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From the Minister for the Arts

C89/2815

Rt Hon John Major MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON SW1

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RACG 6/6

6 June 1989

John John,

1989 PES: ARTS AND LIBRARIES

Our 1987 Manifesto commitments on the arts were:

- to maintain Government support for the arts and continue to encourage private support
- to ensure that excellence in the arts is available in all parts of the country
- to safeguard our heritage, particularly through the National Heritage Memorial Fund

These should be seen in the context of our concern with improving the quality of life.

We have made good progress in our broad strategy, combining a recognition of the necessary public investment in provision for the arts with clear incentives to increase the contribution of private sector funding, strengthen self-reliance, and develop a more businesslike approach. With your agreement, 3-year funding has done an enormous amount to enable the arts world to achieve these objectives. But I believe this strategy is being undermined and is in jeopardy as the result of significantly higher than forecast inflation and of escalating pay costs in the public services. This has serious consequences, not least in political terms.

Much effort on the part of the organisations I sponsor and of my officials has gone into making the new 3-year funding strategy work. There are signs of a breakthrough in attitudes: in greater attention to the need for management and marketing skills

and programmes; in developments towards new and more focussed training provision at all levels; in improved corporate plans, new performance measures and targets; in commitment to improve income generation from the market and in early results. It is surely significant that the incentive funding scheme is expected to generate £3 of new money for every £1 of public investment.

The next grant settlement must rebuild the confidence of arts bodies in the objectives of our strategy and in their ability to achieve their aims within it. The 3-year funding programme can only be sustained if we are prepared to make some necessary additional provisions to deal with the problems. There are therefore two main thrusts to my bids in this Survey:

- to salvage and sustain the 3-year settlement
- to develop further the concept of incentive funding, in part by means of an imaginative initiative to establish an endowment challenge fund.

Our 1987 and 1988 settlements were agreed with a proviso on exceptional changes in circumstances. I now seek your help on two matters:-

- a) we agreed that a cumulative change of five percentage points in the GDP deflator from what, at the time of the settlement, it was forecast to be, would be grounds for my reopening the settlement. The trigger point has been passed, with difficult consequences for the arts. For example, the 8% increase in grant-in-aid for the NMGs and the Arts Council which I was able to give for 1988/89, with the intention of getting the new strategy off to a good start, was wiped out by sharply higher inflation than forecast at the time. Grant increases in 1989/90 and 1990/91 averaged 2%, against wage settlements in the present year alone expected to increase costs by at least 12%. All my organisations' problems this year are acute, and I believe some early relief to be essential;
- b) a readiness to make good the almost certain withdrawal by Westminster City Council of £2.5m pa funding for the English National Opera and the English National Ballet (formerly London Festival Ballet) when the community charge comes in next April.

If we do not ease the situation in 1990/91 and 1991/92 some of the consequences will be:-

- in the performing arts, all of the national companies will need to consider a substantial reduction in their output and quality, or worse, accumulated deficits; the National Theatre has said the closure of one or more of its auditoria is a real possibility; increased ticket prices next year at the Royal Opera House will make it the most expensive opera house in the world;
- in the museums world, major national institutions including the British Museum and the Victoria and Albert can no longer afford the pay bills for their present staffs, despite major reductions in staff numbers, redundancies and early retirements; some institutions are actively examining the need to close one day a week.

It should be a priority objective to salvage the 3-year settlement and avoid damaging political attacks on our failure to live up to the manifesto.

In consequence my proposals for the Survey are as follows:-

a) in 1990/91 and 1991/92:-

- we must act decisively to salvage the 3-year funding strategy and to mitigate the effects of sharp increases in general inflation and, more significantly, in building costs increases which affect the NMGs and in public sector pay costs which affect the finances and programmes of all my sponsored bodies;
- we must provide the NMGs with additional funds to meet unavoidable expenditure on Health and Safety measures;
- we must be ready to make good any withdrawal of funds by Westminster from two major London arts bodies;

b) in 1992/93

- I seek funds to enable the strategy to be carried forward and developed, and to support a number of priority initiatives within the framework of the settlement. These are:
- to help with the acute needs of the NMGs to increase expenditure on the care of collections and on building maintenance and to ease the pressure on purchase grants

since their reduction and freezing in cash terms in 1985;

- to give adequate support to the ACGB and other arts bodies to extend their incentive schemes;
- to enable the ACGB to introduce a challenge funding scheme of capital support for maintenance (many arts buildings are now in need of substantial refurbishment).

I should like to discuss with you my suggestion to create an endowment challenge fund for the arts which would represent the single greatest contribution of our third term of office towards promoting the quality of life through the arts in the 1990s. I propose a global fund of up to £100 million, building on the principle of incentive funding, which would be drawn and paid over to arts organisations, including Museums and Galleries, in tranches of, say, up to £20 million per annum, in an average ratio of 1:10 in response to their demonstrating the achievement of new endowment funding.

We agreed that two areas of my programme - the heritage and the British Library's St Pancras project - should be excluded from the 3-year settlement. In both of these areas, my paper below includes certain proposals. We agreed last year that the moving-in and transitional occupation costs of the British Library should also, in principle, be examined separately from the firm 3-year funding programme. A good deal of work is in hand in this area and my officials will be glad to keep yours informed of its conclusions.

My Departmental running costs, which are preponderantly the costs of centrally-negotiated salaries, are under severe pressure this year. Despite squeezing all other items in the budget as far as is feasible, I cannot promise to avoid the need for a Supplementary Estimate later in the year. For the three following years, my baselines for OAL administration just will not suffice to pay the salaries costs of the basic number of people (less than 60 in all) I need to do the job. I have kept my bids to the practicable minimum. They are explained, as are our efforts to secure value for money, in the management plan submitted separately.

In conclusion, therefore, my aim is to sustain the arts funding strategy and to carry it forward by making some relatively modest but I believe essential adjustments to the figures for 1990/91

and 1991/92 so as to maintain the momentum which we have so far achieved and to restore confidence in this approach and in our manifesto commitments. I shall be glad to discuss with you the presentation of such adjustments so as to achieve the most positive and beneficial impact from them. They represent a vital and I believe a very worthwhile investment.

I am copying this letter to the Prime Minister, the Lord President, Nicholas Ridley, Kenneth Baker, Malcolm Rifkind and Peter Walker.

RICHARD LUCE

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1989 PES: OAL

In the three-year settlements agreed in the Surveys of 1987 and 1988, the Government took important steps towards a clearer and more coherent way of giving effect to our policy for the arts. With certain limited provisos, in particular as regards inflation and the need to deal with circumstances which were unforeseen when the settlements were reached, the OAL accepted firm three-year allocations.

The arts world welcomed the three-year settlements, and we have been very encouraged by their response. They saw the challenges to managements which the allocations implied, but were prepared to approach these positively when the scale of task seemed manageable. The whole concept of three year funding is now in danger of being undermined and destroyed unless we respond to the peculiar pressures under which the arts are now placed.

Arts organisations cannot cope with the scale of the squeeze implied by recent and forecast inflation and by even higher pay awards and buildings costs increases. We must act in the Survey to redress the balance for them. The credibility of the arts-funding strategy is at stake; its continuation at a new level, and the commitment of arts bodies to the changes in management and attitudes which it has brought about, are a worthwhile return for the additional funds I seek.

Although the allocations for the arts looked at the time reasonably good in 1988/89 and in 1991/92, ie in the first and fourth years of the settlement, two points about them were clear from the start:-

- a) the increases in 1988/89 and 1991/92 were not used to give relief to arts bodies from general funding pressures and from wages costs increases. Of the Arts Council's initial 8% increase, about 2.0% was used to uplift its clients' basic grants, the balance being used, quite intentionally, to establish incentive schemes linked to business plans and private sector funding, and to initiatives on, for example, the touring of productions. Incentive schemes, management and marketing programmes, were established also by the other performing arts NDPBs, for the NMGs and by the Museums and Galleries Commission, and for the libraries sector. The returns from such investment in incentive funding schemes are not, of course, gained immediately and in most cases materialise only over a period of some years.
- b) in the middle years of the settlement, 1989/90 and 1990/91, the basic grant increases to NDPBs and to their clients in turn averaged around 2%. At the time, this implied a squeeze of 1-2% compared with forecast

inflation. While a squeeze of this order is a spur to efficiency, when general inflation becomes 4-5% higher than the grant awards and wages cost increases, often centrally-determined, 10% or more higher, the organisations' task becomes impossible. The additional funding for NMGs building and maintenance needs has given a good start to post-untying programmes, but real problems remain, not least in vital Health and Safety measures, and building costs inflation for historic buildings.

The bids for 1990/91 for 1991/92 reflect two factors:-

- a) the damage inflicted on the sponsored bodies by higher inflation and especially by the cumulative pay cost increases they, and their clients, will have to bear. The problems are acute in 1989. For the next two years, some relief is essential.
- b) the withdrawal by Westminster City Council of funding for the English National Opera and the English National Ballet.

The bids for 1992/93 reflect first, the knock on implications of higher cost increases; second, the need to develop the strategy and to support a number of priority initiatives within the framework of the settlements; and third, bids for the National Heritage Memorial Fund, for the British Library's St Pancras project and for some help with OAL's severely squeezed administration costs.

It should be noted that I have, at the same time, avoided making bids in some areas - the National Museums and Galleries on Merseyside's pensions transfer deficit which I have agreed to fund, and the cost of taking on the ILEA museums for which I have agreed a transfer with DOE. I have been selective in not advancing bids for certain worthwhile projects like the BFI's proposed National TV archive.

My bids are explained below taking each sector in turn and starting with those covered by the three year settlement.

Items covered by the three-year settlement

The Living Arts

		£m	
	1990/91	1991/92	1992/93
Baseline	180.5	189.3	194.0
Running Costs	18.0	18.0	18.0
Community Charge	2.5	2.5	2.5
Other bids	-	-	8.0
	<hr/>	<hr/>	<hr/>
Total	20.5	20.5	28.5

In the living arts, my prime objective is to maintain the momentum, achieved as part of our three-year settlement, whereby public subsidy becomes progressively a smaller part of arts organisations' total income. I am pleased that so far the response of arts organisations to this challenge has been very encouraging. However, arts organisations' ability to meet this challenge depends critically on inflation not eroding the real value of the grants on which they have been asked to plan more than was assumed when the grants were set. Publicly these arrangements are seen as a contract between the Government and the organisations concerned. If we are not able to maintain our side of the contract, we are unlikely to retain the goodwill and support of our client organisations and risk undoing much of the good work that has already been achieved.

The actual level of inflation in the last 18 months and in particular the level of pay increases in the arts world have far outstripped the assumptions made in the three-year settlement. There has been a very real reduction in the value of the Arts Council's support to clients. And while selected clients are benefiting from incentive funding awards, the nature of that scheme is such that the full effect of the awards will not be felt until 1992/93. Moreover, there is a real risk that these benefits will not materialise if arts companies are forced to cut costs by reducing the number and quality of their performances. There are already signs that this is beginning to happen.

It is already clear that all of the national companies will need to consider a substantial reduction in their output if the value of their grants is not restored to what was planned for at the time of the three-year settlement. The Royal National Theatre has confirmed that the closure next year of one or more of its auditoria is now a real possibility. The Royal Shakespeare Company is also under severe financial pressure and is actively considering a reduction in the number of its performances. Next season, ticket prices at the Royal Opera House will rise substantially, making it the most expensive opera house in the world. A further erosion in the value of its grant seriously threatens its programme of new productions and Jeremy Isaacs' attempts to restore its international reputation. English National Opera are also planning further ticket price increases well above the level of inflation even though their audience figures are more sensitive to price than Covent Garden's.

My first priority therefore is to restore the position in 1990/91 and 1991/92 to that which the arts bodies planned for as part of the three-year settlement. The positions of the 4 national companies (ROH, RNT, RSC and ENO) and selected regional companies need to be further strengthened if they are to be maintained as international centres of excellence. The value of their grants and the increased income from box office and private sources have been seriously eroded in real terms. Peter Palumbo is convinced that this strengthening is needed and it would be unacceptable to do it at the expense of struggling arts bodies elsewhere.

In addition to this, I am bidding for £2.5 million a year to replace the loss of Westminster City Council's annual grant to English National Opera and English National Ballet (formerly, London Festival Ballet). As you will know, the introduction of the uniform business rate in April 1990 means that Westminster will no longer be able to fund the two companies, a responsibility it inherited with abolition of the GLC. At the time of abolition, we gave a clear undertaking to protect arts organisations from loss of grant and I believe that we now have little choice but to make good Westminster's shortfall. For the reasons I have explained, the Arts Council's grants to its client organisations are already under severe pressure and, if the Westminster grant is not replaced, both companies are likely to cease trading next year.

My bid carries the increases proposed for 1990/91 and 1991/92 forward into 1992/93. In addition, I am bidding in 1992/93 for £8.0 million for new policy initiatives. The bulk of this is for the Arts Council, for an extension of the incentive funding scheme to include broadcasting and a new capital investment incentive scheme.

Endowment Challenge Fund for the Arts

I should also like to discuss with you my suggestion for a radical new initiative to create an endowment challenge Fund for the arts which would represent the single greatest contribution of our third term of office towards promoting the quality of life through the arts in the 1990s. I should propose for this a sum of up to £100m, available over the next 10 years, to be allocated on a 1 to 10 incentive or challenge funding basis to subsidiary endowment funds already established or to be created for the purpose by arts bodies and NMGs. I know that Peter Palumbo is enthusiastic about developing this approach to encouraging private support for the arts and that he believes there is much potential in it. I have seen myself the successful use of endowment funding by American arts organisations. I believe that an imaginative and substantial public commitment is required to establish endowment funding here as an effective funding source for the future.

Museums and Galleries

	1990/91	£m 1991/92	1992/93
Baseline	163.9	177.2	181.7
Bids:			
Running costs including care of Collections	8.0	8.0	9.0
Building and Maintenance	10.0	10.0	12.0
Purchase Grant	0.0	0.0	10.0
Total	18.0	<u>18.0</u>	<u>31.0</u>

General

The corporate plans of the institutions convey a very clear picture of their most acutely-felt needs and concerns. The NMGs have been hit severely by the size of centrally-negotiated pay increases which have for several years outstripped their grant increases. The increases we were able to give in 1988/89 and 1991/92 focussed, as indicated above, not on relief for general cost increases but on the particular problems of building maintenance. These problems remain acute as the value of funds is eroded by inflationary pressures. Many institutions find themselves with no alternative but to reduce staff, close galleries, reduce services, and delay essential work to the collections and the buildings in which they are housed.

Examples of problems caused by pay increases include the following:-

- Imperial War Museum: pay bill for existing complement will increase by 15% in 1989/90 compared with budgeted increase of 5% and grant in aid increase of 2.5%;
- pay bills of British Museum and V & A will this year exceed running cost grants-in-aid of those museums.

The pay and conditions of employees of the NMGs are, as the Treasury knows, aligned with those of the civil service under the Couzens Hayward agreement of 1963. It is right that the costs and benefits of this agreement and its future should be considered by the sponsor Departments of NMGs and by the Treasury. Although developments in the structure of civil service pay centrally have introduced some flexibility into the system, this has been limited and in practice mostly in an upward direction. It may be that we should try to devise arrangements whereby the NMGs have greater freedom to determine pay and conditions, and to negotiate savings where these are possible. But we should not underestimate the difficulties, and possible costs, involved in removing the constraints of the Couzens Hayward agreements and in devising satisfactory arrangements to replace it. Nor should it be assumed that devolution in pay matters would necessarily result in cost savings. In any event, it would be prudent to assume that this exercise will not give practical relief on running costs to the NMGs during the Survey period.

Building Maintenance

The NMGs' experience of building costs inflation, confirmed by experts in this field, is that the cost of work to historic buildings in London has increased and is forecast to increase by 15-20% pa. The NMGs are faced also with particularly worrying demands for substantial expenditure to meet Health and Safety requirements, fire regulations and so on. Many institutions feel they

were misled by the advice they received from the PSA before untying. The PSA enjoyed Crown immunity and was not obliged to comply with the requirements of the public inspectorates; many NMGs now find themselves obliged to undertake a series of measures at considerable expense. Examples of work needing to be done are:

- National Gallery: Fire precautions costing £600K; health and safety improvements to cooling towers following central London outbreaks of Legionnaires disease - £1.1m;
- National Maritime Museum: health and safety improvements costing £1.2m.

It is entirely understandable that public institutions should attach a high priority to such work, but they can ill afford to fund it from their already tightly scheduled programmes and such essential work is not a subject for sponsorship. The corporate plans of most institutions describe what needs to be done in this area and many Chairmen have raised it directly. My small unallocated sums of £5m and £7m for NMGs' buildings work in 1990/91 and 1991/92 will not begin to deal with the problems of Health and Safety requirements and severe cost increases, let alone afford some margin for incentive funding to encourage private sector support for gallery refurbishment. Health and Safety requirements are one element of the major, costly and urgent programmes of building work which many institutions, with the benefit of post-untying buildings surveys, now reflect in their plans. A survey of the Tate Gallery suggests that £30m needs to be spent on essential maintenance; the V & A estimates that it requires £50m simply for the backlog of work left by the PSA. Both Boards of Trustees are considering not accepting the freeholds of their buildings.

Care of Collections

The PAC Report and other recent studies have raised awareness of the importance of collections management, conservation and the conditions of museum buildings, and have highlighted the very significant problems faced by national and non-national institutions. The museum profession is taking to heart the concepts and techniques of corporate planning of improved management and marketing, and a concern with VFM. The NMGs, for example, plan to raise £26m self-engendered income this year compared with £21m last year. But to improve standards of care, conservation, documentation, storage and housing of collections requires substantial investment to deal with the legacy of under-investment in the past and to equip museums to meet the higher expectations of public and Parliament today.

Purchase Grants

The purchase grants to the NMGs were reduced in cash terms in 1985 and have remained frozen at those levels. In announcing the allocations last November I acknowledged concern about this and said that I intended to review the level of purchase grants. The NMGs in their corporate plans have given their views on what is needed.

The reduction in purchasing power of the grants-in-aid does not begin to be measured by movements in the GDP deflator. The National Gallery has said that while in 1985 the purchase grant might have bought a major picture, the Gallery's grant-in-aid would scarcely now buy one major work every four or five years. The NHMF whose own grant is of declining value, has made it clear that the Fund can no longer afford to make up for the deficiencies in purchase grants. Sotheby's aggregate art index has more than doubled since 1985, and their indices for Impressionists and modern paintings have tripled.

The NMGs are, of necessity, enterprising in using private support to supplement their grant-in-aid. They also acknowledge the value of the AIL and PTS mechanisms, though they have a number of proposals for increasing their use and value as measures to protect the heritage. I am convinced that the retention of purchase grants for individual institutions is the best way to maximise their value in partnership with private funds and special arrangements. A pooling arrangement would seem likely to reduce the ability of institutions to achieve partnerships and make deals with the speed, dexterity and discretion which is often required. A pooling arrangement through the NHMF would have these drawbacks as well as necessitating a potentially difficult and undesirable redefinition of the purposes of the Fund to make it apply to items other than those of pre-eminent national interest.

My bid on this account for 1992/93 is very modest indeed in comparison with the pressures on NMGs' purchase grants. Its modesty reflects the severity of the problems of the institutions on other counts, but I believe that it is time to show that the purchase grants are not intended to be frozen indefinitely. Such a step would be much appreciated.

The British Library Grant-in-aid

The British Library too has seen the value of its grant-in-aid eroded by higher than expected inflation. The BL is increasingly concerned at the impact of recent centrally negotiated pay settlements, which have been running well above the rate of inflation. Although the Library has sought to minimise the effects by reducing staff the combined effects of higher-than-expected inflation and of recent Treasury pay awards have forced it to revise its plans and make further cuts in services and activities, in spite of expected increases in receipts from priced services. Sensitive areas which will be affected will be acquisitions, conservation and research. For acquisitions the effects are likely to be particularly severe, as the reductions in real terms are likely to be compounded by increases in prices above the rate of inflation.

During this period, the BL is also having to cope with major expenditure on automation as part of its preparation for St Pancras. The BL sees the application of new technology and the provision of automated catalogues and facilities as fundamental to the efficient use of the unified collection at St Pancras, and, as a top priority, it has adopted an Automation Strategy and set aside significantly increased resources for ADP programmes, especially for those developments designed to increase efficiency and contain costs.

I am therefore seeking baseline increases for the British Library in the first two years of the Survey and a modest increase for 1992/93.

I am putting up a marker only at this stage on two questions on the Library's funding which OAL officials are discussing with the Treasury; and which will almost certainly involve further calls on public expenditure not provided for in the bid summary attached to this letter.

- British Library Pensions

Through accident of legislative timing, the British Library has its own pension scheme, which, though analogous to the PCSPS, brought with it certain financial anomalies. Officials are examining a number of options for alleviating the growing financial burden of the scheme.

- British Library Accommodation

The British Library is finding the costs of its widely dispersed estate increasingly expensive, especially in central London where rents have risen dramatically. The move to St Pancras will bring a reduction in the number of buildings occupied in London, but the Library sees a need to rationalise its estate before that with a view to vacating expensive rented accommodation as soon as possible. Our officials are examining a number of options.

Royal Commission on Historical Manuscripts

I seek a special increase of £400,000 in funding for the Royal Commission on Historical Manuscripts to assist with a move to new accommodation and increased rent in 1992/93 when the current lease expires.

Non-settlement items

We agreed that two areas of the programme - the heritage and the British Library's St Pancras project - should be excluded from the three year settlement. Also excluded from the settlement is provision for OAL's administration costs. My proposals in these areas are as follows.

The Heritage

I expect to put in a separate bid for the National Heritage Memorial Fund for the two years 1991/92 and 1992/93 after I have discussed the strategy required with Nicholas Ridley.

St Pancras Project

Construction

The OAL's Project Director and the PSA are working to complete Stage 1A by 1993, within a cash cost target of £300 million which we agreed in November

1988. At the same time we also agreed to proceed with a Completion Phase for the new British Library at a cost of £90 million at 2Q88 prices. In the present survey we propose provision to cover the costs for stage 1A and the CP based on the Project Director's assessment of likely spend rather than the PSA's, which have proved unreliable in the past.

Telecommunications and ADP cabling

One requirement at St Pancras not included in the cost plan to date is provision for telecommunications and ADP cabling. Firm details of costs and timing are still being produced, but work should commence in 1989/90, and a bid is made for 1990/91 onwards, based on the figures currently available.

St Pancras Planning, occupation and running costs

The other bid in connection with St Pancras preparations relates to the very considerable expected costs of the move into the new building, and the additional costs due to split-site working between 1992 and 1996.

OAL, while warning the British Library that existing resources might have to bear some of the strain of these one-off extra costs, undertook to give serious consideration to assisting with the funding of this unavoidable expenditure. The Library is prepared to set aside £1.2 million for this from its existing grant-in-aid for 1990/91, but is unable to fund the remaining costs in that year and the costs in future years. This is the subject of a specific bid. The figures are provisional at this stage.

Works of Art

The bid includes provision to fund ^{in part} the purchase of works of Art which will be needed to supplement those already owned by the British Library, and those which will be loaned or acquired by seeking sponsorship.

OAL Administration

Departmental running costs, which are preponderantly the costs of centrally-determined salaries, are under severe pressure this year. Despite squeezing all other items in the budget as far as is feasible, I cannot promise to avoid the need for a Supplementary Estimate later in the year. For the three following years, my baselines for OAL administration will not cover the salaries costs of the people I need to do the job. I have kept my bids to the practicable minimum: they are explained in more detail, as are our determined efforts to provide value for money, in the management plan submitted separately.

Conclusion

These bids are summarised in the attached table. I believe that if you can agree to them, then we have a good chance of maintaining the credibility of the 3-year settlement, and of rolling it forward for the next 3 years. If you cannot help in the ways I suggest then we will lose the concept of a planned and considered approach to the funding of the Arts. Our good faith in respect of the manifesto commitment and the seriousness of our intentions towards the arts and improving the quality of life will be called into question.

2 June 1989

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SUMMARY OF BIDS

<u>Three-Year Programme</u>	<u>1990/91</u>	<u>1991/92</u>	<u>Em</u> <u>1992/93</u>
Baseline			
Additional bids	408.2	433.6	444.5
a) Living arts	18.0	18.0	18.0
-adjustment to running costs			
-community charge	2.5	2.5	2.5
-other bids			8.0
Sub-total	20.5	20.5	28.5
b) Museums and Galleries			
-running costs including care of collections	8.0	8.0	9.0
building and maintenance	10.0	10.0	12.0
-purchase grants			10.0
Sub-total	18.0	18.0	31.0
c) Libraries			
-BL grant-in-aid	4.0	4.0	6.0
-RCHM			0.4
Sub-total	4.0	4.0	6.4
Total bids	42.5	42.5	65.9
<u>Other Programme Items</u>			
Baseline	47.7	52.5	53.8
Additional bids			
d) Heritage		[bid to follow]	
e) British Library St Pancras			
-construction	1.86	2.5	8.75
-move-in and accommodation	1.2	2.1	9.0
-telecommunications	0.75	0.4	0.14
-works of art		0.2	0.3
Sub-total	3.81	5.2	18.19
f) OAL administration	0.2	0.2	0.25
Total bids	4.01	5.4*	18.44*
Aggregate bids	46.51	47.9*	84.34*

* excludes any bid for NHMF - which is to follow

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