



Prime Minister

Agree that there should be a study of the options for a transfer, on the lines proposed in para. 8 of Sir Robert Armstrong's minute?

Ref. A084/3368

PRIME MINISTER

Yes mt

The Chancellor of the Duchy of Lancaster has suggested that we should examine the case for his taking on some additional heritage responsibilities from the Secretary of State for the Environment.

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2. The Chancellor is at present responsible for works of art and the literary heritage, and the Secretary of State for the Environment for that part of the heritage represented by land and buildings. The two Ministers jointly sponsor the National Heritage Memorial Fund which makes grants or loans towards the purchase and preservation of both kinds of heritage, and jointly operate the Acceptance in Lieu Scheme by which owners may offer to the Government buildings of exceptional historical interest or works of art to meet a liability for Capital Transfer Tax.

3. The two main options would seem to be a limited transfer, which would give Lord Gowrie sole responsibility for the National Heritage Memorial Fund and the Acceptance in Lieu scheme, or a bigger change which would give him responsibility for the whole of the man-made heritage, including DOE's responsibilities for listing buildings and perhaps (but not necessarily) also their responsibility for the Royal Parks and Palaces.

4. There are good arguments, certainly for the limited transfer and perhaps for some bigger change.

5. In policy terms, it would bring under one Minister the often difficult choice between the competing claims of works of art as opposed to land and buildings. The split of responsibility was criticised in 1982 by the Select Committee on Education, Science and



the Arts as a cause of delay and a lack of clarity in Government announcements. Certainly Lord Gowrie finds the present demarcation a source of difficulty on occasions.

6. There could also be some practical advantages. Heritage has always been peripheral to the Department of the Environment's main interests. It is likely to be pushed even further to the sidelines by the wide range of main issues facing DOE Ministers over the next few years. The Secretary of State for the Environment has said that on these grounds he would not rule out the possibility of a transfer of responsibilities. The Office of Arts and Libraries by contrast might well benefit from having some extra responsibilities. The Office has gained status since it left the Department of Education and Science last year, and particularly since its Minister joined the Cabinet, but it is still very small (less than 50 staff): its small size makes it difficult for it to attract and get the best out of able staff.

7. On the other hand, the Department of the Environment's heritage responsibilities do have links through to the Department's other functions like planning and housing. If you were prepared in principle to consider the possibility of a transfer, we should need to do a careful study of the present range of responsibilities to make sure that we did not produce a situation in which there was waste and duplication. Both Ministers concerned are content that such a study should be undertaken.

8. Unless you feel that any change of responsibilities in this area is out of the question, I should like to commission a fuller study of the options with a view to a report by 31 March 1985. The study would also need to bring out the case for a transfer, because I doubt whether, whatever the theoretical advantages, you would want to go into this sort of machinery of government change unless there were clear inefficiencies in the present arrangements and real potential benefits in change.

ROBERT ARMSTRONG

14 December 1984