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NBPM

From the Minister for the Arts

The Rt Hon Kenneth Baker MP
Minister for Local Government
Department of the Environment
2 Marsham Street
LONDON SW1P 3EB

please request PPs
- attached
12/4

3 April 1985

Dear Kenneth, X (KJ)

ABOLITION: VOLUNTARY BODIES. A TRUST FOR LONDON

- will request if required
PC-25

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Thank you for sending me a copy of your letter of 19 March to Patrick Jenkin, enclosing a paper with proposals for the setting up of a Trust to be endowed from some of the GLC's assets. I have also now seen Leon Brittan's letter of 27 March, and take this opportunity to make one or two observations on both.

I agree with your proposal. My only concern is that discussions with interested parties, and subsequent decisions on the points outlined in your paper, should take account of those "arts" bodies which, as I have mentioned before, are in fact more aptly described as "voluntary bodies" because their functions are not wholly or primarily artistic. This applies particularly to those bodies whose activities cross borough boundaries. Their interests should particularly be borne in mind if we decide to choose an existing 'umbrella' organisation as the Trustee body. Many of these bodies have made representations to me and will no doubt cause a disproportionate fuss if a new arrangement appears to exclude them.

I agree also with the reservations expressed in Leon's fourth paragraph. We must present the new Trust in a positive way, as an issue of principle and not as a finger in the dyke because abolition is revealing cracks and weaknesses in future arrangements. As I well know from my own vociferous parish, this can all too easily happen, despite our initial intentions. If we have to strengthen the immediate grant mechanisms in

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order to score a clear win on the establishment of a Trust in, say, 1987-88, it would be well worth it in political terms.

On the question of challenge sponsorships and the generation of new money, I have been very gratified by the success of my Business Sponsorships Incentive Scheme. In the first six months of its operation all the money allocated has been taken up. Fifty seven arts organisations have benefited and £2.5m new sponsorships have been raised. The first full year starting 1 April promises to be equally successful. If some such similar arrangement could be devised it might well prove the trigger for the release of new money, but it would have to be carefully presented so as not to detract from the virtues of establishing the Trust in the first place. I am sure I need not remind you of the delicate territory occupied by Government in relation to the voluntary sector as a whole. With the arts we can expect a modest pay off for companies who invest in sponsorships (publicity, seats at concerts etc); it is not so clear how this would operate for many of Leon's bodies, and how the bodies themselves might react.

I am copying this letter to other members of MISC 95.

Lewis,
T. Gray

GOWRIE

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19 APR 1985

