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Confidential Filing

The Royal Academy Appeal

ARTS + AMENITIES

JUNE 1984

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~8.6.84~~							
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10 DOWNING STREET

From the Private Secretary

31 December 1984

The Prime Minister has asked me to say how very much she appreciated your letter of 21 December. She was glad to hear about the further progress made by the Appeal.

David Barclay

Roger de Grey, Esq.

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ROYAL ACADEMY OF ARTS,
PICCADILLY, LONDON, W1V 0DS

Telephone: 01-734 9052
Cables: Royacad, London

ack

Prime Minister

21st December, 1984

28/12

Dear Prime Minister,

We are so delighted at the confidence that you have placed in the Royal Academy by your further grant of £250,000. I am sure you would like to know that since last June a further £893,000 has been raised by the Appeal. Your support has been of great encouragement and help to us.

Yours sincerely,

Roger de Grey

Roger de Grey
President

The Rt. Hon. Mrs. Margaret Thatcher, M.P.,
10, Downing Street,
London, SW1

CF

pa
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PPS

Prime Minister (2)

ROYAL ACADEMY OF ARTS,
PICCADILLY, LONDON, W1V 0DS

Telephone: 01-734 9052
Cables: Royacad, London

August 31st, 1984

MT

Dear Prime Minister

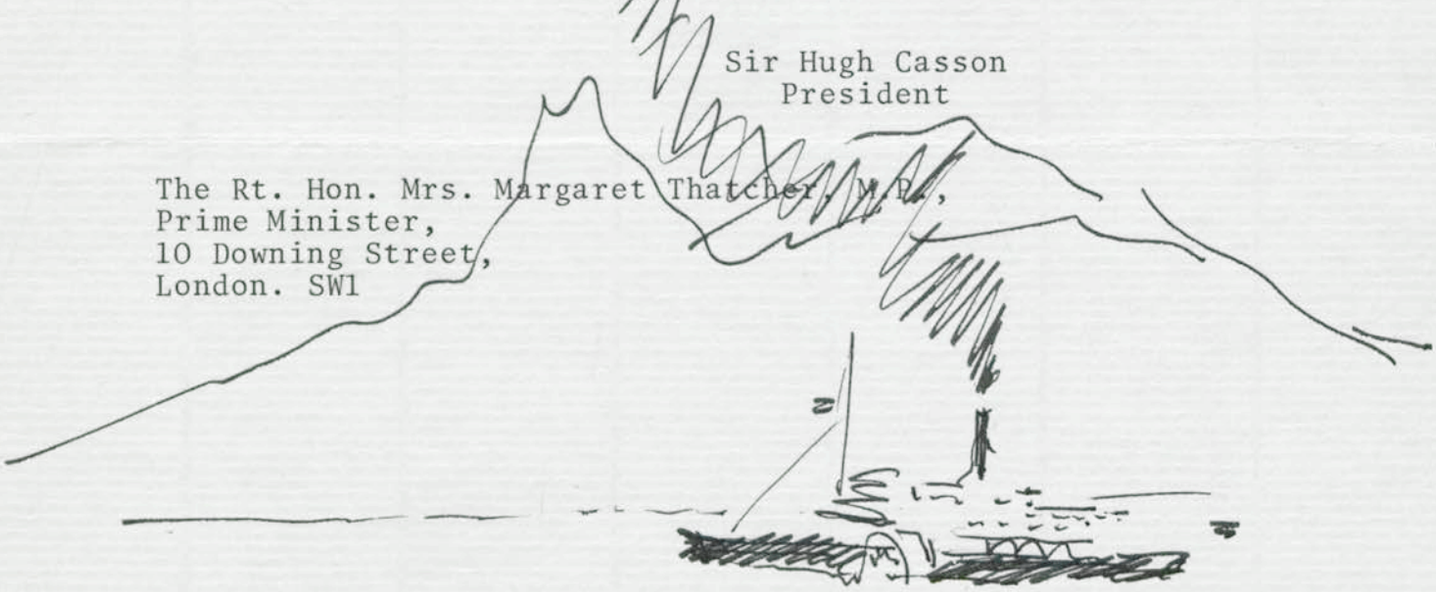
I write to thank you for your most encouraging letter of August 28th. We are indeed grateful for so quick and generous a response to our problem. John Raisman, the Chairman of our Appeal Committee, will be told as soon as he returns from holiday and I will report the contents of your letter in confidence to our Council when it meets on October 2nd. We will be in touch during the next week with Grey Gowrie to decide upon the most convenient and appropriate time for some public announcement to be made. Meanwhile, we are treating the matter as confidential.

Yours sincerely & gratefully

Hugh Casson

Sir Hugh Casson
President

The Rt. Hon. Mrs. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London. SW1



I hope you had a good Swiss holiday.

Arts + Amenities June 1984

Royal Academy Appeal

Ne ECL

c M/Arts

10 DOWNING STREET

THE PRIME MINISTER

28 August 1984

Dear Sir Hugh.

When you and your colleagues came to see me about the Appeal on 19 June, I undertook to reflect further on your request for an additional Government contribution. I am sorry not to have come back to you on this before now.

I warmly support the objectives of the Appeal. The Royal Academy has a magnificent record in presenting exhibitions of the highest quality, and it is important that you should bring the building to a standard which enables you to maintain and enhance that record in future.

I know that you are trying hard to raise funds from the private sector, and that you believe that even a modest further contribution from the Government would encourage more donations.

My colleagues and I are willing to back that belief. We cannot provide an additional contribution this year, since the arts budget is already fully committed and we could only find money for your Appeal by taking it away from other institutions which have already been promised it. But we shall be ready to make a further contribution of £250,000 in 1985-86, thus doubling the amount we provided two years ago.

At the same time I hope that the Royal Academy will step up its own efforts to raise funds for the building part of the Appeal, both from the private sector and any other possible sources such as the Historic Buildings and

MC

Monuments Commission, and our further contribution is promised on that understanding. I should be grateful if you could keep Grey Gowrie in touch with your progress.

Warm regards.

Yours sincerely

Margaret Thatcher

Sir Hugh Casson, KCVO

PRIME MINISTER

ROYAL ACADEMY APPEAL

You asked Lord Gowrie and the Chief Secretary to consider whether they could not between them provide a further contribution to the Royal Academy Appeal - say £250,000, to equal the Government's earlier contribution.

They have now agreed on the attached reply, which makes a firm offer for 1985/86. The two departments will sort out among themselves how the money is to be found.

DWB

- Well done!

MT

DAVID BARCLAY

21 August, 1984

OFFICE OF ARTS AND LIBRARIES
Great George Street
London SW1P 3AL
Telephone 01-233 8610

From the Minister for the Arts

David Barclay Esq
Private Secretary
10 Downing Street

14 August 1984

Dear David,

ROYAL ACADEMY APPEAL

Thank you for your letter of 6 August.

The Chief Secretary is away, and Lord Gowrie assumes that the Prime Minister would not wish to prolong the delay in replying to Sir Hugh Casson until September. In these circumstances, he thinks that the best way to proceed is to undertake the commitment to the Royal Academy now, and leave the question of financing over until his bilateral discussion with the Chief Secretary in the autumn. In that connection, Lord Gowrie is grateful for the Prime Minister's 50/50 suggestion. In principle, he is ready to try to find part of a further contribution if the Chief Secretary can find the rest.

I enclose a draft letter to Sir Hugh Casson as you requested. A copy of this letter goes to John Gieve in the Chief Secretary's Office.

Yours,

Sonia Phippard

for MRS M E BROWN
Private Secretary

DRAFT LETTER TO SIR HUGH CASSON

ECLACR.

ROYAL ACADEMY APPEAL

When you and your colleagues came to see me about the Appeal on 19 June, I undertook to reflect further on your request for an additional Government contribution. I am sorry not to have come back to you on this before now.

I warmly support the objectives of the Appeal. The Royal Academy has a magnificent record in presenting exhibitions of the highest quality, and it is important that you should bring the building to a standard which enables you to maintain and enhance that record in future.

I know that you are trying hard to raise funds from the private sector, and that you believe that even a modest further contribution from the Government would encourage more donations.

My colleagues and I are willing to back that belief. We cannot provide an additional contribution this year, since the arts budget is already fully committed and we could only find money for your Appeal by taking it away from other institutions which have already been promised it. But we shall be ready to make a further contribution of £250,000 in 1985-86, thus doubling the amount we provided two years ago.

At the same time I hope that ~~This undertaking is given on the understanding that~~ the Royal Academy will step up its own efforts to raise funds for the building part of the Appeal, both from the private sector and any other possible sources such as the Historic Buildings and Monuments Commission~~;~~, ~~Please keep~~ Grey Gowrie in touch with your progress.

and our further contribution is promised on that understanding. I should be grateful if you could keep

FILE

da

10 DOWNING STREET

From the Private Secretary

6 August 1984

Royal Academy Appeal

As you know, the Prime Minister was not happy with the draft letter to Sir Hugh Casson about the Royal Academy Appeal. After consultation with Mr. Wilding, and clearance with Lord Gowrie, I submitted a shortened version over the weekend, but the Prime Minister was not happy with this either.

The Prime Minister takes the view that the Royal Academy is a unique institution, which has done well to remain as independent of government as it has. She believes that its Appeal merits a further modest contribution from the taxpayer.

The Prime Minister accepts that the 1984/85 Arts Budget is fully committed. But she would like, as a minimum, to be able to tell Sir Hugh Casson that in 1985/86 the Government will equal its previous contribution by providing a further £250,000.

The Prime Minister would be grateful if Lord Gowrie and the Chief Secretary could discuss and agree between them how this amount of money might best be found. She would be content with a solution which found half from the planned budget for the Arts, and allowed half as an additional bid in the forthcoming PES round.

I should be grateful if you could provide a further draft letter to Sir Hugh Casson as soon as possible.

I am sending a copy of this letter to John Gieve (Chief Secretary's Office).

David Barclay

Mrs. Mary Brown,
Office of Arts & Libraries.

to

PRIME MINISTER

ROYAL ACADEMY APPEAL

You were not happy with the draft reply to Sir Hugh Casson about the Royal Academy Appeal. You felt it was too long, and rather unforthcoming.

I attach a revised and shortened version, which goes a little further towards offering Sir Hugh an additional Government contribution in 1985/86, but still falls short of a commitment. This apparently is as far as Lord Gowrie is prepared to go without the promise of some help from the Chief Secretary.

Content to send this draft?

Or shall we press OAL and the Treasury a little harder, on the following lines:

(i) The Royal Academy is a unique institution, which has done well to be as independent of Government as it has, and it deserves a modest additional contribution from the taxpayer.

(ii) You accept that the 1984/85 Arts Budget is fully committed; but you would like to tell Sir Hugh Casson that in 1985/86 the Government will equal its previous contribution by providing a further £250,000.

(iii) You would be grateful if the Minister for the Arts and the Chief Secretary could discuss and agree between them how this money should be found; but you would be content with a solution which found half from out of the planned budget for the Arts, and allowed half as an additional bid in the forthcoming PES round.

Yes please
MT

DMB

3 August 1984

10 DOWNING STREET

THE PRIME MINISTER

August 1984

When you and your colleagues came to see me about the Appeal on 19 June, I undertook to reflect further on your request for an additional Government contribution.

I start from a position of warm support for the objectives of the Appeal. The Royal Academy has a magnificent record in presenting exhibitions of the highest quality, and it is important for us all that you should bring the building to a standard which enables you to maintain and enhance that record in the future.

I know too that you are trying hard to raise funds from the private sector, and that you believe that even a modest further contribution from the Government could encourage more donations.

I am however faced with the difficulty that our arts budget for the current year is already fully committed. In effect, therefore, we could only find more money for the Royal Academy Appeal by taking it away from other institutions which have already been promised it.

But I hope it will be possible to do something next year. As you know, the Government will be drawing up its spending plans for 1985-86 this Autumn. I have no doubt that the financial position will again be very tight, both

for the arts budget and generally. Nevertheless, I can undertake that we will do our best to find room for some additional contribution to your Appeal, although I am afraid I can give no specific figure at this stage. Of course the progress that you can make yourselves between now and then in raising money from the private sector will be part of the picture; and I hope that you will keep Grey Gowrie in touch with that.

Sir Hugh Casson, KCVO

Sir Hugh CASSON

File

CF Pres.

10 DOWNING STREET

From the Private Secretary

31 July 1984

As we discussed on the telephone I attach a revised and shortened version of the proposed draft reply to Sir Hugh Casson. The Prime Minister has not yet seen this, and I should be grateful for your comments before submitting it.

BF

David Barclay

Richard Wilding, Esq.,
Office of Arts and Libraries

10 DOWNING STREET

MR. BARCLAY

Thanks 30/7

I discussed this letter with the Prime Minister, and the reason why she did not sign it is that it contains a lot of dross.

Could you please re-draft the letter to Hugh Casson.

CR

27 July, 1984

10 DOWNING STREET

PRIME MINISTER

This draft to Sir Hugh Casson has been in your box before, but I think may have gone astray.

Content to sign?

DAB

26 July 1984

10 DOWNING STREET

THE PRIME MINISTER

July 1984

When you and your colleagues came to see me about the Appeal on 19 June, I undertook to reflect on whether there was anything more which the Government could do to help.

You set out the case very fully and fairly in the documents you sent me and in your oral explanation of the problems which you face. As I see it, your Appeal has achieved substantial success on the endowment side, but it is - as you recognise - going much more slowly in raising funds for the improvement of the building. The Government did of course provide £250,000 for this purpose in 1982-83 and you must be disappointed not to have attracted more than a further £200,000 or so from private sources towards your need for £2 million (or £2½ million with an allowance for contingencies).

I start from a position of warm support for the objectives of the Appeal. The Royal Academy has a magnificent record in presenting exhibitions of the highest quality, and it is important for us all that you should bring the building to a standard which enables you to maintain and enhance that record in the future.

Moreover, my colleagues and I greatly appreciate and, if I may say so, fully endorse your determination to keep the Royal Academy as an institution which is largely independent of Government financing. So we share a common approach to the present problem: it is a question of how the

I know too that you have made great efforts to raise finance from the private sector, and when we met

Royal Academy can best help itself, and whether the Government can take a further step to enable it to do so more effectively.

That being so, I suggest that your first step should be to strengthen the evidence that the Royal Academy really is doing everything it possibly can to press the building side of its Appeal. I make this suggestion for two reasons. The first is that the Government is not in a position to make a further grant in the current financial year, for which the Arts budget is I am afraid already fully committed. Secondly, I am not sure that the record so far really proves that a further promise of Government funding (which would have to be on a fairly modest scale) would have the desired effect on other potential donors. I think, if I may say so, that you need to buttress that side of an otherwise persuasive case.

How you set about that is of course a matter for you to decide. But one or two thoughts occur to me which I offer for any help they may be:-

(1) I wonder whether it would be profitable to make a further systematic approach to firms in the construction and heating, lighting and ventilation industries. Some companies have in the past made very generous responses to appeals for help with such matters as lighting, and it should be possible for the Royal Academy to provide a permanent recognition of such contributions by means of notices or plaques in the exhibition rooms concerned.

(2) You opened negotiations in 1981 with the then Historic Buildings Council, whose functions have now been taken over by the Historic Buildings and Monuments Commission, for help

with the fabric. I am told that these negotiations have gone slowly and that the HBMC still await your detailed submission and estimates. I hope that you will pursue that line of approach with all speed and vigour.

(3) You may think that it would be worthwhile to approach the National Heritage Memorial Fund. Its decisions are of course entirely a matter for the Trustees, and I understand that help to improve your ability to display heritage objects (among others) in suitable conditions would be something of a new departure for the Fund. This may therefore be a long shot, and I can obviously make no prediction about its prospect of success. But should you not try it?

As you know, the Government will be drawing up its spending plans for 1985-86 in the autumn. It would be wrong for me to make any promise in advance. The Arts budget will again be very tightly stretched and we must look at the prospects for public expenditure as a whole. But Grey Gowrie will then look carefully to see whether anything can be done, in the light of the progress which you have been able to make between now and then. Perhaps you could aim to let him have a further report before the end of October?

I am so sorry not to be able to give you an immediate 'yes' to such an eloquently argued case. But I know you understand how great are the other pressures on our arts expenditure - and do hope you will not underestimate either the capacity or the willingness of the private sector to help out.

Sir Hugh Casson, KCVO

S/hac i

DRAFT LETTER FROM THE PRIME MINISTER TO SIR HUGH CASSON

ROYAL ACADEMY APPEAL

When you and your colleagues came to see me about the Appeal on 19 June, I undertook to reflect further on your request for an additional Government contribution.

I start from a position of warm support for the objectives of the Appeal. The Royal Academy has a magnificent record in presenting exhibitions of the highest quality, and it is important for us all that you should bring the building to a standard which enables you to maintain and enhance that record in the future.

I know too that you are trying hard to raise funds from the private sector, and that you believe that even a modest further contribution from the Government could encourage more donations.

I am however faced with the difficulty that our arts budget for the current year is already fully committed. In effect, therefore, we could only find more money for the Royal Academy Appeal by taking it away from other institutions which have already been promised it.

But I hope it will be possible to do something next year. ~~But next year is a different matter.~~ As you know, the Government will be drawing up its spending plans for 1985-86 this Autumn. I have no doubt that the financial position will again be very tight, both for the arts budget and generally. Nevertheless, I can undertake that we will do our best to find room for some additional contribution to your Appeal, although I am afraid I can give no specific figure at this stage. Of course the progress that you can make yourselves between now and then in raising money from the private sector will be part of the picture; and I hope that you will keep Grey Gowrie in touch with that.

pr

Prime Minister (1)

Draft letter to Sir Hugh Casson attached FlagA, for signature if you agree?

Dub 6/7

PRIME MINISTER

ROYAL ACADEMY APPEAL

After our meeting with Sir Hugh Casson on 19 June I undertook to consider with Patrick Jenkin whether there was anything more that the Government could do to help. I have also consulted Peter Rees.

As you know, the present situation confronts me with a two-fold difficulty. I have no money available this year, and shall not know until late in the autumn whether the resources which Peter Rees can make available to me for 1985-86 will accommodate a grant to the Royal Academy without undue damage to the rest of my programme. Secondly the national museums and galleries, for which (unlike the Royal Academy) I carry the funding responsibility, are crying out for money for their buildings and will bitterly resent anything which looks like a diversion of resources to the Royal Academy.

For both reasons I had hoped that it might prove possible for the Department of the Environment or the PSA to take on, or at least contribute to, the task of helping the Royal Academy. I am sorry to report that Patrick Jenkin sees no possibility of this for reasons which I can only accept. The DOE has no vote which could legitimately be used for this purpose. And since the Royal Academy occupy their Crown building on a peppercorn rent and a full repairing lease, the only way in which the PSA could help would be by doing work for it free of charge. That would be a bad precedent and would also give the wrong message to the private sponsors whom the Academy rightly wishes to stimulate.

A further grant would therefore have to fall, like the last one, on my own Vote. That being so, I shall be prepared to try to find a further contribution to be made next year, though that must depend upon how far Peter Rees can help me in the autumn to find a bit of room for manoeuvre within my programme.

Meanwhile, I suggest that your letter should challenge the Royal Academy to do more to help themselves. That would be entirely consistent with the line you took at the meeting and would provide a good reason for delaying a decision until the end of the year. I think too that there is a real

point of substance here. On the building side, the Academy had £250,000 from the Government two years ago, but so far have only been able to raise some £200,000 more from private sources. That does not yet provide very convincing support for the thesis that a further Government grant would be effective in unlocking private purses. So I recommend that your letter should press the Academy to do more, and to let you know how they get on, before the Government comes to a decision; the attached draft letter to Sir Hugh Casson includes a few suggestions. This would also help me a little with my problem vis-a-vis the national museums and galleries when the time comes.

Copies of this minute go to Patrick Jenkin and Peter Rees.

GG.

LORD GOWRIE

5 July 1984

DRAFT LETTER FROM THE PRIME MINISTER TO SIR HUGH CASSON

ROYAL ACADEMY.APPEAL

When you and your colleagues came to see me about the Appeal on 19 June, I undertook to reflect on whether there was anything more which the Government could do to help.

As I see it, your ~~If I may summarise the problem~~

You set out the case very fully and fairly in the documents you sent me and in your oral explanation of the problems which you face. ~~Your~~ Appeal has achieved substantial success on the endowment side, but as you recognise, is going much more slowly in raising funds for the improvement of the building. ~~Although~~ The Government did of course provided £250,000 for this purpose in 1982-83. ~~you have so far only succeeded in attracting an~~ and you must be disappointed not to have attracted more than a further ~~additional~~ £200,000 or so from private sources, ~~against~~ towards your need for £2m (or £2½m with an allowance for contingencies). ~~You believe~~ carefully explained your view ~~that a further contribution from the Government is needed to stimulate private donors.~~

I warmly support the objectives of the Appeal. The Royal Academy has a magnificent record in presenting exhibitions of the highest quality, and it is important that you should bring the building to a standard which enables you to maintain and enhance that record in the future. ~~And~~ Moreover, ~~my~~ ~~My~~ colleagues and I greatly appreciate ~~and, if I may say so, fully endorse~~ your determination to keep the Royal Academy as an institution which is largely independent of Government financing. So we share a common approach to the present problem. the question is it is a question of how the Royal Academy can best help itself, and whether the Government can take a further step to enable it to do so more effectively.

That being so, I suggest that your first step should be to strengthen the evidence that the Royal Academy really is doing everything it possibly can to press the building side of its Appeal. I make this suggestion for two reasons. The first is that the Government is not ~~in any case~~ in a position to make a further grant in the current financial year, for which ~~as I am sure you will understand~~ the Arts budget is I am afraid already fully committed. Secondly, I am not sure ~~do not think~~ that the record so far really proves ~~provides enough support for the thesis~~ that a further promise of Government funding (which would have to be on a fairly modest scale) would have the desired effect on other potential donors. I think, if I may say so, that you need to buttress that side of an otherwise persuasive case.

How you set about that is of course a matter for you to decide. But one or two thoughts occur to me which I offer for any help they may be:-

(1) I wonder whether it would be profitable to make a further systematic approach to firms in the construction and heating, lighting and ventilation industries. Some companies have in the past made very generous responses to appeals for help with such matters as lighting, and it should be possible for the Royal Academy to provide a permanent recognition of such contributions by means of notices or plaques in the exhibition rooms concerned.

(2) You opened negotiations in 1981 with the then Historic Buildings Council, whose functions have now been taken over by the Historic Buildings and Monuments Commission, for help with the fabric. I am told that these negotiations have gone slowly and

that the HBMC still await your detailed submission and estimates. I hope that you will pursue that line of approach with all speed and vigour.

(3) You may think that it would be worthwhile to approach the National Heritage Memorial Fund. Its decisions are of course entirely a matter for the Trustees, and I understand that help to improve your ability to display heritage objects (among others) in suitable conditions would be something of a new departure for the Fund. This may therefore be a long shot, and I can obviously make no prediction about its prospect of success. But should you not try it?

As you know, the Government will be drawing up its spending ~~plhcos~~ plans for 1985-86 in the autumn. It would be wrong for me to make any promise in advance. The Arts budget will again be very tightly stretched and we must look at the prospects for public expenditure as a whole. But Grey Gowrie will then look carefully to see whether anything can be done, in the light of the progress which you have been able to make between now and then. Perhaps ~~suggest that you should let me~~ you could aim to let him have a further report before the end of October?

I am so sorry not to be able to give you an immediate 'yes'. But I know you understand how great are the other pressures on our arts expenditure – and I do hope you will not underestimate either the capacity or the willingness of the private sector to help out.

to such an eloquently argued case.

Arts + Amenities: Royal Academy Appeal June 84

file
ECLAAR

10 DOWNING STREET

From the Private Secretary

19 June 1984

I enclose a letter recording this morning's meeting with Sir Hugh Casson and others about the Royal Academy's Appeal.

After the meeting, the Prime Minister said to Lord Gowrie that she thought it would be essential to give the Academy some help. Lord Gowrie explained that the Academy was not one of his direct responsibilities, and that his programme expenditure was fully committed for the current financial year. Nevertheless, he undertook to give further consideration to the Royal Academy's case in the course of the discussions he would be having with the Chief Secretary in the autumn about public expenditure provision for arts and libraries in 1985/86. He also undertook to consult Ministers at the Department of the Environment.

BF

I should be grateful if you could arrange for the preparation of a draft letter for the Prime Minister to send to Sir Hugh Casson, in the light of Lord Gowrie's discussions. It would be helpful if this letter could be comprehensive, even though it may not be possible to give commitments in advance of the discussions which will take place this autumn, or on behalf of non-Governmental bodies such as the HBNC.

I am sending copies of this letter to Alan Davis (Department of the Environment) and to John Gieve (Chief Secretary's Office).

David Barclay

Mrs Mary Brown,
Office of Arts and Libraries.

Subject

file ECL

ECL nnQ

cc Master

10 DOWNING STREET

From the Private Secretary

19 June 1984

ROYAL ACADEMY APPEAL

The Prime Minister, with Lord Gowrie and Mr Wilding, met Sir Hugh Casson this morning to discuss the Royal Academy's Appeal. Sir Hugh was accompanied by Mr Raisman, Mr Rodgers and Miss Hamilton-Baillie.

Sir Hugh said that he and his colleagues were grateful to the Prime Minister for sparing the time to see them. The Royal Academy was proud of its independence, but it was also grateful to the Government for three things. First it was grateful to the Prime Minister personally for the fund-raising dinner which she herself had given. This has been a great success. Secondly it was grateful for the £250,000 contribution to the appeal which the Government had made in 1982/83. Thirdly it was grateful for the continuing assistance of the Indemnity Department of the Office of Arts and Libraries - this was invaluable in arranging exhibitions.

Sir Hugh continued that the Royal Academy now received more than one million visitors each year, and 40 per cent of them were under the age of 35. Its service to the nation was therefore good. So was its service to artists - over 13,000 pictures were submitted for the Summer Exhibition, and artists who were successful in selling their works paid less commission than through private dealers. The Academy's exhibitions, which numbered between 8 and 12 a year, were of the highest international quality.

However, the Academy had a problem. Overseas collections which lent works for exhibitions at Burlington House were demanding increasingly high standards, in terms of ventilation, lighting and temperature control. To provide the right physical conditions was expensive, but the fact was that the Academy's facilities were by international standards out of date. This was the major reason for the £6 million appeal (in addition to which a

/further

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further £½ million would probably be required). The Academy still found itself about £3 million short of the required sum, and their plea was that the Government should contribute a further sum as a gesture to encourage others to give more. If the appeal funds could not be raised, both the number and the quality of the exhibitions held at the Royal Academy would inevitably decline.

Responding, the Prime Minister expressed admiration for the continuing work of the Academy. She enquired about the various non-Governmental sources of funds available, including property income (which was negligible, since the Academy held even its own building on a lease), business sponsorship, and letting of the premises (eg for soirees). Those representing the Academy agreed that every effort had to be made to tap these private sources to the greatest possible extent.

Summing up, the Prime Minister said that she did not believe that the public necessarily judged the worth of an appeal by the size of the Government's contribution. The finances of Glyndebourne were a case in point. Nevertheless, she had listened carefully to what Sir Hugh and his colleagues had said, and she would give their case further consideration.

I am sending copies of this letter to Alan Davis (Department of the Environment) and John Gieve (Chief Secretary's Office).

David Barclay

Mrs Mary Brown,
Office of Arts and Libraries.

Prime Minister

BRIEF FOR THE PRIME MINISTER'S MEETING WITH
SIR HUGH CASSON TO DISUCSS THE ROYAL ACADEMY APPEAL - 19 JUNE 1984

PURPOSE OF THE MEETING

1. Sir Hugh Casson wishes to seek a further Government contribution towards the Royal Academy's Appeal Fund.

BACKGROUND

2. Since it was founded in 1768 the Royal Academy has been financially self-supporting and is unique as the only national self-governing institution devoted solely to the promotion of the fine arts which receives no regular grant from central or local government or the Arts Council. It has for long been proud of its constitutional and financial independence. The Royal Academy does however receive indirect assistance from public funds: it occupies Burlington House on a 999 year lease from the Crown at a peppercorn rent of £1 a year; and the Arts Council has periodically given some help towards its exhibition costs. It is also able to apply for generally available Government indemnities in place of commercial insurance for its exhibitions; and its postgraduate students are eligible for bursaries in the normal way.

THE APPEAL

3. The RA has been in financial difficulties in recent years and in 1982 launched its first-ever public appeal for funds - £6 million (£4M for general revenue support and specific endowment, £1¾M for capital projects and £¼M for major repairs).

4. In 1982-83, the Government contributed £250,000 from the Office of Arts and Libraries (OAL) programme to the Appeal Fund, both to encourage other donations, and specifically earmarked for essential maintenance and repairs at Burlington House. The money has already been spent on the most urgent work. The Appeal Fund is still about £2 million short of its target. Part of the balance

is needed to top up the endowment fund to provide adequate future recurrent income, and part to complete the programme of essential maintenance, repair and refurbishment of the building. The Academy will probably be hoping for a further Government contribution of a similar size to that in 1982-83.

THE SCOPE FOR ASSISTANCE

(a) This year

5. The Chief Secretary does not favour recourse to the contingency reserve for 1984-85, which is already under pressure; he has only recently rejected a similar bid for extra help with the Victoria and Albert Museum's urgent building maintenance needs this year.

6. Most of the OAL's 1984-85 programme is fully committed, with grants to arts bodies already announced. There is an outstanding application for a contribution towards the £½ million Dulwich Picture Gallery Appeal which may have to be deferred until the end of the year when marginal savings on existing commitments might become available. But any such savings are unlikely to be sufficient to allow more than a modest contribution to the Dulwich Appeal alone (£25,000 is the figure OAL has in mind) which has not previously received Government funding. There is unlikely to be room for a significant contribution to the Royal Academy.

7. Other possible sources do not look too promising. The OAL's new Business Sponsorship Incentive Scheme, which will provide £1 of Exchequer money for every £3 of new private sponsorship for arts bodies, does not cover public appeals; the maximum individual Exchequer contribution is limited to £25,000 and the total funds available for the scheme this year are £½ million. It would be open to the Royal Academy to approach OAL/DOE-funded National Heritage Memorial Fund; a decision on whether to help would be a matter for the Fund's Trustees. The Academy could also approach the DOE-funded Historic Buildings and Monuments Commission for further grant-aid towards building work related

to the historic fabric of Burlington House (it has already applied for £22,000 for dry rot treatment); again, this would be a matter for the Commission's decision.

(b) Next year

8. The question of any direct Government contribution to the Appeal in 1985-86 would depend on the outcome of this year's Public Expenditure Survey. The two departments with the main interest would be OAL and DOE. So far as OAL is concerned, it has already bid for additional resources for high priorities such as urgent building maintenance and repair at existing publicly-funded national museums and galleries. Without an addition to the OAL programme specifically to cover the Royal Academy Appeal, a contribution would necessarily have to be at the expense of these existing policy priorities or of other parts of the programme which is already tightly-stretched. The considerations mentioned above as regards the NHMF and HBMC would also apply next year.

LINE TO TAKE

9. The Prime Minister could tell Sir Hugh Casson that she will consider the position with her colleagues in the light of his representations. But there are unlikely to be any spare resources immediately available for a significant direct Government contribution. The Minister for the Arts and his colleagues would bear the Academy's needs in mind, should any modest sums become available within their programmes towards the end of this year or in 1985-86, though the prospects do not look very promising. Meanwhile the Academy might like to make further approaches to the Historic Buildings and Monuments Commission and to the National Heritage Memorial Fund; any decision to help would of course be a matter for those two bodies themselves.

OFFICE OF ARTS AND LIBRARIES
Great George Street
London SW1P 3AL
Telephone 01-233 8610

From the Minister for the Arts

18 June 1984

David Barclay Esq
Private Secretary
10 Downing Street
LONDON SW1

DMB 18/6

Dear David,

ROYAL ACADEMY APPEAL: PRIME MINISTER'S MEETING ON 19 JUNE

... As agreed, I enclose briefing for the Prime Minister's meeting tomorrow morning with Sir Hugh Casson and others from the Royal Academy. Lord Gowrie and Mr Wilding will attend from OAL.

Yours sincerely,

Mary

MRS M E BROWN
Private Secretary

Prime Minister

ROYAL ACADEMY APPEAL

I have seen Peter Rees' and Grey Gowrie's notes about this.

-with BB

I agree with Peter that this must be a matter for Grey to deal with, and I see he suggests that Hugh Casson could be told that OAL will bear the Appeal Fund in mind when determining the 1985/86 budget allocation.

There is however one further possibility, though it is a rather slim one. The Appeal is in part related to the need to complete the programme of essential maintenance. Burlington House is a Grade I listed building and is in fact eligible for Historic Building Grant, now administered by Edward Montagu's Historic Buildings and Monuments Commission. I understand that a modest application is already with the Commission in respect of some work on dry rot at £22,000. Sir Hugh Casson could be told, as he is probably already aware, that if there was important work related to the historic fabric, there is the possibility of grant aid from the HBMC, though it would be unwise to raise too many hopes here.

I am copying this to Peter Rees and Grey Gowrie.

PJ

P J

18 June 1984

ARTS: Royal Academy Appeal
6/84

PRIME MINISTER

MT

ROYAL ACADEMY APPEAL

You are meeting Sir Hugh Casson and some of his colleagues next week to discuss the Royal Academy's finances. Sir Hugh will probably ask for a further Government contribution to the appeal.

I attach some predictably discouraging minutes from Lord Gowrie and the Chief Secretary. The Environment Secretary has also been consulted.

As things stand, the best that could be offered to Sir Hugh would be:

(i) an offer on the part of Lord Gowrie to "bear the appeal fund in mind" in 1985/86 (with nothing in 1984/85);

(ii) some limited help with the cost of essential maintenance since Burlington House is a Grade I listed building - but this would be a matter for the Historic Buildings and Monuments Commission under Lord Montagu;

(iii) the possibility of grant aid for work on the fabric of Burlington House - again this would be a matter for the HBMC and not the Governmnet, and DOE have warned us not to be too optimistic.

It will not be easy to settle all these issues before Tuesday. The best line at the meeting, if you agree, might be to listen carefully to what Sir Hugh and his colleagues have to say, and offer to write to them shortly after considering their case in consultation with your colleagues.

Duty Clerk
H. David Barclay

15 June 1984

Burlington House is a beautiful building and must be kept going somehow

MT.

FROM: CHIEF SECRETARY
DATE: 14 June 1984

PRIME MINISTER

ROYAL ACADEMY APPEAL

Grey Gowrie copied to me his note about your meeting next week with Sir Hugh Casson.

I note that Grey's budget for 1984-85 is virtually fully committed, but, as regards his suggestion of a claim on the Reserve, you are of course aware of the very serious pressures it is already facing this year. Moreover, as Grey mentions, I have only recently told Peter Carrington that I could not agree a claim on the Reserve to help with the extensive building programme required by the **Victoria and Albert Museum.** It would be highly embarrassing if the Royal Academy, for whose funding the Government is not responsible, were to be granted more favoured treatment.

While I am naturally sympathetic to the Royal Academy's needs I feel these must be a matter for Grey to deal with, unless Patrick Jenkin is able to help. If Grey is convinced that the RA's claims are sufficiently important I would be content for Sir Hugh Casson to be told that, while there is little prospect of any further Government assistance in 1984-85, Grey will bear the Appeal Fund in mind when determining the allocation of his budget for 1985-86 later in the year.

I am copying this to Grey Gowrie and Patrick Jenkin.

PR

PETER REES

ARTS AND AMENITIES: Royal Academy appeals Jurisdiction

MINISTER FOR THE ARTS

(1) Await Ch Sec
(2) B/f to me when received, or on 14 June - whichever is earlier.

PRIME MINISTER

DMB 11/6

ROYAL ACADEMY APPEAL

Sir Hugh Casson is coming to see you on 19 June. He will ask for a further Government contribution to the Royal Academy's Appeal Fund, which is still about £2 million short of its £6 million target. Part of the £2 million is needed to bring the endowment fund to an adequate level to provide future recurrent income; but the main requirement is for more money to complete the programme of essential maintenance, repair and refurbishment of the building.

I have every sympathy with the Academy's case. It does not receive or want direct recurrent public funding, and it is making commendable efforts to secure continuing self-sufficiency. The £¼ million which Paul Channon contributed to the Appeal in 1982 has been put to good use in tackling the most urgent building problems. But more remains to be done. As with the publicly-funded national museums and galleries, the fabric of historic buildings of this kind is expensive to maintain, and there is a legacy of past neglect to remedy too. It is in the nation's interest to help put these heritage properties into good order.

But I should warn you that virtually all of my arts and libraries budget for 1984-85 is fully committed. I am already under strong pressure to make a contribution to the Dulwich Picture Gallery's similar appeal (which has not hitherto received any Government funding), either now or more likely towards the end of the year from any possible small savings which might emerge in my Vote. But any such savings are bound to be minute in relation to the Academy's needs, and would probably barely suffice to meet even Dulwich's. The position next year will be no less tight, even if my additional PES bids - in which I give priority to urgent national museum and gallery building maintenance - are granted. The Academy's appeal does not fall within the terms of my new Business Sponsorship Incentive Scheme under which in any case the maximum individual contribution by Government is limited to £25,000.

If we are to help this year, it would I think therefore have to come from the contingency reserve, unless Patrick Jenkin could assist from his programme. But I am conscious that Peter

Rees has only just turned down a similar request from Peter Carrington for help towards the V and A's own urgent building maintenance needs this year.

I am copying this to Peter Rees and Patrick Jenkin.

LORD GOWRIE
8 June 1984

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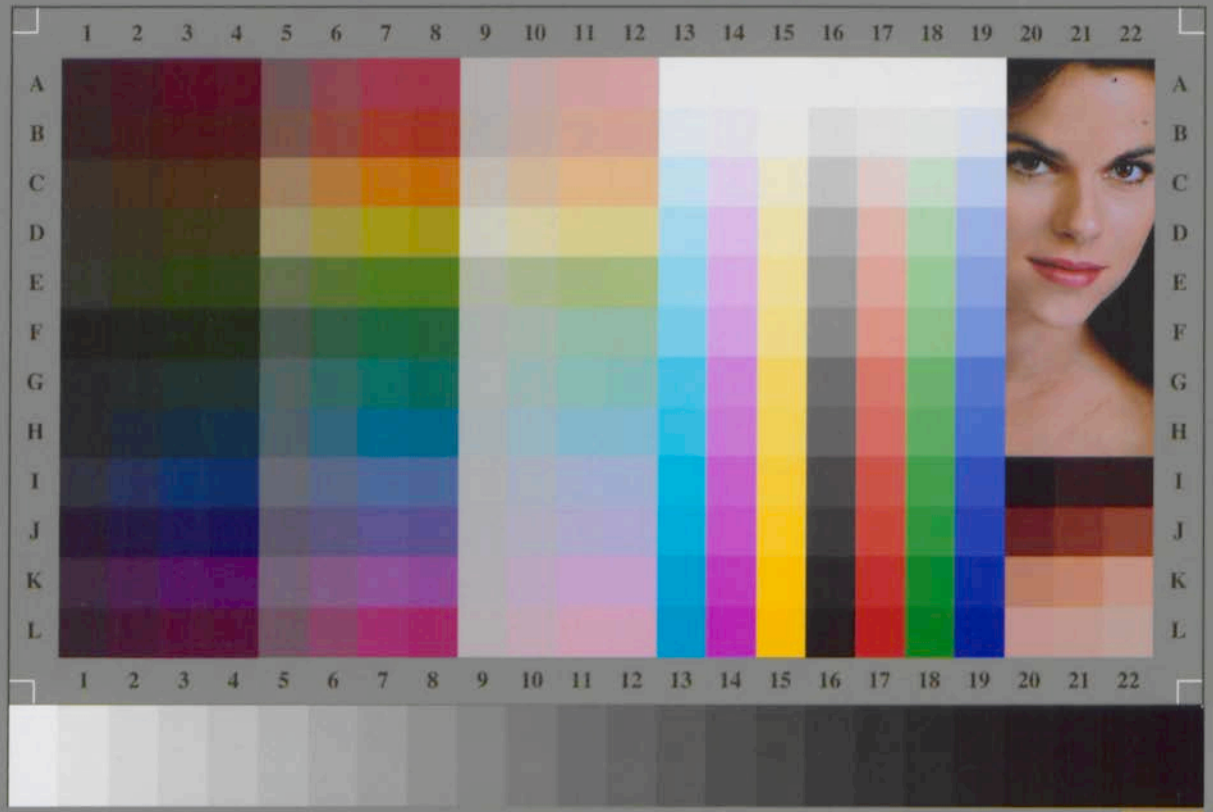

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