLC's responsibilities in respect of the South Bank would be assigned to the Arts Council, subject to the creation of a new trustee or similar body to manage the concert halls.

The financial requirements of this approach would be mainly confined to transferring to the central government element of the OAL expenditure programme, from the local government programmes on which they are now borne, the amounts - probably less than £15 million in total - spent by the GLC and the MCCs in respect of the institutions and other arts bodies selected for central financing (the additional administrative work involved would also require a small increase in the OAL manpower ceiling). It would also be necessary to adjust the rate support grant assessment criteria so as to reflect more closely the actual needs of the boroughs with regard to the arts and museums.

practical?

When the GLC and the MCCs are abolished there will probably be significant shortfalls in the support for many of the arts institutions and activities in their areas which are not protected by the measures of central financing which I propose. Some borough councils opposed to the reorganisation in principle may well try to embarrass the Government by refusing to replace the abolished councils' support of bodies which, though not so significant as to qualify for national support, are nevertheless highly regarded. If acute problems should arise in this respect it might be necessary to seek additional temporary resources to enable the central supporting bodies to ease some of the worst difficulties of the transitional period.

My own assessment is that it would be foolish not to safeguard in the way I propose £15 million of existing expenditure on things which are themselves of high quality in terms of our national life, which make a substantial contribution to employment and tourism, and which in political terms are about as visible as it is possible to be.

If colleagues agree, I propose to consult on this basis.

Copies of this letter go to other members of MISC 95 and to Sir Robert Armstrong.

*Yours,
Grey.*

LORD GOWRIE

LOCKE GNT: Central / Local Relations

Pt 15

118 JUL 1983





OFFICE OF ARTS AND LIBRARIES
Old Admiralty Building
Whitehall
London SW1A 2AZ
Telephone 01-273 4400

From the Minister for the Arts

15 September 1983

The Rt Hon Patrick Jenkin MP
Secretary of State for the Environment
2 Marsham Street
LONDON SW1P 3EB

MBPM

MS 15/9

Ben Patrick,

ABOLITION OF GLC AND METROPOLITAN COUNTY COUNCILS: THE ARTS

I thought I should bring you up to date with the position reached between Peter Rees and myself on the proposals for dealing with Arts activities in the White Paper.

The present draft, circulated by Irwin Bellwin for the third meeting of MISC 95 today, contains one paragraph, 2.15, which has been agreed between my and the Treasury's officials.

You will recall that, after our discussion at the previous meeting of MISC 95, I was asked to agree with Peter detailed proposals for central funding of a few arts institutions of significant national or regional importance. We are still finalising our proposals, which will form the basis of the consultation paper mentioned in para 2.33 (v) of the present draft White Paper. When we have reached agreement, I shall circulate a draft of that consultation paper to colleagues on MISC 95.

Copies of this letter go to other members of MISC 95 and to Sir Robert Armstrong.

*Yours,
T/Vig*

LORD GOWRIE



H M Treasury

Parliament Street London SW1P 3AG

Switchboard 01-233 3000
Direct Dialling 01-233 8481

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BY HAND

M W Hodges Esq
Office of Arts and Libraries
Elizabeth House
York Road
LONDON SE1 7PH

Dear Mark

WHITE PAPER ON ABOLITION OF GLC AND METROPOLITAN COUNTIES
- THE ARTS

You will be expecting comments from us on your provisional draft passage.

2. I am left rather confused by the various Ministerial exchanges there have been on the future of major institutions run by, or enjoying a large measure of support from, the GLC and metropolitan counties. MISC 95, subject to a caveat on financial and manpower considerations agreed (Mr Jenkin's minute of 27 July) that special arrangements might be necessary to deal with some of these institutions, but thought it important that the White Paper should be drafted in such a way as to enable the Government to keep the maximum pressure on lower-tier authorities and the private sector to provide support for as many institutions as possible. Separately, the Prime Minister (Michael Scholar's letter of 20 July) has expressed the view that the level of support for the arts should in general be left to the boroughs to decide and has asked Lord Gowrie to consult the institutions and boroughs to seek solutions by voluntary joint action for any institutions of special regional or national significance which could not in his view be left to take their chance if transferred to the boroughs in the normal way. In reply your Minister (Mary Brown's letter of 29 July) pressed again for transfer of a short list of these bodies from local to central government, stating it as his working assumption that local government re-organisation was not intended to reduce the overall level of arts support or to be burdened with a high level of controversy on extraneous matters. We know from Willie Rickett's letter of 1 August that the Prime Minister has simply noted Lord Gowrie's proposals without comment; it is not self-evident to us that

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Michael (br)

I have told Michael

Further that the pm
did not object to

Lord Gowrie's proposals

and that if the Tsy

wants to push his

argument it will probably

22 August 1983

have to do so at ministerial

level. WJ
dfg

File with
TFR

M W Hodges Esq
Office of Arts and Libraries

22 August 1983

this denotes her approval, or indeed any change from her earlier position.

3. It would therefore be helpful to know of any further indication of the Prime Minister's views which you or her office may have received. Meanwhile however I think it best to consider your draft paragraphs against the background of the MISC 95 conclusions.
4. Here there may be something of a conflict between two principles: Cabinet's wish for a full announcement of the Government's proposals and MISC 95's concern that pressure should be maintained on the lower-tier authorities to support as many institutions as possible. Certainly I find your text as it stands rather difficult to square with the latter. I do not find it self-evident that (for example) Liverpool City Council or Newcastle City Council would refuse to provide adequate support for the Walker and Laing Galleries, simply on the grounds that they were of a great deal more than local interest; might you not indeed arouse unnecessary controversy by threatening a central takeover of facilities built up by local initiative and in which local people take a good deal of pride? Nor do I think it necessary to concede at the outset that it would not be right to expect local resources to take sole responsibility for replacing funding currently provided by the upper tier. Is the implication that these institutions ought to have been funded nationally (at least to a greater extent than now) all along?
5. No doubt you have plenty to tell us about the reasons for your fears that the institutions concerned will suffer serious lack of support if they are left in the hands of the districts. But even if there were general agreement that the entirety of the bodies on your Minister's short list would be under threat if transferred to the boroughs, would it be tactically wise to admit as much before consultations have even begun? I appreciate that one or two institutions may be of such significance that specific mention would have to be made of them in the White Paper - the South Bank complex is probably one of these - but even in these cases it may be desirable to set out more than one option for their future and to balance the 'centralist' one (even if in your Minister's view that was the only realistic runner) with a 'localist' alternative.
6. Perhaps it would be best for us to come over for an early discussion with you and/or your people.
7. I am copying this letter to Michael Scholar at No 10 and to Diane Phillips at DOE.

Yours ever
Michael
M J C Faulkner

LOWAN COST
Kels Pt 16

22 AUG 1983

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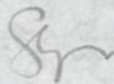
1 August 1983

Abolition of GLC and Metropolitan County
Councils: The Arts

Thank **you** for your letter of 28 July
to Michael Scholar. The Prime Minister
has noted Lord Gowrie's proposals without
comment.

W F S RICKETT

Mrs. Mary Brown,
Office of Arts and Libraries.



ce 200



OFFICE OF ARTS AND LIBRARIES
Old Admiralty Building
Whitehall
London SW1A 2AZ
Telephone 01-273 4400

From the Minister for the Arts

29 July 1983

Prime Minister ①

Michael Scholar Esq
Private Secretary
10 Downing Street
London SW1

Content with this
approach and with
the shortlist?
MS 29/7

MS

Dear Michael,

ABOLITION OF GLC AND METROPOLITAN COUNTY COUNCILS: THE ARTS

Lord Gowrie has seen your letter to me of 20 July in which the Prime Minister asked him to specify the museums and galleries and other art bodies of special regional or national significance which would be likely to suffer serious funding loss through disappearance of the MCCs and the GLC.

My Minister welcomes the Prime Minister's endorsement of his view that in the main the arts responsibilities of the GLC and the MCCs should be left to the boroughs. This will deal with several hundred arts bodies currently in receipt of grant and over 20 local museums. As the Secretary of State for the Environment's paper makes clear, the Government will exert maximum pressure on lower-tier authorities and the private sector to provide support for as many of these artistic institutions as possible. Lord Gowrie accepts that there will be likely loss of support for some of them and accompanying potential difficulties and controversy. He feels, however, that a major effort of persuasion on his part may reduce the problems to manageable proportions.

But there are a few major bodies of international repute which cannot be left on this basis: regional institutions solely the responsibility of the GLC and MCCs which have little chance of 'home' borough support on the necessary scale; and national institutions which receive major funding from the GLC and MCCs which is unlikely to be made up elsewhere. My short-list is attached: for example it would be most undesirable to let the South Bank Complex fall to Lambeth. As envisaged in Patrick Jenkin's minute to the Prime Minister of 27 July, I would like to guarantee the future of these bodies by a transfer, within the existing public expenditure plans, from local to central government.

Lord Gowrie's overriding concern is to safeguard those centres of excellence in the arts - both national and regional - which have taken so long to build up and which make such a contribution

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to national life. He is working on the assumption that local government re-organisation is not intended to reduce the overall level of arts support, and that his colleagues do not wish to burden the re-organisation with a high level of controversy irrelevant to its purpose.

Yours sincerely,

Mary Brown

MRS M E BROWN
Private Secretary

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Institutions which are solely the responsibility of the GLC or the MCCs:

The South Bank Complex - particularly the concert halls (Lambeth)

3 major GLC museums: Kenwood (sited in Camden)

The Horniman Museum
(sited in Southwark)

The Geffrye Museum
(sited in Hackney)

The Walker Art Gallery (sited in Liverpool)

Institutions to which the GLC and the MCCs make substantial contributions:

LONDON

The National Theatre

The English National Opera

The London Festival Ballet

The London Orchestral Concerts Board
(which finances the main London orchestras)

MCCs

The Hallé Orchestra

The Royal Exchange Theatre, Manchester

The Liverpool Philharmonic Orchestra

City of Birmingham Symphony Orchestra

Opera North



W/C Joan Dunn
DEPARTMENT OF THE ENVIRONMENT
2 MARSHAM STREET LONDON SW1P 3EB
01-212 3434

My ref: W/PSO/33761/83
Your ref:

12 July 1983

Dear Robin ^{Peris}

Thank you for your letter of 29 June about two points raised by the Lord Lieutenant of Lancashire.

We are aware of the concern that abolition of the metropolitan county councils may lead to a reduction in funding for the arts. This is certainly the right time for views about the implications of abolition to be fed in. Mr Towneley may want to put his views to those who will be involved locally in pressing the case for arts funding to be protected as well as the relevant Government Departments.

On Mr Towneley's second point, we are well aware from previous reorganisation exercises of the need to consider the implications for Lord Lieutenants. However, we have not yet reached the stage of taking decisions on this issue. As we move towards the preparation of a Bill, we shall have to decide whether to abolish the metropolitan counties altogether, and to give these areas a new form of designation; or whether simply to abolish the councils and leave the counties in existence. The Lieutenancy arrangements are clearly one of the factors that will need to be taken into account when decisions are being made.

Yours sincerely

A handwritten signature in blue ink that reads 'Joan Dunn'.

JOAN DUNN
Private Secretary

Robin Butler Esq