MANAGEMENT AND PERSONNEL OFFICE WHITEHALL LONDON SW1A 2AZ Telephone Direct line 01-273 3508 GTN 273 Switchboard 01-273 3000 12 April 1983 Miss M G E Giles Private Secretary to the Rt Hon Paul Channon MP Minister for the Arts Sear May, ROYAL OPERA HOUSE/ROYAL SHAKESPEARE COMPANY SCRUTINY: MR CHRISTOPHER PRICE, MP Mr Price had lunch with me yesterday as my personal guest at my Club. It was a friendly occasion and I was able to say quite early on without his taking offence, that the Army and Navy was the closest I could get to a golf club! 2. While nothing of great substance came out of the talk as regards the content of the scrutiny, there were a number of points which you might like to pass on to Mr Channon. 3. First, whilst Mr Price did not make a meal of the Burrett scrutiny last year, he did express, in perfectly reasonable terms, a scepticism about the Rayner scrutiny method. My main response was to say that I thought that the body of Gordon Burrett's report was very good indeed but that he might perhaps have avoided obiter dicta. Mr Price said without any heat that he thought Gordon had shown some naivete but that he himself was far from opposed outright to short sharp inquiries. Indeed, he thought that the method had probably established itself in Government. He asked a few questions about the origins and present status of the scrutiny programme. Secondly, he asked, without any persistence, about the origins of the current exercise. I was rather vague in reply to this, saying that I thought that the Minister shared with many people outside the two performing companies a sense of bafflement, perhaps of intellectual frustration, about what the money put into them was spent on. I indicated that this bafflement was, so to speak, without overtones or implication that the two companies were guilty of mis-spending: one part of the scrutiny would serve the useful purpose of establishing the facts of the matter. of the matter. 1

Thirdly, I was at pains to emphasise that this scrutiny is outside the annual Rayner scrutiny programme. It was highly unusual in that it was being done by the Rayner Unit itself, and usual in the sense that it would be following the normal scrutiny technique. I said this in anticipation of Mr Price's raising the question of my appearing before his Committee with my colleag-6. Fourthly, Mr Price did indeed towards the end of our conversation come round to the question of our giving evidence. I indicated that it would be a matter for the Ministers concerned to pronounce on (ie your Minister and the Prime Minister) but that I did not imagine there would be any difficulty provided we all understood what we were about. I said that, for my own part. I would welcome a meeting with the Committee before the end of the exercise because I thought that it would be valuable to us and possibly to them. I suggest that there should be some simple ground rules: we should not be asked to break confidences and we should not be asked to divulge to the Committee thoughts/conclusions/recommendations which we had not by then shared with the Minister. I also thought that an informal rather than a formal meeting might be the better bet. meeting might be the better bet. 7. Mr Price seemed to accept that there would have to be ground rules. His own firm preference was for a formal meeting, as Members prepared themselves better for a formal than for a informal occasion. He thought that an encounter at about the end of May would suit the Committee; I said that this would also suit me very well, if the Minister was content. Mr Price may take an opportunity to mention all this to Mr Channon whilst they are both in New York. 8. Fifth, Mr Price very readily agreed that I should have a get together with Dr John Myerscough, one of their specialist advisers whom they had found particularly helpful. Finally, Mr Price offered some relatively simple thoughts about the development of the arts in the regions; self-advertising by the two performing companies; and the development of sponsorship. I am copying this to Mr Ian Gow MP and Willie Rickett at No 10 and to Sir Robert Armstrong. Your wer, C PRIESTLEY 2

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Dear Clive

Thank you for your letter of 12th April about the ROH/RSC scrutiny.

Mr Channon was pleased to hear that you had a helpful meeting with Mr Price, but is not entirely happy about the prospect of your appearing before Mr Price's select committee at this stage in the enquiry. The time is past when it would have been topical to explain the reason for it, and it is too soon to give any hint of the outcome. You will not be able, without breach of trust, to reveal anything of what the companies have said to you. It could be rather a frustrating occasion for all concerned - especially since several members of Mr Price's Committee are sceptical of the value of a Rayner scrutiny in this field.

Mr Price is of course continually trying to widen the remit of his Committee. It is probably not worth a row if he insists upon a discussion but Mr Channon thinks it would be unwise to remind him. With luck, Mr Price will not follow up his suggestion until the scrutiny is over - when of course it could be very suitable.

I am sending copies of this letter to the recipients of yours.

Private Secretary

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