

PREM 19/1522

Confidential Filing

The National Heritage Fund.

HOME AFFAIRS

July 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
26.7.79		24.7.85					
31.7.79		29.4.81					
30.8.79		25.7.81					
4.9.79		24/10/85					
2.9.79							
4.8.79							
20.2.80							
29.2.80							
6.3.80							
12.3.80							
14.3.80							
19.3.80							
21.3.80							
25.3.80							
15.4.80							
17.4.80							
15.5.80							
15.10.83							
14.11.83							
22.12.83							
10.12.84							

PREM 19/1522

For papers on Appointments to the National Heritage Fund
see: Apts filing

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC(85) 26 th Meeting, item 5	25/07/1985
HS(79) 9 th Meeting, item 6	31/07/1979
H(79) 46	26/07/1979
H(79) 45	26/07/1979

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES

Signed *J. Gray* Date *6/2/2014*

PREM Records Team



1. AW Booth - to see
2. CF - ju file.
CR

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

R25

233/10

24 October 1985

Dear Mr. Mayne,

The Government has recently signed a Council of Europe Convention for the Protection of the Architectural Heritage. This was done at a European Conference in Spain which focussed on ways in which our heritage can be protected, conserved and presented to the public.

To show what we are doing, I commissioned the preparation of an illustrated booklet for the Conference setting out the excellent work that the UK has done in this field. It highlights some significant achievements and encourages greater participation in preserving our heritage.

/ As you will see from your enclosed copy, the booklet emphasises our country's rich and varied architectural heritage and explains how legislation protects both historic buildings and scheduled monuments.

I am sure the message it contains will be of interest to members of all parties in the House and I hope that the booklet will serve as a useful introduction to what is being done at present to preserve our links with the past.

Kenneth Baker

KENNETH BAKER

CARING FOR THE PAST



DEPARTMENT OF THE ENVIRONMENT

P O R E W O R D

THE IRON BRIDGE IN SHROPSHIRE - THE FIRST OF ITS KIND IN THE WORLD.



The history of England is not something locked away in books to be read only by scholars. It is all around us through the length and breadth of the land. Every generation of our forebears has left its mark upon this country and the story they have written is open for all to see. From their earliest earthworks, their fortresses and their castles, we can learn how they fought to gain the land and to hold it. In their great houses and palaces we can see how the mighty lived. Cottages and farmsteads survive as well as country mansions, and the story that unfolds is the story of our whole people not just of those whose names we read in history books. Gaunt mills and Gothic cathedrals speak of their work and worship, inns and assembly rooms of their leisure, schools and colleges of their learning. The list is too long to complete.

Some of this priceless heritage is in public ownership, a great deal of it is held in trust; but the greatest part remains, as it always has done, the property of private individuals and foundations. Buildings that remain in use are alive in a way that museums hardly ever can be. Sometimes the use changes, and the change marks another page in our history.

This booklet draws your attention to some of those pages and tells you what is being done to preserve our heritage for future generations - a task to which the Department of the Environment makes a crucial contribution.

Kenneth Baker

THE RT HON KENNETH BAKER MP
SECRETARY OF STATE FOR THE ENVIRONMENT.



I N T R O D U C I N G O U R H E R I T A G E

Our architectural heritage is one of the richest and most varied in the world. It spans six thousand years from Stone Age settlements to mediaeval manor houses and from the Renaissance palace to the modern Coventry Cathedral. Because each generation tends to use the building materials of its predecessors only a small fraction of our older buildings tends to survive. But the fragments that remain provide a remarkably complete record of how our forefathers lived and worked.

History is a series of accidents and it is largely accidental that so much of this fabric survives. Parliament enacted a law only 100 years ago to protect ancient monuments. Before 1882 a farmer coming across neolithic remains in one of his fields was free to use the great hewn stones for lintels or gateposts. It was not until 1932 that Parliament legislated to protect historic buildings from alteration or demolition.

STONEHENGE.



Today the public demands that the best of our buildings are protected by law and the rights of the individual have to be balanced with the desires of the community. The public however wants more than conservation. Increasingly they want to experience historic buildings by visiting them, inspecting their interiors and understanding their meaning. These demands are new. They require new organisations and different approaches to the presentation of history. They require a partnership between the State, the landowner and the community. This needs money and good management. The following pages describe how it is done.



THE HOUSES OF PARLIAMENT.



HAMPTON COURT - A ROYAL PALACE.

I D E N T I F Y I N G O U R H E R I T A G E

LISTED BUILDINGS In order to protect our heritage we must first identify and designate those buildings and structures we wish to protect. The Royal Commission on Historical Monuments is responsible for the detailed and systematic recording of buildings and sites of historical or archaeological importance. The Department of the Environment compiles lists of buildings of architectural or historic interest as a guide for local planning authorities. Listed buildings are classified into Grade I, II* and II to indicate their relative importance. No listed building may be demolished, altered or extended without the consent of the local planning authority. Listing does not mean that a building can never be altered or replaced but it does mean that the case for redevelopment must be carefully weighed with the case for conservation.

Listing began in 1947 and by 1970 some 120,000 buildings had been added to the Statutory List. In 1970 the Department began a systematic resurvey of every town and village in England. Today there are 350,000 listed buildings and by the time the survey is complete in 1988 the list will have grown to over 400,000 - approximately one building in every 40 throughout the land.

The range of listed buildings is wide, from mediaeval farm buildings to examples of twentieth century architecture and industrial design.



IMAGE HOUSE: AN INTERESTING EXAMPLE OF AN EARLY 18TH CENTURY RED BRICK FARMHOUSE.



THE PRE-WAR K2 TELEPHONE BOX: ABOUT TO BE LISTED.



RAM HALL: A WELL PRESERVED EXAMPLE OF A 16TH CENTURY DESIGN.



THE HOOVER FACTORY WITH ITS STRIKING EGYPTIAN ART-DECO ENTRANCE (1932).



UPPARK: A GRADE I LISTED BUILDING OF EXCEPTIONAL INTEREST ILLUSTRATING THE SURVIVAL OF AN IMPORTANT 17TH CENTURY DESIGN.



1 BIRMINGHAM ROAD, STONELEIGH, WARWICKS. A TIMBER FRAME AND BRICK COTTAGE RETAINING MEDIAEVAL CRUCK FRAMES AT EACH END.



THE NUMBER OF LISTED BUILDINGS IN ENGLAND HAS GROWN APACE.

THERE ARE LISTED BUILDINGS IN EVERY COUNTY.





LEEDS CASTLE, KENT – NOW AN INTERNATIONAL CONFERENCE AND LEISURE CENTRE.



SNAPE MALTINGS – A CRAFTS CENTRE NEXT TO THE CONCERT HALL, WITH PUBS, RESTAURANTS AND SHOPS.



ST KATHERINE'S DOCK – NOW OFFICES, SHOPS AND FLATS.

Finding new uses for fine old buildings is particularly important in keeping our architectural heritage alive. Rather than mothballing old buildings or turning them into museums, planning authorities encourage new uses and sympathetic conversions.

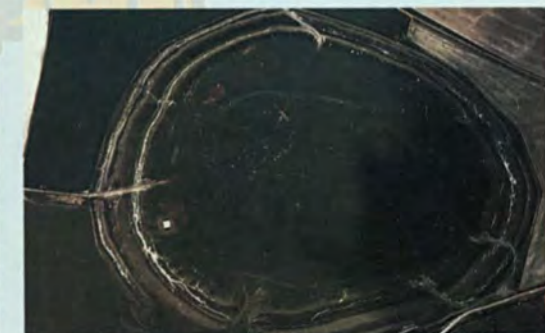
A different form of protection applies to some of the oldest structures and archaeological remains – hut circles, burial mounds, ruined abbeys and Roman fortifications. Those of national importance are scheduled as ancient monuments which then require the express permission of the Secretary of State for the Environment before any repairs or alterations are carried out. There are 12,800 scheduled monuments and again the range is wide in age (from Stone Age settlements of 4000 BC to some of the great dockside technology of the Industrial Revolution) and in size (from an isolated burial site of a Bronze Age chieftain to the surviving remains of a mediaeval field system covering several acres).



FOUNTAINS ABBEY: A CISTERCIAN HOUSE IN YORKSHIRE.



AERIAL PHOTOGRAPHY, SOME IN INFRA-RED, REVEALS PREHISTORIC FIELDS AND HOUSES.



YARBURY RING – AN IRON AGE HILL FORT.



LULLINGSTONE ROMAN VILLA: CONTEMPORARY INTERIOR DESIGN.



A CELTIC CROSS STANDS ALONE ON BODMIN MOOR.

C O N S E R V I N G O U R H E R I T A G E

It is not enough simply to identify and use the law to protect our heritage. It must be maintained and cherished. Many of our oldest buildings and monuments are publicly owned and managed. But the overwhelming majority of listed buildings and scheduled monuments are in private ownership. There are a number of ways in which the private owner can seek financial help to preserve his property. For 30 years much of this help came direct from the Government. In 1984 the Historic Buildings and Monuments Commission for England (English Heritage) was established. Among the functions it took over from the Department of the Environment was the distribution of the following grants to owners:

HISTORIC BUILDINGS GRANTS English Heritage can make grants for major repairs to individual buildings of outstanding historic or architectural interest. Funds for grants are limited, so qualifying standards are very high. Grants

THE PAST RESTORED - WITH GRANTS FROM ENGLISH HERITAGE.



WOODBRIDGE TIDE MILL.



TEWKESBURY.



LIVERPOOL.

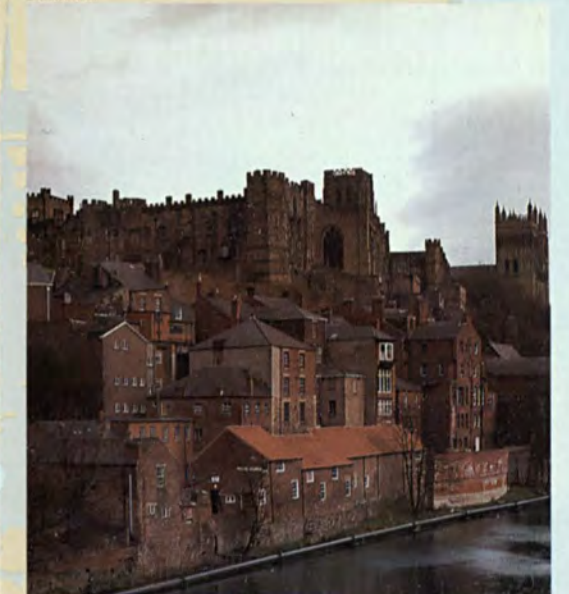


QUEEN ANNE'S YARD, NORWICH.

CONSERVATION AREAS: LANSDOWN CRESCENT, BATH



DURHAM.



are not made if the applicant can meet the cost from his own resources, and repairs must satisfy high standards of architectural integrity and workmanship. A condition of grant is that the public should have reasonable access to view the building.

ANCIENT MONUMENTS GRANTS These are for the cost of repairs and maintenance of ancient monuments and for rescue archaeology. Again, they are made by English Heritage.

CONSERVATION AREAS Local planning authorities can designate districts, rather than individual buildings, as conservation areas. Special care is then taken to preserve their character and appearance. Some 5,000 areas have been designated during the last 20 years.

English Heritage may give grants for work which promotes, preserves or enhances the appearance of a conservation area. This work ranges from repairs to individual buildings to paving or planting, but the emphasis is primarily on preserving the groups of buildings that make up the familiar historic scene.

M A N A G I N G U R H E R I T A G E

A number of different organisations cooperate with one another to manage and present the best of Britain's heritage to the public and to overseas visitors. English Heritage is responsible for nearly 400 monuments throughout England which attract 4 million visitors each year. The Department of the Environment maintains the Royal Palaces which are still occupied by members of the Royal Family, eg, Buckingham Palace, St James's Palace, Windsor Castle and the Private Apartments at Kensington Palace. The Department is also responsible for the maintenance, management and opening to the public of those Royal Palaces or residences which are no longer occupied: the Tower of London, Hampton Court Palace, the State Apartments at Kensington Palace, Kew Palace and Queen Charlotte's Cottage in Kew Gardens, the Banqueting House in Whitehall and Osborne House on the Isle of Wight. Between them they attracted a further 3¼ million visitors in 1984. The Department also maintains and manages the Royal Parks in London.

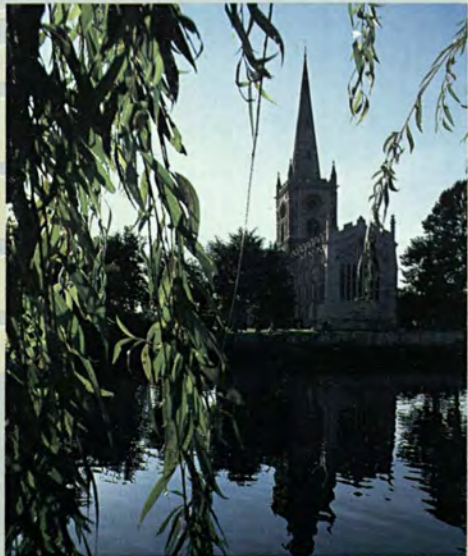
CLIVEDEN - A NATIONAL TRUST PROPERTY.



A further large group of important buildings are owned and managed by independent private charities. The largest of these, the National Trust, with over one million members, has nearly 200 houses open to the public as well as half a million acres of beautiful open countryside and coastline.

Finally, one of the most important features of our townscape is provided by some 20,000 listed church buildings. From the great cathedrals in our cities to the chapels or parish churches in every village these buildings are at the heart of our history and our heritage. Maintaining these buildings represents a heavy load on church authorities, their congregations and communities. English Heritage expects to offer grants totalling £4 million in 1985 towards conserving the most important listed church buildings.

HOLY TRINITY, STRATFORD-UPON-AVON.



AUDLEY END - IN THE CARE OF ENGLISH HERITAGE.



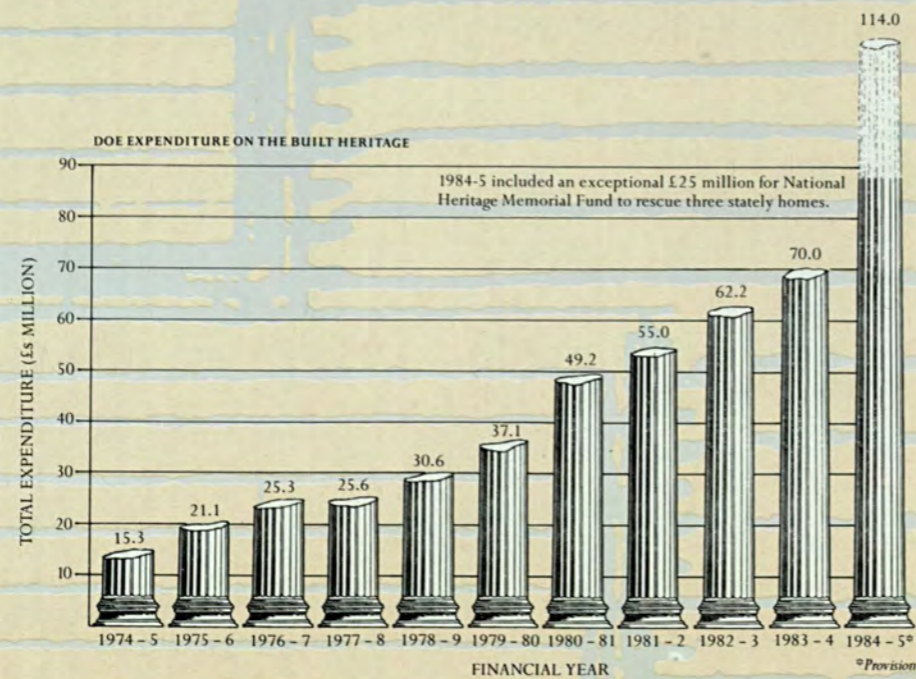
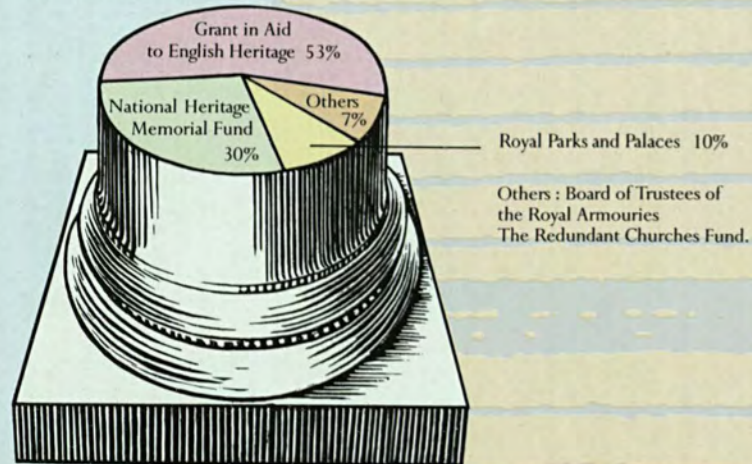
SALISBURY CATHEDRAL.

PAYING FOR OUR HERITAGE

The Government contributes about £100 million towards maintaining the heritage each year through the grant in aid given to English Heritage and direct expenditure on maintaining the Royal Palaces. The Government also gives financial assistance to the National Heritage Memorial Fund which among other responsibilities may offer grants and loans to conservation bodies in order to prevent decay of the nation's great houses and their contents in return for public access.

The revenue from entrance charges, sales of guidebooks and souvenirs amounts to £11 million each year. Further income accrues to the hotel, catering and travel industries which are among the fastest-growing sectors of the economy. Taken together the organisations mentioned on page 10 provide up to 4000 jobs and the number is rising.

DISTRIBUTION OF PROVISION 1984-5.



CALKE ABBEY - A TIME CAPSULE SAVED FOR THE NATION.



E N J O Y I N G O U R H E R I T A G E

There is likely to be a monument, a stately home or an archaeological site within a mile or two of your home, hotel or place of work. Excellent maps and guide books are available from the English Tourist Board, the Ordnance Survey, English Heritage and the National Trust. For those wishing to make several visits or cover a range of monuments, membership schemes and season tickets are available from English Heritage and others. Special facilities can be arranged at some sites for organised tours, for school parties and for disabled groups.

If you live in a listed building or manage land which contains a scheduled monument you can get advice and, in some circumstances, financial help from your local authority or English Heritage. There are probably five or six million people in Britain with an interest in our architectural heritage. If you wish to take an active part in supporting the



KING'S COLLEGE CHAPEL AND THE BACKS



ACTORS BRING THE PAST TO LIFE AT LANHYDROCK.



UNCOVERING THE PAST.

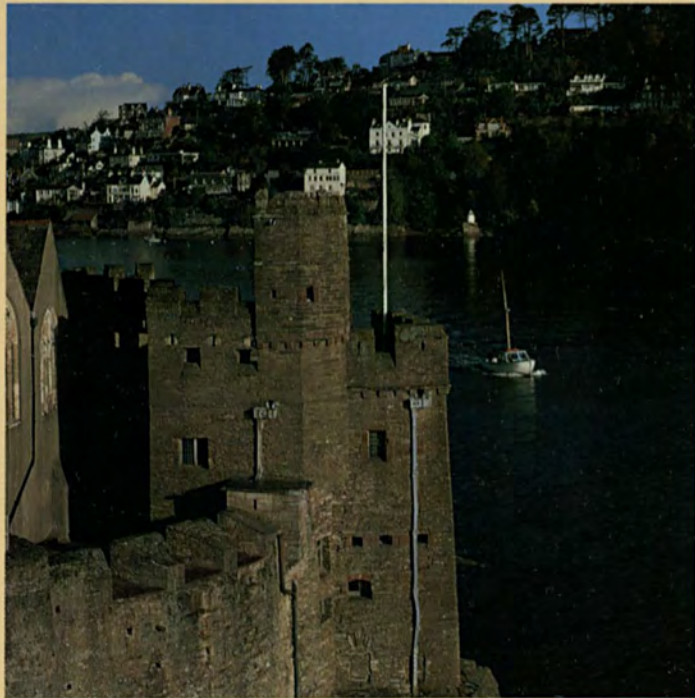


BERNEY ARMS MILL.

DOVER CASTLE - IN THE CARE OF ENGLISH HERITAGE.



conservation of the heritage in your area or studying its history you should think about joining one of the many local civic or historical societies, a national amenity society or a local archaeological association. Some useful addresses and information are included within the flap at the back of this booklet. Fuller particulars of the several hundred national, regional and local organisations which can offer help, information and active membership are listed in 'Heritage', a directory compiled by the British Tourist Authority and available by post, price £2.50, from: Finance Department, BTA, Thames Tower, Black Road, London W6 9EL.





NBBM

AF

257

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon The Earl of Gowrie
Chancellor of the Duchy of Lancaster
Office of Arts of Libraries
Great George Street
London
SW1

22 July 1985

Dear Lord Gowrie

ACCEPTANCE IN LIEU

At our meeting on 18 July, we discussed your letter of 9 July about acceptance in lieu, and I said that I would give some further thought to the points which emerged. You felt that you had become committed to an announcement on 29 July, and I therefore undertook to react as quickly as possible.

As regards the public expenditure treatment of acceptance in lieu, I pointed out that if the Government acquired items at a cost, that cost counted under the generally accepted definitions as public expenditure. I hope that I persuaded you of the rightness of this treatment notwithstanding the fact that the cost is in terms of revenue forgone. We have checked on the French treatment of their 'dation' scheme and have found that the 'dation' is recorded in the Government's accounts as both a receipt of a certain amount of tax and an equivalent piece of expenditure. That is consistent with the treatment which we currently apply and which I think we must maintain.

On the substance of the matter, I recognise the difficulty of absorbing the fluctuating cost of acceptance in lieu with a fixed annual provision. I would hope that we could meet that point both in reality and in presentational terms by reference to the Reserve. The Reserve is available for costs arising in particular from contingencies which could not have been precisely foreseen and which we may agree to incur in excess of the provision in programmes. I would have no objection to a statement which made this clear, in terms agreed between us, in relation to the specific problem of acceptance in lieu.

I have reflected on the argument that the public presentation might be eased if there was no overt constraint in the relevant programmes on the cost of acceptance in lieu;

CONFIDENTIAL

CONFIDENTIAL

although I emphasised that much of the public criticism of having a constraint seems to me to be based on misunderstanding and prejudice. You indicated a preference for having no formal provision, with apparently unlimited recourse to the Reserve, but with an unpublicised understanding that the use of the Reserve would be accepted without demur within the present limit of £2 million, above which the normal arrangements for recourse to the Reserve would apply.

I do, however, see some difficulty about this, which I think would be as much for you as for me. First, I think it would be difficult to conceal the existence of such a limit. But second, the lack of an overt limit would tend to oblige you to justify your rejection of any item by reference to its lack of intrinsic heritage importance rather than to expenditure constraints, since those would not be quantified in any public way. That would lay you open to charges of rejecting the judgement of your expert advisers in specific cases, and could lead you into artistic disputes with the museums and galleries which might have hoped to receive rejected items. You would have to judge how to deal with the criticism to which this situation would give rise, but for my part I am far from certain about the advantage in incurring it. My preference would be to retain a clear provision in the relevant programmes, not as precluding further provision from the Reserve if that were agreed in any particular case, but as enabling you to invoke expenditure constraints when you had to do so.

On this basis I hope you will feel, as I do, that the balance of advantage lies in having an agreement between us on a public quantum of expenditure for acceptance in lieu, coupled with recourse to the Reserve for exceptional cases.

I am copying this letter to Patrick Jenkin, George Younger and Nicholas Edwards.

Yours sincerely

P. Broadbent

for PETER REES

2

[Approved by the Chief Secretary]

foundation, is run by Carol Cartlidge, former national organiser of the Portia Trust, which helps women in trouble with the law. In 1983 she decided to start a fund-raising drive to finance the foundation's activities, which include providing retreats for women offenders, paying the fines of fine defaulters threatened with prison, and providing psychiatric help for alleged shoplifters.

At the suggestion of an apparently wealthy backer, known to her only as "Mr Davis," and whom she has never met face to face, she offered to pay high rates of interest for money lent to the foundation on short-term loan.

Over the next 15 months, publicised only by word of mouth, the charity turned over some £2m in short-term loans, almost all in the Stoke-on-Trent area. Initial investors were paid interest as high as 25% a month, or a yearly equivalent of 300%.

Some of the larger investors lent money as intermediaries for others, in one case for nearly 30 other individuals. Not all the sub-investors' identities were disclosed, and some of the names used turned out to be pseudonyms. The foundation's records show 210 names, but a tax inspector, Ken Marren, has opened files on 400 individuals so far.

The mysterious "Mr Davis" never lived up to his promises. Through using £1m donations, and interest raised by investing the money lent, Cartlidge was able to refund capital and pay interest, mainly at 20 to 25%. When she decided to wind up the scheme last August, some investors got less, a few only 5% a month.

In October, one of the investors was granted a court injunction freezing her bank accounts. He and five others sued her for more than £1m, claiming she had agreed to pay a definite rate of interest - in some cases 20%, in others 25%.

Cartlidge insists these rates were only indicated as the maximum investors could hope for.

But Cartlidge has been unable to defend herself in court against the investors who say she owes them money. With her bank accounts frozen, she had no money for legal fees, and that meant she could not put up a defence to the claim. The court would therefore automatically enter judgment against her for the full amount. She managed to get the injunction varied to allow legal fees to be paid from one of her bank accounts. She was unable to raise other funds for her defence, and judgments of £1,372,000 were entered against her.

£1m Old Master: Denis Mahon with Cumaen Sibyl, by Guercino.

Art lobby wins new deal on death duties

By Simon Freeman

THE GOVERNMENT is to alter the tax system in an effort to curb the sale abroad of British-owned works of art. Lord Gowrie, the arts minister, will announce changes in the next two weeks, making it easier for art collectors to offer their treasures to the nation in lieu of capital transfer tax on their death.

At the moment the Treasury will accept in any one year works of art worth only £1m in lieu of taxes. The figure covers the entire country, no matter how many great art collections are subject to capital transfer tax.

Another £1m is allowed for historic buildings and land. When these limits were imposed in 1980, they outraged the art world, already alarmed by the drain of British collections to rich American museums.

The government has now accepted that £2m for art, buildings and land is too low. It plans to raise the annual limit to £12m, according to Lord Fanshawe, a former Conservative minister and a leading arts campaigner.

The art lobby's latest, apparently successful push has been triggered by the threatened loss of a British collection of 17th-century pictures, which could be worth more than £30m on the open market.

Its owner, Denis Mahon, 74, a London art historian, wants to leave most of the collection to the nation. But he has threatened to order its sale abroad if the government does not assure him now that it will take some pictures in lieu of taxes before the rest can then be given to the nation.

Fanshawe says the government's new £12m limit is a significant, if incomplete, victory for the campaign to keep works of art in Britain. If it proves too low - and he believes that current soaring art prices mean that it probably will - he will press the government to remove all limits.

Concern about British-owned works of art going abroad has grown steadily in the past decade. Last month the reviewing committee on the export of works of art called for action. In the year 1982-83, for example, £150m worth of art was exported. But the campaigners argue that the art drain should not be a problem that arises when dealing with the estates of dead collectors.

When a picture is given in lieu of capital transfer tax the Office of Arts and Libraries has to pay, on paper at least, the equivalent sum to the Inland Revenue. No money actually changes hands but it does count as spending by a government department. And the Treasury is anxious to control government spending.

As long ago as 1979 the Treasury argued that the in-lieu system was "complex and unworkable". It has been suspicious of an arrangement which helps people avoid paying death duties and which robs the exchequer of cash. But earlier this year Gowrie promised to review the system.

At the heart of the latest moves lies Denis Mahon's collection of 70 paintings and hundreds of drawings, built up over 50 years. Sir Michael Levey, director of the National Gallery, calls it a "remarkable achievement."

Mahon has some of the finest examples of Guercino in private hands, as well as key works by Carracci, Reni, Rosa, Giordano and Domenichino. A Reni from another collection recently fetched £2m at auction.

His ultimatum to the government is simple. Death taxes would probably be over £2m. If he is assured that these can be paid by part of his collection then he will leave the remainder to the nation's museums. If he is not given that assurance then he will arrange his will so that the taxes will be paid through the sale to overseas galleries and museums. No British institution will be allowed to make an offer. And the rest of the collection, left after tax, will go overseas.

Black days at the ballet

INDUSTRIAL action by stagehands at the Royal Opera House, Covent Garden, which has caused five performances of Swan Lake to be cancelled, has cost the Royal Ballet more than £100,000, writes Kim Fletcher.

There was no matinee or evening performance yesterday.

management attempts to introduce new working practices as part of this year's pay agreement. Richard Wright, the ballet's director of administration, said: "We've a shopping list of things we wish to change and the stage crew are saying these negotiations should take

The crew at the Royal Opera House are paid £3.17 an hour and make on average about £14,000 a year for a 60 to 75-hour week. They argue the company could have kept the pay and overtime negotiations separate and that it has

ST
2/7/85



CONFIDENTIAL

NOTE OF A MEETING HELD IN THE CHIEF SECRETARY'S ROOM ON

THURSDAY, 18 JULY 1985

Those Present:

Chief Secretary
 Mr Judd
 Mr Burr
 Mr M Williams
 Mr Sargent
 Mr M Stock
 Mr M Elliott - IR

Chancellor of the Duchy of Lancaster
 Mr Wilding
 Mr R Stone
 Mr P Thomas

ACCEPTANCE IN LIEU (AIL)

The Chief Secretary said that he thought two quite separate issues were involved in considering the future arrangements for AIL. The first was the question of the level of resources available for acceptances. The second concerned the way in which acceptances were accounted for and controlled. He was not clear which of these issues was the Chancellor of the Duchy's primary concern.

2 The Chancellor of the Duchy said that he was more concerned with the mechanism than with the level of resources. He reserved the right to argue for more resources, but the essential issue was the presentational difficulties posed by the present arrangements whatever level of resources was decided on in a given year. This difficulty arose because it was impossible to estimate what sum might be required annually to provide for an adequate level of acceptances - an enormous sum would

CONFIDENTIAL

CONFIDENTIAL

be needed to cover all contingencies. In practice, the Government's record in preserving the heritage was good. But it was hampered in presenting its record by the constant criticism made of the apparently derisory provision made for acceptances. His proposal would remove this problem by eliminating expenditure provision for acceptances and treating it instead as revenue forgone. He was advised that such a system would not pose insuperable problems of Parliamentary accountability providing the Government announced what it had accepted and when. He envisaged such a system as working within a ceiling set administratively between his Department and the Treasury, but not being announced publicly. There would not therefore be a figure for the heritage lobby to focus on and on which to bring pressure to bear for an increase.

3 The Chief Secretary said that the Chancellor of the Duchy's proposal raised both accounting problems and, in his view, practical difficulties.

4 In accounting terms, the reality of AIL was that an asset was offered to the Inland Revenue in place of tax. If the Revenue, on the advice of the Chancellor of the Duchy, accepted the asset, it was transferred to one of the national institutions. The Revenue however still had to account for the value of the asset which had been taken in place of tax. Under the existing arrangements, this requirement was met because the Office of Arts and Libraries reimbursed the Revenue. This reflected the reality of the situation that public money had been disbursed in acquiring an asset (the situation of mortgage interest relief was not comparable because in that case the statutory relief reduced the tax liability itself).

5 In practice, the Chief Secretary was also deeply sceptical that the administrative limit proposed by the Chancellor of the Duchy under his system could be kept

CONFIDENTIAL

CONFIDENTIAL

secret. The Government would be bound to be asked whether there was a limit to acceptances under the system proposed. The Government would be equally bound to respond that there was a limit. Once the existence of a limit became known it was in his view unrealistic to suppose that Ministers could refuse to inform the House of what it was. But once the limit was known, the proposed system would no longer achieve its main objective of removing a focus of pressure for the heritage lobby which hampered the Government in presenting its success in the heritage field in the best possible light. In practice, the situation would not be very different from the current position except that more resources would probably be devoted to accepting heritage objects. This led him to wonder whether or not it was after all resources which lay at the heart of the issue.

6 In further discussion, the Chancellor of the Duchy emphasised that it was the mechanism rather than the level of resources which was the crucial issue and it was his strong opinion that only a move to off-Vote arrangements would allow the Government to respond adequately to the heritage lobby. On the other hand, the Chief Secretary emphasised that he believed it would be damaging to the Government's credibility to interfere with long-standing accounting arrangements just to meet lobby pressures, which were evident in many fields of Government. He believed that the system proposed by the Chancellor of the Duchy would have the unacceptable implication that the Government had removed any form of financial discipline from acceptances in lieu.

7 The Chief Secretary went on to suggest that an alternative approach to meeting the presentational problem identified by the Chancellor of Duchy as the key issue

CONFIDENTIAL

CONFIDENTIAL

would be to emphasise more strongly the role of the Reserve. Every year the Government made provision for contingencies (£5,000 million in 1985-86) precisely in order to deal with sudden and unexpected calls which could not reasonably be ignored but for which programmes did not have adequate provision. He suggested that it might be possible to do more presentationally by stressing that the provision currently made for AIL was that judged necessary to meet the routine level of acceptances. If and when exceptional items or an unusually large number of items came on to the market, the Government would naturally consider using the Reserve, as its record proved. He pointed out that no major heritage item had in fact been lost in recent years, reflecting the Government's willingness to use the Reserve.

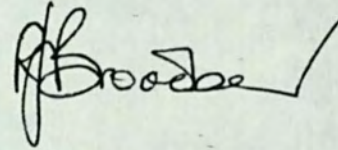
8 The Chancellor of the Duchy said that he doubted whether such an approach would prove workable given the strong feelings and activity of the heritage lobby. In the circumstances outlined by the Chief Secretary, he would prefer to have no provision at all in his programme and to rely entirely on recourse to the Reserve in order to ensure that there was no single figure on which the heritage lobby could focus.

9 After further discussion, the Chief Secretary said that he would consider further the points made by the Chancellor of the Duchy about the desirability of off-Vote arrangement for AIL. He would also consider whether an alternative approach might be acceptable under which greater emphasis was given to the possibility of access to the Reserve. He would write to the Chancellor of the Duchy quickly on both points and if necessary they could meet again to resume their discussion soon thereafter so that the Chancellor of the Duchy would if possible be in

CONFIDENTIAL

CONFIDENTIAL

a position to answer questions on the subject before the
Recess.



R J BROADBENT
Private Secretary

Circulation:

Those present
Chancellor
Financial Secretary
Mr Bailey
Mr Anson
Mr Gilmore
Mr Monger
Mr Scholar
Mr P Gray
Mr Instone
Mr Stibbard
Mr Cropper
Mr Lord
Mr Isaac (IR)

CONFIDENTIAL

N BPM



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

29 April 1985

Dear Richard

Thank you for copying to me your letters of 24 April about the acceptance in lieu arrangements. My Secretary of State strongly supports the Chancellor of the Duchy's view that something must be done, and done quickly, to defuse mounting criticism and is grateful for the Chief Secretary agreeing to explore the proposition that costs of AIL deals should be taken off-Vote. He also agrees with Lord Gowrie's views set out in Paul Thomas' letter of 24 April.

If this review produces a solution then all will be well and my Secretary of State accepts that there is no point in simultaneously reviewing the taxation regime as it applies to heritage property. If the review does not produce adequate improvements however then we would want to resurrect a study of capital taxation rules.

In the meantime there is the outstanding issue of future financing of the National Heritage Memorial Fund, for which we and OAL are joint sponsors. In the short term this problem has probably been allayed by the special grant of £25 million passed to them in March towards the rescue of Kedleston, Weston and Nostell. In the longer term, however, the problem remains that the Fund is becoming increasingly dependent upon the Government for topping-up grants and expedient financial palliatives when, arguably, what it requires is financial independence and responsibility. Whatever the outcome of the AIL review we shall need to address the future of the NHMF and as a first step, as was tacitly agreed at the ministerial meeting in November, we and OAL propose to take forward a consultants' study into the likely demands that the Fund may have to face in the medium term.

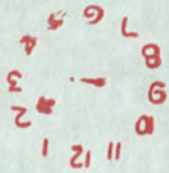
I am copying this letter to Robin Butler (No.10), Paul Thomas (OAL), John Graham (Scottish Office) and Colin Jones (Welsh Office).

Yours sincerely
A H Davis

A H DAVIS
Private Secretary

R J Broadbent Esq

HOME AFFAIRS: Heritage Fund: July 1979



30 APR 1985



Prime Minister - to see before
 Your discussion with the Chancellor
 I think that Lord Gowrie is ill-advised to have
 given the undertaking at X ! FERB
 OFFICE OF ARTS AND LIBRARIES 24.4.
 Great George Street
 London SW1P 3AL
 Telephone 01-233 8610

From the Minister for the Arts

Richard Broadbent Esq
 Private Secretary to the
 Chief Secretary to the Treasury
 Treasury Chambers
 Parliament Street
 London SW1P 3AG

MT

24 April 1985

Dear Richard

ACCEPTANCE IN LIEU OF CAPITAL TRANSFER TAX

Thank you for your letter of even date. — with FERB?

Lord Gowrie is content with the form of words proposed in your letter for use in his speech in response to Lord Fanshawe's motion. Provided that the review results in acceptance in lieu expenditure being taken off vote and in agreement on satisfactory working arrangements designed to guarantee substantial additional flexibility in operating the acceptance in lieu system, he is prepared to undertake that he will not press for any further taxation changes specifically for the heritage.

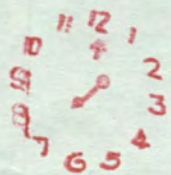
With regard to the final sentence of the penultimate paragraph of your letter, Lord Gowrie accepts fully the need for the maintenance of rigorous criteria for acceptance in lieu and for agreed control procedures. He in no sense envisages that the quality alone of a particular work should be a sufficient condition for acceptance, but the precise arrangements for the control of any new system must be a matter for detailed discussion between departments.

I am copying this letter to Robin Butler (No 10), John Ballard (Environment), John Graham (Scottish Office) and Colin Jones (Welsh Office).

Yours sincerely
 Paul Thomas

C P THOMAS
 Private Secretary

24 / 1905





Treasury Chambers, Parliament Street, SW1P 3AG

Robin Butler Esq
Private Secretary
10 Downing Street
London
SW1

24 April 1985

Dear Robin

ACCEPTANCE IN LIEU OF CAPITAL TRANSFER TAX

Thank you for your letter of 23^{att} April.

The Chief Secretary has agreed a form of words with the Chancellor of the Duchy announcing that the acceptance in lieu arrangements are to be reviewed. These are recorded in my letter today to Paul Thomas (copy enclosed).

That letter refers to the possibility, which the Chancellor of the Duchy has raised previously, of a wider review of the fiscal provisions for the heritage. The Chief Secretary asked me to write separately to you about his reasons for wishing to restrict any review, public or otherwise, to the acceptance in lieu arrangements. These were set out in full in a letter he wrote to Lord Gowrie on 22 February. In short, the Chief Secretary thinks that the heritage lobby, which he has known closely for many years, is quite insatiable; that a great deal has been done since 1979 to meet their concerns; and that politically the trick is to make individual concessions when absolutely necessary rather than to seek fundamental reviews which he fears hold out little prospect in reality other than increasing the baseline from which additional bids start.

The Chief Secretary thinks therefore that a review of the acceptance in lieu arrangements should, for the time being, be the only initiative the Government takes in this field. He does not therefore propose to proceed with the more general review of fiscal provisions which the Chancellor of the Duchy and the Secretary of State for the Environment have been suggesting.

RESTRICTED

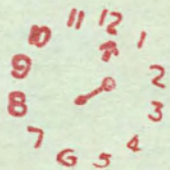
I am copying this letter to Paul Thomas (Chancellor of the Duchy of Lancaster's Office), John Ballard (Department of the Environment), John Graham (Scottish office) and Colin Jones (Welsh Office).

Yours ever
Richard Broadbent

R J BROADBENT
Private Secretary

RESTRICTED

24 APR 1985



RESTRICTED



Treasury Chambers, Parliament Street, SW1P 3AG

Paul Thomas Esq
Private Secretary to the
Chancellor of the Duchy of Lancaster
Government Offices
Great George Street
London
SW1

24 April 1985

Dear Paul

ACCEPTANCE IN LIEU OF CAPITAL TRANSFER TAX

We discussed earlier today the Chancellor of the Duchy of Lancaster's response to Lord Fanshawe's motion in the light of Robin Butler's letter to me yesterday.

The Chief Secretary's preference would have been to avoid a public commitment to review any aspect of the fiscal regime in support of the heritage. Public commitments inevitably arouse expectations which the Chief Secretary thinks scarcely need to be stimulated in the heritage lobby. Such expectations could only prejudice the general review of the fiscal arrangements which the Chancellor of the Duchy has been pressing the Chief Secretary to undertake.

Nevertheless, in view of the clear priority which the Chancellor of the Duchy attaches to reviewing the acceptance in lieu arrangements, the Chief Secretary agreed that without prejudice to the existing arrangements, the Chancellor of the Duchy should say tonight that the Government was looking again at the position. We agreed that the last sentence of paragraph 9 of the Chancellor of the Duchy's speech might be amended to make the point as follows:

"But we naturally keep the situation under review and I can assure the House we will be looking again at the arrangements whereby part of the cost of acceptance in lieu is met from Votes."

The Chief Secretary asked me to make it clear however that his agreement to this announcement was on the basis that he did not, for the reasons explained in his letter of 22 February to the Chancellor of the Duchy, believe that further major work on the fiscal regime in relation to the heritage would be productive, and that announcing a review of this

RESTRICTED

RESTRICTED

specific aspect of the existing arrangements took the place of any further work. The Chief Secretary has asked me separately to convey his views to the Prime Minister and you will have seen my letter today to Robin Butler on this point.

The Chief Secretary does not want to prejudge the outcome of the review. If nevertheless a review led Ministers to conclude that the existing Vote reimbursement arrangements should be terminated (with consequential adjustments to your and the Department of Environment's PES baselines) the Chief Secretary asked me to make it clear that he thinks there would need to be appropriate arrangements for financial control of acceptance in lieu within an overall limit to be agreed with the Treasury.

I am copying this letter to Robin Butler (No. 10), John Ballard (Environment), John Graham (Scottish Office) and to Colin Jones (Welsh Office).

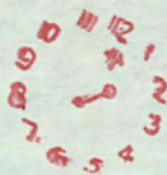
Yours sincerely

Richard Broadbent

R J BROADBENT
Private Secretary

RESTRICTED

24 APR 1985



RESTRICTED



10 DOWNING STREET

From the Principal Private Secretary

23 April 1985

Dear Richard,

ACCEPTANCE IN LIEU OF CAPITAL TRANSFER TAX

The Chancellor of the Duchy of Lancaster mentioned to the Prime Minister this morning the difficulties which were posed for him by the requirement to fund out of his Vote part of the payment for items accepted in lieu of Capital Transfer Tax. These difficulties arise particularly because of the unpredictability of the timing of such offers.

The Prime Minister asked me to write to you and ask whether the Chief Secretary would agree with the Chancellor of the Duchy of Lancaster a form of words which the latter could use in the House of Lords Debate tomorrow on Lord Fanshawe's Motion to the effect that the arrangement by which part of the cost falls on the Arts Vote is being looked at again. The Chancellor of the Duchy of Lancaster said that he fully accepted that if the whole cost was met by way of remission of duty, it would be for the Treasury to say whether they were willing to provide funds in this way for any particular item offered in lieu of Capital Transfer Tax.

I am copying this letter to Paul Thomas (Chancellor of the Duchy of Lancaster's Office).

Yours ever,

Robin Butler

Richard Broadbent, Esq.,
H M Treasury

RESTRICTED

CONFIDENTIAL

cc:PS/FST

Mr Bailey
 Mr C C Allan
 Mr R I G Allen
 Mr Faulkner
 Mr Cropper
 PS/Inland Revenue
 Mr Elliott



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Lord Gowrie
 Minister for the Arts
 Office of Arts and Libraries
 Great George Street
 London
 SW1P 3AL

22 February 1985

Alan Gray

HERITAGE PROVISIONS: REVIEW OF TAXATION ARRANGEMENTS

Thank you for your letter of 14 January and for your further letter of 11 February supporting Patrick Jenkin's case for action on Kedleston, Weston Park and Nostell Priory.

We have now taken and announced our decisions to provide special help in these three cases. I think that the favourable impact of this move on the heritage lobby - and more widely - would be considerable and we should turn that to our advantage in the current extremely difficult expenditure position.

Since our meeting in November, I have considered in detail with officials how we should take forward the wider questions of fiscal (and other) support for the arts that you raised with me then. I should like first to comment on some of the specific tax measures you raised at that meeting.

To start with a general point, I understand your concern to be that inflation in art market prices has put at risk the effectiveness of existing statutory provisions - export controls and fiscal incentives - designed to encourage the retention of works of art in private homes in this country. Your conclusion I take to be that further tax concessions are the only way of dealing with the situation. I am bound to say that in my view this begs the question of the extent to which individual works by foreign artists should properly be seen - however important the artist - as part of our national heritage and how far it is right to spend more money (whether directly or through increased tax reliefs) to keep them in this country.

All that said, the CTT exemption system already provides that a work of art which is of national, scientific, historic or artistic interest can be wholly exempt from CTT on transfer providing that undertakings are given to allow public access and to keep the item permanently in the UK. Since the exemption from tax, if the conditions are satisfied, is complete there is obviously no question of improving it as such. Your proposals focus on making the system more attractive, for example by reducing the effect of the clawback charge. But there seems to be little purpose

CONFIDENTIAL

CONFIDENTIAL

in encouraging owners into conditional exemption if at the same time one encourages them to get out of it, whatever timescale is chosen to relax the conditions.

You have also proposed a "200 per cent" relief against CTT due on the transfer of an estate. I have no doubt that this proposal provides an incentive to the purchase of works of art, but in large part because they will become particularly attractive tax shelters. The cost could be considerable and the practical complications of imposing a composite clawback charge on property which had been left to a number of different beneficiaries would equally be very great. More fundamentally, however, I do not see this proposal as a conventional tax relief at all. It is really more akin to a form of public expenditure, like the present arrangements for acceptance of property in lieu of CTT.

This leads me to the general problem of the resources available to preserve the heritage. I do not need to remind you of the considerable problems we face in constraining public expenditure. It seems to me that we have a presentable case to the arts world which, while bound to have been affected by the extraordinary inflation in art prices, cannot realistically expect the Government to cushion it altogether from the impact of changes in the market. In fact, we have taken measures to help. In 1983, following the Priestley report, we committed about £4 million more to the main national companies. We have also written off significant amounts of their debt. With the abolition of the GLC, we will be committing an additional £34 million of central funding to the arts field. Patrick Jenkin has now announced the very considerable increase in resources I have just agreed to safeguard the future of Kedleston, Weston Park and Nostell Priory. I am bound to say that I do not see any prospect of committing significant new resources to arts beyond those I have listed. And for the reasons I have set out above, I do not believe that further major work on the fiscal side is going to be productive.

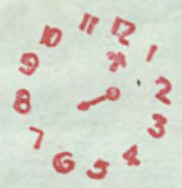
I am sending a copy of this letter to Patrick Jenkin, George Younger and Nicholas Edwards

A handwritten signature in dark ink, appearing to read 'Peter Rees', written in a cursive style.

PETER REES



24 APR 1985



ECL
ccD OE

CF have you
the pps? Kay
11/12



10 DOWNING STREET

THE PRIME MINISTER

10 December 1984

Dear Mr. Harpur-Crewe.

Thank you for your kind letter of 22 November. I was very pleased that we were able to find a way of retaining Calke Abbey and its fascinating contents for the benefit of generations to come, and I hope that the arrangements for bringing all this about can soon be finalised.

Yours sincerely
Margaret Thatcher

Henry Harpur-Crewe, Esq.

Handwritten initials



10 DOWNING STREET

Prime Minister⁽³⁾

The last few words are included because the Harpur Crewe Trustees are holding out for very generous treatment of certain tax liabilities.

JMB
6/12



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

9 December 1984

OK
Re-type.

Dear David

CALKE ABBEY

Thank you for your letter of 26 November with which you enclosed a copy of one from Mr Harpur-Crewe about Calke Abbey.

As you know, the Calke rescue package involve contributions from the National Heritage Memorial Fund, the Historic Buildings and Monuments Commission and the National Trust, and a major transfer of property in lieu of taxes from the Harpur-Crewe trustees. There are still some details to be settled, as the solicitor acting for the trustees is pressing for a very generous deal under which nearly £3.9m transfer of property in lieu of taxes would have to be accepted, rather than the £2.5m originally proposed. The Department has now made an offer to the trustees which we believe stands a good chance of being accepted.

I attach a draft reply for the Prime Minister to send to Mr Harpur-Crewe which includes a brief reference to these remaining difficulties.

Yours ever
A H Davis

A H DAVIS
Private Secretary

David Barclay Esq

EL3AAT

DRAFT REPLY FOR PRIME MINISTER TO SEND TO MR HENRY HARPUR-CREWE

Thank you for your kind letter of 22 November. I was very pleased that we were able to find a way of retaining Calke Abbey and its fascinating contents for the benefit of generations to come, and I hope ~~understand that there remain some difficulties in tidying up the tax liabilities of the estate on which you would not expect me to comment,~~ but I hope that ^{the} arrangements ^{to} bring ⁱⁿ all this ~~about~~ can soon be ^{finalised} settled.

105284 V.

COMMUNICATIONS SECTION

- 5 DEC 1984

11 12 1
0 9 8
7 6 5 4 3 2

Mr. Harpur-CREWE



7/12

10 DOWNING STREET

From the Private Secretary

26 November, 1984.

Calke Abbey

Mr. Harpur-Crewe has sent the Prime Minister a short note thanking her for all that has been done to save Calke Abbey. I enclose a copy.

The Prime Minister wishes to send a brief reply. In view of the history of this case, I fear I must trouble you for a draft. Could this please reach me by ~~11~~ December?

7

David Barclay

Andrew Allberry, Esq.,
Department of the Environment.

Telephone:
Melbourne 2245

Box
Calke Abbey,
Ticknall,
Nr. Derby.

223

*Be must
reply*

22nd November, 1984. *mk*

Dear Prime Minister,

Thank you very much and all
the powers to be who helped to save
my home, Calke Abbey. It was a
great achievement.

With Best Wishes,

Yours sincerely,

Henry Harper-Crewe

Rt. Hon. M. Thatcher M.P.,
Prime Minister,
10, Downing Street,
LONDON.

L23 pps uTA

C1 930 3772 & 3252.

DON F. ADG (C) and
2) Return to me for
Prime Minister (h)

17, DUKE STREET,
ST. JAMES'S,
LONDON, SW1Y 6DB.

22 December, 1983

ms

The Prime Minister

Thank you very much for your letter of 20 December and for enclosing the relevant extracts from Hansard in connection with Calke Abbey.

I note that the Government will shortly be making a response to the recent Report of the Select Committee on Public and Private Funding of the Arts and I await this with the greatest interest.

I entirely agree that the Government has achieved much for the heritage, both through general policies and specific measures - in particular, in my opinion, the National Heritage Act. I wholeheartedly believe that there is indeed, as you imply, scope for procedural improvements which if implemented could go a long way towards alleviating or indeed even eradicating some of the problems. Naturally, if there is anything that I could do to help I would make myself available at any time to Ministers or Government Officials.

With every good wish for the New Year.

Yours sincerely
Hugh Leggatt

Hugh Leggatt

The Rt. Hon. The Prime Minister,
10, Downing Street,
London, SW1

PRIME MINISTERPa
DMS
20/12Calke Abbey

Hugh Leggatt wrote to you on 23 November about Calke Abbey. There is quite a debate about how to preserve this beautiful Derbyshire house.

The basic issue is whether the Government should accept in lieu of tax not only the Abbey and its surrounding "heritage land" but also the bulk of the agricultural estate. Ministers have agreed to accept the Abbey and heritage land (at a cost to public funds of £2 million) but not the agricultural land (which would take the total cost to £10 million).

Ferdie Mount supports the DOE line (see note at Flag A), though not their original draft reply. He suggests that the final solution may require a modest further subvention via the National Heritage Memorial Fund, as well as a re-think by the Trustees.

I attach at Flag B a draft reply for you to send to Hugh Leggatt, revised as recommended by Ferdie.

Would you like us also to write to DOE on your behalf, along the lines proposed in conclusion b. of Ferdie's note?

DMS

Note : letter to Hugh Leggatt despatched agreed with FM that it was not worth troubling the FM again with the proposal at his of his mind

19 December 1983DMS
20/12

16 December 1983

MR BARCLAY

CALKE ABBEY

Calke Abbey sounds a wonderful place. It must be preserved.

But I do not like the easy way out - "a quick, clean and certain solution" as Esmond Bulmer described in the House of Commons. To me it looks more like a retrospective dodge for the convenience of a rich family which has mismanaged its affairs in an endearing fashion.

The acceptance-in-lieu machinery was always intended for beautiful objects and places, not for the funds or lands necessary to maintain them. It was not intended as a last-resort escape route from the Capital Transfer Tax, iniquitous though that tax may be.

The total cost to public funds of the Harpur-Crewe proposals is estimated at £9-10 million.

The Government has frequently stated its readiness to accept the Abbey and parkland in lieu at a cost of some £2 million. Substantial grants to assist with repairs will also be available. We ought to make these points. The present DoE reply is too passive.

If we need to do more, I suggest that the appropriate route would be by an extra subvention to the National Heritage Fund, but on a much more modest scale. Such a contribution is already clearly implied in our present stance. And I am sure that proposals will come forward from the interested parties and the Harpur-Crewe Trustees as soon as they have finally realised that the Trustees' present scheme is unacceptable.

I suggest that:

- a. the DoE draft be amended to show what we have already offered;
- b. the Prime Minister might write to Patrick Jenkin or Grey Gowrie expressing her view that the present scheme is not acceptable, but that she hopes a solution may be found along the lines suggested by Lord Charteris in his letter to the Times* and that the Government should be ready to play its part in this.

FERDINAND MOUNT

fm

* Copy attached

Fresh look at Calke Abbey

From the Chairman of the National Heritage Memorial Fund

Sir, Mrs Currie (December 5) criticizes the trustees of the National Heritage Memorial Fund over Calke Abbey. I hope you will allow me the space to explain the attitude of the trustees.

Calke Abbey and its fate have weighed heavily on our minds for many months. In June this year we considered a request from the National Trust for very substantial grants in respect of both Calke Abbey and Belton House. As far as Calke was concerned, it was explained that the approach was necessary because the Department of the Environment had refused to accept certain "non-heritage" land in lieu of capital tax, which could have been used to provide an endowment.

We had visited both Calke and Belton and, after much deliberation, informed the National Trust that, although we felt both properties to be of great importance to the national heritage and that both ought to be saved, we had sufficient resources to help only one of them.

Having been put into the position of having to make a choice, we chose Belton; bearing in mind that Belton was already on the open market for sale, we really had very little room for choice. Indeed, the National Trust had already told us that they regarded Belton as the more urgent priority. The assistance promised in respect of Belton at the time represented almost 40 per cent of our uncommitted resources.

Our responsibilities extend wider than simply English historic houses and their contents. There are historic houses in other parts of the United Kingdom, paintings and other works of art, areas of land of scenic and scientific interest, all of which have a call on our funds. We have indeed wide responsibilities and relatively slender resources. Moreover, we have no idea what future funding we shall receive from Government.

To date, the National Heritage Memorial Fund has been invited to consider contributing to one solution only for Calke Abbey. Are there no other ways to save Calke? Is this not a case when a wider partnership of interests, including Government, National Trust, Historic Buildings Council, local authorities, the Harpur-Crewe trustees, as well as ourselves, could achieve the objective which all your correspondents are seeking? For our part, and within our available resources, we are ready to consider any possibilities.

Yours faithfully,
CHARTERIS OF AMISFIELD,
Chairman, National Heritage
Memorial Fund,
Church House,
Great Smith Street, SW1.
December 6.

PERSONAL AND CONFIDENTIAL

FILE 54



Mr. Calford to see
OK

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Thank you for your minute of 25 October (A083/3009) enclosing a letter from Lord Charteris of Amisfield to the Secretary of State for the Environment about the grant to the National Heritage Memorial Fund. I have shown this to the Prime Minister who has noted it.

BER BUTLER

26 October, 1983

PERSONAL AND CONFIDENTIAL

PERSONAL and CONFIDENTIAL

2

Prime Minister

To be aware - you
needn't read in detail.

Ref.A083/3009

~~MR BUTLER~~

PERB

25.10

The Prime Minister may like
to see the attached copy of a letter
which the Chairman of the National
Heritage Memorial Fund has sent to
the Secretary of State for the
Environment, asking in effect for an
addition to the Fund's grant next year.

REA

ROBERT ARMSTRONG

25 October 1983

PERSONAL and CONFIDENTIAL



NATIONAL HERITAGE MEMORIAL FUND
CHAIRMAN: LORD CHARTERIS OF AMISFIELD
CHURCH HOUSE, GREAT SMITH STREET, LONDON SW1P 3BL
01-212 5414

19 October 1983

Dear Secretary of State

During the first three years of its existence, the National Heritage Memorial Fund found its resources adequate to meet the demands made on it. Even though we gave some exceptionally large grants, such as £2m to the National Trust for Studley Royal and £742,000 to the Walker Art Gallery, Liverpool, towards purchase of Poussin's 'The Ashes of Phocion', we were never forced to refuse assistance through lack of funds. The monies given to us from the Department of the Environment and the Office of Arts and Libraries, and which included a 'special' amount of £5m at the end of 1982-83, have proved to be about right.

The financial position has, however, changed dramatically within a very short period of time. This is due to two projects which I think could properly be described as 'really big' in the sense used by Mr. St John-Stevas in Parliament and 'disproportionate' as mentioned in the 'Financial Memorandum' issued to us last week by DOE and OAL. These are Belton House, towards the acquisition and upkeep of which we have promised £8m to the National Trust, and the purchase of part of the collection of old master drawings from Chatsworth, for which we have promised £5m to the British Museum.

When we were faced with Belton House and the Chatsworth drawings, my fellow Trustees and I could have declined to give financial assistance unless we received at least a promise of additional funds from Government in respect of these two cases. We felt, however, that a special approach to you was unjustified while we had substantial funds in the bank. But we have now reached a point at which we have made firm commitments over the next three years of nearly £20m.

By no means have we agreed to grant-aid every project put before us. We have on occasions refused assistance for projects to save outstanding parts of our national heritage because we have felt the cost to be too high. We recently told the National Trust that we could not help them with Calke Abbey, Leicestershire, and we have just turned down a request from Birmingham City Art Gallery for the substantial grant necessary to keep an important painting by Richard Dadd in this country.

/ In summarising

In summarising our present financial position, I feel I must also stress the view held firmly by my fellow Trustees and myself, that Parliament's intention in setting up the National Heritage Memorial Fund was that it should exist, presumably in perpetuity, to meet national heritage emergencies. When we are given our grants-in-aid we are provided with capital which may be invested, and we assume that this arrangement was designed so as to allow the retention of a basic capital 'endowment'.

I am confident that the Fund has been effective in carrying out the responsibilities given to it by Parliament. But unless the Fund is substantially reimbursed for the £13m for Belton and the Chatsworth drawings, in addition to what we might usually expect from Government by way of our annual grant for 1984-85, then our activities must be severely curtailed until an adequate capital has been rebuilt.

I should welcome the opportunity to discuss with you, at an early date, our financial problems.

I am writing in similar terms to Lord Gowrie.

John Sincely

Charteris of Amisfield.

Lord Charteris of Amisfield

The Rt Hon Patrick Jenkin MP
Secretary of State for the Environment



10 DOWNING STREET

THE PRIME MINISTER

15 May 1980

Dear John,

I am so sorry for the delay in replying to your letter of 24 March about the appointment of the Trustees of the National Heritage Memorial Fund. As you will by now be aware, an amendment was passed during Commons Consideration of Lords Amendments so that the Trustees are appointed by me. The House of Lords agreed with this amendment on 31 March. We accepted that the prestige and independence of the Trustees would be safeguarded through their appointment being made by the Crown or by me, and not by the Ministers responsible for the policy area within which the Trustees will operate. However, we did not feel that the Trustees of the National Heritage Memorial Fund came into the same category as other bodies, all of whose members are appointed by the Crown, such as Royal Commissions and other bodies of considerable constitutional importance, for example, the Bank of England.

I have now appointed the majority of the Trustees and I know you will join me in wishing them well in their important task.

(SGD) MARGARET THATCHER

The Right Honourable the Lord Glendevon

vb

CF. to note

19/5 MAB
Amendments
CCCDLO

Original GR

CH

Home Affairs

Stately home sale will not benefit fund

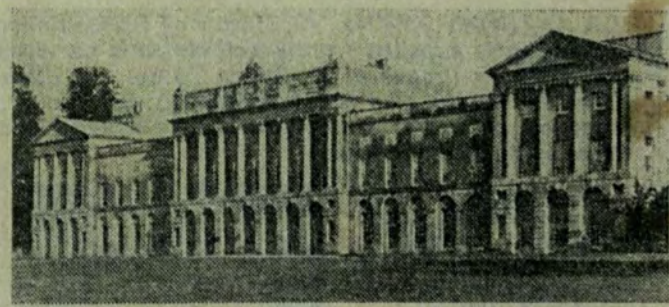
Sunday Telegraph Reporter
HEVENINGHAM HALL, one of Britain's finest stately homes, bought by the Government 10 years ago, is about to be offered for sale for around £750,000.

But the proceeds of the sale will offset general expenditure by the Department of Environment, and will not be handed over to the National Heritage Memorial Fund, successor to the National Land Fund, which was originally used to save the house from destruction.

The house, which stands in over 400 acres near Halesworth, Suffolk, was built by Sir Robert Taylor and James Wyatt, toward the end of the 18th century. The house, including furniture specially designed for it by Wyatt, was bought by the Government for £300,000, because the Vanneck family who owned it could no longer afford to run it, faced with the prospect of heavy taxation.

Heveningham Hall is a unique case in that it has always been the intention of the Government to find a private owner, but it was assumed that the money would be returned to the fund from which it came in order to help save other examples of the country's heritage.

The Government is arguing



Heveningham Hall—up for sale.

that the money will help balance the large increase in money being spent on stately homes by the Environment Department, which has risen from £3 million in 1977-78 to £9.5 million this year.


Mr Heseltine, Environment Secretary, is taking a personal interest in the sale. He said last week that he would be vetting any prospective purchaser who would have to agree to maintain the furniture, which will not be included in the sale, and to open the house to the public.

Yesterday a spokesman for the National Trust which has managed the house for the last 10 years, said: "We have been involved in the setting up of the National Heritage Fund, and we would be surprised if any

proceeds from the sale were not to go to the fund."

The Trust has been acting only as agents for the Environment Department and has been unable to put into effect the extensive repairs it believes necessary to preserve the house. Ominous cracks have appeared in internal walls, and the Trust feels a full survey is now vital.

There have been difficulties in obtaining cash from the Government for improvements. The Environment Department stopped a large-scale tree-planting scheme designed to restore the landscape designed by "Capability" Brown, and it took years to persuade Whitehall to pay for vital repairs to the Orangerie which was designed by Wyatt.



Original in LR

Home Affairs

DSG

cc: CDLO

15 April 1980

Dear Mr. Faulds,

Thank you for your letter about the appointment of the Trustees of the National Heritage Memorial Fund.

I am aware of the need for urgency in the matter of these appointments and I hope to announce the names of the Trustees very soon.

(sgd) Margaret Thatcher

Andrew Faulds, Esq., M.P.

MR PETERSON

As you know, Mr Heseltine and Mr St John Stevas were unable to agree yesterday on how to proceed on this, and the Prime Minister was not available to be consulted before the deadline expired by which we had to decide whether to introduce an amendment. In the circumstances I concluded that we had to stick to the Prime Minister's former decision that the appointments should be Prime Ministerial ones. I told the Private Offices of Mr Heseltine and Mr St John Stevas that this was my view and asked Mary Giles to see that the amendment was duly tabled.

Mr St John Stevas mentioned this to the Prime Minister this morning after a meeting on another matter, but she was not disposed to pursue the issue.

signed Clive Whitmore.

25 March 1980



10 DOWNING STREET

Mr Peterson.

As you know, Mr Herkimer
and Mr St John Stevens were
written to you yesterday on how
to proceed on this, and the
Prime Minister was not available
to be consulted before the
matter was proposed by which we
had to decide whether to introduce
an amendment. In the circumstances
I concluded that we had to stick by
the Prime Minister's former decision
that the appointments should be Prime
Ministerial ones. I told the French
Office of Mr Herkimer and Mr St John
Stevens that this was my view, and
asked Mary Gales to see that the
amendment was duly tabled.

Mr St John Stevens mentioned
this to the Prime Minister this morning

After a meeting on another matter,
but she was not disposed to
pursue the issue.

ML

25th

Home Affairs

NOTE FOR THE RECORD

National Heritage Fund Trustees

If these appointments are to be made by the Prime Minister, Mr Brandes mentioned two points to me today:

- (i) A party is planned for 1 April, to celebrate the coming into existence of the Fund. It would be very good if the Chairman's appointment could be announced that day.

Mr Brandes accepted that it would be far too much of a rush to have any further Trustee appointments ready by that date, and that it would be preferable to announce the full group of Trustees together, rather than for the names to trickle out one by one.

- (ii) Besides the country house pressure group, and the general "heritage" pressure group, the Trustees ought to include one or two representatives of the interests of the museums and galleries.

CVP.

21 March 1980

MR WHITMORE

National Heritage Fund

The Chancellor of the Duchy has sent the Prime Minister a manuscript minute, asking her to reconsider her decision in favour of Prime Ministerial appointments to this body. I attach the minute, a typed copy and the original submission.

The Chancellor of the Duchy has not copied his minute to Mr Heseltine, the other Minister concerned.

Of the Chancellor's two arguments, I find (1) very odd, the suggestion that the Lords will make less difficulty if their amendment is totally rejected than they would if the Government offers them the half-way house of Prime Ministerial appointments.

I am not able to comment on (2).

You may feel Sir Ian Bancroft, or Sir Robert Armstrong, ought to be asked to take a quick grip on this question, and to give the Prime Minister advice. A fairly quick decision is needed, because of the Parliamentary timetable.

If there are practical difficulties with an attempt to reduce P.M. trustee - don't Prime Minister those same difficulties arise if we put back the

The CSD take the view that these appointments should be made by the two Ministers concerned rather than by you or by the Crown, but they point out - rightly - that the choice is really a political one.

20 March 1980

Chancellor of the Duchy? I would gladly let him do it but why should it change the Chancellor of the Duchy?

I think that, despite the Chancellor of the Duchy's plea, you would be right to stick to your decision that you should make the appointments. Do you agree?

Members I personally am quite happy to let the 2 Ministers do it. I suggest we had better arrange a quick meeting with Mr Sir John Storer and Mr Heseltine.

AMJ 20:22

Chancellor of the Duchy
of Lancaster

Privy Council Office
Whitehall, London SW1A 2AT

March 20 1980

PRIME MINISTER

I am grateful for your view on the Lords Amendment on appointments of the Trustees of the Heritage Fund. In the original bill the appointments were to be made by the Ministers concerned (myself + DOE). The Lords Amendment substitutes appointment by the Crown on Prime Ministerial advice. You now suggest a third course, appointment by the Prime Minister.

Unfortunately this would cause us considerable parliamentary difficulties.

- 1) We would have to send the amendments disagreed with back to the Lords and another amendment (new) (yours) which they would then have to consider. This could well be disagreed with and it would come back to us again. The date for the Royal Consent would slip - and we would breach our pledge of April 1.
- 2) The arts people in the party in the Commons would not like the compromise and this would cause difficulty to the Chief Whip on which he has commented. They are not easy to control.

Might I ask therefore if you would be kind enough to reconsider your advice to me, and indicate your preference between:

- 1) Ministerial appointment
- 2) Crown appointment on Prime Ministerial advice.

/I do not

I do not feel the issue is a crucial one but I prefer the Ministerial appointment as the Trustees are spending money coming from my budget and that of the DOE and appointment enables one to influence them better in the discretionary use of the money - indirectly of course.

So sorry to bother you with this.

Norman



Chancellor of the Duchy of Lancaster

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

March 20 1980

Prime Minister.

I am grateful for your view on the
 Lords Amendment on appointments of the trustees of
 the Heritage Fund. In the original bill
 the appointments were to be made by the ministers
 concerned (myself + DOE). The Lords

Amendment substitutes appointment by the crowns
 or Prime Ministerial advice. You now suggest
 a third course appointment directly by the Prime
 Minister.

Unfortunately this would cause us
 considerable practical difficulties.



Chancellor of the Duchy of Lancaster

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

2

- 1) we would have to send the amendments disagreed with back to the Lords and ask the amendment (new) (yours) which they would then have to consider. This could well be disagreed with and it would come back to us again. The date for the royal assent would slip - and we would breach our pledge of April 1st.
- 2) The arts people - the party in the Commons would not like the compromise and this would cause difficulty to the Chief Whip or whom he has nominated. They are not easy to control.

Might I ask the favour if you would be kind enough to reconsider your advice to me, and indicate your preference between:

- 1) Ministerial appointment
- 2) Crown appointment - administrative advice.



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

I do not feel the issue is a crucial one
but - I prefer the ministerial appointment as
the trustees are spending money coming from
my budget + that of the DOE and
an appointment enables me to influence them
better in the discharging use of the money
- indirectly of course.

So sorry to bother you with this.

Nam



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster
and
Minister for the Arts.

20th March 1980

Colin Peterson Esq
Secretary for Appointments
10 Downing Street

Dear Colin, *MP 2/73.*

...
The Chancellor of the Duchy of Lancaster has seen your letter of 19th March to me about the appointments to the National Heritage Fund and I am enclosing a minute from him to the Prime Minister.

I thought it would be helpful if I mentioned that before we received your letter the Chancellor of the Duchy of Lancaster had had an informal word with Patrick Cormack. Mr Cormack told the Chancellor that he thought that the general feeling in the House of Commons was that appointments to the Heritage Fund should be made by the Secretaries of State responsible and he was confident that an Amendment to that effect would be carried.

Yours sincerely
M. G. E. Giles

Miss M G E Giles
Private Secretary (Arts)

Home Affairs

19 March 1980

The Prime Minister has now considered the procedure for appointments to the National Heritage Fund, in the light of last week's amendment by the House of Lords and the comments on that by your Minister and by the Secretary of State for the Environment.

In the Prime Minister's view, the best course would be to go half-way to meet the Lords amendment, and to provide that these appointments should be made by the Prime Minister. The Prime Minister would, obviously, want your Minister's advice, and that of the Secretary of State, on the appointments.

I am sending copies of this letter to Paul Bristow and to Sir Ian Bancroft.

G. V. PETERSON

Miss Mary Giles

NOTE FOR THE RECORD

National Heritage Fund

Mary Giles telephoned today, to say that the Chancellor of the Duchy had spoken last night to Mr Patrick Cormack, who had given his view that there would be no difficulty in the Commons in restoring the responsibility for the appointment of Trustees to the two Ministers.

I said that the Prime Minister had in fact already taken a decision on this, which I would be writing to confirm.

CVP

19 March 1980

MR WHITMORE
PRIME MINISTER

I come down on Mr Heseltine's side.
18th

Done (but - reluctantly).

not.

National Heritage Fund

This minute is about the method of appointment of the Chairman and Trustees of this Fund.

There have always been three possible ways of doing this:-

- (i) Crown, on your advice
- (ii) Prime Minister
- (iii) The Chancellor of the Duchy and the Secretary and State for the Environment.

The Expenditure Committee, in their report on the National Heritage Fund, recommended that the Prime Minister should make the appointments. Last autumn, you endorsed the view of H Committee in favour of the appointments being made by the two Ministers, who would consult you (as happened the other day) on the appointment of the Chairman.

The Bill was drafted accordingly, but in the Lords on 10 March the Government spokesman, Lord Mowbray, felt himself forced to accept an amendment to place the appointments with the Crown.

The Chancellor of the Duchy thinks that the Government should reject the Lords amendment, and stick to its original proposal. Mr Heseltine thinks that, given the strength of feeling shown in the Lords, appointment by the Prime Minister might be a wise compromise.

To make these appointments Crown appointments would be out of line with many "heritage" appointments at museums and galleries, which are made by the Prime Minister as First Lord. And neither Minister proposes going the whole way to meet the Lords, so the Government will have to table an amendment in any event.

/The machinery

The machinery of government argument is to leave the appointments with the two Ministers. The decision now is political, given that Lords Reigate, Cottesloe, Wemyss and March, Ross, Gibson, Renton, Winstanley, Mishcon, Glendevon and Lady Birk were unanimous on 10 March. Their arguments were prestige and status, especially when the new Fund would have limited resources, the Chairman's right of direct access to the Prime Minister, and the unwisdom of legislating that the holder of the office of Chancellor of the Duchy should always have a responsibility in this area.

Do you think, with Mr Heseltine, that it would be politic to go half-way to meet the Lords on this? There would be no practical problem in doing so. Or would you support the Chancellor of the Duchy in his view that the Government should stick to the line originally approved by H Committee, and leave these appointments with the two Ministers?

CVP

18 March 1980



Handwritten signature
Handwritten initials

10 DOWNING STREET

Mr Peterson

You agreed to handle
this. Time may be
ripe for the Prime
Minister's view to be
stated?

MAP
14/3



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster
and
Minister for the Arts

13th March 1980

The Rt Hon Michael Heseltine MP
Secretary of State for the
Environment
2 Marsham Street
LONDON SW1

D. Nichol

NATIONAL HERITAGE FUND

Thank you for your letter of 12th March about the arrangements for the appointments of the Trustees of the National Heritage Fund.

You will recall that during the formation of policy on the new Fund we took the view that it would be right to follow the standard modern practice that the appointments together with dismissals, general control of expenses, appointment of staff etc, should be made by the Departmental Ministers within whose responsibility the subject lay. I understand this view is supported by the Civil Service Department.

In your letter you referred to the appointments to the National Gallery, the Tate Gallery and the National Portrait Gallery all of which are made by the Prime Minister. The position is that this arrangement derives from the fact that the Treasury used to have departmental responsibility for the arts and it was qua the First Lord of the Treasury that the appointments were originally made. If we were creating these bodies now I do not think that we should wish to follow the same precedent. Nor do I think that the National Heritage Fund, which is essentially an auxiliary fund to assist other bodies such as the National Trust, and museums and galleries to acquire property of heritage quality, is strictly comparable with these national institutions.

Contd



I believe therefore that we should adhere to the arrangements as originally planned and should reject the Lords Amendment when the Bill returns to the Commons.

I am sending copies of this letter to the Prime Minister and to Sir Ian Bancroft.

James A. ...

14 MAR 1980





Mr Peterson
✓
To see

MAD 13/3

Home Affairs

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

12 March 1980

Mr Patison.

*As you know, I think that x,
in the circumstances, is probably
the right answer; and I am ready to
do the work involved! CVP. 13/3*

De [unclear]

NATIONAL HERITAGE BILL

As you know, Lord Mowbray felt he had to give way on Monday night on the proposal that the Trustees should be appointed by the Crown. This is unfortunate but I gather the House was unanimous in its support for the amendment.

x |

I realise that appointments by the Crown are entirely out of accord with practice and I assume you will therefore wish to amend the Bill when it comes back to the Commons. But given the strength of feeling on Monday night I wonder whether we might consider as a compromise appointment by the Prime Minister. As I see it there is very good precedent for this in the heritage world (the Prime Minister appoints the Trustees of the National Gallery, Tate Gallery and National Portrait Gallery). I do not believe that it would seriously undermine our own relationship with the Trustees - the Prime Minister would, after all, look to us for advice. But it would lend a certain amount of prestige to the new Fund and would, I think, be acceptable to their Lordships.

I recognise of course that even this would be a departure from normal practice and that we would have to seek the Prime Minister's approval. But I think it is a compromise worth considering.

I am sending a copy of this to the Prime Minister and to Sir Ian Bancroft, for information.

Yes [unclear]
[Signature]

MICHAEL HESELTINE

12 MAR 1980

H R I S T
P A T
9 9 9 9

NATIONAL HERITAGE BILL

7.6 p.m.

Report received.

Clause 1 [*Establishment of National Heritage Memorial Fund*]:

The DEPUTY SPEAKER (Lord Alport): My Lords, I have to advise the House that if Amendment No. 1 is agreed to, I will not be able to call Amendment No. 2.

Lord REIGATE moved Amendment No. 1:

Page 1, line 7, leave out from beginning to ("which") in line 8 and insert ("There shall be a fund known as the National Heritage Memorial Fund, hereinafter referred to as "the Heritage Fund", to be a memorial to those who have died for the United Kingdom, established in succession to the National Land Fund,").

The noble Lord said: My Lords, your Lordships will recall that at the Committee stage we had a very interesting, if slightly rambling, discussion on the name of the fund and the title of the Bill. I gave the matter some consideration, and it seemed to me that the amendment which I have here drafted might meet all points of view that were expressed. It would bring into the Bill the words "National" and "Memorial". At the same time it solves the practical problem of what it is called in ordinary life, so to speak, by referring to it as the Heritage Fund. Also, the last two lines of my amendment express something of the original purpose which it was emphasised lay behind this Bill. I beg to move.

Lord MOWBRAY and STOURTON: My Lords, I am very glad to be speaking after my noble friend Lord Reigate has opened the "batting" today. Also I should like—and I do not think that we have done so on this Bill so far—to acknowledge that I am very glad that the noble Lord has been able to to here on Committee and Report, because he was one of the first to be interested in this field. I am very pleased although sometimes his knife gets sharp and my back is too close and I get frightened. Nevertheless, I am happy to see the noble Lord.

We had a long discussion, as the noble Lord said, and I said in Committee that the Government were willing to take the

views of the House on this matter. That still remains the attitude of the Government; the Government are totally neutral on this point. Speaking purely for myself, I agree totally with my noble friend that this amendment seems to meet the various conflicting arguments which were put forward. I for one would support him.

Baroness BIRK: My Lords, I apologise for not being in my place at the start of this Report stage. I should very much like to support the amendment put down by the noble Lord, Lord Reigate. It is rather similar to the one that my noble friend Lord Donaldson of Kingsbridge and myself put down in Committee but it is rather tighter and neater. It seems to cover various points made in Committee. The important aspect is that it explains what it is a memorial for. It is practical enough to realise that when it comes to working the fund one is not going to be able to use this long title all the time. It seems to me to be admirable and, in view of what the Minister has said, I hope that we are going to have a happy consensus on this and that this amendment will be part of what I hope will soon be a statute.

Baroness AIREY of ABINGDON: My Lords, I should like to support the amendment of the noble Lord, Lord Reigate.

Lord WINSTANLEY: My Lords, I, too, in the briefest possible way, should also like to express my support. I think the amendment meets all the points that were put from various parts of your Lordships' House during our last debate in an admirable fashion. I am absolutely delighted that the noble Lord, Lord Mowbray and Stourton, has received it in such an amiable and kindly fashion; indeed he dealt with this in a very kindly manner at an earlier stage, and I think it shows that he may be going to do likewise tonight.

Lord ROSS of MARNOCK: My Lords, I think we should congratulate the noble Lord, Lord Reigate, for having summed up the feelings of the House and express our appreciation and thanks to the noble Lord the Minister for his receptiveness.

Baroness ELLIOT of HARWOOD: My Lords, I should like to agree with that, too.

On Question, amendment agreed to.

[Amendment No. 3 not moved.]

Lord REIGATE moved Amendment No. 4:

Page 1, line 12, leave out (" Memorial ").

The noble Lord said, my Lords, this amendment is consequential. My name was put to the previous amendment, and this is consequential upon that one. I beg to move.

On Question, amendment agreed to.

The DEPUTY SPEAKER (Lord Alport): I have to advise your Lordships that, if Amendment No. 5 is agreed to, I shall not be able to call Amendment No. 6.

7.12 p.m.

Lord REIGATE moved Amendment No. 5:

Page 1, line 13, leave out from (" appointed ") to end of line 15 and insert (" by the Crown on the advice of the Prime Minister. ").

The noble Lord said: My Lords, I should like to begin by expressing my gratitude to my noble friend—I have the feeling that this will be the last time I shall be doing so—for having accepted the previous amendment. I must confess that the brilliant drafting was not entirely mine: I had some assistance. I have put down these two amendments on the Marshalled List and they are alternatives. One is to appoint the trustees

"by the Crown on the advice of the Prime Minister".

and the other is that people are to be appointed by the Prime Minister. I need hardly say that I entirely prefer the first. My noble friend said on Committee stage that he would reconsider this matter, and I hope that in doing so he will have noted that my previous amendment was supported from all quarters. I think we would all wish to retain so far as possible the all-party approach that has prevailed until now. At the same time, we want to make progress with the Bill and I do not propose to make too long a speech. However, I would emphasise that, with regard to the amendments, the purpose I have had in mind all through has been to raise the status of the fund and its trustees and to emphasise the statute the independence that the trustees should enjoy.

While I am doing so, I should like to take the opportunity, having had the chance to study his speech further, to refute some if not all the arguments deployed by my noble friend. At one stage, at column 1295 he said it was modern practice to have ministerial appointments instead of appointments being made by the Crown or the Prime Minister. That is to a certain extent true, because the majority of the appointments to which he is referring are to what are colloquially known as "Quangos", of which there have been a great many and of which I hope there will in the future be not quite so many. But we are talking of bodies with a rather different kind of standing. I should hope, and I refer my noble friend to the *Hansard* report of the other place of 14th February 1978, and 19th May 1977, where he will find listed no fewer than 14 categories of appointments—not actual appointments but categories of appointment—which are made either by the Crown or by the Prime Minister.

They are not by any means ancient institutions such as he referred to. My noble friend, after I have mentioned the British Museum and the National Gallery trustees, told us that they were appointed under statutes set up long ago. That is not correct. The trustees of the British Museum are appointed under a statute of 1963 and the trustees of the Tate and the National Gallery are appointed under a statute of 1954. He may well say that is continuing an ancient tradition and I would be the first to agree; but it is not true to say that this is not modern practice and merely an ancient tradition. It was deliberately not altered, in my view. Certain things were altered, as, for instance, in the case of the British Museum the Archbishop of Canterbury ceased to be the permanent chairman. However, the principle and standing of the trustees was entirely maintained.

I could cite other examples, but there is only one I should like to mention. Perhaps it is one that everybody knows; namely, that the Master of Churchill College is appointed by the Crown. Why? I would suggest it is because that College was intended as a memorial to a great statesman. Are we not discussing another kind of memorial today, and does that not equally demand the same kind of standing, position and prestige that the Master of

Churchill College should have for that reason?

My noble friend also said in column 1529:

"Ministers . . . are answerable for the policy area within which the body works and they provide its money. It would undermine their standing, *vis-à-vis* the trustees, if they were not also answerable for the appointment and dismissal of the trustees."

If that really undermines the standing of Ministers, all I can say is that they are pretty poor fish. Does anyone seriously believe that the Chancellor of the Exchequer is in any way inhibited, when he is speaking to the Governor of the Bank of England, by the fact that he is appointed by him? Of course not. Furthermore, I think that if anything my noble friend's words are a little sinister. They are appointed for only three years and can be dismissed after that time. I would say on that, as he kindly referred to my efforts, that I, the noble Baroness, Lady Birk, and many others have been trying to establish the principle of the absolute independence of the trust and the trustees— independent of the Minister or Ministers, independent of the Treasury and, above all, independent of the restrictions which may from time to time be imposed by national policy. I think it is giving the show away to talk of "the Minister's responsibility" in regard to matters such as this.

In his speech and, I think, in the speech of the Minister for the Arts in another place, reference was made to the fact that in making these appointments Ministers would consult the Prime Minister, particularly as regards to the chairman. If they are going to do that, why quibble about it at all? Why not let the appointment be made in the first place by the Crown on the advice of the Prime Minister or, if that is not acceptable, by the Prime Minister? What is going to happen if the Minister disagrees? Who is going to arbitrate?—the Prime Minister, of course. The machine of Downing Street is perfectly capable of dealing with the making of these appointments and of ascertaining the recommendations of the Ministers concerned. I think that my noble friend, if he gives this consideration, would agree that it is far tidier and simpler to do it in this way.

Lastly, I would say this to him: this

issue of who should appoint the trustees was not properly considered in another place. They did not have the chance to do it. Mr. Arthur Jones's Bill, which followed my first effort in your Lordships' House did make appointments by the Prime Minister. That was a precedent but that Bill was never discussed. I think that before we finally decide on this matter it would be best if it were accepted and the other place had the opportunity to decide. Your Lordships' House would, of course, then accept their decision. I beg to move.

Lord COTTESLOE: My Lords, I should like to support my noble friend's amendment, and I very much hope that the Minister will accept it. In the course of a long life, I have served as chairman of no fewer than three of the bodies which the Minister quoted when we last discussed the Bill as having their chairman appointed by the Prime Minister—the Reviewing Committee on the Export of Works of Art, the Arts Council, and the Tate Gallery. I can tell your Lordships that there are real advantages in this arrangement. The fact of Prime Ministerial appointment not only gives the enterprise a particular status, which in practice means that those who administer it or who are concerned in its administration give it special care and attention, but also the chairman can, in wholly exceptional circumstances, go direct to the Prime Minister to discuss with him some matter of principle which is of fundamental importance. That I know, because I did myself on one occasion have to do it. These are real advantages and I hope that the Government will feel able to accept my noble friend's amendment.

The EARL of WEMYSS and MARCH: My Lords, may I in a very brief few words support what the other two noble Lords have said? They have made an excellent case, and I hope very much that the noble Lord who is in charge of the Bill will be able to yield on this and accept either one amendment or the other. There is perhaps one additional point, in that the scope of these trustees will cover four different parts of the United Kingdom. A unifying factor for appointment, therefore, would be found if the Prime Minister or the Crown were to do this.

Lord ROSS of MARNOCK: My Lords, I hope that your Lordships' House will support this amendment, if the Government do not accept it. It is a very special body that we are creating. It is national, and the purpose of this national body is something that is very dear to the hearts of everyone. We discussed for quite a long time whether the word "memorial" should be included and we decided to keep it in. When we consider the nature of the body, there is nothing that would mark it out as more special than any other than that the appointment should be by the Crown. It is right that it should be.

I raised the question of other bodies that have Crown appointments. I think that the Minister may have been misled or was not properly briefed. I have been thinking of more such bodies. I mentioned the Forestry Commission. I have checked that up, and it is right that the chairman of the Forestry Commission is appointed by the Queen. We have just left consideration of the Education Bill, to which we shall later return, and there is no ancient statute there wiping out what we in Scotland call the HMI, which is Her Majesty's Inspector. Believe it or not, it is a Royal appointment. It may be a little more ancient than the Forestry Commission. It stems from the fact that education in Scotland used to be run by a committee of the Privy Council. When you consider these things it is not unusual, but in this case it is absolutely right, and what is in the Bill is absolutely wrong. I have mentioned this before and I feel strongly about it.

The noble Earl, Lord Wemyss, mentioned the fact that this will cover all parts of the country—Scotland, Northern Ireland, Wales and England—and a considerable number of Ministers is involved there. That is one of the reasons why there is a Royal appointment in respect of the Forestry Commission. There are three Ministers involved there. They make up their minds, they present a suggestion to the Prime Minister, the Prime Minister agrees and then it goes to the Crown.

I was in another place for 33 years and I should not like to count the number of Chancellors of the Duchy of Lancaster whom I knew. There are at least three or four of them in your Lordships' House

now, not one of whom had anything to do with the arts. The functions of the Chancellor of the Duchy of Lancaster depend upon the personality of the Prime Minister. He can be shifted around and given different jobs to do; and the one person who should not be in this Bill is the Chancellor of the Duchy of Lancaster. It may be all right just now, but if there is a change and a different person comes into office, shall we have to amend the Bill? If we do not have to amend the Bill, then we are taking discretion away from the Prime Minister and tying his or her hands.

What is the solution to it all? The solution has been given by the noble Lord, Lord Reigate, in this amendment. So from the practical point of view in respect of naming Ministers, or naming anybody at all, and from the point of view of the status of the body that we are creating, this amendment meets the case.

Lord GIBSON: My Lords, I support this amendment. This fund is not going to start life with great resources. It is all the more important, therefore, that its standing and authority is as high as we can make it.

Lord RENTON: My Lords, a further reason for supporting this amendment is that if we turn to Clause 19(3) we find that the Chancellor of the Duchy of Lancaster, when referred to in this Bill, is to be considered to be the Chancellor,

"in his capacity as a Minister of the Crown with responsibility for the Arts".

If we so enact, it seems to me that we shall be, by statute, making the Chancellor of the Duchy of Lancaster permanently responsible for the arts, and that may be a very inconvenient step to take in the long run.

Therefore, in any event, I should have thought it would be right to accept one or other of the two amendments of my noble friend Lord Reigate, but it seems to me that Amendment No. 5 is infinitely preferable to No. 6. There are those who would say that in strict constitutional result they would be the same, but there are reasons, which there is no need to mention in your Lordships' presence, for realising that Amendment No. 5 would be infinitely preferable.

7.27 p.m.

Lord MOWBRAY and STOURTON: My Lords, I feel a small minnow in a large pool where all the whales are waiting to eat me. I have to tell your Lordships that we have taken very careful account of all that the noble Lord, Lord Reigate, and others said during the Committee stage. I promised then that I would look at this amendment, and I have done so. We have been told today by the noble Lord and others of a number of bodies whose members are appointed by the Crown or by the Prime Minister, rather than by the Ministers functionally responsible. These are all bodies which have been in existence for a considerable period of time. I appreciate what my noble friend said about some of them having had their existence reconfirmed by later Acts of Parliament. I do not deny that it used to be the practice for a very substantial number of these bodies to have their members appointed by the Sovereign or the Prime Minister, but it is not the practice nowadays and I feel bound to advise your Lordships that, in my view, the present practice is the better one.

I, of course, appreciate the point that appointment of the National Heritage Memorial Fund Trustees by the Sovereign, on the advice of the Prime Minister, would serve to emphasise the importance of the trustees and perhaps invest them with a little extra kudos. But let us, for a moment, examine the realities of the situation. The Prime Minister, and indeed the Sovereign, cannot concern themselves with the minutiae of heritage policy and cannot but be unaware of all the background details. Therefore, they will have to rely very heavily on the advice tendered by those Ministers who hold functional responsibility for the heritage.

As I said during the Committee stage, those Ministers are at present my right honourable friend the Chancellor of the Duchy of Lancaster and the Secretary of State for the Environment. I must tell my noble friend Lord Renton that this is not really a problem of the Duchy of Lancaster. If ever he ceased to be involved, the Minister concerned would be put in the Bill. These two Ministers will, of course, consult the Prime Minister about these very important

appointments. My right honourable friend the Chancellor of the Duchy of Lancaster also made this point during the Second Reading in another place. This is not a mere formality. It is important that the chairman of any major body should be a person whom the Prime Minister has the right to approve, and when a public body is being set up for the first time this is also particularly important with respect to the other appointed members. My noble friend Lord Reigate is concerned that there would be two Ministers making the appointments. I know that he is worried about their possibly disagreeing. My noble friend Lord Cottesloe has implied that introducing the Prime Minister as referee might make matters simpler.

If the appointment of the trustees were to be made by the Prime Minister, or by the Sovereign on the advice of the Prime Minister, they would still have to look to the responsible ministers for advice on the appointments. Governments hold collective responsibility. Where advice to the Prime Minister on appointments was required from two Ministers, those Ministers would have to get together and agree their advice beforehand. If they could not agree, then in this, as in other matters on which Ministers disagree, they would be able to take the matter to the Prime Minister.

I believe it is absolutely right that appointments in a particular area of Government policy should be made by the Ministers holding responsibility there and not given a somewhat spurious exaltation through a formal statutory appointment by a higher authority which does not reflect the reality of the situation. The omission of any reference to the Prime Minister does not mean that she is not consulted, nor does it mean that if the occasion arose she would not be able to act as referee.

I hope that with these words your Lordships will see the wisdom of agreeing to what I am proposing and I hope that my noble friend may consider withdrawing his two amendments.

Baroness BIRK: My Lords, I was waiting to hear what the noble Lord the Minister had to say in reply to the quite strong feeling expressed in the House. I take his point very well—first, that consultation with the Prime Minister is

[Baroness Birk.]

more than a formality and that it is not just a rubber stamping. The one point which the noble Lord, Lord Reigate, has brought out is how the process will work. It did not sound quite like that either during Second Reading or during the Committee stage. The Minister has also underlined the point, quite rightly, that the two Ministers involved must play a leading part, because they are the people who will operate the Act. If I were now a Minister in the Department of the Environment I would not take it very kindly if an appointment were made, either by the Crown or by the Prime Minister, of someone who, for various reasons, was going to be difficult to work with or who was considered not to be right, practically, for the job.

Having said that, it seems to me from the feelings which have been expressed in all parts of the House that it is not very much of a job for the Ministers concerned to make their strong representations. Certainly nothing should be done over their heads. But for the appointment itself to be in the name of the Crown or the Prime Minister seems to me to get the new fund off to a very much more illustrious start. I myself think that on occasions these things do not necessarily matter; so long as one gets the right person for the job, it does not seem to be of primary interest who makes the appointment. But if it is going to mean such a great deal to the prestige, then it does not seem to me that the Government are being asked to make more than rather a small jump in order to put it on the lines which have been suggested and strongly put forward by so many Members of this House.

Frankly, I do not think that this is something upon which we ought to delay the progress of the Bill, but it seems a pity that the Government cannot come to some sort of an agreement which would suit the Members of this House and which would in no way diminish the standing of the Ministers concerned.

Lord WINSTANLEY: My Lords, I did not rise before on this amendment because I had no wish to impede the progress of this admirable Bill, particularly on an amendment with which every noble Lord seemed to be in total

agreement. But we now find that the noble Lord who is handling the Bill is not in agreement, so I have risen to make absolutely sure that the noble Lord, Lord Mowbray and Stourton, is aware of the extent of the unanimity in your Lordships' House on this amendment. As there are so few Members of your Lordships' House who take the view of the noble Lord, would it not be wise for him to allow this amendment to go forward so that he can find out whether there is anyone in another place who takes the view that he appears to take or whether they take the view that so many of us in your Lordships' House take.

Lord MISHCON: My Lords, if I may say so, the noble Lord the Minister is not in the position of a little fish faced by whales; he is endeavouring very hard to play the part of King Canute. He is asking the waves to roll back; but they will not roll back. I should like the Minister to know that from these Back-Benches, in the same way as from the Tory Back-Benches, quite apart from the Front-Benches, there is unanimous support for Lord Reigate's first amendment, upon the basis that all of us want this, not—and I thought this was an unhappy phrase—in order that the fund may have spurious elegance but so that it may have genuine national prestige. That is what we all want, and I hope the Minister will realise before he replies that there is not one noble Lord who has risen who is in support of the point of view that he has advanced.

Lord GLENDEVON: My Lords, I agree very strongly with my noble friend's amendment and with everybody on both sides of the House who has so far spoken. I cannot understand the Government's attitude. It is not a vital constitutional point; of course it is not. Why can they not try to do what this House wants and then see what another place decides? I quite see that my noble friend did his best with what he was trying to say, but it seemed to me that he was simply putting up Aunt Sallies in order to knock them down.

He said quite early in his speech—I think I am quoting him correctly—that the Prime Minister could not be expected to be bothered with the minutiae of a body like this. But does the Prime Minister in other bodies where she has the right of

prior appointment bother with their minutiae? Of course she does not. It is that kind of argument which distresses one a little about what I think is a sort of shadow boxing display by the Government, which I repeat I cannot understand.

By the way of a suggestion to the noble Lord who spoke last, I should like to put in one quick word for King Canute. He did not try to keep back the waves. He told his courtiers that they themselves were being very stupid to try to do it. This mistake is always made, and that has upset me, too!

Lord MISHCON: My Lords, I was not suggesting that King Canute would make this appointment, but I must make this defence for myself. King Canute did ask the waves to go back, though only because some foolish people asked him to do so. I feel that the noble Lord the Minister is in exactly the same position.

Lord MOWBRAY and STOURTON: My Lords, 10 noble Lords have spoken and there has not been a single dissenting voice. The most eminent people in your Lordships' House who are interested in the arts have all agreed with one another. I should be very foolish to press my luck in the face of such wisdom. I am quite sure that if we called a Division now my noble friends would all seek advice from the Members of the House sitting here and that the unanimous opinion would be that, my position is wrong. In the face of that I must not be like King Canute. I must advise the House that I will accept what they are doing.

Lord REIGATE: My Lords, I am so surprised by what has happened that even my noble friend could have knocked me down with a feather. I of course choose Amendment No. 5. Amendment No. 6 was very much a second best, and I can think of a lot of arguments against it. I am delighted that in the face of this unanimous feeling my noble friend has been so generous as to agree. I have here pages of abuse which I should have poured upon his head if he had not done so, but I am now able very happily to tear up all my notes.

Lord RENTON: My Lords, if I may have the leave of the House to speak again, I think that the noble Lord, Lord Reigate,

would agree that some kind of consequential amendment will necessarily have to be made to Clause 19 when his amendment has been accepted. However, there would be no difficulty about that. While I am speaking on Clause 19, may I say that with deep respect I join issue with my noble friend Lord Mowbray and Stourton. When he endeavoured to convince your Lordships that the Chancellor of the Duchy of Lancaster—

Viscount LONG: My Lords, I wonder whether I may interrupt my noble friend. It is the report stage and we are only allowed to speak once. We have not much time so perhaps the noble Lord would be good enough to take my advice so that we may continue.

Lord RENTON: My Lords, I will take that advice but I think my noble friend will have to reconsider what he said about the effect of the use of the words "Chancellor of the Duchy of Lancaster".

On Question, amendment agreed to.

The DEPUTY SPEAKER (Lord Jacques): My Lords, Amendment No. 6 cannot be called.

Clause 3 [*Grants and loans from the Fund*]:

7.41 p.m.

Baroness VICKERS moved Amendment No. 7.

Page 2, line 23, after ("outstanding") insert ("archaeological").

The noble Baroness said: My Lords, in moving this amendment I should like to speak also to Amendments Nos. 8, 9, 10, 11, 12, 19 and 26. I hope I shall have a helpful answer, as the atmosphere seems to be so right at the present moment. I do not want to repeat all that I said in regard to the number of museums because that is already on record but since the last stage of the Bill I have received considerable support for my view. I am worried about the guidelines. Guidelines can be ignored, torn up or changed by a Minister and I should like to see the strength of the law written into this Bill. For example, there has been a marvellous chalice found in Southern Ireland and it was not found by historians but by archae-

[Baroness Vickers.]

logists and the history is now going to be written up by the historians. The sepulchre was found by archaeologists and not by historians and then, as we know, it was written into the Bible.

Also, in subsection (7)(d) of this clause there is one mention of the Secretary of State acting in the discharge of his functions under Section 5 of the Historic Buildings and Ancient Monuments Act 1953 or Section 11(1) or 13 of the Ancient Monuments and Archaeological Areas Act 1979. That seems to tie up with my amendments. Also I should like to mention that in Schedule 4 to the Finance Act of 1975 paragraph 17 there is reference in other words to the "in lieu" system as distinct from the business of trustees in Part 1 of this Bill. I should like to know whether there will be pre-eminence for the archaeological property and whether it will qualify. For instance, would Stonehenge be covered? I am merely giving that as an example because there may be other monuments of the same kind in the future and I should like to know whether they are safeguarded. I beg to move.

Lord MOWBRAY and STOURTON: My Lords, I had hoped that we might have disposed of these amendments on the strength of what I said previously. I realise, that the noble Baroness, Lady Vickers, feels very strongly that the term "archaeological" should appear on the face of the Bill but I must make it quite clear that the Government feel equally strongly that these amendments should be resisted.

I must tell my noble friend Lady Vickers that in no way am I open to argument on this amendment because we think it is totally unnecessary. The amendment moved by my noble friend Lord Reigate did something positive; this will not be doing something positive. As I made clear in Committee, there are two main reasons why we cannot accept the inclusion of the word "archaeological" in the Bill. The first is that it is quite unnecessary—the terms "scientific" "historic" and, in appropriate cases "artistic" do cover archaeology. Second, and I think far more important, there is a real danger that by inserting the word, "archaeological", we may restrict the very wide legal interpretation which can at present be

placed on other words in the Bill, and particularly in Clause 3(1), and this, in turn could restrict the Trustees to help in individual cases.

I should respectfully like to remind my noble friend that at the Committee stage we had two similar sets of amendments purporting to clarify the Bill. One was moved by my noble friend Lord Sandford, adding the words "restore" or "restoration" and the other was moved by my noble friend Lord Teviot adding the words, "record repositories". My two noble friends accepted the force of the arguments, which apply particularly to the amendment tabled by the noble Baroness. The noble Baroness has referred specifically to the eighth century silver chalice which was recently found in Ireland, and I can again give her a categorical assurance that had that happened here the trustess would have been able to help in an absolutely unrestricted way. They can help with the acquisition and the preservation of such an item. I keep repeating that it is covered by the term "historic and artistic" in Clause 3(1)(b) and I should also like to reassure the noble Baroness—which I know she does not find satisfactory—that the guidelines given to the trustees will make it crystal clear that the provisions of the Bill include the archaeological matters with which she is concerned. I hope the noble Baroness will now accept the assurance that I have given and will withdraw her amendment, because I assure her that I am not in any way prepared to give way on this amendment.

Baroness VICKERS: My Lords, I cannot very well say "thank you" for that reply because it is not in the least to my liking. I am disappointed about this and I was disappointed in the other House because there were 17 Members on the Committee, 15 attended and when it came to the vote only seven voted, which seems to show a lack of interest in both Houses. However, I will withdraw the amendment and perhaps I shall bring it back at the Third Reading.

Lord MOWBRAY and STOURTON: My Lords, with the leave of the House and before the amendment is withdrawn I should not like the noble Baroness to be under any illusion. We are hoping to have a formal third reading and I should not like her to feel that I have misled hers.

Baroness BIRK: My Lords, as the amendment has not yet been withdrawn I should like a firm assurance from the noble Lord, in view of his refusal to accept this, that the archaeological interest will go into the guidelines to the trustees and be drawn to the attention of their potential clients, so that as far as possible there is no chance of some archeological object of great value to the heritage being missed because the word "archaeological" does not appear on the face of the Bill.

Lord MOWBRAY and STOURTON: My Lords, with the leave of the House, I give that firm categorical assurance and while I am speaking I failed previously to mention Stonehenge. That is, of course, already in national ownership and if such a thing occurred the trustees would be able to use their discretion.

Baroness VICKERS: My Lords, I beg leave to withdraw the Amendment.

Amendment, by leave, withdrawn.

[Amendments Nos. 8 to 12 not moved.]

7.49 p.m.

Lord MOWBRAY and STOURTON moved Amendment No. 13:

Page 2, line 29, leave out second (" or ").

The noble Lord said: My Lords, your Lordships will be delighted to hear that this amendment and those following are designed to meet the point raised in Committee by a number of your Lordships, in particular by my noble friends Lord Wemyss and March and the Duke of Grafton, that the trustees should be able to assist with the acquisition of rights in or over land, even though it is not intended to acquire the land itself. Having considered carefully the debate in Committee, the Government accept that there may be occasions when it would be desirable to acquire rights over the land surrounding a piece of heritage property in order fully to protect that property. To take an example, much used in Committee, it may be desirable to acquire shooting rights over land around a nature reserve so that they could be extinguished. These amendments, if accepted, would enable the trustees to give grants to help with the acquisition of such rights.

There is one further point. Some concern has been expressed that the trustees

should be able to help purchase not only rights but also restrictions over land without actually purchasing the land. I can assure your Lordships that the amendment as drafted covers this point. Rights and restrictions are, so to speak, different sides of the same coin. If rights over land can be secured then rights to restrict the use of that land can also be secured. There is no need to refer to restrictions specifically in these amendments. I should add that Amendment No. 13 is a paving amendment and Amendment No. 17 is consequential. I beg to move.

The Earl of WEMYSS and MARCH: My Lords, may I say a word before the amendment is put. It does, of course, as the noble Lord has made clear, go together with all the others up to No. 17 inclusive. This is an entirely satisfactory answer to the points which we were urging at Committee stage which particularly arose out of the experience over many years of the National Trust and the National Trust for Scotland. I think the conclusion, if all these amendments are passed, is entirely satisfactory, and I am grateful to the noble Lord.

Baroness BIRK: My Lords, all I would say very briefly is thank you very much.

On Question, amendment agreed to.

Lord MOWBRAY and STOURTON moved Amendment No. 14:

Page 2, line 33, leave out (" association ") and insert (" connection ").

The noble Lord said: My Lords, I have already spoken to this amendment. I beg to move.

On Question, amendment agreed to.

Lord MOWBRAY and STOURTON moved Amendment No. 85:

Page 2, line 34, at end insert (" ; or

(e) any rights in or over land the acquisition of which is in their opinion desirable for the benefit of land or a building or structure falling within paragraph (a) or (d) above.").

The noble Lord said: My Lords, I do beg your Lordships' pardon. I had spoken to No. 15. I had not spoken to No. 14. I am in a quandary. What do we do? Amendments Nos. 13, 15 and 17 go together, which are the ones I have spoken to. I inadvertently said I had spoken to Amendment No. 14. Perhaps

[Lord Mowbray and Stourton.]
when we get to Amendment No. 16 I can speak to No. 14 then, because those two go together.

On Question, amendment agreed to.

7.54 p.m.

Lord MOWBRAY and STOURTON moved Amendment No. 16:

Page 2, line 40, leave out (" associated ") and insert (" connected ").

The noble Lord said: My Lords, I do beg your Lordships' pardon and especially the pardon of the Deputy Speaker. This amendment goes with Amendment No. 14. The amendment is designed to ensure—and I am really talking to Amendment No. 14 now—that the meaning of Clause 3(1)(d) is not construed too narrowly. The Government amended Clause 3 in another place to enable the trustees to help with the acquisition of land, buildings or objects other than heritage property which they felt was needed because of their connection with heritage property. Since then we have thought further and now take the view that the word " association " could in the context of the Bill be taken to mean historical association. This interpretation would rule out the possibility that the trustees might wish to help with the acquisition of a car park or viewing point for a piece of outstanding scenic land. The use of the word " connection " avoids this problem. I beg to move.

On Question, amendment agreed to.

Lord MOWBRAY and STOURTON moved Amendment No. 17:

Page 2, line 40, after (" associated ") insert (" or, in the case of rights falling within paragraph (e) of that subsection, the land building or structure for whose benefit they are acquired ").

On Question, amendment agreed to.

Lord MOWBRAY and STOURTON moved Amendment No. 18:

Page 3, line 6, leave out subsection (4).

The noble Lord said: My Lords, I undertook in Committee to give further thought to the necessity of retaining subsection (4) in the light of representations made in this House and in another place. We have brought forward this amendment to remove it. I beg to move.

Baroness BIRK: My Lords, since my noble friend Lord Donaldson and I felt very strongly about this particular amendment, which now enables the trustees to make loans as well as grants, I think this is a tremendous improvement and I am very grateful to the noble Lord.

On Question, amendment agreed to.

[Amendment No. 19 not moved.]

Clause 4 [*Other expenditure out of the Fund*]:

The Earl of WEMYSS and MARCH moved Amendment No. 20:

Page 4, line 26, at end insert (" subject to section [*Acquisition and acceptance of certain property and directions as to its disposal*] below ").

The noble Earl said: My Lords, Amendments Nos. 20, 22 and 23 all go together, so perhaps I may be allowed to speak to them together. I am not in the least enamoured of these amendments. What I should like to do, if it were possible, is to strike out subsection (3) of both Clause 4 and Clause 3, but I know that the noble Lord, Lord Mowbray and Stourton, will not accept that. It is my hope that the noble Lord will accept Amendment No. 23, which bears the substance of what I am going to speak about, Amendments Nos. 20 and 22 being merely verbal leads in from Clause 4 and Clause 5, referring the reader of both to the next Clause, which presumably would be No. 6, that is referred to in Amendment No. 23. I am sorry it is so complicated.

The object is to prevent the trustees having to ask the Ministers every time they want to acquire or accept property. The cliché which we have made, and which is the only really important point here, is that the trustees, being obviously good, substantial, trustworthy people should not be entirely fettered. Presumably when they are appointed the chairman will talk with the Minister, or Ministers, and be asked among other things to be very careful not to acquire property, not to acquire another Heveningham unless they are quite sure they can pass it on to the National Trust or some other suitable receiver. They should have some sort of discretion, and if they do not all the assurances given both in another place and in your Lordships' House, that the trustees are to have unfettered dis-

cretion, are really negated. I know that time is getting very short, so I will say no more but hope very much that the noble Lord, Lord Mowbray and Stourton, will have second thoughts, as he has before now, and accept Amendments Nos. 20, 22 and 23. I beg to move.

Lord MOWBRAY and STOURTON: My Lords, the Government must, I fear, resist these three amendments. The purpose, as the noble Earl has said, is to give the trustees discretion to acquire or accept gifts of property up to a certain value of the fund's resources, but at the same time to place a limit on the length of time the property may be retained. As I made clear in Committee, we feel strongly that the trustees need not, and should not, have discretion in this particular matter; and though we have carefully considered the point again we remain of that view, for a number of reasons.

First, we do not believe that an occasion will arise when the trustees will have to move so quickly—even by way of giving a financial commitment—that they would not have time to consult Ministers about their proposals. Particularly where land and buildings are concerned transactions are slow; with works of art it is usually known well in advance what will be up for sale, and for the most part it will be museums and galleries who will be the acquiring bodies.

In the very rare case where the trustees needed to acquire an item, to move very quickly, they could always seek an urgent meeting with one or other of the Ministers concerned at which the proposed acquisition could be discussed and, if appropriate, approval given. Though I would be the last person to deny that Ministers are busy people, I have no doubt that, in important circumstances, Ministers would be prepared to meet the trustees at very short notice.

Secondly, I think that we must give a thought to the costs involved in maintaining heritage property. These may be small in the case of paintings or manuscripts but, where land and buildings are concerned, they could constitute a heavy drain on the resources available to the fund. And while, under the proposed amendment, the trustees could only acquire items up to a value of 20 per cent. of the fund's total resources without permission

from Ministers, the costs of running, maintaining and repairing a property could add significantly to the bill and take it well over the 20 per cent.

Last, but certainly not least, the Government would argue that discretion to hold property for up to three or 12 months without Minister's permission, as the noble Earl proposes, is, effectively, a power to hold property indefinitely. For if, say, the trustees were to acquire an historic house for which they could not find a new owner within 12 months, what could Ministers do but agree to the property being retained until a suitable new custodian could be found—perhaps in two, three or even four years' time? And during that period, the costs of maintaining the property would steadily be eroding the resources available for grants and loans for other equally or perhaps more deserving causes.

For all these reasons, the Government feel it is entirely right that the trustees should not be given absolute discretion to acquire property themselves without Ministers first having the chance to discuss with them what is involved. I believe that, far from finding this requirement a hindrance, the trustees might well find it helpful to have the authority of Ministers behind a decision to acquire. I hope, therefore, that the noble Earl Lord Wemyss and March, will now agree to withdraw his amendment so that the Bill can make progress.

Baroness BIRK: My Lords, I think it is rather a pity that the Government will not accept that there could be some circumstances in which the trustees could be landed in a situation where it was vital for them to hold the property, even for a short time. I cannot imagine that the trustees—and I accept that it is not their job—would buy up property in the form of land or objects and hold on to it for even a short period. However, there is an outside chance and those of us who would like to see this provision inserted in the Bill in some way feel that the amendment would take care of the odd eventuality instead of shutting the door completely. I do not know whether the Government would be prepared to look at the matter again?

Lord MOWBRAY and STOURTON: My Lords, with the leave of the House,

[Lord Mowbray and Stourton.]

I should like to say that we really can think of no such occasion when a Minister cannot be reached to be asked.

Earl HAIG: My Lords, I should like to support the noble Earl on this amendment. One knows that so often opportunities arise for trustees and there are inevitable delays during which one has to ask permission from a Minister and those opportunities may be lost. Sometimes the trustees themselves are difficult to reach. Meetings have to be arranged and there will in any event be delays. I should like to support the amendment.

Lord GIBSON: My Lords, I also should like to support the noble Earl. There may well be occasions when this would be a tactical advantage, although one appreciates the argument which the Government have put forward. It is a pity that the Government do not feel inclined to accept the amendment.

Lord ROSS of MARNOCK: My Lords, I, too, should like to support the noble Earl and I shall do so very briefly. I cannot accept the assurance that Ministers will, at all times, be in the same place and readily available. There have been occasions when Ministers have been held up in isolated places. I can remember an instance when the noble Lord, Lord Butler of Saffron Walden, could not get away from an island in Scotland for some days—and some days may be vital in certain cases as regards acceptance.

The Earl of WEMYSS and MARCH: My Lords, I thank the various noble Lords who have spoken in support of my amendment. But, in view of the attitude of the noble Lord, Lord Mowbray and Stourton, it is probably useless for me to take the matter further. Therefore, I beg leave to withdraw my first amendment.

Amendment by leave withdrawn.

Lord MOWBRAY and STOURTON: My Lords, I beg to move that further consideration on Report be now adjourned.

Moved accordingly, and, on Question, Motion agreed to.

EDUCATION (No. 2) BILL

8.5 p.m.

House again in Committee on Clause 2.

Lord STEWART of FULHAM moved Amendment No. 12:

Page 2, line 31, after (" parent ") insert (" or foster parent or guardian ").

The noble Lord said: I beg to move Amendment No. 21. This is probably an unnecessary amendment and I move it really in order to receive an assurance that it is unnecessary. I am not a lawyer and there may be a general rule of law that would cause the word "parent" always to include "guardian". However, I do not know—and I should like to be reassured on this—that it always includes "foster parent." In this context it seems to me important that whoever is, in fact, in charge of the child and responsible for its welfare should have the same rights under this clause of the Bill as are enjoyed by a parent.

The only reason that I am rather fussy about this matter is that I remember that, as regards the law concerning housing, there used to be a provision whereby a landlord could turn his tenant out if he needed the premises. Certain degrees of relationship were prescribed and they did not include somebody who had been the tenant's foster child. I should like to be re-assured that in every case the person who is responsible for the child has the same rights as the parent. Perhaps the Government will be able to tell us from what legal provision that springs. I beg to move.

Baroness YOUNG: I can give the noble Lord, Lord Stewart of Fulham, an assurance on this point. The amendment is quite unnecessary. "Parent" throughout the Bill has the meaning ascribed to it by Section 114(1) of the Education Act 1944, which says:

" 'Parent', in relation to any child or young person, includes a guardian and every person who has the actual custody of the child or young person".

Therefore, that covers both points that the noble Lord has raised.

Lord STEWART of FULHAM: I am greatly obliged to the noble Baroness and beg leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Home Affairs

Mr. Peterson to see.

DS

CVP 6/3.

APPOINTMENTS IN CONFIDENCE



10 DOWNING STREET

From the Private Secretary

6 March 1980

We spoke yesterday about the Chairmanship of the National Heritage Memorial Fund.

You told me that the Chancellor of the Duchy and the Secretary of State for the Environment had it in mind to approach Lord Charteris or Lord Harlech in that order of preference.

I can confirm that the Prime Minister is content for soundings to be made of these two candidates.

I am sending copies of this letter to David Edmonds (Department of the Environment), Murdo Maclean (Chief Whip's Office) and David Laughrin (Civil Service Department).

M. A. PATTISON

Miss Mary Giles,
Office of the Chancellor of the Duchy of Lancaster.

GB

E. R.

6

PRIME MINISTER

There has been considerable press speculation about the Chairmanship of what is now called the National Heritage Memorial Fund.

Mr. St. John-Stevas and Mr. Heseltine have now discussed the post. Their two preferred candidates are Lord Charteris or Lord Harlech. There is some uncertainty about whether Lord Charteris would be willing to take on the job without remuneration.

In view of all the speculation, Mr. St. John-Stevas would like to give you notice of these ideas before he makes any kind of sounding.

Content that he should approach Lord Charteris and, as reserve, Lord Harlech?

MAJ Yes out

5 March 1980



Office of Arts and Libraries

Elizabeth House York Road
London SE1 7PH

Telegrams Aristides London SE1
Telephone 01-928 9222 ext 2550

Home Affairs

29 February 1980

APPOINTMENTS - IN CONFIDENCE

Colin Peterson Esq
Secretary for Appointments
10 Downing Street

Dear Colin,

*discussed with Mr Brandes and
Mr Sharvov. CVP. 4/3.*

Thank you for your letter of 20 February about the National Heritage Fund. I gather that you are away from the office for a day or two and I thought that as an aide memoire I would give you a list of four names in order of preference which I understand the Chancellor of the Duchy proposes to discuss with Mr Heseltine. These names are :-

Lord Charteris

Lord Harlech

Mr Evelyn de Rothschild

Lady Spencer.

If when you are back at the office and have had a chance to consider this list you could spare a few minutes to have a chat, I will be glad to come over.

Yours

L H Brandes

L H BRANDES



10 DOWNING STREET

PRIME MINISTER

The Duke of Grafton writes to warn of possible Government defeat in the Lords on the National Heritage Bill. Some Government backbenchers in the Commons refuse to take the Government line on emoluments.

The Chancellor of the Duchy is dealing with these representations and he will refer back to you if he considers this necessary.

MAP

W

27 February 1980



10 DOWNING STREET

From the Private Secretary

27 February 1980

I am writing on behalf of the Prime Minister to thank you for your letter of 26 February about the National Heritage Bill.

I have of course brought this to the Prime Minister's attention and she is most grateful to you for raising the matter with her. She will be in touch with the Chancellor of the Duchy of Lancaster.

The Duke of Grafton, KG.

FR

JOINT COMMITTEE

Society for the Protection of Ancient Buildings
Ancient Monuments Society
Georgian Group
Victorian Society
Civic Trust

cc RDL's office

Chairman:
THE DUKE OF GRAFTON

Please reply to:
2 CHESTER STREET, LONDON SW1X 7BB
01-235 3081

26th February 1980

Dear Prime Minister,

NATIONAL HERITAGE BILL
Payment of the Chairman.

R27

We are writing to you as we foresee the risk of a Government defeat in the Lords next Thursday, when the National Heritage Bill is considered in Committee. This we would deeply regret.

You may know that the Bill was amended in Committee in the Commons to enable payment of emoluments to the Trustees - this being done on a division, 8:5, with responsible Conservative members of the Committee voting against the Government. The situation was reversed on Report, when Norman St. John Stevas moved an amendment to delete the power. Amendments have now been proposed in the Lords to restore the enabling power but restrict it to payment of the Chairman. This amendment has considerable support on all sides.

This is verging on the political, so charitable bodies must tread warily. We are most apprehensive lest controversy develops over 'heritage' to make all problems more difficult to solve. It seems regrettable that this should arise on a matter of such relative insignificance.

We do not, of course, know if you have already considered this matter, but if not could you, please, give it a moment of your time. An enabling power allowing the payment of the Chairman seems appropriate and not too difficult for Norman St. John Stevas to accept.

The Rt.Hon. Margaret Thatcher,
PC, MP
10 Downing Street
London SW1

GRAFTON
Chairman

Grafton

JEREMY BENSON
Vice-Chairman

Jeremy Benson

APPOINTMENTS IN CONFIDENCE

Home
Affairs.

20 February 1980

7

You spoke to me early this week about appointments to the National Heritage Fund.

I have now looked at our papers about this. The point I would stress is that it is vitally important that nobody who is being considered for the chairmanship by your Minister and the Secretary of State should be sounded before his or her name has been cleared with the Prime Minister. The same applies (see the Home Secretary's minute of 22 August 1979) to the appointment of the Deputy Chairman.

I would be very ready to give you any informal help I can in relation to some of the names under consideration for appointments to this body. Perhaps we could meet to have a talk some time.

C. V. PETERSON

L H Brandes Esq

Mr. Parnham. Thank you. MAF.
To see. Some of the names in X are
much better than others; but unless
you disagree, I expect we must
leave things to the 2 Ministers,
provided Y is remembered.

CVP. 19/2.

NOTE FOR THE RECORD

Heritage Fund - Chairman

Mr Brandes spoke to me yesterday about this. He seemed fairly apprehensive about the appointment of the Chairman and the members of this new body, not least because he thought his Minister and the Secretary of State for the Environment would have widely differing views. He himself was not clear whether the need was for a Chairman who would be something of a figurehead, with a very active senior official heading the staff (and all sorts of senior Civil Servants are apparently thinking this is just the job for them), or a Chairman who would be very active himself.

X | Names which are vaguely in mind in his Department include
Lord Charteris, Lord Harlech, Lord Norwich, Lady Spencer and
Mr Edmund Dell, Lord Esher, Lord March (Mr Hesketh), Sir F. Sandilands.

Y | I said that I would gladly give him any informal advice I could. The vital thing for him, and his Minister, to remember was that the Prime Minister would want to be fully consulted about the choice of the Chairman, and nobody should be sounded before the Prime Minister had considered the matter.

CVP

19 February 1980

File marked to Tim

Home Affairs



NEW ST. ANDREWS HOUSE
ST. JAMES CENTRE
EDINBURGH EH1 3SX

NBPM
MS

Mike Pattison Esq
Private Secretary
10 Downing Street

R19 14 September 1979

Dear Mike,

NATIONAL HERITAGE FUND

My Secretary of State has noted the Prime Minister's agreement to the Home Secretary's minute of 22 August on the National Heritage Fund. He welcomes the assurance that there will be consultation with him and the other territorial Secretaries of State in relation to the appointment, funding and oversight of the trustees of the National Heritage Fund.

Mr Younger assumes that there will be similar consultation in regard to the operation of the acceptance in lieu procedures in the case of properties or works of art located in Scotland or works of art which might reasonably find a home in Scotland, and that in such cases it will effectively be he who makes the relevant decisions and makes the necessary public announcement. This seems to him essential bearing in mind that in most instances much of the burden of local discussion and negotiation will have to be borne by his Department, and his general responsibility for arts and environmental matters in Scotland.

I am sending copies of this letter to the private secretaries to the members of H Committee, to Martin Vile (Cabinet Office) and David Laughrin (CSD).

Yours sincerely,

GODFREY ROBSON
Private Secretary



Qa 04256

RESTRICTED

To: MR PATTISON

From: SIR KENNETH BERRILL

*Nick - could you deal
Ms. Hardy with
writing the PM.
Announcement on NHF
is ^{not} due for ~~the~~ ^{to} ~~be~~ ^{be} ~~sent~~ ^{sent}
out.*

National Heritage Fund

NBPM MS TR 14/9

1. Thank you for your minute of 7 September enclosing a copy of Mr Edmonds' letter of 6 September to you and asking if I had any comments on it.

2. Public ownership of Heveningham has indeed not been very successful. It has been run by the National Trust for DOE at a cost to the DOE of rather under £50,000 a year, but the National Trust has become increasingly frustrated with its relations with DOE and recently informed DOE that it was unwilling to continue to run it on the present basis. It was this that probably precipitated DOE's decision to sell.

3. However, the National Trust did indicate that they would willingly assume full ownership of Heveningham provided an endowment was provided. Such an endowment could not be made under the rules of the National Land Fund but will be possible with the creation of the National Heritage Fund, and critics of the proposed sale will almost certainly point this out.

4. If, as is not unlikely, a suitable private purchaser is not forthcoming, it would, of course, still be possible at that stage to ask the Trustees of the new Heritage Fund to provide an endowment so that it could be accepted by the National Trust, but there could well have been a public argument in the meantime.

5. I agree that it would be useful to forewarn the Prime Minister of the possible publicity connecting the two and the adverse effect it might well have on the reception of the Government's proposals for the National Heritage Fund. Criticism could well be spearheaded by Mr Marcus Binney,

RESTRICTED



RESTRICTED

Chairman of Save Britain's Heritage, who led the opposition to the previous Government's decision on Mentmore. Mr Binney is particularly likely to take up this cause since his late wife was a member of the Vanneck family to whom Heveningham formerly belonged.

6. I am sending a copy of this to Sir John Hunt (together with your minute and Mr Edmonds' letter).

KB

SIR KENNETH BERRILL

12 September 1979

RESTRICTED

112 SEP 1979

0 1 2 3 4
5 6 7 8 9





JS
Home Affairs

10 DOWNING STREET

B/F 12.9.79.

From the Private Secretary

SIR KENNETH BERRILL

Thank you for your minute of 4 September about the National Heritage Fund.

I raised these issues with the Secretary of State for the Environment's Office, and I enclose a copy of the reply that I have now received. Subject to any comment which may come from the Chancellor of the Duchy's Office, it would appear that the National Heritage Fund proposals, and the Heveningham Hall proposals, have not been developed in isolation, and need not complicate one another.

I still think that it would be useful to forewarn the Prime Minister of the possible publicity connecting the two. Do you have any further comment in the light of the Environment response, before we mention this to the Prime Minister?

MAP

7 September 1979



2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

6 September 1979

Dear Mike

I understand from our discussion yesterday morning there may be some concern that our proposed sale of Heveningham Hall in Suffolk could conflict with our declared policy regarding the National Heritage, and the proposals currently to be announced for the new National Heritage Fund.

The conflict is more apparent than real. Our aim is to keep country houses and their contents as far as possible in private ownership. The National Heritage Fund will act as a safety net to rescue those houses where the owners cannot or no longer wish to live in and maintain them, and where no new private owner is forthcoming.

The Government bought Heveningham in 1970 as a holding operation to keep house and Wyatt furniture together.

Public ownership has not been very successful and has been expensive. We have had some indications that there might be private buyers willing to take the house on with the furniture. My Secretary of State believes that we are right in seeing whether there is a market for such properties, and that this does not run counter to our purposes in the National Heritage Fund.

I am sending a copy of this to the Private Secretaries to the Chancellor of the Duchy and to the Chief Secretary.

Yours sincerely
David Edmunds

D A EDMONDS
Private Secretary

Mike Pattison Esq
10 Downing Street

CONDINGLOI

SEP 1979

SEP 1979





RESTRICTED

Qa 04246

To: MR PATTISON

From: SIR KENNETH BERRILL

The National Heritage

1. In his recent minute to the Prime Minister on the National Heritage Fund the Home Secretary sought the Prime Minister's agreement to an early public statement on this subject. The statement, which is still the subject of interdepartmental discussions, is likely to receive a welcome, if only a muted one, from the Heritage Lobby.
2. However, I see from item 28 of the enclosure to Mr Jacob's letter of 23 August to you on Forthcoming Announcements and Publications that DOE are planning to announce that Heveningham Hall, an important Adam house in Suffolk which was purchased with the aid of the National Land Fund (NLF) some years ago, should be resold. Such a sale of a house previously purchased by the NLF is, I believe, a new departure.
3. The current National Heritage Fund debate was triggered, you will remember by the last Government's refusal to purchase Mentmore - a much less distinguished house than Heveningham. So criticism of the Heveningham decision could well be loud. The criticism is likely to be all the stronger in that the Government's proposals on the National Heritage Fund empower the Trustees of the Fund to provide the National Trust with capital endowments to enable it to accept just such houses as Heveningham.
4. My concern is that the Prime Minister and other Ministers are aware that it is quite likely that a positive public response to an announcement on the National Heritage Fund could well be largely dissipated by the proposed subsequent announcement on Heveningham. The responsible officials

RESTRICTED



RESTRICTED

in the Treasury, with whom we spoke, had not taken this connection on board, and Heveningham has not been mentioned in the recent Ministerial correspondence on the National Heritage Fund. So you might wish to check with Mr Heseltine's and Mr St John Stevas's offices that their Ministers have appreciated the connection and are content.

5. I am sending a copy of this minute to Sir John Hunt.

4 September 1979

KB.

100/100

FOR THE
COMMONWEALTH

THE COMMONWEALTH OF INDEPENDENT STATES
The Commonwealth of Independent States was established on 21 December 1991, following the dissolution of the Soviet Union. It consists of 11 member states: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine, Uzbekistan and Turkmenistan. The organization is a voluntary association of states that share a common history and culture, and it aims to promote cooperation and development among its members.

5 SEP 1979



Home Affairs

JS



10 DOWNING STREET

From the Private Secretary

30 August 1979

Alan John

The Prime Minister has seen the Home Secretary's minute of 22 August, reporting a discussion in the Home and Social Affairs Committee on the National Heritage Fund.

She is content with the Committee's proposals on Ministerial responsibility for the Fund, on responsibility for the appointment of the trustees, and on an early public statement.

I am sending copies of this letter to the Private Secretaries to the members of H Committee, to Martin Vile (Cabinet Office) and David Laughrin (CSD).

Yours ever
Mike Pattison

J.A. Chilcot, Esq.,
Home Office.

JS

*Agreed*PRIME MINISTER

This is Mr. Whitelaw's report on the H Committee discussion of the National Heritage Fund. The two papers considered are flagged at A and B. There are three points for your agreement:

1. The Secretary of State for the Environment and the Chancellor of the Duchy of Lancaster to take joint Ministerial responsibility, keeping in close contact with the Secretaries of State for Scotland, Wales and Northern Ireland.
2. The same two Ministers to appoint the Trustees, consulting you and others as with other public appointments. This differs from the Expenditure Committee recommendations for appointment by the Prime Minister.
3. An early public statement by the Ministers concerned.

Agree these three proposals?

29 August 1979

MAD



PRIME MINISTER

NATIONAL HERITAGE FUND

Home and Social Affairs Committee discussed on 31 July how we should give effect to our commitment to set up a National Heritage Fund under independent Trustees. The Committee accepted the proposals in H(79)45, apart from the future of the "acceptance in lieu" procedures.

They decided that responsibility for operating these procedures after 1 April 1980 should for the time being be passed from the Treasury to the Department of the Environment and Office of Arts and Libraries, but without final commitment to the destination of the responsibility.

Otherwise there are three issues to which I draw your attention. First, Ministerial responsibility for the new Fund. Although the Trustees of the National Heritage Fund will be independent, it will be for the responsible Ministers to decide on the level of annual grant-in-aid and to make any necessary conditions. They would also be responsible for any directions or guidance to the Trustees about the use of the Fund. The Secretary of State for the Environment and the Chancellor of the Duchy of Lancaster, who have the principal interest in the Trustee's activities, think that the right course would be for them to exercise the various Ministerial responsibilities jointly. In doing so, they would keep closely in touch with the Secretaries of State for Scotland, Wales and Northern Ireland, since institutions throughout the United Kingdom will be eligible for assistance from the Fund.

Second, the appointment of the Trustees. The Expenditure Committee in their report recommended that the Prime Minister should make these appointments. The Committee agreed, however, and personally I think this is right, that the Trustees should be appointed by the Ministers principally concerned with the Fund, so that the same Ministers carry overall responsibility, and answerability in the House, for the Trustees and the Fund. You would, of course, be consulted in the normal way over the appointment of the Chairman and the Deputy Chairman.

Third, the need for a public statement. It seems desirable that the Ministers concerned should make an early public statement on the Government's proposals for the National Heritage Fund.

I should be grateful for your agreement to these proposals.

I am copying this minute to the members of H Committee, Sir Ian Bancroft and Sir John Hunt.

Wills
22
August 1979

23 AUG 1979

12123
124
125
126
127
128
129
130



