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PRIME MINISTER

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Abolition of the GLC and MCCs: Provision for the Arts

The White Paper "Streamlining for Cities" suggested that the most important Arts bodies receiving funding from the GLC and MCCs should be given central funding after abolition, with the smaller bodies becoming the responsibility of the boroughs and district councils, or groups of them.

These proposals aroused great concern that the level of funding for the Arts would turn out to be less than under the present arrangements. In the attached paper, Lord Gowrie has put forward revised proposals. He suggests identifying a larger proportion of the present expenditure by the GLC and MCCs on the Arts and redirecting it as a block of money to the Arts Council, allowing the list of centrally funded bodies to be extended. The additional bodies brought within the scope of central funding would not be specified but the Arts Council would be given a general remit to maintain the major bodies supported by the GLC and MCCs, keeping up the flow of funds to at least the previous level.

Because grant is not withdrawn precisely from those local authorities who are being relieved of the responsibility for Arts bodies, there could be some cases, e.g. Bournemouth and its Symphony Orchestra, where more grant is withdrawn than responsibility transferred. Lord Gowrie proposes making an additional £7 million available to tackle problems of this kind.

The total package involves recycling £33 million (as against £18 million in the original proposals) plus an additional £7 million to deal with the difficult cases. This paper has still to be discussed in MISC 95 so, for the moment, you merely need to be aware of developments.

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Local Court Relats Pt 19



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This summarises the main issues on abolition. After MISC 95 has completed the current round of meetings, a report will be produced and sent to you and colleagues, probably for resolution of outstanding issues in Cabinet.

You might, however, like to interpose an meeting with London Government members to discuss the report before it goes to Cabinet.

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