

Chancellor of the Duchy of Lancaster Minister for the Arts.

PRIVY COUNCIL OFFICE WHITEHALL, LONDON SWIA 2AT

23rd December 1980

The Rt Hon Margaret Thatcher MP Prime Minister 10 Downing Street LONDON SW1

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Your Principal Private Secretary's letter of 1st December invited Ministers to let you have proposals for the 1981 scrutiny programme.

- 2. I should like to put forward a proposal for a scrutiny of my two departmental museums - the Science Museum and the Victoria and Albert Museum. As you will be aware, these are two of the biggest and most important museums in the country, with a high international standing; the value of their collections runs into hundreds of millions of pounds and they attract over seven million visitors a year. They cost about £15 million a year, together, in expenses of running and acquisitions, in addition to very substantial expenditure on their buildings.
- 3. One reason, in addition to the general desirability of an efficiency scrutiny, for selecting these museums is that unlike all the other museums for which I am responsible, they are staffed by civil servants; their functions and development have been drastically curtailed in a piecemeal way by the special restrictions placed on civil service manpower in recent years, and Paul Channon and I have agreed that any further reductions in their staff complements must depend on a close overall examination of their activities and problems in order to assess their staffing needs in a definitive way.
- 4. The proposed terms of reference of the scrutiny, which have been agreed with the CSD and the Treasury, are "To review the museums' activities, the contribution they make to the museums' main objectives and the efficiency and economy with which they are being carried out; and to make recommendations on staffing and working methods". I propose to start the scrutiny as early as possible in 1981 with a view to an interim report within three months and completion within six months. The unusual range and complexity of the activities to be examined cannot, in my view, be adequately dealt with in a shorter time.

- 5. The scrutiny would be primarily the responsibility of a vigorous young ex-Principal, Mrs Sheena Evans, who left the OAL last year for family reasons but will be able to take on a job of this kind and, on the basis of the excellent work she did here and previously in the Welsh Office, can be expected to do it very well. I have in mind to associate with her a person of very considerable weight and experience in museum affairs: he is a recent ex-director of a major museum outside my own "family", and has had extensive national and international consulting experience. Their reports would be presented jointly to Paul Channon and myself with a copy to John Biffen.
- 6. I very much hope that Sir Derek Rayner would find himself able to take a particular interest in this study. The topic is well out of the ordinary run of Government activities and I am sure he would find it interesting and rewarding; I would value highly his judgment on the reports and recommendations emerging from it, as well as his guidance on the plan for the study.
- 7. I have not yet given the directors of the two museums more than a very general indication of what I have in mind. If you are content the Office of Arts and Libraries will discuss the proposals with them in detail before a firm study plan is drawn up and the staff are informed.
- 8. I am sending copies of this letter to Mark Carlisle (because it has been agreed that the scrutiny programmes for his and my departments should be grouped together), John Biffen, Paul Channon and Sir Derek Rayner.

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