



# The Arts Council: Managed to Death

Marc Sidwell

What we have currently is the worst of all possible worlds. The Arts Council has been reduced to the status of a government agency, largely staffed by robotic bureaucrats, who only know how to fill in forms and meet targets. The Arts Minister, meanwhile, plays puppet-master, invisibly pulling the strings so that the arts will fulfil their role in a grand strategy of social inclusion without really understanding how the marionette dances.

Rupert Christiansen,  
*Daily Telegraph*, 5 March 2008

## About the author

Marc Sidwell is a research fellow for the New Culture Forum. His book on liberal education, *The School of Freedom*, co-edited with (and introduced by) Anthony O’Hear, will be published by Imprint Academic in July. He has written a study of religion and poverty for the Social Affairs Unit (forthcoming).

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Social Affairs Unit  
314-322 Regent Street  
London W1B 5SA  
[www.socialaffairsunit.org.uk](http://www.socialaffairsunit.org.uk)  
[www.newcultureforum.org.uk](http://www.newcultureforum.org.uk)

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I cannot continue without mentioning my debt to John Tusa and his Arts Task Force for their 2007 report, or to Munira Mirza, the editor of *Culture Vultures* (2006), an essential dissection of recent arts policy, its distortions and failures. Sir Alan Peacock's work in cultural economics is exceptional and, together with his direct experience of the Arts Council, invaluable. For those interested in the case for a return to artistic value, Roy Shaw's *The Arts and the People* (1987) is well worth reading, and is again informed by his experience within the Arts Council. John Carey's *What Good Are the Arts?* (2006) and

*The Intellectuals and the Masses* (2002) provide a strong counterpoint.

For anyone seeking an explanation of the case for the total abolition of state funding for the arts, the Institute of Economic Affairs published *Should the Taxpayer Support the Arts?* by David Sawers in 1994, and it remains a classic and thorough treatment. Perhaps no author is so consistently insightful on this subject as the economist Tyler Cowen, especially with regard to the American system, and his books are deserving of study, notably *Good and Plenty: The Creative Successes of American Arts Funding* (2006), and *In Praise of Commercial Culture* (2000). For a historical overview, *The Social Impact of the Arts: An Intellectual History* by Eleonora Belfiore and Oliver Bennett (2008) is comprehensive.

Tim Joss's 2009 book *New Flow* came to my attention too late to influence this report, but seems highly thought-provoking. 

### The various documents quoted in the report may be found at the following web addresses:

Baroness McIntosh's Arts Council Peer Review report (2005) – [www.artscouncil.org.uk/documents/press/phpGk4rBz.pdf](http://www.artscouncil.org.uk/documents/press/phpGk4rBz.pdf)

McIntosh Report (2008) – [www.artscouncil.org.uk/downloads/investstratrev.pdf](http://www.artscouncil.org.uk/downloads/investstratrev.pdf) (to be found as an annex here)

McMaster Review(2008) – [www.culture.gov.uk/images/publications/supportingexcellenceinthearts.pdf](http://www.culture.gov.uk/images/publications/supportingexcellenceinthearts.pdf)

Conservative Arts Task Force report (2007) – [www.artstaskforce.co.uk/upload/FullReport.pdf](http://www.artstaskforce.co.uk/upload/FullReport.pdf)

The quotes attributed to John Maynard Keynes come from his 1945 radio lecture introducing the Arts Council – 'The Arts Council: Its Policy and Hopes'. This lecture was published in the *Listener* (12 July 1945).

# 1

## Introduction

Years ago, before coming to Government, I said that we would make the arts and culture part of our 'core script'. In other words, it was no longer to be on the periphery, an add-on, a valued bit of fun when the serious work of Government was done; but rather it was to be central, an essential part of the narrative about the character of a new, different, changed Britain.

Tony Blair, 6 March 2007

In 1997, the new government put the arts at the centre of its vision for the nation. Cool Britannia and Creative Britain were sound bites that ushered in both extra funding and a higher profile – together with a passionate belief that the arts could be used as an arm of government policy.

Ten years later, just months before Tony Blair stood down as prime minister, he visited Tate Modern and gave a speech in which he claimed that the decade had been a 'golden age' for the arts.

No one can gainsay that much has been achieved – with John Major's National Lottery also playing a huge role in providing the extra funds. The result – at its best – has been exciting new buildings like the Sage Gateshead and the New Gallery in Walsall, and Britain's performing arts have retained their world-class standards.

And yet this has not been a golden age for the Arts Council. Its reputation has become tarnished – by its association with questionable political goals and a politically correct target culture that pushed artistic quality into second place, and by the failure of some of its highest-profile projects. Today, Arts Council England, the latest incarnation of Maynard Keynes's Arts Council of Great Britain, is, in the eyes of many arts professionals and practitioners, in crisis. Drastic reforms earlier in the decade did

not prevent it from incurring the fury of the theatre profession over funding decisions in 2008, and nor could they avert the failure of The Public in West Bromwich, voted the biggest waste of taxpayers' money in Britain in an ITV poll in 2007 – even before it opened.

This year, Arts Council England is hoping to make another new start. The new Arts Council chair, Liz Forgan, joins a nearly new chief executive, Alan Davey, appointed in November 2007. Both are committed to new policies informed by the McMaster and the McIntosh reviews (2008). There are promises that lessons have been learned. Administrative budgets are being cut by 15 per cent.

But the Arts Council has been here before. Rather than letting it 'fail and forget' once more, this could be the moment to acknowledge that perpetuating the Arts Council may not be the answer. All the tinkering has not solved the problems of a body that was invented in the 1940s to serve very different ideals (and whose regions were based around air-raided early-warning areas). Rather, it has compounded these problems with a managerial ethos that is at odds with the Arts Council model and that is to the detriment of the arts it is supposed to serve.

The New Culture Forum is dedicated to the idea that culture matters, in organisations as in nations. The changes imposed have poisoned the culture of the Arts Council. It has been managed to death. The clear recent successes of British art must not blind us to the other side of the story. Central art funding in recent years has meant money and talent being wasted in the chase for instrumental goals that distorted priorities and downgraded the art itself, as well as a managerial culture that has put paperwork before artistic achievement. It is time for a new settlement for the arts in Britain: one that places art first and bureaucracy second. 

# 2

## A Note on Terminology

The Arts Council of Great Britain (a name chosen because it was hard to abbreviate) gained its Royal Charter in 1946, with John Maynard Keynes as its founding chairman. The Arts Council of Northern Ireland was established in 1964, and a second Royal Charter in 1967 revised the Arts Council of Great Britain's remit and created the Scottish and Welsh Arts Councils. In 1994, the Arts Council of Great Britain was divided into the Arts Councils of England, Northern Ireland, Wales and Scotland. The

Arts Council of England was further restructured in 2001, when it merged with the regional arts boards and rebranded itself as Arts Council England (ACE).

The remit of this report is Arts Council England. For the sake of convenience, and as a broad term that captures the continuity ACE shares with its two predecessor bodies, it is often referred to as simply 'the Arts Council'.

The Department for Culture, Media and Sport is abbreviated to DCMS. 

# 3

## An Arts Council in Crisis

The report is a searing indictment of the behaviour of the Arts Council, its administrative and strategic failings brought about by the tensions between national and regional interests, and of an organisation too much focused on its own priorities and not engaged with the needs and aspirations of the artists it serves.

Lyn Gardner, *Guardian*, 30 July 2008

On 3 March 2009, a closed-door colloquium was held at Cumberland House, where leaders in arts funding and senior representatives of the arts community sat down with the Arts Council's chief executive, Alan Davey. The topic they discussed was: 'Do We Have the Funding System We Deserve?' After the chief executive left at the end of the event, an informal vote was taken among those present on whether they would abolish the Arts Council. In this straw poll, maintaining the status quo was not even an option. Six voted for the Arts Council to undergo 'radical surgery', but 18 – 75 per cent – agreed that, if they could abolish the Arts Council, they would. This report is an investigation into how we have come to this crisis point.

In 2007, just before Christmas, the Arts Council made an abrupt attempt to end some 200 small theatre grants. The fury this provoked in the acting profession led to an unprecedented and unanimous vote of no confidence in the Arts Council at the Young Vic theatre, among an audience of some of the country's most famous actors (including Sir Ian McKellen and Joanna Lumley, as well as Kevin Spacey). It was an extraordinary moment of anger, and it expressed a feeling of genuine betrayal among those involved. Although some of the decisions were subsequently reversed, a great deal of damage was done to the perception of ACE within the profession – and perhaps across the arts. One interviewee said that it 'tore the veil' and revealed the Arts Council to be in reality arrogant and out of touch.

Lyn Gardner's comments above refer to Baroness McIntosh's review of this incident. Many felt that

the review was bound to be a whitewash. It was, after all, commissioned by ACE and conducted by an arts insider, who briefly served as chief executive of the Royal Opera House and led an earlier Arts Council Peer Review in 2005. But while the baroness couches her remarks in diplomatic language, the result is remarkably frank about the failings of ACE's management structure and internal culture, finding a shocking deficit of specialist knowledge and a lack of empathy for those at the receiving end of the decisions:

I heard from many sources, including from within ACE itself, that there needs to be a significant re-investment in arts skills and experience across the whole organisation. I agree.

Baroness McIntosh rescinds her 2005 finding that ACE enjoyed a high level of respect among its many stakeholders, stating: 'The situation now is rather different.' ACE has lost a great deal of professional regard:

Most, including some who did well from the 2007/8 funding decisions, said they had lost respect for ACE as a result of the way the process was handled.

These judgements are all the more striking because they come at the end of a protracted period of reorganisation, in which the Arts Council of England first merged with the regional arts boards to form Arts Council England (in 2001), and then the national Arts Council itself was drastically scaled back (in 2006) to give the regions more decision-making power. It retained a role largely of oversight and advocacy, in which it sought to reinvent itself as an arts development agency and in the process lost many senior staff. These were hard-fought and controversial changes, introduced in the wake of the Royal Opera House bail-out in the early days of Tony Blair's new government and the Arts Council's disappointing management of several large lottery projects. After all that the Arts Council has been through (described by the report as 'two bruising

internal restructures’), it seems to have ended up with a system that is now worse than before: driven by managerial imperatives; stripped of the arts expertise it once enjoyed; and so focused on its own reinvention that it misses the impact on the artists it is supposed to help.

And Baroness McIntosh does suggest that the reorganisation, which in 2005 had seemed so promising, has become part of the problem, even if she still has hopes of a path forward. She argues that the issues over theatre funding stemmed from ACE trying too hard to step into a new role as an arts development agency rather than a funding body, while at the same time being faced with unresolved tensions over authority between the regional and national councils. The new Arts Council remains highly imperfect.

As if to drive home the point, the force of the theatre funding scandal and the McIntosh Report was given extra weight by two quite separate stories that surfaced around the same time. Taken together, these demonstrate that real problems remain at the heart of Britain’s arts funding.

In June 2008, The Public in West Bromwich finally opened its doors. Dubbed ‘The Pink Elephant’, it had cost £60 million to build, £30 million of which came from the Arts Council. It was £15 million over budget and two years late, and was already notorious as perhaps the worst misuse of public money in the country (as voted in an ITV poll the year before). Its state-of-the-art facilities were not as cutting-edge as they had once seemed, and nor did they manage to work properly for long: the main gallery within the building closed after two days.

The project had long been considered an egregious waste of money; yet the Arts Council’s support would drag on into January 2009, when Sir Christopher Frayling cut The Public off from Arts Council funding (with a generous £3 million severance package). It was one of the last acts of his period as ACE chair, and was presumably undertaken to spare his successor from the project’s taint. The announcement was made the morning after his

valedictory lecture, perhaps in an attempt to further bury bad news.

The scandal of The Public recalls the dark days of 1999, when a National Audit Office report found that 13 out of 15 major Arts Council projects were either late or over budget. More particularly, it recalls the failure of the National Centre for Popular Music in 2000. The Arts Council seemed to be right back where it had been eight years previously – but now wasting money on a far grander scale: the £11 million invested in the Sheffield Pop Museum’s stainless steel kettles pales into insignificance beside the £30 million capital costs invested in The Public, which also helped to draw in a further £30 million from other sources.

In January 2008, the DCMS produced the McMaster Review. It was asked to outline how British public arts policy could better promote artistic excellence. The very need for that brief (and the enthusiasm with which the report was received) is an indictment of established practice by that point. After 10 years of a supposedly golden age, arts funding had been drifting toward the politically correct (or at least politically expedient) rather than the aesthetically rewarding. And this had become a national commonplace:

It is also time to trust our artists and our organisations to do what they do best – to create the most excellent work they can – and to strive for what is new and exciting, rather than what is safe and comfortable. To do this we must free artists and cultural organisations from outdated structures and burdensome targets, which can act as millstones around the neck of creativity.

When arts policy has so lost sight of its essential goal, something has gone badly wrong.

It is also telling that this report came out of the DCMS, rather than the Arts Council. It surely ought to have been ACE’s concern to resist the trend toward politicised and target-driven art. But the above quote is from the report’s foreword by then DCMS Secretary of State James Purnell, and it shows him

and his department clearly taking the initiative and bucking the trend. Here is one early indication that assumptions about the Arts Council’s special ability to resist the political control of art may need to be re-examined.

The rivalry between ACE and DCMS (and the potential for duplication and confusion of purpose) is essential in understanding the problematic line of command in British arts funding. Between these two bodies there can be little love lost, as Baroness McIntosh had already discovered in her 2005 review:

We are not convinced, however, that the relationship between DCMS and Arts Council England is presently underpinned by sufficient commonality on respective roles, or by the necessary mutual respect to enable these potential benefits to be realised...

Arts Council England believes that DCMS has responded with increased scrutiny and duplication of function while DCMS believes that the scrutiny is necessary because it fears that Arts Council England is unlikely to meet some of its key targets.

The McMaster Review has been embraced as a new paradigm, by both ACE and DCMS, and has been welcomed in much of the arts community. This may, however, be less positive news than it seems. The review’s central contention – that arts should be in the business of excellence – is appealing enough; but in detail the report has its flaws, and its approach to defining excellence can seem remarkably similar to the box-ticking regime it is meant to replace, such as in this assertion in section 1.3:

I would like to see diversity put at the heart of everything cultural.

Michael Billington, writing in the *Guardian* (11 January 2008), saw through the warm promises and grasped the central irony: how could the system that had neglected excellence now hope to deliver it?:

How can you create a culture of excellence when the funding bodies apparently wouldn’t know it if they saw it?... We all crave the excellence

McMaster endorses. But without radical reform of institutions like the Arts Council and the BBC, I suspect the promised renaissance will be indefinitely postponed.

In the same article, Billington refers to the actors’ vote of no confidence in the Arts Council as ‘a historic watershed’. He may well be right. Arts Council England stands at a crisis point. Battered by reforms that cost the organisation many talented and knowledgeable individuals, ACE is staring at the brute fact that, after so much change, it has still been supporting art that is less than excellent. It now faces the prospect of a National Audit Office enquiry into its handling of The Public, while its internal culture and revised management structure have been heavily criticised. Indeed, having unwittingly led the Arts Council into one of the worst public relations disasters it has known, they may even be unworkable.

The changes, which seemed so promising, look a little threadbare already – just as The Public managed to be out of date before it even opened. When the £70,000 rebrand of Arts Council England took place in 2003, Gerry Robinson, then chair, called it money well spent. When Christopher Frayling was giving his farewell thoughts, he said the logo was anonymous and a poor design that resembled a coffee stain. The perspective of a few years is a powerful thing. But after all the effort that has been expended, and all the changes that have been made, the Arts Council has no way back to its old arrangements, which had their own manifold problems. The hard question is: where can it go from here? Because that is a question that is easier to sweep under the carpet than to answer, it is not surprising to discover that Baroness McIntosh’s report was published by ACE only as an appendix tucked behind the chief executive’s summary of ‘lessons learned’, and that it was released the week after Parliament went into summer recess. 🌀

## 4

## The Last 10 Years: No golden age for the Arts Council

Britain's acting community yesterday declared it had no confidence in the Arts Council England.

Mark Brown, *Guardian*, 10 January 2008

...some of the most damaging publicity in its 60 year history, culminating in the exposure of its outgoing Chief Executive to the collective wrath of several hundred arts practitioners...

Baroness McIntosh, June 2008

Just weeks after removing grants from nearly 200 cultural groups, the Arts Council has backed a new gallery which critics fear could become a 'white elephant' with £31m of funding.

Richard Brooks, *The Times*, 1 June 2008

Arts Council pulls plug on performance space despite £63m grants.

Ben Hoyle, *The Times*, 29 January 2009

The biggest arts scandal in decades.

Conservative Shadow Arts Minister

Ed Vaizey, January 2009

**1997:** Genista McIntosh retires as chief executive of the Royal Opera House, citing stress. She is replaced by Mary Allen, outgoing secretary general of the Arts Council. By the end of the year, Lord Chadlington announces to the Commons Select Committee on Culture, Media and Sport that the Opera House is on the brink of insolvency. Some £15 million is found to rescue it. The Select Committee reports: 'We would prefer to see the house run by a philistine with the requisite financial acumen than by the succession of opera and ballet lovers who have brought a great and valuable institution to its knees', and demands the resignation of the entire board. Mary Allen offers to resign, but is asked to stay on. The problems continue, and she resigns in 1998. The Opera House

begins to regain a firmer footing when it reopens in 1999.

**1998:** As Arts Council chair, Gerry Robinson promises a tough new approach to funding and warns that its days of being seen as a 'soft touch' are over.

**1999:** A highly critical National Audit Office report finds that, of 15 major arts projects (worth some £300 million), six are seriously over budget and nine are behind schedule and are seeking further funds as a consequence. The total cost overrun is £94 million. David Davis, chairman of the Commons Public Accounts Committee, states: 'The report makes clear that the Arts Council has sometimes been a soft touch.' The Council is found to have broken its own rules on securing match-funding. In four cases it is acting as sole funder, with no guarantees of sponsorship. However, the National Centre for Popular Music in Sheffield is expected to be £278,000 below budget.

**2001:** Sir Simon Rattle, principal conductor of the City of Birmingham Symphony Orchestra, moves to Germany to become principal conductor of the Berlin Philharmonic, and takes advantage of his new freedom to vent his fury at his years dealing with the Arts Council:

Shame on the Arts Council for knowing so little, for being such amateurs, for simply turning up a different group of people every few years with no expertise, no knowledge of history, to whom you have to explain everything, where it came from and why it is there, who don't listen and who don't care. Shame on them.

Meanwhile Sir Gerry Robinson, brought in as chairman to inject greater financial rigour into the Arts Council, is accused of secrecy and a lack of accountability as he

reorganises the role of regional arts boards. Two chief executives resign. Six chairmen write to Secretary of State for Culture, Media and Sport Tessa Jowell, stating that: 'The Arts Council has behaved...with a lack of competence and a lack of integrity.' Robin Guthrie,<sup>1</sup> chairman of Yorkshire Arts and a former Arts Council member, writes to the arts minister, Baroness Blackstone, stating: 'I shall personally have nothing to do with the new organisation.'

**2003:** To reflect the major changes with the absorption of the regional arts boards, the Arts Council of England relaunches itself as 'Arts Council England' (ACE), at a cost of £70,000. Gerry Robinson says it is money well spent.

Meanwhile, a new National Audit Office report once more documents the Arts Council's issues from 1999. The Arts Council has given £33 million in additional funding because of cost overruns. The £15 million National Centre for Popular Music has now had to close due to a lack of visitors. ACE expects to recoup £500,000 from the £11 million grant.

An ACE spokesman announces: 'The report states very clearly that we have got a grip, that our processes are much more robust, and that we have learned lessons.'

Sir Christopher Frayling becomes ACE chair.

**2005:** The playwright David Hare is quoted in *The Stage* saying that the 'arts council is in deep crisis – it has completely lost the respect of the people working in the industry'.

Researcher Charles Morgan publishes data in *Arts Professional* showing that the chief executive's pay has risen by 93 per cent since 1998/99.

The *B of the Bang* sculpture is about to be unveiled in Manchester, but a piece

drops off six days before. It will suffer constant structural problems that will lead to Manchester City Council suing the firms that made it and finally, in early 2009, ordering it to be dismantled.

Baroness Genista McIntosh chairs the Arts Council Peer Review. While in many respects generous, it is highly critical of the 'climate of mistrust' that exists between DCMS and ACE, observing that ACE is failing to supply necessary data to DCMS, and that DCMS finds it easier to speak directly to theatres than to deal with ACE on the matter. The review notes that the duplication of roles by ACE and DCMS is proving difficult to negotiate.

The review also finds that ACE is no longer the repository of expertise on the arts that it should be, and notes that the disbanding of art form panels was an important contributory factor:

The review team has some concerns about Arts Council England's credibility within the arts community, and in particular about the ability of its officers to speak authoritatively on individual art forms.

Nevertheless, it concludes that ACE's restructuring should extend to the national office, and that the council should be more of a development and advocacy body for the arts.

**2006:** Sir Christopher Frayling's restructuring of the national office leads to the loss of the lead experts in four of the five art forms that ACE funds. The heads of theatre, literature, dance and visual arts leave, as do the executive director of arts, the executive director of development, and individuals in charge of touring, combined arts and public affairs. The poet and head of literature, Jackie Kay, worries about the

loss of specialist knowledge:

Everybody is deeply concerned that we will end up with an Arts Council without the arts. The organisation is losing specialism and the arts will suffer.

The newly reduced ACE sees grants devolved to the regions, leaving ACE to operate as an organ of oversight and an advocacy body for the arts within government. Sir Christopher acknowledges that ‘the council is now a very tense and demoralised place’.

**2007:** Despite receiving an unexpectedly generous grant for the arts, ACE turns good news into bad when it decides to abruptly cut off the grants to 194 small theatre companies, provoking outrage and dismay among the theatre profession in the run-up to Christmas.

**2008:** The DCMS-commissioned McMaster Review proposes that state funding for the arts needs to refocus its approach in favour of artistic excellence rather than box-ticking.

A petition protesting against just one of ACE’s theatre cuts, the National Student Drama Festival, gathers 3,000 signatures, including many prominent names. The country’s top actors, including Sir Ian McKellen and Joanna Lumley, pack the Young Vic for the chance to berate the ACE chief executive:

The theatre is about people and over the last month the Arts Council has treated these people with contempt.

Patrick Malahide,  
speaking at the event

The actors pass a motion of no confidence in the Arts Council. Two weeks later, ACE relents on the severity of its cuts.

In June, The Public art gallery opens in West Bromwich, at a cost of £63 million, including a £30 million capital grant from

ACE. An ITV poll has already voted it the biggest waste of public money in the country. Its main feature – an interactive gallery of ‘arts of the future’ – closes almost immediately

Baroness McIntosh is commissioned to review the theatre funding debacle for ACE. Her report is buried. In it she rescinds the view of her 2005 review that ACE enjoys a high level of respect among its many stakeholders, stating: ‘The situation now is rather different.’ ACE has, she reports, lost a great deal of professional regard:

I heard from many sources, including from within ACE itself, that there needs to be a significant re-investment in arts skills and experience across the whole organisation. I agree.

**2009:** Christopher Frayling delivers his valedictory lecture as ACE chair. He is unrepentant over the theatre funding decisions. The next day, he ends ACE funding of The Public with a £3 million severance deal. The shadow arts spokesman, Ed Vaizey, calls it ‘the biggest arts scandal in decades’. Also Manchester’s *B of the Bang* is scheduled for dismantling.

In February, Liz Forgan becomes the new ACE chair.

In March, the informal, overwhelming consensus of arts funding leaders is that the Arts Council should be abolished. 🏹

# 5

## The Art of Waste

We are looking at how we find 15% savings from our administration. We’ll do so and we’ll plough what we save into the arts. It’s already in our budgets and so we have to do it.

Alan Davey, ACE chief executive,  
3 December 2008

Another way to assess the Arts Council’s state of crisis is to consider how wasteful it has become in recent years, even as its budgets have increased. There can hardly be better evidence of this than Alan Davey’s announcement at the end of 2008 that they would be slashing administration costs (at the order of government). This fresh commitment to increased efficiency must be welcomed – so long as it does not interfere with the performance of the Arts Council’s duties. But it required a gun being put to its head. Furthermore, if, after two major reorganisations (both of which promised substantial savings on administration costs), ACE has to trim its costs by 15 per cent at one stroke (by 2010) – a move that will involve the current workforce being trimmed by a quarter, from 622 to 473 – then that suggests an organisation that has not ended up as lean as was either intended or promised, and leaves open the question of whether far more radical changes will be needed to resolve the problem.

This concern is backed up by a detailed investigation of ACE expenditure, which reveals not just waste, but an organisation whose priorities are radically different from those of its earlier years. That, of course, is a story that accords with and expands on the evidence of Baroness McIntosh on the decline of artistic expertise in ACE. The figures reveal an Arts Council in the grip of managerial thinking, rather than the expert-led, arts-centred body of the past. This new approach was a reaction to old flaws and failings; but it appears to have replaced those failings with a mindset that creates new problems – with a system that serves the arts worse, and that plainly cannot protect the taxpayer from bearing the cost of wasteful spending.

Concern at the new Arts Council’s spending priorities and its inability to control administrative costs was flagged in 2005, when arts researcher Charles Morgan published figures in *Arts Professional*, the UK’s leading arts management magazine, showing that, despite the reorganisation in 2001 (justified in part on grounds of cutting costs), ACE salaries had risen by 66 per cent over six years. In an article from 9 February 2005 entitled ‘ACE Salaries Rocket as Arts Funding Stays Frozen’, *The Stage* commented:

While both Gerry Robinson and Peter Hewitt promised the creation of a ‘leaner and more effective’ arts council and brought in radical change to that effect – including the merging of the main organisation and the regional arts boards – the figures presented by Morgan appear to contradict that.

Morgan calculated that salaries in general had risen by 66 per cent, and Chief Executive Peter Hewitt’s pay had risen by 93 per cent. Staffing levels had also risen. This was against a backdrop where ACE was warning arts companies to trim their spending in the face of a three-year freeze on funding from DCMS. ACE responded to this criticism by promising to do better and be more sensitive, but Morgan had already raised similar concerns three years earlier, pointing to a then 50 per cent rise in salaries under Hewitt and Robinson. At the time, this had led to official criticism of ACE from the Parliamentary Select Committee on Culture, Media and Sport. By 2006/07, the chief executive’s salary had reached £149,000 (calculated using salary and bonus, but not including pension contributions, which would take it to £176,000). For the sake of comparison, as of 1 April 2008, the maximum salary for a British Cabinet minister was £141,866. With salary, bonus and pension included, ACE in 2006/07 paid eight individuals more than £100,000 each for their services.

It must be noted at this point that it is no easy matter to draw comparisons across the period of

transformation in the Arts Council. The absorption of the regional arts boards into the central organisation did change arrangements. Any attempt to follow accounts across the period must restate the financial year 2001/02, as the figures here do.

That said, costs continued to rise after 2001/02. The new body, ACE, retained the functions of its predecessor, but the self-denying austerity of the old Arts Council (which, in 1994/95, ran its administration costs as just 3.8 per cent of total budget) had given way to a system where administration costs stood at 14 per cent by 2006/07 (and had been as high as 17.8 per cent in 2004/05).

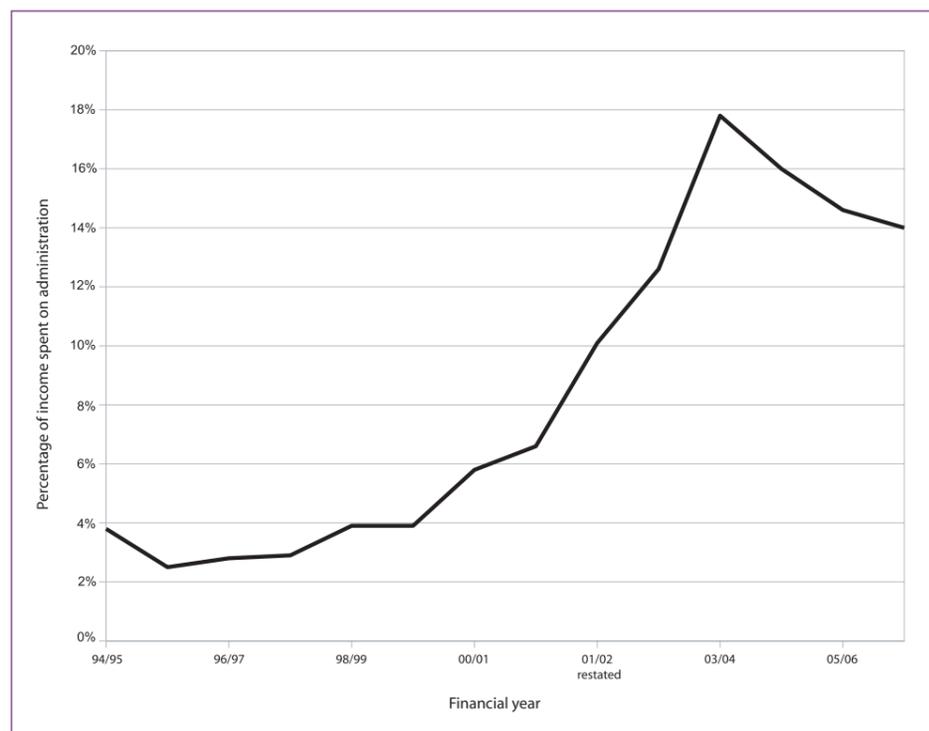
In fact, these numbers probably understate the administrative costs of the new Arts Council relative to its grant. Substantial sums are paid by the Arts Council year on year to the major national companies and to its other regularly funded organisations (RFOs), a responsibility that would seem to have a minimal administrative cost burden. It has, indeed, been proposed that some or all of these should be taken out of the ACE portfolio; this was recommendation 1.2 of the Conservative Arts Task Force report (2007).

If we set aside the portion of the ACE budget which barely requires administration, then ACE's actual

### Arts Council running costs as a percentage of income

(here, and elsewhere unless stated, data is drawn from annual reports)

1994/95	3.8%
1995/96	2.5%
1996/97	2.8%
1997/98	2.9%
1998/99	3.9%
1999/2000	3.9%
2000/01	5.8%
2001/02	6.6%
2001/02 (restated)	10.1%
2002/03	12.6%
2003/04	17.8%
2004/05	16%
2005/06	14.6%
2006/07	14%



administrative costs, relative to the grant money it allocates as a result, can be seen to be even higher. The five companies receiving the largest regular grants account for £99 million of the 2008/09 budget. The other 45 RFOs with grants over £1 million account for another £101 million of that budget. (This data is from the ACE website.) With the top five regular grants excluded, administration costs rise from 15 per cent to 19.6 per cent of the remaining budget (by comparison, taking the year 1994/95, the same exercise would have raised costs from 3.9 per cent to just 5.6 per cent). With the top 50 RFOs excluded, costs for 2008/09 account for more than a quarter of the remaining budget: 28 per cent.

Staffing levels rose over the same period – although, under the new round of cuts, these will be substantially reduced. In 1994/95, there was a staff of 168. By 2006/07, this had become 872. Admittedly, this was in the context of a remodelled organisation; but the change still appears striking. And perhaps more interesting still is the nature of some of that staffing. It appears to be largely an increase in administrative staff, with 645 staff working in support and corporate governance, 185 on the Creative Partnerships education scheme, and just 42 on the direct delivery of programmes.

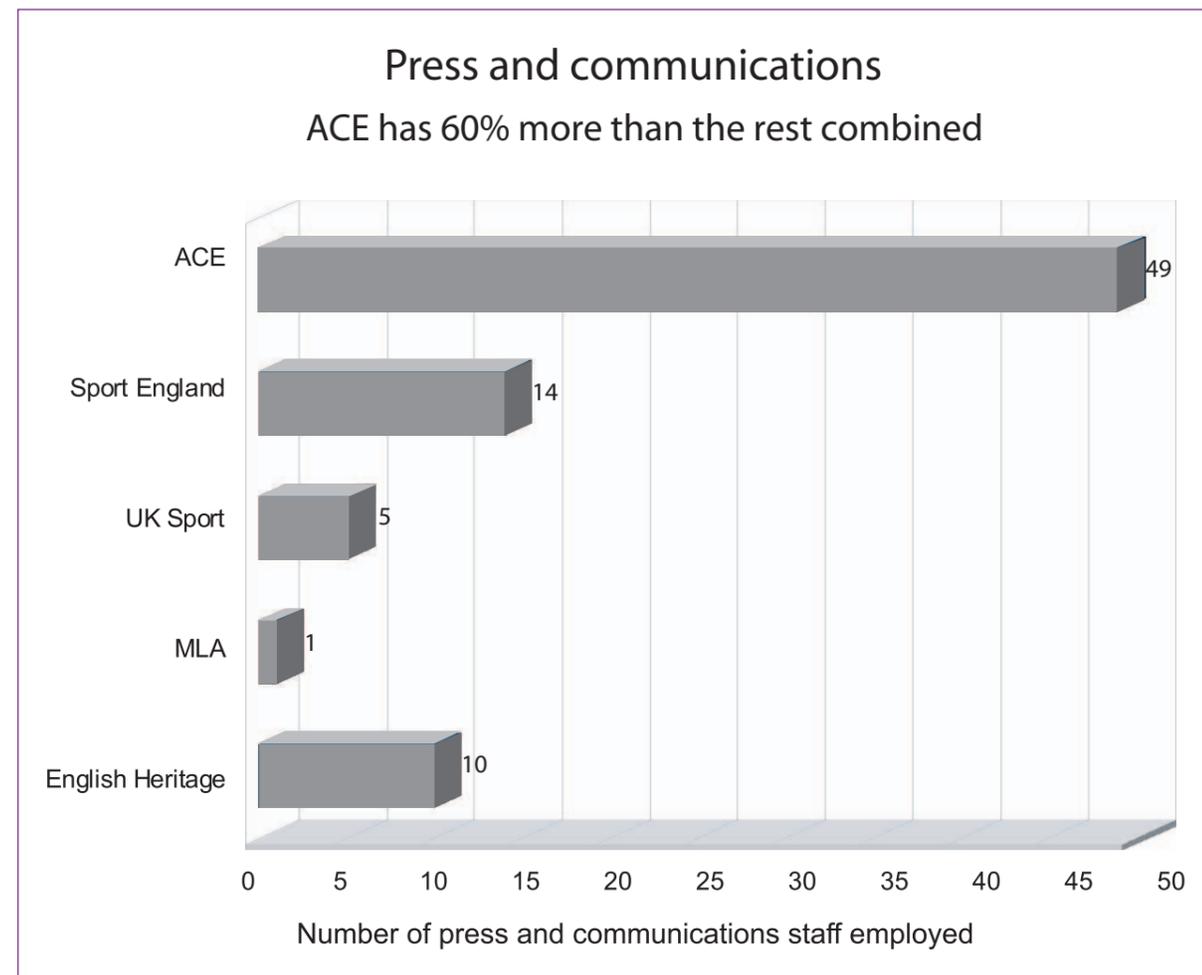
Just as there has been a decline in arts expertise at ACE, so there appears to have been a growth in consultants and PR staff. In the last five years, ACE has spent more than £700,000 on recruitment consultants (according to a parliamentary answer given by Barbara Follett on 18 December 2008).

Cost of recruitment consultants	
	£
2003/04	141,381
2004/05	108,366
2005/06	77,669
2006/07	189,733
2007/08	190,027
<b>Total</b>	<b>707,176</b>

ACE also employs more press and communications officers than Sport England, UK Sport, the Museums, Libraries and Archives Council (MLA) and English Heritage combined (according to a parliamentary answer given by Barbara Follett on 26 November 2008). In fact, with 49 members of staff in these roles, ACE employs 60 per cent more staff on PR than all those bodies combined. In salary terms, between 2004/05 and 2005/06, the ACE PR budget grew by nearly 50 per cent, jumping by just under half a million pounds (£485,600). In 2006/07, ACE outspent all the other four bodies combined in terms of PR by 2.8 per cent, and in 2007/08 the ACE PR spend was still just under 92 per cent of the outlay of the other four agencies combined (parliamentary answer by Barbara Follett, 26 November 2008). In particular, since 2006 ACE has employed Andrew Whyte as ‘Executive Director, Advocacy and Communications’, a new role, at a cost of £99,000 a year (2006/07 salary and bonus combined; with pension contributions this becomes £123,000 p.a.). When Andrew Whyte was appointed in February 2006, Chief Executive Peter Hewitt stated: ‘I am looking forward to working with Andrew to achieve further recognition of the public value of the Arts Council and the arts in England.’

To set all this expenditure on public relations in the context of achievement, it is helpful to recall that the body has recently endured some of the worst publicity in its history. As Baroness McIntosh found, this has badly damaged its reputation among stakeholders. When he stepped down as ACE chair in January 2009, Sir Christopher Frayling’s parting words included the observation that ACE simply was not visible enough – suggesting that the last three years had hardly been a successful experiment in advocacy:

The public funding of arts organisations and events is taken for granted, the Arts Council itself is too tentative about its contribution... Let’s shout the Council’s achievements from the rooftops and stop being so British about it.



High executive salaries, PR and consultancy costs all indicate a managerial culture that is focused inwards rather than on relationships with artists, who, as the reason for ACE's existence, should be central. And Baroness McIntosh's 2008 review supports this finding:

I believe the difficulties ACE later encountered arose because its approach to the task it had set itself was too much focused on its own priorities and had not engaged sufficiently with the needs and aspirations of its client organisations...

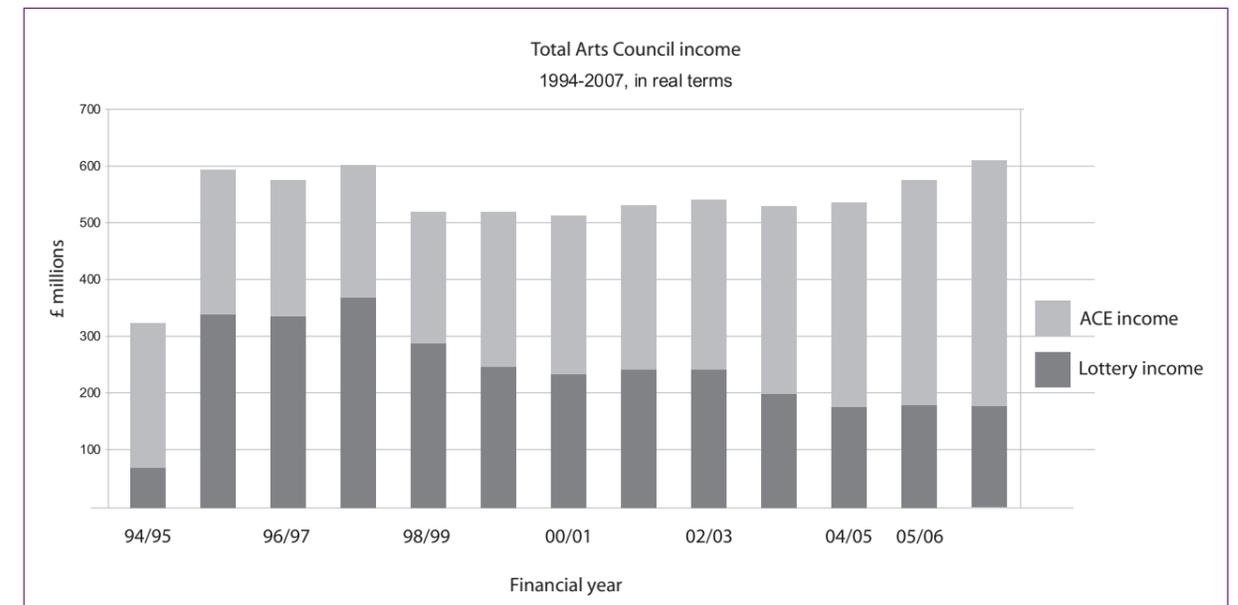
One senior member of the ACE executive team told me: 'we listened far too much to internal voices, not enough to external. Our view of how the sector would react was mediated entirely through internal dialogue...'

Meanwhile, from evidence contained in both

of Baroness McIntosh's reports, we know that arts expertise has been downgraded in the organisation as a result of its reforms:

Many of those who submitted evidence expressed anxiety about whether the level of expertise within Arts Council England as a whole was high enough. (2005)

Many witnesses reported that LOs [Lead Officers] are now less likely to attend Board meetings of arts organisations, less likely to see performances and therefore less likely to be knowledgeable about their clients' work than was the case before 2002... I heard from many sources, including from within ACE itself, that there needs to be a significant re-investment in arts skills and experience across the whole organisation. I agree. (2008)



One specific piece of evidence in the accounts that also shows this transformation is the decline in expense claims by ACE national council members for attending arts events: they have plummeted since the absorption of the regional arts boards. In 1994/95, spending was £14,514. As late as 2001/02, when the reorganisation took place, spending was still at a similar level. But it sank like a stone in the two years following, and from 2003/04 to 2006/07 fluctuated at around £3,000, dropping as low as £1,000 in 2005/06.

While members *may* be attending events at their own expense, this would seem a curious act of self-restraint when they can legitimately claim for attendance, and when they were already giving so freely of their time to the council. It seems more likely that this is all of a piece with Baroness McIntosh's findings in 2005 and 2008. The decline may have been, in part, a response to the national council's lost responsibility for funding specific arts bodies; but clearly part of the council's job, if it is to offer national oversight, should be regular attendance at a wide range of such events. Instead, it appears that this is one more way in which ACE has fallen out of touch with the arts. Caught up in the drama of its own reinvention, it has turned its gaze inward, away from the work it exists to support. It is said that some departments at the Arts Council are staffed by people who do not themselves attend performances

by artists they fund or who are seeking funding.

When one examines the changing face of the Arts Council through its accounts, perhaps the most startling finding is that administration spending itself appears to have been upgraded to count as spending on the arts. This practice begins in 1996/97. Just after the merger with the regional arts boards to form ACE, in 2002/03, in real terms more than £23 million of the £45 million support budget was attributed to arts activities. By 2006/07 this had doubled to £47 million, as all overhead costs were now counted as arts activities. This is indicative of the sickness at the heart of the new Arts Council: *the people who run it think that spending on paperwork is as important as spending on the artists*. The backstage crew have turned themselves into part of the main event.

Artists suffer in many ways from this inverted sense of Arts Council values, which blends managerial excess with parsimony of enthusiasm and knowledge of the arts. Most simply, they lose out because the money thus spent is not reaching them. The data on the growth of administrative spending tabulated earlier means, of course, that, proportionally, arts spending has declined: from 95.9 per cent of the budget in 1994/95 (and as high as 98.5 per cent in 1998/99) to 84.9 per cent in 2006/07 (dropping to 82.6 per cent in 2003/04).

While ACE has focused on increasing its grant in aid from DCMS as much as possible (and on

trumpeting its success at doing so), it has not worked correspondingly hard to pass on that increased grant to arts bodies. It has also not done enough to publicise how DCMS has reduced the share of National Lottery proceeds that go to the arts. In real terms, then, by giving with one hand and taking away with the other, the government has been able to appear generous while altering funding levels for the arts overall by rather small amounts. In fact, in 2006/07, total ACE income in real terms stood at £589,973,000 – less than the Arts Council income for 1995/96 in real terms: £592,638,000.

#### In other words, ACE has:

- increased staff and salaries while promising cuts;
- reduced arts expertise and spent on management instead;
- overseen an effectively static arts budget while claiming great success in increasing the grant in aid;
- reduced the amount of the Arts Council's budget flowing to the arts by increasing administrative costs;
- rebranded those support costs as arts spending; and
- increased PR and advocacy spending, while suffering some of the worst PR in its history.

The new Arts Council's administrative growth, and its failure to achieve its stated goals, is not accidental. It is a direct consequence of the transformation of culture in the Arts Council from an expertise-driven system to a managerially based approach. The result has been the growth of a defensive culture that focuses on projecting itself as a success (and on spending to that end) and on lobbying for greater funds from government, even as it cuts back on arts expertise and reduces its own relative spend on arts funding (by taking a larger slice for administration).

The result has not been a success. This is a general reminder that the pursuit of economy may not deliver savings at all if the route chosen means diverting the body in question away from its essential purpose. The reconfiguration of the Arts Council was cited as bringing major cost savings – if so, this has been at the expense of a less effective organisation. With insufficient expertise to draw on and little interest in its essential purpose, the creation of ACE has in fact dramatically increased costs by making spending on the arts more wasteful and generally less effective. It has also ushered in new forms of wasteful spending. 

# 6

## Arm's-Length Intimacy: How government interference colonised the Arts Council

By self-denying ordinance the politicians leave the Council free to spend as it thinks fit. No minister needs to reply to questions in Parliament about the beneficiaries – or about unsuccessful applicants for an Arts Council grant. A convention has been established over the years that in arts patronage neither the politician nor the bureaucrat knows best.

Lord Redcliffe-Maud, *Support for the Arts in England and Wales* (1976)

The Arts Council of Great Britain has declined over sixty years from an independent and authoritative body to a conduit of government policy.

Andrew Brighton, 'Consumed by the Political' in *Culture Vultures* (2006)

From the outset, the primary function of the Arts Council was to provide an insulating layer between government and the arts, so that the latter might be funded, rather than controlled. In his landmark essay introducing the Arts Council of Great Britain, John Maynard Keynes was at pains to observe that the new body was unlike the NHS or other new socialised national institutions: it would not produce art to serve the public interest in an instrumental fashion or by reflecting popular taste, but would patronise promising artists using expert judgement and widen access to the best art:

But we do not intend to socialise this side of social endeavour...everyone, I fancy, recognises that the work of the artist is, of its nature, individual and free, undisciplined, unregimented, uncontrolled... The task of an official body is not to teach or to censor, but to give courage, confidence and opportunity... universal opportunity for contact with traditional and contemporary arts in their noblest forms.

This initial commitment has developed over time into the famous 'arm's length' principle under which the Arts Council still officially operates. The ideal

is, in certain respects, attractive, since it aims to preserve the independence of artists and arts bodies from state interference. However, there are inherent contradictions in this relationship that can never be resolved. Arm's-length decision making by design lacks democratic accountability. For Keynes, that protected the critic-patron from the poor judgement of the mob and the politician, but it also kept the Arts Council from the scrutiny usually considered proper for public expenditure. In Keynes's day, the small budget and the absence of any minister of culture provided a free hand, with relatively little attendant risk or confusion.

In recent years, the creation of the DCMS and the enormously larger arts budgets that arrived through John Major's National Lottery (and were then sustained by Labour's increases in the grant in aid) changed that dynamic. Government took an active interest in the spending of arts money; and, while the arm's-length principle still notionally exists, it is at best a polite (and at worst a damaging) fiction. With its passing, the Arts Council has lost its major rationale.

It must be acknowledged that challenges to the arm's-length principle began earlier than 1997. The appointment in 1964 of the country's first minister for the arts, Jennie Lee, by Harold Wilson's Labour government, provided the first test. Government arts policy would now influence the independent Arts Council. An official of the period wrote that the arts needed only 'money, policy and silence', whereas Maynard Keynes had believed that money and silence were quite enough from the state in matters aesthetic.

And yet, by all accounts, the Arts Council maintained its sense of mission and its sense of arm's-length detachment until close to the end of the century. The first real change happened in the Conservative party's last period in office. 'Value for money' became a statutory requirement after the 1983 National Audit Act. Concerned by the need to find value for money in the slippery world

of aesthetic value, art began to be seen in terms of its instrumental effects. If art could advance social or economic policy, it provided a way to measure and to justify its funding without reference to the increasingly troubled questions of artistic merit, which had become contested in ways that Keynes could scarcely have imagined. By 1985, the Arts Council chair was claiming 'The Arts Council gives the best value for money in job creation of any part of the state system'; while a 1986 report (*Partnership: Making Arts Money Work Harder*) boosted the arts with claims about their power to bring about urban renewal:

The arts would bring new life to inner cities/ expand and develop the cultural industries and, consequently, the number of jobs/improve the quality and quantity of arts provision outside central London/help develop the skills and talents of ethnic minorities and other specific communities/enhance the cultural and economic potential of rural areas.

Both quotes from Robert Hewison, *Culture and Consensus* (1997)

Some of the economic work that was done on improving arts value for money was of a very high standard. Sir Alan Peacock's exceptional contributions, both to the Arts Council and specifically on these questions as an economist, deserve particular recognition. By his own account, he found himself struggling against an Arts Council institutionally resistant to careful measurement and quantitative analysis. Insulated against accountability by the arm's-length principle, and committed to the irreducible ideal of expert judgement rather than publicly accessible, value-neutral explicit criteria, the Arts Council had become too secure and too secretive in its approach:

If the reader is sceptical of the efficiency of the market as an allocator of resources for music, and believes in public support for the arts, then (s)he has the right to expect that the amount and form of that support can be justified by reference

to explicit and publicly-known criteria which can be given some form of quantitative expression.

Sir Alan Peacock, *Paying the Piper* (1993)

Just as John Major, in creating the Department of National Heritage and the National Lottery, improved the status and the funding of the arts, the Thatcher years, although a period of considerable tension between government and the arts community, did a great deal to provide increased security and independence for arts institutions by opening up new avenues of funding. The innovative creation of the 1984 matching-grant Business Sponsorship Incentive Scheme, administered by Arts & Business to increase commercial support for the arts, is a central example. Although Arts & Business has suffered badly from its treatment by both government and the Arts Council, including the recent ending of its matching-grant scheme, in 2009 it announced the largest-ever level of private art investment for 2007/08: £686 million, rising 12 per cent above inflation on the previous year's figures, with business providing 24 per cent of the overall private contribution. The creation of a much more mixed arts economy provides greater stability and, by encouraging institutions to develop a more commercial and customer-centred attitude, has also contributed to the improvement of venues and facilities.

And yet the new alternative had two major difficulties. First, in the desire to find a neutral language in which to justify arts spending, it deliberately spoke without reference to artistic merit, shifting the debate onto what art could do and how efficiently it could be provided to the public. Second, it established the principle of much closer government oversight of arts spending priorities. In hindsight, both prepared the way for a combination of managerial zeal and instrumentalised art-as-policy, in which highly questionable assumptions and weak evidence

became no barrier at all to large-scale experiments paid for from the public purse, while art's intrinsic qualities were increasingly sidelined:

High subsidy has produced a lot of inconsequential, faddish, politically correct twaddle.

Richard Morrison, 'What's Coming the World's Way in 2009?', *The Times*, 31 December 2008

What the Conservatives had begun metastasised under a new administration. The new government brought with it a theory that placed art at the centre of its agenda, both as an aspect of the new 21st-century, creativity-driven economy it hoped to stimulate, and as a tool for transforming communities through a mixture of inspiration and economic stimulus. The arts echoed the new jargon, enticed by the prospect of increased funding, and the Arts Council joined the chorus

*Culture Vultures*, edited by Munira Mirza for Policy Exchange in 2006, remains the classic exposé of the results: evidence was either distorted or extra money was wasted in trying to generate measurable data after the fact, and potentially awkward data was ignored. As Eleonora Belfiore sets out in the collection's opening essay, 'The Social Impact of the Arts – Myth or Reality?', instrumental policy proceeded without reference to the facts:

The lack of evidence and the problems in current evaluation procedures would seem to invalidate the claims that the arts can tackle social exclusion, health, crime issues and so on and so forth. And yet, the faith of politicians, arts administrators and artists alike in the transformative powers of the arts is extremely resilient. One of the most fascinating aspects of present-day cultural policy is that, despite the problems and limitations that I have discussed above, the growing trend towards instrumentality has not been slowed down by the obvious lack of evidence of the existence of such impacts.

The Public gallery in West Bromwich would never have been funded for so long if it had not been seen as a source of economic regeneration. But even where positive effects on the local economy were achieved by opening arts centres in depressed areas, studies did not consider opportunity costs and, in particular, whether more powerful (or at least equivalent) effects could have been achieved by other, non-arts-based projects, perhaps at lower cost.

No doubt some of those involved in the arts felt that, by speaking in the instrumental language the government wanted to hear, they could achieve funding for art that they valued for more intrinsic reasons. This attitude, and the irritation at the hoop-jumping required to gain state funding in recent years, is clear in John Tusa's evidence to the Conservative Arts Task Force (which he also chaired), in 2007:

After more than a decade of direct involvement in the arts and the debate about them, there is much of which I am sick to death. This is not just a spasm of impatience – though it is certainly that – but represents my deep belief that if the attitudes behind the policies I describe did not exist, the arts would be better administered, healthier, more effective, more varied and more enjoyable even than they are today. Does arts policy making, in short, get in the way of creating the arts themselves?

But those who played along while securing money to be spent on the more traditionally defined Arts Council objectives of supporting talented artists and providing broad public access to their work were not the only story. If they had been, the results would have been far less damaging and wasteful. Instead, even if many began by simply mirroring government jargon to gain funding, the quality of the art itself became corrupted by the goals it was now supposed to serve. Driven toward the anodyne and the politically correct, it drifted away from quality. The McMaster Review (2008) is damning evidence of this broad trend, and Waldemar Januszczak recently attacked Tate Britain's flagship triennial

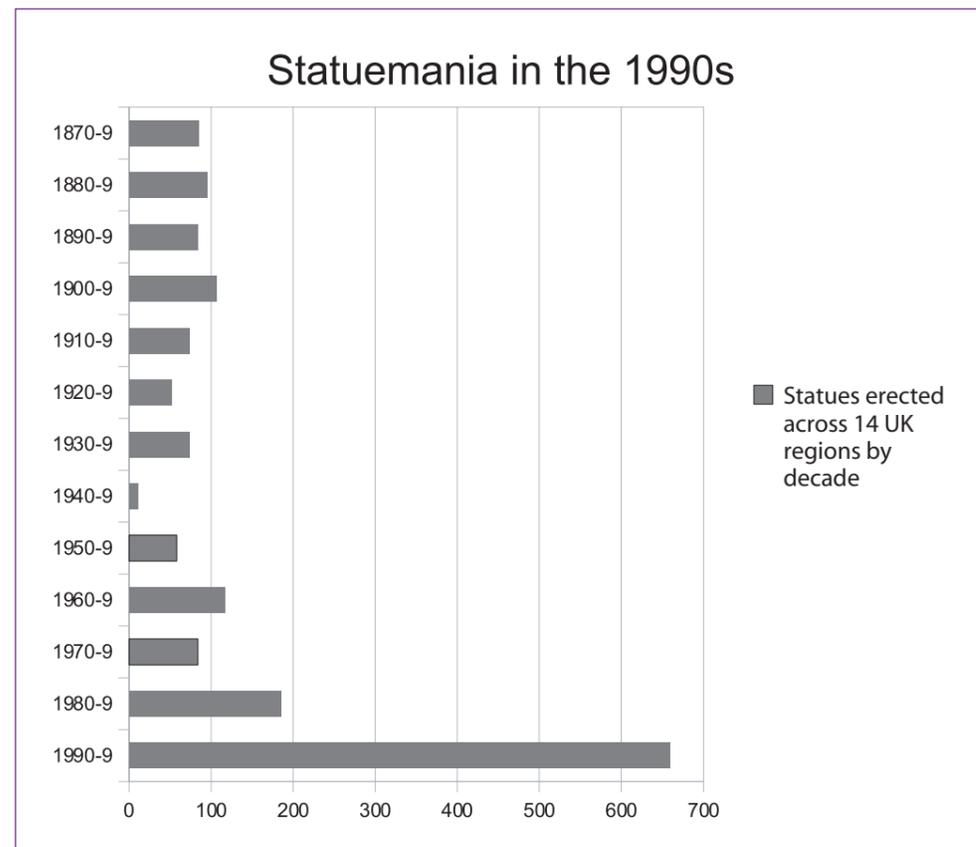
exhibition of modern British art as evidence of a stultifying, government-sponsored salon (*The Times*, 8 February 2009):

The Tate is the salon of today: pompous, arrogant, all-powerful and utterly convinced of its superiority. What began as a force for progress and coherence has turned into a cultural despot that has the government's ear... The salon art of today is torturous, dull, inert and, above all, tired-looking.

Josie Appleton's essay in *Culture Vultures*, 'Who Owns Public Art?', discusses the highly visible instance of bland public art generated under the instrumental agenda. This was an extremely significant alteration to the national civic landscape, as we can see by comparing the numbers of statues erected, by decade, since 1870.

Based on this data from the Public Monuments and Sculpture Association, which has documented the type, date and sculptor of permanent public statues across 60 per cent of the UK (and which may actually undercount recent installations that are of a more temporary character), more statues were erected in Britain in the last decade of the 20th century than at any time for at least a century. Indeed, more statues were erected in 1990–99 than between 1910 and 1989. They were built in the pursuit of instrumental social goals and, according to Appleton's survey, they not only failed as a magical source of civic cohesion but were often aesthetically insignificant:

Today's public art is not really the expression of community values or desires: it's driven by officialdom, and its spirit springs from the policy specifications of bureaucrats... It's



anodyne, New Labour art: offering a soothing kind of participation and the affirmation of local identities. Just because an artist has proved to the Arts Council that he or she has consulted a community about a sculpture, that doesn't mean that it genuinely represents that community. No wonder that many of these new artworks go almost unnoticed. They are often local curiosities, obstacles that pedestrians have to navigate like a lamppost or a tree, but rarely the focus for public passion...

Public art projects in seaside towns almost without fail depict waves, fish, dolphins, sea birds and so on. Morecambe Bay is littered with sculptures of local birds, including seagulls, coots and terns. Whitehaven in Cumbria got fish sculptures, a bench framed by a whale's tale [*sic*], and leaping fish sculptures. The series of sculptures on Bridlington promenade all dealt with the themes of wind and water. Yet these kinds of artworks fail to hit home... After the decline of fishing industries, most residents of seaside towns will get their fish from Sainsbury's – why would they identify with a fish sculpture on their seafront?...

In general, the funding set-up by the regeneration industry encourages a phoney, bland form of art practice. Prime among these are the sculptures of fish and waves...

Perhaps bewitched by the one notable success of the *Angel of the North*, begun in 1994, ACE was deeply involved in this explosion of public art. Appleton quotes from an Arts Council South East document from 2001:

An Arts Council report argued that public art can 'help to forge a new identity', 'create a sense of ownership' of public space, and be 'a driver for social renewal'.

In 2005, Sir Christopher Frayling referred to Anthony Gormley's *Angel* with pride and spoke of the importance of this role:

Defining an identity through a piece of art – like the opera house in Sydney, or the works of Rennie Mackintosh in Glasgow, or the *B of the Bang* in Manchester.

Yet the *B of the Bang*, which did have merit as sculpture, also proved a failure, both as defining icon and as an attractive addition to the civic landscape. Thomas Heatherwick's sculpture suffered, like other Arts Council projects before it, from cost overruns and delays. It developed structural problems even before it was opened, and it proved unsafe, periodically shedding steel spikes. Legal action against the makers of the sculpture recovered £1.7 million in damages, and in February 2009 the decision to dismantle it was taken by Manchester City Council.

The Arts Council was deeply implicated in the government's failed instrumental agenda. This approach, despite being driven by the pursuit of 'value for money', ended up wasting public money by funding work that often succeeded neither as art nor as a disguised policy initiative. The Arts Council's notional independence did nothing to provide a bulwark against this: it may even have made matters worse by compounding government intervention with its culture of unaccountability.

Importantly, unlike John Tusa, the Arts Council was not just paying lip service to these instrumental goals in order to gain funds for art that it viewed through a lens of intrinsic value. Government effectively colonised the Arts Council. In the process, the government made a mockery of ACE independence, without having proper channels of accountability to rein in its excesses.

Here we must distinguish between the appearance of an arm's-length principle and a meaningful separation between government and Arts Council. Sir Christopher Frayling announced proudly earlier this year that he left office with the arm's-length principle in rude health:

Now that there's a Department of Culture, ex-Department of National Heritage, the arm's length principle has sometimes become more

of an issue. I'm not breaching any confidences when I say this. And I have to admit there were moments, at the beginning of my time as Chairman, when the arm was reduced to Venus de Milo length – in other words, very short indeed. But these have passed, and we have continued with our respective roles. Today, the relationship works very well.

Others, like Andrew Brighton, quoted at the head of this section, would disagree. One reason for these divergent analyses is that Frayling can point to the lack of interference by government in individual decisions taken by the Arts Council. In technical terms, this may constitute an arm's-length stance. At the same time, however, the point is redundant. The Arts Council's culture has been transformed, as we have seen in previous sections. It is scarcely capable of making choices of which the government would disapprove; its script has already been written for it by that same government. Under those circumstances, all that the arm's-length principle means is that when the Arts Council makes mistakes, even the government cannot hold it to account.

The transformation of the Arts Council was the result of deliberate appointments by the government (Arts Council members are appointed by the DCMS secretary of state). As the New Culture Forum has always argued, it is naïve to disregard the power of culture. For those with eyes to see, the culture of the new Arts Council – a body that, as of 2008, demanded to know the sexuality of board members in applications for funding, and in 2005 warned 'future funding may include considerations on your ability to meet race equality targets' – is politically correct to a fault, suspicious of tradition, laden with management-speak: all characteristics close to the heart of government. Having colonised the Arts Council's imagination, it would seem superfluous to micro-manage its every action.

Instead, the appearance of independence mostly suits both the government and ACE: the

Arts Council remains safe from accountability (as proof that the arm's-length principle was alive and well, Sir Christopher Frayling cited the inability of DCMS to hold ACE to account for its handling of the theatre funding scandal in 2008). Meanwhile, the government appears clean of involvement in the arts, even as it controls them in a very deep way. One sign of that is the appointment of François Matarasso to the Arts Council in 2005, a position that, at the time of writing, he still holds. Mr Matarasso's 1997 study of the potential social impacts of art heavily influenced the instrumentalism of government policy. Despite real methodological questions having been asked of both his own work and the related studies that underpinned this policy agenda, his place on the national council is proof (if proof were needed) of the unity of vision between government and ACE. As Andrew Brighton suggests:

His [Matarasso's] research has subsequently been described by Paola Merli as 'flawed in its design, execution and conceptual basis'. Sara Selwood in a 2002 survey of research into the social impact of the arts, *Measuring Culture*, described Matarasso's and other research intended to support the claims of social benefit as methodologically flawed and spurious. In a 2004 Arts Council survey of impact studies there is no reference to Matarasso's research.

The government's instrumental attitude to the arts has been altered by experience, but it has not changed fundamentally. Few would now claim the instrumental power originally envisaged in 1997. Christopher Frayling openly disdained the explicit arguments in his valedictory lecture:

There's been a lot of research – actually it has mainly been advocacy masquerading as research – full of unexamined assumptions desperately trying to prove all sorts of things about the power of the arts in relation to the economy, society and public value, even the individual. But we all know that evidence-based policy, resting as it does on a relatively narrow range of

measurable indicators – has serious limitations when applied to the arts.

That is in contrast to an account of his willingness to defend instrumentalism as based on hard evidence that he delivered in 2005 at an event at the Royal Opera House called 'Why Should Government Support the Arts?' In his RSA lecture of the same year, 'The Only Trustworthy Book', he worried about the limits of a purely instrumental account of the arts, but also accepted the evidence base:

We have a growing body of evidence that culture can make a contribution across the public realm. In regenerating blighted communities, in revolutionising learning, in engaging young people who might otherwise turn to crime, in improving healthcare environments, and so on.

Yet his change of heart was not a reaction against government opinion, but fits with its evolution as the evidence has failed to materialise. In 2003, Tessa Jowell gave a speech, called 'Valuing Culture', that was widely praised for returning to arts policy a sense of the intrinsic value of art. However, that was, in many ways, a misreading of the speech, which effectively created a loophole to escape the problems of evidence that Christopher Frayling spoke of in his valedictory lecture, without giving up on instrumental thinking altogether:

I think we should begin our reply to this with an articulation of what engagement with the arts or with culture can do for people – when we are young, and throughout our lives.

We don't need any social policy experiments to get to this...

Instead of evidence-based instrumental policy, Tessa Jowell was articulating anecdotally based instrumentalism, in which the obvious social impacts of the arts were real and so obvious that they did not require the evidence that was proving so embarrassingly elusive.

In addition, Jowell provided an additional instrumental role for art that was also usefully

vague and not subject to meaningful measurement – national cohesion:

Without culture we are not complete citizens, we have no possibility of having pride in who we are and what we do as a nation.

This is troubling territory. Of course, few national projects are so morally degraded as the Third Reich or the Soviet empire or North Korea's Democratic People's Republic, all of which have used art as a tool to control their citizens by whipping up pride and cultural unity. But the co-opting of the private and personal experience of art into the service of the state should always be questionable. Apart from being deeply private, art at its most interesting is also a pursuit that ignores national boundaries. Italian opera; Russian novels; Delta blues – those who care about art rather than nationalism happily receive and celebrate great works from all corners of the world. Privileging art because it comes from your country can bankrupt the appreciation even of genuine masterworks, as the Nazis showed. At best it leads to a distortion of the critical faculties, as the exhortation of Martin Archer Shee's *Rhymes on Art* (1809) indicates:

With generous bias lean to British art,  
And rather wrong your judgement than your heart.

In any case, what is clear from Jowell's speech was that instrumental goals were not so much being abandoned as decoupled from the need to provide evidence. It is a line that the Conservative party's Arts Task Force report also took in 2007:

We can, surely, now accept that not only are the arts valuable for their own sake, but are also very effective in other fields of social interest and activity, from health to economic regeneration. It has been demonstrated time and time again. We don't need to go on.

And while the McMaster Review (2008) is seen as a breakthrough, placing art's intrinsic value back at the centre of policy, in detail the report shows signs of smuggling the same old goals

in under the language of excellence:

Artists, practitioners, organisations and funders must have diversity at the core of their work. Out of the society in which we live today the greatest culture could grow, but this will only happen if the cultural sector is truly relevant to 21st century Britain and its audiences.

It has been argued that culture does not always need to innovate to be excellent, but if it is to be truly relevant to our society, it absolutely must.

This is all very damaging, not only because it perpetuates a failed policy and continues to refuse to give the intrinsic value of the arts sufficient respect, but also because it constitutes a refusal to admit that something went badly wrong – that money was wasted. Sliding from open, nominally evidence-led instrumentalism to an evidence-free instrumentalism to an excellence agenda with strong instrumental aspects, no one has to admit that mistakes were made or that policy has had to change to compensate.

It is not just the instrumental arts policy, but the arm's-length principle that has failed in the last 10 years. The result – bad art and a cultural transformation of the Arts Council into a politically correct, managerialist and secretive quango – cannot be resolved by new ACE council members or a new government with a different theory of art. We need to acknowledge that the very principle has become part of the problem:

What the arm's-length principle leads to in practice is secrecy and unaccountability.

If the arts minister is asked in Parliament about a problem in the arts, say the years of crisis and budgetary problems at the English National Opera, he/she can and does say: 'That is a matter for the Arts Council.'

David Lister, 'The Arts Council has had its Day', *Independent*, 20 December 2008

The ACE's complicity with DCMS and its arm's-length immunity created a disastrous loss of

accountability just as arts funding was significantly increasing. The arm's-length principle was simply not designed to deal with the responsibility of these levels of funding, nor with the pressures of a Department of Culture with its own agenda. Apparently, even some of those most passionately in favour of the arm's-length principle in the earlier days of the Arts Council came to believe, as the Arts Council's responsibilities grew, that such a lack of accountability was ultimately fatal and had to be rejected.

The instrumental arts policy proved significantly wasteful, and the notional independence of the Arts Council did not serve to protect the arts from being overwhelmed by politicised goals that, in retrospect, ran well ahead of the evidence, with free spending on supposedly instrumentally justified projects of questionable merit. Art became a tool of social engineering, and increasingly out of touch with Keynes's original ideals of access to the greatest art. The result could be absurd, as when the Demos report *Capturing Cultural Value: How culture has become a tool of government policy* (2004) recommended that schoolchildren should be taken to the theatre to be shown the toilets, so they could 'own the building'. It could also be outrageous, demanding private information about sexuality as a condition of funding. The arm's-length principle proved to be a paper barrier.

Without an effective arm's-length principle, the Arts Council has lost its main justification, except as a smokescreen for bureaucratic and government failure. The Arts Council is indeed at a point of crisis. In addition, it has shown little ability to moderate its operating costs or to manage its major capital projects with consistent success. Arts Council England has lost its expertise in the arts – as well as the respect of many clients. Above all, it has supported artistic work without sufficient reference to its quality. Such a body is not only in crisis: its continued existence in anything resembling its present form should be in question. 

# 7

## The Arts Council: Not fit for purpose?

The trouble with the Arts Council under New Labour is that, like government, it applied too much energy to policy papers and too little to public delivery. Diminished now and deeply demoralised, it has an elephant of its own in the room: the prospect, officially unutterable, of its own abolition.

Norman Lebrecht, 'The Elephant in the Arts Council Room', *La Scena Musicale*, 25 October 2006

Congratulations to Dame Liz Forgan...on being appointed the new chairman of the Arts Council. The former head of BBC Radio and the National Heritage Memorial Fund is well regarded, and I hope she will do the arts the great service that is now in her power. She should examine the Arts Council thoroughly, and then urge the Government to abolish it.

David Lister, 'The Arts Council has had its Day', *Independent*, 20 December 2008

The Arts Council, historically, is a Keynesian body. That in itself goes some way to explaining its current problems.

Raymond Williams, WE Williams lecture (1981)

The Arts Council is an organisation devised in a very different time, by an economist long fallen from respect (until recent events gave his reputation a brief and still controversial afterlife), for purposes rather different from those that it now serves. It is further labouring under the crude alterations imposed in the last 10 years. All of these facts combine to suggest that, in the interests of the arts, it is time to stop desperately trying to repair the worn-out model and replace it wholesale, as writers like David Lister and Norman Lebrecht suggest.

There are four major flaws in the current Arts Council model, and these will be tackled here in turn. But it is helpful to begin with the underlying problem, which was the involvement of John Maynard Keynes

in its creation. No one can deny Keynes's brilliance, or his passion for art. Yet he has, for many years, been considered out of the economic mainstream. The sudden enthusiasm for his views on economic pump-priming remains to be tested, and appears to owe more to the desire of politicians to be seen to be doing something (especially if it involves increasing their power) than it does to any great intellectual conversion. As David Marquand wrote in *Prospect* magazine in March 2001, 'Keynes Was Wrong':

Great man though he was, [Keynes] has worn much less well than Marx, Schumpeter or Hayek. The Keynesian system was static, not dynamic. It was a system for the age of Fordist mass production, with its giant plants, giant unions and 'sticky' wages, not for ever. In it there is no sense of the transformative energy of capitalism – of the restless, unsleeping urgency of its constant search for profit; of its endless capacity for creative destruction; and of the recurrent waves of technological innovation and socio-economic change to which these periodically give birth.

Keynes's greatest flaw was his elitism: his conviction that impersonal, expert mandarins were often the best defence against the rough and tumble of the free market or democratic politics. As Marquand says, this was sentimental and naïve:

In the crucial macro-economic sphere, a disinterested and impersonal technocracy was to take the place of the self-regulating and impersonal free market of old days...

It couldn't be done, of course. The notion of an apolitical and disinterested technocracy is a myth, a Platonic Noble Lie. The technocrats were bound to have their own political values, and these values were not always identical, as anyone who looks at the Treasury papers in the Public Record Office will soon see.

A snob with exquisite taste, Keynes undoubtedly belonged among the members of his Bloomsbury set. But that outlook, combined with his own mental

brilliance, led him to the view that the world was often better off in the hands of clever chaps like himself. James Buchanan describes it well in his 1977 book *Democracy in Deficit: The Political Legacy of Lord Keynes*:

Keynes was not a democrat, but, rather, looked upon himself as a potential member of an enlightened ruling elite.

Indeed, as a member of the Bloomsbury Group, Keynes spent time alongside such fellow-travellers as the critic Clive Bell, whose *Civilization*, dedicated to Virginia Woolf, argued that truly great culture required the existence of a slave class. While no fascist, Keynes himself would write in the German edition of his *General Theory*, published under the Nazi government in 1936, that totalitarianism rather suited his approach to economics:

Nevertheless the theory of output as a whole, which is what the following book purports to provide, is much more easily adapted to the conditions of a totalitarian state, than is the theory of production and distribution of a given output produced under conditions of free competition and a large measure of laissez-faire.

Even those who share Keynes's elitism must acknowledge that to rely on disinterested overlords is to hope for a great deal in the midst of human frailty, even among pillars of the establishment. Sir Alan Peacock, chairman of the Scottish Arts Council from 1986 to 1992, referred to this class, from his own experience, as only 'greatish and goodish'. And as Buchanan outlines in *Democracy in Deficit*, in a democratic system, even a body of ideal oligarchs cannot insulate themselves from the political marketplace. The best intentions will be rapidly undercut by political reality:

There is no center of power where an enlightened few can effectively isolate themselves from constituency pressures.

The Arts Council mandarins have been eager to take advantage of Keynes's sudden return to prominence. Alan Davey, the new ACE chief executive, spoke in November 2008 to the RSA of 'The Courage of Funders', and drew on ACE's Keynesian roots as a source of pride:

Keynesian economics are back; the Keynesian means of funding the arts still lives.

Sir Christopher Frayling's final speech, in January 2009, took a similar line:

Where the arts and culture are concerned, we have I'm glad to say never stopped being Keynesians.

To the extent that this is true, it relies on the Arts Council operating under the gaze of ideal technocrats, necessarily even more brilliant than (and as discerning as) Keynes, whose limitations have become so apparent with time. The evidence we have been reviewing in this paper hardly suggests that this has been the case, and in a fallen world it is hard to see how that can be bettered. This is the original piece of wishful thinking at the heart of the Arts Council.

However, it had operated reasonably well, at least until the 1980s or 1990s. Before then, while the Arts Council was often disliked and sometimes performed sub-optimally (as should be expected of such an idealistic system), it was respected and was an object of some pride. It provided a model that was imitated around the world. In the absence of perfect overseers to run it, the Arts Council that Keynes helped to found could never work perfectly. But it did serve its purpose, if rather approximately.

That is no longer true, as we have seen, and the answer as to why lies in the extent to which the Arts Council is no longer Keynesian. While its members still invoke Keynes in the search for gravitas and historical approbation, the reforms instituted in the 1990s played against his original intentions. The result is unworkable because of four crucial changes.

## 1. Funding

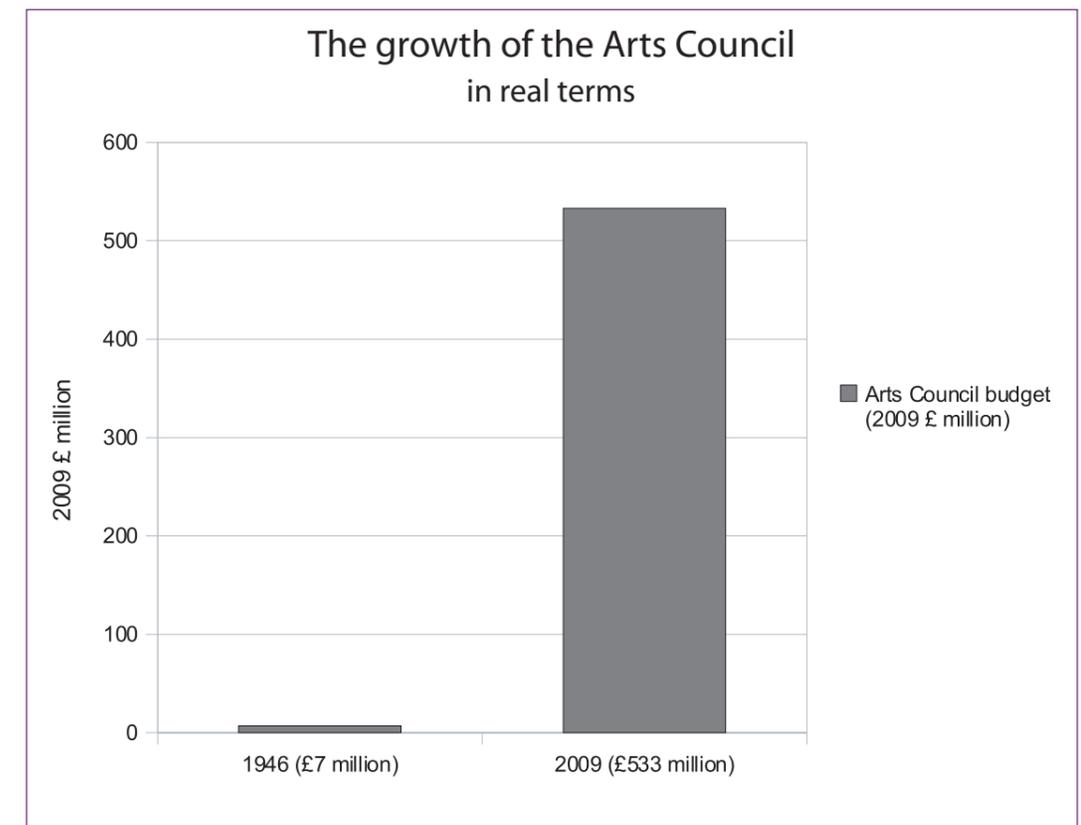
As Keynes acknowledged, the original Arts Council of Great Britain received a relatively small budget: 'We have but little money to spill.' And when he looked back to the Council for the Encouragement of Music and the Arts (CEMA), the Arts Council's wartime predecessor, he recalled it in the same terms:

We were never given much money, but by care and good housekeeping we made it go a long way.

In fact, the original budget for the whole of Great Britain was just £235,000 (or £7 million in today's terms, using the retail prices index). By contrast ACE's current budget is £1.6 billion over the three years 2008/09–2010/11, or £533 million annually – 76 times more, and for England alone!

This colossal increase runs counter to Keynes's intentions. His belief was that the fine arts in the long run could and should pay for themselves. In the aftermath of war, rebuilding and pump-priming the nation's cultural life might be needed in order to reach a higher level, but it need not be expected to last. Raymond Williams made the point in his 1981 WE Williams lecture:

Less well known – indeed now whimsical to recall – is an idea of what is in effect pump-priming. Keynes believed that in the long run the fine arts should be self-supporting. As his biographer [Roy] Harrod records: 'His ideal for CEMA was that at the final stage, no doubt not to be reached for a long time, it should have no disbursements except the cost of administration.'



In this, as in much else, Keynes was naïve. It matters today as more than a historical curiosity: first, because we should recollect that when the Arts Council acts as a permanently necessary state funder of the arts it cannot do so in Keynes's name. Second, and much more importantly, it means that the Arts Council was designed as a short-term expedient, operating on a modest budget carefully spent and with costs tightly controlled, as they had been in wartime at CEMA. It was not designed to serve as a permanent substitute for public initiative and taste, and certainly not to administer a budget almost 80 times larger than it initially enjoyed.

This problem is especially evident, as we have seen, in regard to the arm's-length principle. The idea that such large sums should be disbursed with so little accountability was not part of the original intention. In fact, for Keynes, even at the beginning, it was important that the arm's length did not mean that funding decisions could not be questioned in Parliament:

If we behave foolishly any Member of Parliament will be able to question the Chancellor of the Exchequer and ask why.

Today, as David Lister has pointed out (see above), the arm's-length principle has removed even such questioning:

If the arts minister is asked in Parliament about a problem in the arts, say the years of crisis and budgetary problems at the English National Opera, he/she can and does say: 'That is a matter for the Arts Council.'

The recent arrival of large sums of money for the arts, and in particular large sums directly from the state through grant-in-aid funding under the current government, could only appear to be a good thing. Yet in many ways it helped to burst apart the Arts Council's contradictions. More money made it harder, especially in the light of other changes, to hold down costs; it presented opportunities for huge infrastructure projects that were difficult to manage successfully, keeping down overruns; it provided

resources for questionable experiments in social engineering.

It is easy to assume that more money is always better. John Tusa's Arts Task Force report, *A New Landscape for the Arts* (2007), can be found assuming, as a first principle, that funding is well spent:

It is blindingly obvious that if core grants from central government are increased then the arts use them well and flourish. Equally, when the current levels of core grant are reduced in real terms, then the negative impact on the arts and all their activities becomes very clear and very public.

Economists would hardly agree that either statement is obvious: increasing government grants can be a recipe for inefficiency and stagnation, or for politicised twaddle; reducing such grants can give rise to more varied sources of funding and a healthy reduction in central control. And in the case of the Arts Council, it was simply not designed for the extra responsibilities and temptations that this money brought.

## 2. Ministerial oversight

Keynes's Arts Council was funded directly from the Treasury, designed to be free of political interference. In the words of Sir Alan Barlow's memo from the time of its creation, quoted by Andrew Brighton in his *Culture Vultures* essay, 'any Chancellor of the Exchequer would have too many preoccupations to intervene in its affairs' and parliamentary scrutiny would also be avoided because Parliament 'would more readily accept an aloof attitude from a Chancellor of the Exchequer than from a Minister of Education'.

That carefully constructed independence continued for many years, allowing the Arts Council to fund the arts without reference to a central policy. In 1966, Lord Goodman could still aver that this was by far the best approach, as Roy Shaw notes in his 1987 book *The Arts and the People*:

What we have always tried to do is not to seek to lay down an arbitrary policy, but a sensitive and organised use of money.

And yet Harold Wilson had appointed Britain's first arts minister, Jennie Lee, two years before. The arts were becoming the subject of government attention, as it moved from providing money and silence to 'money, policy and silence'. The creation of the Department of National Heritage under John Major did much for the profile of the arts, but made government's relationship to the Arts Council far more unclear. And when that became DCMS under the current government, the Arts Council entered a period of unprecedented political involvement.

Such intrusion is scarcely surprising. With DCMS responsible for fighting for arts funding and also taking the responsibility for any failures (while being all too aware of the regular 'churn' of Arts Council scandal), its desire to influence ACE is only to be expected:

One former arts minister said to me: 'It is ridiculous. I spend months negotiating with the Treasury to get a good amount of money for the arts. Then I have no say in how it is spent.'

David Lister, 'The Arts Council has had its Day', *Independent*, 20 December 2008

Current arrangements are unsustainable, involving inefficient duplication by DCMS and the Arts Council, creating bad blood between them (as Baroness McIntosh discovered), and allowing accountability to disappear between the two. No incoming secretary of state can relish the prospect of dealing with the fallout from the collapse of, for instance, English National Opera, which remains heavily dependent on ACE funds. The bail-out of the Royal Opera House in 1997/98 was a warning to DCMS that problems at the Arts Council were not just problems *for* the Arts Council. Meanwhile, ACE has rebranded itself as the national development agency for the arts, a position that intrudes on DCMS territory.

Either DCMS or the Arts Council needs to go. The

two cannot coexist happily, and were never designed to. Too many responsibilities become unclear, and too much work is duplicated. As Norman Lebrecht pointed out on 9 April 2008 ('This Arts Council Farce has Lost the Plot', *La Scena Musicale*), DCMS is increasingly well placed to take a more active role, especially given the decline of expertise in ACE itself:

Defenders claim that [ACE] has unique expertise in the nitty-gritty of arts administration. But a new director of culture has just been appointed at the DCMS. He is Mick Elliott, outgoing chief executive of the Royal Liverpool Philharmonic Orchestra, which he turned around in seven years from the point of near-closure to national respect. Elliott knows the facts on the ground better than any Council clerk. The case for retaining an Arts Council grows weaker by the week.

## 3. A theory of artistic value

Subsidising the Arts involves the same kind of issues as subsidising particular industries or services in the economy, however distasteful this may seem to those who are conditioned to think in terms of a moral ordering of consumption expenditure... Apart from any predisposition of the author to oppose paternalism, the assertion of any imposed value judgements is too easy a way of deriving support for public intervention designed to give the public not what it wants but what it ought to have.

Alan Peacock, 'Welfare Economics and Public Subsidies to the Arts' (1969)

It was, at least in part, in response to the Arts Council's expanding budget (and ministerial concerns about its lack of ability to manage this responsibly) that Sir Alan Peacock pioneered the introduction of more programmatic measurement of costs and outcomes in arts spending. He pressed, for example, for a survey of public participation in the arts. The first in the Arts Council's history was carried out in 1990.

This approach was a necessary correction, especially under the financial circumstances. However, as the quote above makes clear, in order to pursue this line of thought it was necessary to set aside the concept of artistic value. To do so was to step well away from Keynes, for whom the essential point of the Arts Council was to permit elite aesthetic judges to spend money without reference to low taste. Keynes sought to replace the politician's democratic judgement with Arts Council paternalism. The Arts Council was to serve as an enlightened patron-critic on behalf of the nation, giving Britain the best rather than the merely fashionable or popular, and providing '...universal opportunity for contact with traditional and contemporary arts in their noblest forms'.

Judging by conversations with practitioners, the Arts Council still works best where a discerning expert guides funding choices. The individual involved makes all the difference – something Baroness McIntosh stresses with regard to Lead Officers in her 2008 report. And the practical case can also be supported philosophically – David Hume's 1757 essay 'Of the Standard of Taste' remains a powerful Enlightenment case for the importance and the exceptional nature of the discerning critic. Keynes himself had excellent judgement – and was instrumental in securing some great post-impressionist paintings for the nation in 1918. And yet Keynes's avowal that such choices could be made on behalf of others using tax revenue, rather than a private income, brought the aesthete and the bureaucrat into uneasy coexistence, and introduced a paternalistic element that remains much harder to justify. Such decisions, as we have seen, designedly lacked democratic accountability, and they resisted measurement and the usual metrics applied to government spending in the interests of reducing waste, leading economists like Peacock to set them aside for something more objective.

The fundamental problem, however, could not be solved by new approaches to assessing funding

decisions. Cost-benefit calculations, in the mould of Peacock, could improve (but never entirely replace) aesthetic judgements of some kind about the arts bodies that deserved funding, should their numbers add up.

The problem which Keynes left was that his confidence in artistic value, determined by critical experts, grew ever more controversial. Even in his own day, there were obvious choices that smacked more of personal taste than objective insight. Keynes loved the ballet and married a ballerina, Lydia Lopokova. He was suspicious of the medium of film, crying 'Death to Hollywood!' in his inaugural Arts Council broadcast. Both of those preferences fed into the Arts Council's founding priorities, which, in its original Royal Charter, were committed to the 'fine arts' exclusively. That became harder to defend over time, and in 1967 a second Royal Charter referred only to 'the arts'. Cinema, meanwhile, developed under its own separate system of support – something anti-elitists like Raymond Williams argued against. Only in 2007 did Scotland found Creative Scotland, bringing together Scottish Screen and the Scottish Arts Council.

The multiplicity of art forms traditionally considered low, jostling for position alongside the fine arts of its original remit, stretched the Arts Council in challenging ways. With so many more potentially deserving candidates for funding, but much greater uncertainty about their value, the risks of funding decisions became larger (and also much more controversial), as attitudes to artistic value splintered. In his time as chairman of the Arts Council, Lord Goodman sought a middle way by funding everything at the risk of a greater level of waste, stating the following in 1965:

I took the view, unrepentantly, that some wastage of public money was unavoidable to achieve an ecumenical approach that would give confidence to the whole art world.

Quoted in Robert Hewison, *Culture and Consensus* (1997)

But waste by design was hardly an ideal solution, and the contestation of theories of value grew ever more irreconcilable. It was not enough for all to have funding: for funding to be given to art that fell outside one's scheme of artistic value was increasingly infuriating. Whether it was Raymond Williams (with his argument that popular working-class culture deserved support as much as elite art), or the poet Roy Fuller (who resigned from the Arts Council in protest at its support for performance art in 1977), or those who felt that the most daring and experimental work was not getting nearly enough attention, the Arts Council increasingly satisfied no one. Never intended to be neutral, its funding decisions conferred value judgements, and did so in the name of the British people, using their tax revenues.

This longstanding problem became a disaster when a new government felt that it had found a solution in art as an instrument of public policy. Where the economic work of the 1980s and early 1990s had largely sought to refine judgements about art bodies with good data on their efficiency and audience numbers, the new regime looked to justify art by asking if it served the interests of the British state. That proved to be a mistake: policies were not delivered, and art lost quality in the process. And recent claims of a sort of benign neutrality are unconvincing:

The Arts Council's role is to ask not 'Do I agree with this?' – nor even 'Do I like it?' – but: Is it original? Is it worthwhile? Is it inspirational? Does it have something important to say? Is it excellent within its genre? Could it be a classic or does it take an artform in a fresh direction? What does the profession think about it? Will it work? Is it well done?

Christopher Frayling, January 2009

Such judgements of artistic value by a single body cannot be all-inclusive. The idea that decisions are made with no reference to an Arts Council theory of art or a hierarchy of value elicits a certain dry

incredulity from those practitioners who have had difficulty in accessing funding. The cry of 'they always fund the wrong things' may have an element of resentment, but it is the resentment that springs from a conflict of values, and one that the Arts Council structure, designed for a world where high aesthetic judgement could be handed down far more readily, cannot answer.

Today, the McMaster Review has very publicly called for a return to artistic value, which it calls 'excellence'. As previously discussed, when its definitions of excellence are examined closely, they seem tainted with instrumentalism and are hardly universally accepted. The very silliness with which its publication was surrounded – James Purnell and Sir Brian McMaster both announcing the dawning of a new Renaissance – is good reason to treat it with scepticism. On the other side of the political fence, Munira Mirza, Boris Johnson's director of arts, culture and creative industries policy for London, has spoken of the need to restore a much more traditional sense of canonical artistic value. The strategy document *Cultural Metropolis* (2008), which lays out the mayor's priorities for culture in the period 2009–12, offers the following among its key priorities:

We should also be ambitious about what young people will enjoy. Too often, it is presumed that young people will only like art that they can immediately relate to. Working-class students may be steered towards popular culture like hip-hop, new media and film, on the basis that they will find older art forms like opera or ballet irrelevant. This approach patronises young people and limits their horizons. With proper support and encouragement, arts organisations can play a big role in opening young people's minds, and deepening their appreciation of culture from any time or place.

The Conservative Arts Task Force (of which Munira Mirza was a member) also included the following in recommendation 3.7 of its 2007 report:

We strongly believe that the great achievements of human civilisations should be available to and encountered by everybody.

Surely the capacity of the arts to transport individuals out of their everyday environment, rather than any imputed relevance, is a great part of their power. It breaks down boundaries of class, nation and (by celebrating the great artistic achievements of the past) even of time itself. As such, this has by no means been, historically, a position of the political Right. Roy Shaw's socialism was no barrier to his belief in providing high culture to all, and he knew that this position had a solid leftist pedigree, as he wrote in *The Arts and the People*:

One of the few things on which Marx, Lenin and Trotsky were all agreed is that the best of bourgeois art must be made available to people.

One of the great missed opportunities of the Arts Council is that, working independently of the education department and wedded to its Keynesian elitism, it did not join forces with the workers' education movement, with its roots in the work of men like Ruskin and Tawney, to encourage audience development and greater art appreciation at all social levels. Such an approach might have done much to realise Keynes's dream of making the arts self-supporting. That did not happen, and today any immediate prospect of such consensus has been lost.

How, then, can we proceed without agreement? Nothing, I believe, makes a stronger case for the abolition of state-funded art, however delivered, than this problem. There is no other compromise between the libertarians (who point to arts funding as a recent invention, associated with states with small respect for personal freedom and unacceptable in a democratic society), conservatives (who object to paying to appraise art that subverts their value systems) and social democrats (who object to art that does not serve the levelling causes of equality and unity):

A society is no longer free that relies on the government to dictate the lines of artistic development through its power to tax and spend and its control over the appointment of those who advise it on what artistic creations are supposed to be good for us.

Sir Alan Peacock, *Calling the Tune* (2001)

Short of altogether abolishing government subsidies to the arts, a more plural system than a centralised Arts Council (one without the sort of centrally determined sense of excellence that the McMaster Review offers) seems preferable by far to the current arrangements. At the least, if it has to become a matter of government policy to favour one school of artistic value over another, it should happen in the open air, rather than behind the Arts Council veil. Such decisions should be held up for criticism, not occluded, so that a national debate about art and the justification for state funding can take place.

The Arts Council is more in tune with its original purposes when it believes in objective artistic value, as determined by skilled critics, to be shared with all. But by centralising that critical function and by funding it from public money, Keynes created a body that was ill-suited to the coming world of diverse arts, where high and low, commercial and non-commercial blur and mingle promiscuously. A more instrumental approach has proved costly, but returning to a position of critical authority remains exceptionally difficult. In truth, what we call the politicisation of art is in part an attempt to resolve this question, either by seeking new grounds for selecting from projects, or by allowing objections from the public to the art supported in its name to have an impact on funding, or by giving the bully pulpit of the Arts Council over to one particular critical viewpoint, chosen by government. None is satisfactory, but it may well be better to have this argument in public rather than use the Arts Council to mask its realities.

#### 4. The Arts Council: in whose interest?

If Civil Servants did not fight for the budgets of their departments they could end up with departments so small that even the Ministers could run them.

'The Right to Know', *Yes Minister* (1980)

The Arts Council envisaged by Keynes – small of budget, effectively temporary, devoted to high critical judgement without the intrusion of democratic objections – has become a permanent body with a large budget and suspicious of high critical judgement. In the last 10 years, it has further become bound up in the process of its own (apparently continual) reinvention, shedding expertise and increasing its costs.

How did this transformation come about? And what does it mean for the future of the Arts Council that it was able to drift so far from its original purpose? It is as if the Arts Council is developing along trend lines unconnected to its intended role and function.

That may well be the best explanation. The expansion rather than contraction of arts funding, and the extreme dysfunction of the council in recent years can be understood in the light of public choice theory – an economic approach not available to Keynes. Its first significant work was published by Duncan Black in 1948, and the field was not properly developed until later still, with the publication of Buchanan and Tullock's *The Calculus of Consent* in 1962. James Buchanan's Nobel Prize for Economics, given for work on public choice theory, was not awarded until 1986.

Essentially, public choice theory examines political behaviour in positive or realistic rather than ideal terms. It finds that the individuals working in government agencies pursue their own private interests, and that the behaviour of these agencies can best be explained on this basis; and it argues that if government must act, institutional design should reflect this reality. Where some commentators

point to a 'market failure' and immediately demand government action, public choice theorists, while not opposed on principle to such intervention, respond that government failure is all too common as well, and seek to analyse which option will lead to the better outcome.

Public choice theory offers an unromantic but pragmatic view of human nature. In many ways it can trace its descent from Adam Smith's *Theory of Moral Sentiments*, and also from the spirit of the American founders (which led them to craft one of the most successful political institutions in history – the United States Constitution):

Men of this class, whether the favorites of a king or of a people, have in too many instances abused the confidence they possessed; and assuming the pretext of some public motive, have not scrupled to sacrifice the national tranquility to personal advantage or personal gratification.

The history of almost all the great councils and consultations held among mankind for reconciling their discordant opinions, assuaging their mutual jealousies and adjusting their respective interests, is a history of factions, contentions, and disappointments, and may be classed among the most dark and degrading pictures which display the infirmities and depravities of the human character.

*Federalist Papers*, 6 [Hamilton] and 37 [Madison] (1787–88)

By contrast, the Arts Council was, as we have seen, designed by Keynes, a great believer in the infallible bureaucrat. It was designed to be run by the great and the good in the public interest, an idiosyncratic combination of state funding and aristocratic *largesse*. Until the appointment of the new chairman of the Arts Council, Dame Liz Forgan, the role was not even a paid post.

Public choice theory suggests that this was always an impossible goal. Individuals pursue

their own interests, in office as well as out of it. Departments do not work for their own destruction, but to accumulate greater power and resources. This need not be done for cynical motives: existing in a government system simply demands that the games of power and influence be played. And high ability only provides the talent with which to play these games even harder. The goals of the body for which such individuals work may be served, but only where their incentives line up in the right direction.

We can see this process at work in the way that individuals joining the Arts Council rapidly assimilate to its culture. Once under its incentive structure, their room for manoeuvre is immediately limited. As one interviewee told me: 'I think there's something in the water over there!' David Lister wrote (*Independent*, 20 December 2008): 'I've noticed, however, that Arts Council chairmen over the years come in with the noblest ideals of putting the house in order, but tend to go native very quickly.'

The term 'public choice theory' smacks of jargon. To the wider public, it is just another impenetrable piece of economic slang. But happily, we do, as a nation, understand this mode of analysis under another name: one of our finest television sitcoms, *Yes Minister*, was based on its principles (and featured a very funny episode on the perverse direction of arts funding). Indeed, one of the authors of *Yes Minister* and *Yes Prime Minister*, Sir Antony Jay, wrote a foreword in 2000 for a public choice theory primer published by the Institute of Economic Affairs, entitled *Government: Whose Obedient Servant?* Drawing on research conducted among real political operatives, he observed that the realism of the series matched the realism of outlook of the public choice economists, who had turned their theoretical focus from designing the politics of utopia to understanding the politics of a fallen world:

The more we learnt, the more we realised that had we been in the same position as our fictional minister and Permanent Secretary, Jim

Hacker and Sir Humphrey Appleby, we would probably have behaved exactly as they did. The problem was not the quality or morality of the individuals, it was the system of rewards and penalties within which they had to work.

This, then, provides a clear way to state the problem with the Arts Council: it suffers from the curse of Sir Humphrey. Designed to be operated by benign technocrats in the public interest, its purpose and goals inevitably become distorted, despite (or even because of) the political skills and high intelligence of those appointed. Even individuals with the best intentions must serve their immediate interests first: empires grow; special pleading is employed; pet projects get funds; politics intrude; no one ever gives up power and influence.

This is a fresh way of looking at the arts funding issue, and not a comfortable one for many of those involved in it. It must be reiterated that this is not an attack on the personal integrity of any of those involved; it is recognition that integrity is not enough to resist Keynes's flawed understanding of human nature and democratic reality.

Bearing this in mind, the Arts Council's continuation and growth become easier to understand, even though this runs counter to its original rationale. But far more important, it gives us a window onto the peculiar problems of the Arts Council as reinvented over the last decade. Keynes's Arts Council of superhuman technocrats, acting in the public interest, limped through most of the 20th century intact, thanks to the conscious, selfless dedication of those involved to the cause of the arts. Costs were kept relatively low, and the passion and expertise of those involved drove them to pursue the best that they could for the arts they loved. There were many problems, not least lax financial management of the bodies receiving funding; but they were not disastrous. A dedication to public service may be an inefficient form of organisation, if it pays no attention to personal incentives; but with a strong culture of service, it can work at least for a time.

However, the new Arts Council was given over to a managerial vision. By replacing those who worked under an ethos of service with highly sophisticated technocrats with a powerful sense of self-interest and a brief against loyalty to the Arts Council of old, the worst possible combination was achieved.

Thus the appointment of management guru Gerry Robinson to the Arts Council chair in 1998 (a post that he held until 2004) marks a turning point for the Arts Council. Robinson was later presenter of the 2007 BBC2 series *Can Gerry Robinson Fix the NHS?*, and author of *I'll Show Them Who's Boss!* (2004), both of which give a sense of how he ran counter to the dominant Arts Council ethos, which, as Andrew Brighton observes, he was brought in to change:

New Labour came to power in 1997 with a debt to management training rather than Methodism or Marx. They re-described and intensified the Tory's [*sic*] social requirements. They did so within the terminology of, on the one hand, social exclusion and inclusion, and on the other hand, managerialism. Like Marxist-Leninism, managerial discourse assumes omni-competence. It can direct all human activities: science, culture, education, industry or whatever. The arts were a weapon against social exclusion. There were to be performance indicators, aims and targets. This was evidence based policy, there would be proof of positive social impact.

This new 'omni-competent' managerial style led to internal reorganisation, under which the regional arts boards were merged into ACE, and also to the decline of arts expertise and the rise of PR expenditure, together with a new politically correct focus on socially inclusive targets and quotas. It was, in effect, the tearing up of the always-delicate reliance on public service. A system not designed to run on individual self-interest was left with no other choice, just as it found itself flooded with the temptation of additional funding. It is no surprise that, as a result,

the Arts Council fell prey to government control and swollen salaries and costs, without achieving its primary objectives.

Where can the Arts Council go from here? A managerialist remodelling of a Keynesian expert system designed to run on a public service ethos is a toxic and unworkable combination. Either the Arts Council needs to be restored to its original ethos, with all its flaws, which would now be almost impossible, or it needs to be replaced with a system based on the understanding that public servants seek their personal interests in their work and need incentive structures designed accordingly, if they are to serve the public interest:

Administration is about means, not ends. The only ends in administration are loose ends.

'The Skeleton in the Cupboard',  
*Yes Minister* (1982) 

# 8

## Summary

- The Arts Council, founded by Lord Keynes, was flawed from its origin by his idealistic elitism.
- However, in recent years the longstanding problems have become a disaster.
- The reinvention of the Arts Council as a managerialist quango has been accompanied by a decade of wasteful spending, politically correct regulations and discredited attempts at social engineering.
- Reports commissioned by the Arts Council testify to its loss of arts expertise, its poor relationships with DCMS and the disillusionment of its arts clients, especially in the theatre world.
- The withdrawal of funding from The Public in West Bromwich and the decision to dismantle the *B of the Bang* in 2009 show an Arts Council still unable to deliver on flagship projects. Some £30 million was wasted on The Public alone. Such problems recall the failed National Centre for Popular Music in Sheffield and other project overruns.
- The McMaster Review, commissioned by DCMS, amounts to a public admission that arts funding has failed to focus on quality. But the review is flawed, and is unlikely to solve the problems.
- Despite a new chair and chief executive, and promises of yet more reforms, ACE remains in crisis.

# 9

## Conclusion

An Arts Council of the great and the good is no longer the best model for arts funding in the UK. The realities of higher funding, a government department of culture, the loss of a shared theory of artistic value and the public choice consequences of inflicting managerialism upon a Keynesian expert system demand something better.

This is emphatically not a rejection of the importance of the arts. Indeed, given the loss in recent years of arts funding to ACE administration and the arrogance of ACE in its treatment of the theatrical profession, the arts deserve much better than the Arts Council as currently constituted.

The best arguments for the Arts Council were its political independence and its expert knowledge. Both have been corrupted beyond the point of recovery. It is better to make a clean start.

There is no ideal solution. The impossibility of reconciling differing values on the arts is of particular concern, and also speaks against the advisability of a national Arts Council, especially one rebranded as a development agency, shaping the future direction of art in the UK. Short of the abolition of arts funding, this cannot be finally resolved; but it can be dealt with better.

The issue of political non-interference also raises concerns. But this issue has become a fetish that is waved about in order to maintain the Arts Council past the point when it should have been disbanded. In view of the government's apparent chokehold

on the Arts Council's attitudes, it is absurd to claim there is no interference. It should be remembered that democratic accountability and not patrician control is appropriate to a free society, and it should be noted that the great museums and galleries receive funding direct from DCMS without the sky falling in on them.

Keynes never intended to create an institution that would last so long or manage so much money. It is time for a new national settlement for the arts in Britain – one that values them on their own terms, acknowledges the virtues and the many dangers of state funding, and negotiates them with a light hand.

There should be no rush to change, but the strong likelihood of a new government at the next election provides both time and opportunity to plan for a better alternative. In the spirit of providing some suggestions for that conversation, certain recommendations are offered under seven broad headings:

1. **Reforming the Arts Council**
2. **Plural goals, not central policy**
3. **Regionalism**
4. **Growing independence**
5. **Education for audience development**
6. **Artistic freedom**
7. **Individual responsibility.** 

# 10

## Recommendations

### 1. Reforming the Arts Council

Arts Council England is about to attempt to solve its problems through a third round of internal reorganisation. Instead, it needs far more thorough reform. One option is to attempt to keep the Arts Council but flush out all the bad and unproductive changes, slimming it down and restoring some of its original features.

However, without abolishing the DCMS, slashing the Arts Council's budget and restoring it to direct Treasury funding, it is hard to see how the old model, with all its faults, could be brought back under control.

It is worth noting that the devolved Arts Councils of Wales and Scotland have been experimenting with recalibrating their relationship to the state (with varying degrees of success), and it is time for England to follow suit.

The national Arts Council should be abolished, but the nine regional councils should be retained, in a slightly different form.

The watching brief for national strategic oversight would pass to DCMS.

The Crafts Council and Arts & Business should be returned to direct DCMS funding, and Arts & Business should regain the £2 million for match-funding that was taken away by ACE.

The 'national' regularly funded organisations (RFOs) should be funded directly from DCMS, on the established principle of non-interference, as is already the case with national museums. At the same time, the non-departmental public body (NDPB) rules should be updated in accordance with the Tusa Report, recommendation 1.6:

We recommend that the designation of certain arts institutions as Non Departmental Public Bodies – such as the major national museums – should be amended so that these organisations can operate with greater independence. This will allow Boards of Trustees and senior staff the freedom to determine rates of pay, build or tap reserves, raise loans (as universities can) and act

as independent charitable bodies unhampered by civil service bureaucracy.

Smaller RFOs and other recipients of modest government arts grants should be funded through their respective regional councils, with the possibility that after a number of years of regular funding, or funding over a certain amount (perhaps £1 million a year), RFOs should come under direct DCMS funding.

The responsibilities of the regional councils should not include the lobbying of government for extra funds, but should be explicitly limited to the disbursement of funds as allocated by DCMS.

### 2. Plural goals, not central policy

One of Baroness McIntosh's findings in her 2008 report was that ACE's sudden cuts in theatre funding grew from its interpretation of the McMaster Review (to which ACE had access before general publication) and a desire to recalibrate funding policy toward excellence and risk-taking, as that report recommends. However, as the theatre profession then had to explain (at some length) to ACE, there are many reasons to justify funding, not all of which have to do with the immediate pursuit of a second Renaissance. These include the maintenance of a network of opportunities for in-work training, access to arts performances for audiences otherwise deprived, and even simply the continuation of funding when money has already been successfully invested, as in the case of the Northcott Theatre, which was threatened with the withdrawal of its operating grant the day before it reopened after a £3.1 million refit.

The very idea of a central policy on the development of art should be anathema, both as a matter of personal freedom and in recognition of the many contested visions of artistic value among English citizens. It is neither practical nor desirable to develop a one-size-fits-all solution for the arts. This is the central error of the McMaster Review, and the theatre funding scandal has already shown

that such an approach is too prescriptive.

There should be no national policy for the development of artistic content; the need to consider plural goals and the existence of plural systems of artistic value in making funding decisions should be acknowledged by the regional councils.

### 3. Regionalism

Keynes's original vision was of an Arts Council of regional variety, as he made quite explicit:

How satisfactory it would be if different parts of this country would again walk their several ways as they once did and learn to develop something different from their neighbours and characteristic of themselves.

Such variety should once more be sought and welcomed. Indeed, the regions should not merely pursue variety, but should be encouraged into a competitive attitude, under which they vie to outdo one another in their artistic achievements. While the glib talk of a new Renaissance that surrounded the McMaster Review should be eschewed, it is undoubtedly the case that the historical Renaissance was spurred, at least in part, by the competition in artistic patronage between Italian city-states.

Giving greater power and autonomy to the regional councils by removing the national council will be a step in the right direction. In order to encourage their independence and local character, the regional councils should be smaller and should lose the six local/regional government representatives that sit on each (a total of 56). The places on the councils should continue to be unpaid, and should be filled by arts experts, directly elected in open primaries within the regions. (Certain restrictions should perhaps be placed on the composition of the councils, to ensure that they contain a healthy mix of financial-administrative and artistic expertise.) The McMaster Review's call for practitioners to sit on the boards of arts organisations should be applied at this level.

In order to provide financial oversight, an independent body should be appointed to act as a

national 'OfArt'. It would not have any responsibility to address questions of artistic content or quality, but would assess efficiency and related value-for-money questions, and would develop publicly available, standard statistical data for ease of comparison on a national scale.

While experiments with regional autonomy have been made in the past, the presence of the national council and, to some extent, the centralising policy of DCMS have worked against this. Removing the national council would help, and a positive commitment by DCMS to encourage regional variety and competition, alongside a commitment to resist the sort of one-size-fits-all folly of the McMaster Review, would also be essential.

There might also be room for a regular inter-regional festival, cycling round each of the nine regions, in the manner of the ancient Greek pan-Hellenic festivals, which included both sporting and cultural components (given DCMS's current remit, any modern equivalent could also combine the athletic with the aesthetic). The oldest English music festival, the Stratford and East London Music Festival, founded in 1822, is a small-scale, intra-borough version of what can be achieved in this vein.

### 4. Growing independence

Keynes's vision of the arts becoming self-sustaining has faded from view. This is unsurprising: given a public choice theory perspective, the arts have been under the administration of an Arts Council with no interest in encouraging its own demise. It is important to recover a dynamic in which a more varied funding base is attained. The creation of the Prince of Wales Medal for Arts Philanthropy in 2008 was an excellent initiative, and deserves to gain greater public awareness.

In that light, the return of Arts & Business to independence and the restoration of its match-grant funding would also be a welcome step. Placing such a body within the Arts Council, where it could only

be treated with suspicion and as a rival, was an absurdity that has been allowed to continue for too long.

Equally, the suggestions within the Tusa Arts Task Force report on changing tax law to encourage greater donations along the lines of the American model (recommendations 2.4–2.9) should be implemented, as should the 2004 Goodison Report. A major study should be conducted into the American system of financial incentives for foundations and individuals, and into the lessons of this for England, including the possibility of encouraging more donations from overseas patrons.

Sage Gateshead has demonstrated the value of the security of an endowment-based approach, and efforts like Sir Colin's Challenge, which aims to raise £1 million for the London Symphony Orchestra's Endowment Trust, understand its importance. In a major arts policy speech in June 2008, Shadow Culture Secretary Jeremy Hunt committed himself to encouraging the establishment of arts endowments:

Setting up endowments are the next big frontier for the UK arts world to cross, and a future Conservative government will look carefully at what can be done to encourage them.

RFOs (and particularly NDPBs, which would encompass the great national arts companies) should be encouraged to raise more money from private sources in the medium term, and in the long term to create or build endowment funds. In 2001, in the context of Scotland, Donald MacDonald laid out proposals to provide a capital base for major arts companies from lottery funds (see *Calling the Tune: A Critique of Arts Funding in Scotland*), and these deserve serious consideration in an English context. In general, these stronger requirements placed upon RFOs would be balanced by the guarantee of state funds over longer periods and greater independence within that funding.

It is important to reassure the arts community that these reforms aim to improve their funding base and not simply to apply cuts for their own sake.

Part of that reassurance should come by restoring honesty to the reporting of arts spending, so that both the arts community and the public are aware of the money raised by private donations, as well as of state aid (ACE has not been good at publicising Arts & Business achievements, for obvious enough reasons). Alongside that, there needs to be a commitment to restrict administration costs and pass more of the state grant to arts organisations. Finally, the current Conservative proposal for a National Lottery Independence Act should be taken forward. This would restore an extra £53 million annually to the arts from lottery funds, and prevent the arts pot from being raided by future administrations for other pet projects. DCMS should regularly publicise real-term arts funding from grant in aid, lottery money and private support.

The English National Opera currently receives 53 per cent of its income as an Arts Council grant. This is too high, and the company has faced difficulties for some time. Special measures need to be put in place before the situation becomes critical, in order to avoid any possibility of a repetition of the bail-out of the Royal Opera House.

## 5. Education for audience development

Historically, the Arts Council has not done enough to encourage the growth of private support for the arts through education. Schemes such as the new plan to give free tickets to those under 26, or the McMaster plan for open-house weeks across arts bodies are very expensive and are unlikely to succeed in generating new audiences. They should be scrapped in favour of more work on audience development through education. Sir Alan Peacock has long been a supporter of funding for this purpose, and certainly few other investments seem as likely to help achieve Keynes's vision of English citizens valuing the arts and expressing their appreciation through their own leisure spending.

In recent years, ACE has been running, at considerable expense, a major arts education scheme called Creative Partnerships, which is now to become an independent body (still funded by ACE as its single largest client) called Creativity, Culture and Education (CCE). However, the prominence of 'creativity' in the name reveals its true purpose. This project is based largely around the current government's beliefs regarding the creative nature of the 21st century economy, and the need, on instrumental grounds, to encourage such thinking in the workforce of the future.

The belief that creativity needs to be taught for economic reasons derives from Sir Ken Robinson's report, commissioned in 1998. However, the failure of instrumental prescriptions for the arts suggests that this, too, should be re-examined. James Heartfield's essay in *Culture Vultures*, 'A Business Solution for Creativity, Not a Creativity Solution for Business', provides a scathing corrective to much of the creativity fixation:

The ambition to become one of the select few, today's aristocracy of labour, 'the creatives', is what has driven the massive expansion of courses in art and design, of book clubs for would-be authors, and, in the musical domain, of bedroom bands. But there are uncomfortable truths to reckon with. Less than a quarter of graduates in design actually start work as designers. The manuscripts are mostly unreadable, the bedroom bands unrecordable. Those ambitions are exploited to draw on the free ('work experience') and underpaid labour of runners, web-content writers and office dogsbodies throughout the cultural sector.

Despite the attempts to big them up, the creative industries are in a ghetto of their own making. 'Creativity' seems too much like a formula to avoid work.

Even if creativity education is justified, the CCE project should be further examined to determine whether arts participation is the most effective

means, in terms of value for money, of raising creativity in schools and, ultimately, the workforce. It would seem that the age of 'Web 2.0', where tech-savvy youngsters are constantly mashing up images and writing fan fiction online, is nurturing a creative class by a natural dynamic that has no need to appeal to special remedial programming.

All of this is not to speak against arts education, but rather to question the generous funding of CCE on instrumental grounds that have little to do with arts appreciation. The Tusa Arts Task Force report offers a number of recommendations on altering Creative Partnerships, and recommendation 3.7 – which proposes a rebalancing in favour of knowledge-based, rather than experience-based, learning – should be taken into account.

The arts education programme has suffered by being an offshoot of the arts funding body, where claims about its ability to raise achievement or inculcate creative attitudes are perhaps not examined with sufficient rigour. All responsibility for CCE, including funding, should be transferred to the Department for Children, Schools and Families. The body should first be subject to a rigorous review, and should be refocused to introduce tough targets for more knowledge- and discipline-based learning; in particular, there should be targets relating to audience development, and continued funding should depend on those targets being met.

Finally, it should be remembered that school is not the only time when a love of the arts can be cultivated. The neglect of non-vocational adult education classes should be reversed, and the discovery of the arts in later life encouraged. And, in a similar manner to the Tusa Arts Task Force report recommendations, DCMS should pay special attention to the use of the internet and related new technologies, to help encourage the golden age of access that these developments promise: BP's big-screen opera and ballet, Metropolitan Opera's cinema broadcasts, the launch of NT Live, the UK

Film Council's findanyfilm.com website, classicaltv.com, and France's medici.tv are already examples of this. Peter Bazalgette's suggestion of online, public-service content funded through the BBC and serving as an 'Arts Council of the net' is an excellent idea and should be taken up as a serious proposal ('Public Service Narrowcasting', *Prospect*, February 2009).

## 6. Artistic freedom

The existence of the Arts Council, especially in its debased, ACE form, offers no protection for artistic freedom in Britain. This should be evident to anyone who considers its record in recent years, and the politically correct art, laden with diversity targets and social purpose, that has been the result. In truth, the Arts Council has never offered much protection of this kind – it proved perfectly compatible with theatre censorship for 20 years, for instance.

But we live in a time when artistic freedom is under threat from violent protest and from heavy-handed government interference, whether in the name of community relations or simply the dread words 'Health and Safety'. This is recognised by the McMaster Review, which recommends that 'funding bodies and arts organisations act as the guardians of artists' freedom of expression'. Given the regular culpability of central government in this regard, however, that would seem to be the right concern but the wrong target.

Only DCMS has the authority and power to argue against other departments within government on this matter. Given the inevitable concerns over a direct DCMS role in arts funding, the defence of the freedom of artistic expression should become a major, explicit DCMS responsibility.

For too long, only the voice of public safety and control has been heard, especially within government, and not the voice in defence of the public square and the artist's liberty. With DCMS as the voice of freedom of expression, it could make the case within government – and to the public – for controversial work.

The new responsibility would also require DCMS to focus its attention on undoing the petty rules and regulations that have accreted almost silently around public performance in recent years: from the regulations that restrict the access of foreign artists to the UK (against which the Manifesto Club is currently running a campaign), to Form 696 in London, which demands that the police be provided with information in advance of performances. Concerns about onerous health and safety and insurance regulations have also blighted many cultural events, especially at the amateur and local level:

The supreme power then extends its arm over the whole community. It covers the surface of society with a network of small complicated rules, minute and uniform, through which the most original minds and the most energetic characters cannot penetrate, to rise above the crowd. The will of man is not shattered, but softened, bent, and guided; men are seldom forced by it to act, but they are constantly restrained from acting. Such a power does not destroy, but it prevents existence...

Alexis De Tocqueville,  
*Democracy in America*, I.6

It is time to stand up to this regulatory creep, from which the Arts Council's much-vaunted arm's-length principle has distracted much attention. The complex issues surrounding copyright in the age of the mash-up also require urgent and serious attention, to prevent the perverse restriction of significant creative work such as Nina Paley's *Sita Sings the Blues*. The government's recent decision (in December 2008 – see *UK Government Response to European Commission's Green Paper – Copyright in the Knowledge Economy*) not to seek revision of EU copyright law on this point seems short-sighted. Lawrence Lessig's book *Remix: Making Art and Commerce Thrive in the Hybrid Economy* (2008) and generous individual decisions by creators such as Jim Davis, who chose to support the *Garfield*

*minus Garfield* reworking of his material, show America taking a creative lead that Britain should seek to narrow. Again, those in search of a new artistic flowering in England should bear in mind that the decision in 1695 not to renew the Licensing Act did more to encourage one of the world's greatest literary cultures than anything else.

## 7. Individual responsibility

A managerial culture has poisoned the Arts Council. Returning to a better system demands an alternative vision. This must centre not on micro-management, on PR, consultants and targets, but on the driving force of the arts: the talent of exceptional individuals. It is the knowledge and passion of Lead Officers and council members, the vision of curators and artistic directors, and the talent of individual artists that make art great. We need a system that values and celebrates these individuals, giving them the support and the space they need to do their best work.

In that spirit, and as a reminder of this commitment, the final recommendation is for the creation of a national award scheme, somewhat in the spirit of America's MacArthur Fellowships, to be funded from private sources. This would award substantial grants to exceptional individuals in the arts, with no strings attached. It should be placed under the control of a prominent royal – the present Prince of Wales would seem an excellent candidate – assisted by a triumvirate of senior and well-respected arts figures, reappointed for each new round of awards: one critic, one artistic director/curator/conductor and one practitioner. In the spirit of the times, there might also be room for national voting on potential candidates. This would continue the national tradition of royal patronage of the arts, maintain independence, and also provide a potential avenue to further publicise the Prince of Wales Medal for Arts Philanthropy.

Art is made not by committee, nor by service to a national project, but by passionate, daring individuals. The Arts Council has lost track of

this essential truth. It is time to recover it again. The Tusa Arts Task Force report offers a related concept, which seems very helpful, when it speaks of 'responsibility':

Government should recognise that trust allied to responsibility is more effective than insisting on mere bureaucratic accountability.

That understanding must form the basis of any future arts policy for England. Art is rooted in freedom, and it is suffocated by controls and guidance, however helpful they are intended to be. That men like Sir Simon Rattle and Peter Brook should end up working overseas is a rebuke to our culture of support without sufficient trust or responsibility. Simon Rattle's 2001 attack on the Arts Council from the security of his new post in Berlin should not be forgotten, but should be the epitaph of the new Arts Council:

Shame on the Arts Council for knowing so little, for being such amateurs, for simply turning up a different group of people every few years with no expertise, no knowledge of history, to whom you have to explain everything, where it came from and why it is there, who don't listen and who don't care. Shame on them. 



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