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10 DOWNING STREET

THE PRIME MINISTER

7 July 1980

Dear Sir Gerald,

Thank you for your letter of 26 June in which you asked whether anything could be done to avoid the closure of theatres and the increasing number of artists out of work.

You referred to the reduction in the Arts Council grant-in-aid last year. It is important to remember that in 1978/79, the financial year in question, the grant had already been increased by more than 20 per cent over the previous year. In the current year the grant-in-aid has again been increased by more than 20 per cent, to £70 m. Indeed the Arts Council have acknowledged that this year's grant represents a fair deal for the arts, and that it will enable them to support some new projects. I am sure you will agree that the arts have been treated fairly, particularly in a period of economic restraint.

I know that there are some very real problems, but the Government has taken steps to assist the theatres and to try to attract additional money for the arts. First, as regards theatres, a special grant of £15,000 has been given to the Theatres Trust, which is consulted on all proposals for change of use of theatre buildings. Secondly, a Government campaign has recently been launched to stimulate business sponsorship of the arts, and a significant shift in public opinion in favour of such sponsorship has already taken place. You may be interested to see a copy of the brochure which the Office of Arts and Libraries have also recently issued about sponsorship, and this is enclosed. Thirdly, the Office of Arts and Libraries is actively participating in a

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movement, which derives from the business sponsorship campaign, to encourage and advise arts bodies on various ways in which they can help themselves to maximise box office income and other forms of support.

Finally, I think that the enclosed copy of an Answer to a recent Parliamentary Question shows that the Government has achieved a good deal in the field of the arts during the past thirteen months in spite of all the difficulties.

Yours sincerely  
Raymond Deakin

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Sir Gerald Glover