

PRIME MINISTER

MB

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 Government, 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.

15 June 1984

Duty Clerk

AP

David Barclay

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



MINISTER FOR THE ARTS

PRIME MINISTER

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 £½ 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

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

EmB
11/6

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.

By
1/1

LORD GOWRIE
8 June 1984

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.

PETER REES

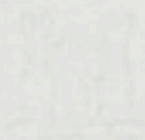
ARTS AND AMENITIES: Royal Academy opens Tuesday



Post No.



CONGRESSIONAL



LONDON



Prime Minister

ROYAL ACADEMY APPEAL

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

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. *-with BB*

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

ALTS: Royal Academy Appeal

6/84

18 JUN 1984

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Telephone 01-233 8610

From the Minister for the Arts

18 June 1984

David Barclay Esq
Private Secretary
10 Downing Street
LONDON SW1

*Sub
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
18/6

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, £1³/₄M for capital projects and £¹/₄M 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.