

# A New Landscape for the Arts

## The Arts Task Force

Submission to The Shadow Secretary of State  
for Culture, Media and Sport



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## CHAIRMAN'S INTRODUCTION

In December 2006 I was asked if I was interested in chairing one of the policy task forces set up by David Cameron. Its terms of reference were wide – the Conservatives were looking for fresh thinking on the arts, were not prescribing any limitations on what might emerge or what directions should be pursued. They emphasised the importance of my role as an independent figure in the arts world and insisted that they were looking for an independent approach to the whole area of arts policy.

This emphasis on the value the Conservatives attached to the independence of approach of the task force made the process of deciding on its composition far easier. I will leave it to others to ascribe party allegiances to the members of the group as they will. I know only two things; some of them are definitely not Tories; what we all are is driven by a belief in the value and importance of the arts and on no occasion did a discussion about the report or recommendations turn into a politically-driven discussion.

The group's open and declared independence made the recruitment of witnesses very easy. Almost everyone we approached to take part – sometimes in private, twice in public – agreed to do so. In fact, we discovered an enthusiasm to talk openly about arts and arts policy that reflected and reacted against a rather claustrophobic, prescriptive, numerically-driven arts dialogue that has characterised recent years. It was as if a door was opening for debate, and many in the arts world could not wait to join in a process from which they currently felt excluded. We are very grateful to them all. None are responsible for the Task Force's conclusions, but the recommendations will often have been shaped or directed by the evidence we heard.

From an early stage, the Task Force decided that we would not make direct recommendations about core funding from the government as such. 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.

We decided instead to concentrate on four areas of

concern where arts policy intrudes seldom or at best marginally. They are:

- **the way in which structures of government, local government and arts policy administration work together – or not at all – to deliver the best possible result for the arts.** Are they, to use government cant, “joined up”?
- **the ways in which taxation policy towards private and corporate support and philanthropy should break away from the often puritanical inhibitions and restraints that seem to colour the architecture of so many Treasury regulations.** Specifically, could the Treasury be weaned off the “zero-sum” notions - where a grant to the arts means no or less grant to someone else - to a “zero-plus” game where the notion of “income foregone” in the future might be welcomed if it truly released significant quantities of additional support for the arts.
- **the role of education in the arts world and the arts in the education world.** It should, in our view, be a two way relationship rather than the lopsided one it tends to be today.
- **the ways in which technology can aid the arts in new relationships with audiences.** This area is surrounded by the greatest degree of uncertainty or even ignorance. Some people believe there is a “great idea” lurking in the thickets of technology's applications but no one is sure what it might be. Everyone would love to find it. Some exciting examples of good practice in the arts world exist; why are they so poorly shared and not mutually explored?

By making recommendations in these four areas of arts activity and policy, we hope to open up new ways of devising arts policy and new ways of implementing it. Imaginatively followed, we could be looking at a “new landscape for the arts”. In such a landscape, politicians, artists and arts administrators could turn their backs, with sighs of relief, on some of the sterile debates of the last two decades. They have become hoary old chestnuts.

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.

The arts are a success story, regionally, nationally and internationally. The time has come to cherish and nurture them, not to carp at them.

We can recognise, too, that the state-subsidised arts sector is both closely linked, and a huge contributor to, the private entertainment sector, from theatre to television and cinema. Actors, designers, directors are created in state-subsidised academies and colleges. They migrate effortlessly and naturally to the private sector. They are part of a whole to which each contributes. The old jibe about the “popular arts” and the “unpopular arts” is way out of date – or should be. Each relies on the other. We can also accept that the language of hard objectives has both run its course and shown few results in relation to the time and effort put in to devising, implementing and measuring them. There is, in short, a vital difference between “accountability” which has been turned into a series of rigid, bureaucratic formulae in the name of the demands of the democratic process; and “responsibility” which elevates personal and professional responsibility for the proper use of public money to a higher moral and managerial value. The concomitant of the acceptance of such responsibility is operational freedom, in turn connected with readiness to accept the consequences of failure.

Such thoughts would be irrelevant without audiences. All the evidence is that audiences of many kinds, types and varieties engage with, support, get involved in and are committed to one or more art forms. The arts are popular. Places and people are enriched by them. Government arts policy should recognise and respect this fact and construct policies that meet this huge public appetite.

The choice is simple – either to continue the same old guerrilla warfare over the same old issues, with the same old minimal results. Or to take a broader view whose working assumption is that the benefits to be released by a more generous, open minded approach to the arts can yield benefits to society as a whole that far outweigh any increase in costs. We believe the recommendations in this report can contribute to such a result.

**Sir John Tusa**

October 2007

## 1. STRUCTURES

The administration of the arts world is characterised by a plethora of different institutions, bodies and structures from Whitehall departments to quangos (such as Arts Council England - ACE) to local authorities and regional development associations. While co-operation occurs on a haphazard basis, there is no evidence that a fully “joined up” set of policies on the arts is delivered by this web of overlapping and independent bodies. Worse, some of these organisations no longer effectively fulfill the purposes for which they were created and the resultant bureaucracy is both wasteful and daunting.

We believe that a radical look at the operation of specific institutions is needed and a greater emphasis placed on the need for the arts to be taken more seriously and in a collaborative manner by all the bodies that have an interest in them. Our recommendations look to a major improvement in focus on stimulating and fostering the arts throughout the country. They are not to save money.

## RECOMMENDATIONS

**1.1** We recommend that a true Department of Culture be established, comprising the arts, heritage, media and the larger part of the creative industries. Sport should be transferred to a separate office as is standard practice internationally, where we believe that it too would benefit from direct ministerial focus. We note that the 2012 Olympics have already been removed from the departmental remit. As recent events have shown the arts and sport make poor departmental bedfellows. Although the new Department of Culture would be comparatively small in terms of overall budget, its new status would properly reflect the defining importance of culture to national life as well as its spin-off economic and social benefits. The Secretary of State for Culture must be a member of the Cabinet.

**1.2** We recommend that the ‘national’ Regularly Funded Arts Organisations (RFO’s) which are currently funded through ACE should receive direct grant funding from the new Department of Culture, on the well established principle of non-interference as is the currently the case with national museums. This would leave ACE free to operate principally in the nine

regions (including London) where it has demonstrated its greatest effectiveness and where it would look after small and medium sized organizations more effectively. It should work alongside (and ideally be co-located with) the Museums, Libraries and Archive Council (MLA), as the bodies jointly responsible for the regional development of museums and galleries and the performing arts.

**1.3** We recommend that the restructured ACE be co-ordinated by a slimmed down central office adopting a role for the development and promotion of technology in the arts world; for giving advice and demonstrating best practice in fund- raising and charity legislation; and as broker for increasing project co-operation on the arts with local authorities and other bodies. It should aim to maximise the impact of the funds available for the arts through all the agencies.

**1.4** We recommend that the Crafts Council should be de-merged from the Arts Council and its original aims and functions restored and up-dated.

**1.5** Ever-changing charity rules and regulations and VAT schemes are particularly onerous for small and medium sized arts institutions given their stretched resources. We recommend that support services in these areas should be made available on a free basis through the regional Arts / MLA bodies.

**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.

**1.7** We recommend that a strong cultural element should be introduced to Local Authority performance assessments. The “Culture Block” in the Comprehensive Performance Assessment (CPA) used to establish the effectiveness of local authority performance must include significant acknowledgement of the importance of the performing and visual arts. As things stand, the Culture Block is really about leisure and lifestyle not the arts.

**1.8** We recommend the setting up of the Arts and Parliament Trust (APT). This should be organized along the lines of the current Industry and Parliament Trust, ensuring that the UK has the best arts-informed Parliament and best parliamentary- informed arts community in Europe. APT would organize educational exchange fellowships for MPs, MEPs, Peers and officers of both Houses within a range of arts organisations. A programme of seconding civil servants to arts organisations should also be encouraged and implemented.

## 2. ARTS FUNDING

All our witnesses supported a mixed economy approach to arts funding. This was seen as essential. They recognise that government cannot do it all and that the solution must lie in a partnership of public and private funding.

All the arts require sustained investment. Spending on the arts is small change in terms of overall state expenditure. The arts of every kind must be equipped with the resources to meet the challenges of diversifying audiences, ensuring that they reflect and display the best of modern and contemporary culture from across the world as well as retaining the great works of art of the past. Strong funding streams are essential to the performing arts and to the continued success of our museums and galleries. This is particularly important if the arts are to make the Cultural Olympiad a significant and important contribution to the success of 2012.

## RECOMMENDATIONS

**2.1** We recommend that the Treasury’s current three year funding settlement should be increased to five years. The arts should demand and expect a degree of certainty in the level of government funding. The arts should be given a consistent level of expenditure over a longer period of time, with automatic annual inflationary adjustments. Spending settlements should be agreed and announced well in advance of the date of implementation

**2.2** The introduction of free admissions to museums and galleries has been a great success. We know that

some other museums and galleries that are still charging would welcome the chance to go free. We recommend that the current obstacles are removed to make this an easier process. A change in the entitlement to reclaim VAT will make this a much more straightforward decision.

**2.3** “Renaissance in the Regions” has been a success and should be retained and rolled out across the country without restrictions on its use and purposes

**2.4** We recommend that the tax incentives that currently exist on gifts of shares, securities, land and buildings are made much simpler, with the benefit to the donor made clearer and easier to operate. Both the Treasury and the receiving institution should improve the way they explain and promote the tax benefits to donors.

**2.5** Gift Aid has brought new income to charities and the arts but it needs to be drastically simplified. We recommend the introduction of an 80% ruling of gifts to charities whereby 80% of all donations are deemed to be from taxpayers and therefore qualifying for Gift Aid. This immediately cuts out a huge amount of bureaucracy and paperwork. We note that a similar point has been made by the Social Justice Policy Group.

**2.6** It is clear that there are donors for whom Gift Aid does not prove enough of an incentive to give significant sums to charity. We recommend that Gift Aid should be limited to individual donations of up to £5,000 and new more generous incentives should apply for donations above this.

**2.7** We recommend the introduction of new tax incentives for corporate giving and private giving. For individual donations above £5000 we recommend an incentive in which all the benefit goes to the donor. We also need to introduce new tax deductions for companies. In the US there is an income tax deduction of 100% of the value of gifts in cash or works of art. In France a 90% rate for corporations and a 66% for individuals. We cannot continue to ignore these international comparisons.

**2.8** We recommend the introduction of Charitable Remainder Trusts as tax efficient vehicles for planned giving. The debate has been going on for far too long. These enable a person to donate assets whilst receiving

tax benefits and income stream from them. As well as substantially boosting philanthropic income they enable donors to enjoy the fruits of their philanthropy.

**2.9** The range of tax incentives for private philanthropy in the UK lags behind many of our international competitors. In comparison with the USA, Canada, France and Australia, the UK has no tax schemes to encourage the gift of important works of art during the lifetime of the donor. We recommend that gift of cultural objects and artefacts should be eligible for tax relief during the donor’s lifetime as outlined in the Goodison and the Art Fund Living and Giving Reports. This should be capped at £20 million a year as is currently the case with the rule for acceptance in lieu.

**2.10** We recommend that The National Heritage Memorial Fund be re-established as an appropriate fund of ‘last resort’. We welcome the increase of funding from £5m to £10m in 2008 but we think it falls woefully short of what is needed. We recommend that it should be increased to £50 million to be maintained on an annual basis. This will enable it to play an important role in emergencies such as the rescues of Tyntesfield and Dumfries House. An adequately funded NHMF can in future provide the initial tranche of funding around which other contributors can coalesce.

**2.11** We recommend that the charitable giving rules and regulations that inhibit an institution’s ability to fully embrace the new culture of giving are scrapped. The HM Revenue and Customs’ rules reflect a fiscal puritanism, and a narrow bureaucratic interpretation of how donors’ gifts can be celebrated. We recommend that these rules are radically overhauled so as to enable the recipient organisation to thank donors as they see fit. (For examples of current rules, please see HM Customs and Revenue website).

**2.12** We recommend that no further Arts and Heritage Lottery funds be diverted to pay for the 2012 Olympics. We also recommend that the arts and heritage continue to benefit from their current proportion of Lottery good cause funding.

**2.13** We recommend a renewed Government commitment to the original purposes of the Lottery. The additionality principle needs to be restated and the independence of the Trustees reconfirmed.

**2.14** The broader arts economy has been an integral part of Britain's success. The art market, particularly in London has been an important contributor to the tune of £5 billion per annum. The Government must continue to defend our position as the second largest art market in the world and strenuously resist policies that will damage and undermine this advantage.

### 3. LEARNING AND THE ARTS

Our discussions on learning and the arts reinforced our emerging view that there can be no division between the intrinsic and the instrumental value of the arts. Participation in the arts helps us make sense of the world, reinforces both our individuality and our connectedness, expresses values, raises achievement and, quite simply, makes life better. The evidence we received from witnesses developed our belief that good arts education must create a virtuous circle which connects creative, practical engagement - making things - with a knowledge and understanding of what other people have made – of culture - both of today and of the past. We must never underestimate the capacity of people to be inspired by the very best that human civilization has to offer, from King Lear to the Mahabarata, from Beethoven's 9th to Duke Ellington, from the Terracotta Army to Bridget Riley, from Jane Austen to Toni Morrison. We must strive to make these great achievements available to everyone We must also ensure that young people who have the aptitude and talent to do so are able to pursue their own excellence in the arts, and to undertake the kind of advanced training required to be a dancer, an instrumentalist, a sculptor or an actor. We are emboldened and inspired by the example of the Simon Bolivar Youth Orchestra performing at this year's BBC Proms where the poorest children followed the highest possible standard of advanced training and achieved world-beating musical excellence.

### RECOMMENDATIONS

**3.1** We recommend that there should be an entitlement to culture for all young people: all young people must be enabled to attend cultural events as part of their schooling, and all young people should have easy and affordable access to advanced training in their special discipline, should they choose to pursue one. .

**3.2** We recommend that, in order to deliver this cultural entitlement, there is an increased arts-focus in Initial Teacher Training .

**3.3** We recommend that the departments responsible for culture and education develop a more focused sense of joint responsibility. Creative Partnerships (or its equivalent) should shift its focus more towards teachers, thereby increasing its reach and developing a more sustainable framework. This framework would provide both intense artistic experiences and clear pathways into sustainable training for young people with aptitude – most importantly, an affordable (not necessarily always free), understandable and, where possible, local structure of specialist teaching for young people with aptitude

**3.4** We recommend that on a local level, independent and state schools should combine to share specialist teaching and resources to raise standards and to create more ambitious arts productions, ensembles and exhibitions.

**3.5** We recommend the introduction of the Schoolsmark (along the lines of the current Artsmark) to be awarded to arts organisations in recognition of their commitment to a dynamic relationship with a wider community. Provision of programmes for young people must be part of the diversity strategy of arts organisations. This may be work specially created for children or classic work shown under conditions which are suitable for young audiences. Our arts organisations must endeavour to create platforms for young people's own artistic work.

**3.6** We recommend that funded arts organisations maximise as much as possible of their programme, making their ideas and resources available to all through the internet thus expanding it from being primarily a marketing tool to a universally accessible alternative venue. There should be a national online arts resource which focuses on making the best content and educational resources available to all

**3.7** We recommend that there should be a better balance between experience-based and knowledge-based learning of the arts. We strongly believe that the great achievements of human civilisations should be available to and encountered by everybody. It is welcomed that the current government places stress on

creativity in education, but sometimes this is interpreted in a simplistic way, emphasising what is immediately fun, relevant and personally gratifying for students. There is sometimes a fear in arts education that young people will be put off the arts if they appear too difficult. However, we believe that genuine creative education also requires systematised learning of cultural knowledge, and elements like individual self-discipline, patience, repeated practice and rigour. To truly understand and enjoy the arts, young people must be enabled to grasp the unfamiliar and alien, to make sense of complex ideas, and remember vast amounts of information. These capacities are not the opposite of being creative but a necessary component

## 4. THE ARTS AND TECHNOLOGY

The immense technological advances of the last decade have radically altered arts provision in the UK. Whether visual or performance based, the arts are perfectly placed to take advantage of the new online environment. While some institutions have adapted to the technological challenge well, many have not, and the role of government remains vague. We were surprised to learn that ACE, while encouraging arts organisations to be innovative, has played virtually no role in the development of online and new media ventures.

The complex issues of intellectual property rights and performance rights present major difficulties to arts organisations. Some of our witnesses wanted copyright terms to be considerably shortened, and general restrictions liberalised. But, in an increasingly knowledge based economy, it is impossible to make one set of copyright laws applicable to the arts, and another for everybody else. We have concluded, therefore, that arts organisations should find the most effective means of operating within the current environment.

## RECOMMENDATIONS

**4.1** We recommend that all arts organisations should see an expansive, innovative, and interactive online presence as part of their core activity. The emphasis should be on content, rather than marketing or income generation. They should be supported in this by arts

funders, who will reward success, and encourage organisations to take risks in exploiting their assets in new media.

**4.2** We recommend that a greater proportion of arts Lottery funds should be made available for new media development, such as placing performances and collections online.

**4.3** We recommend that public funders support arts organisations in negotiations with performers' unions, who in turn must accept that it is in the long-term interests of their members to support audience development via new technologies without necessarily asking for additional fees.

**4.4** We recommend that those visual arts organisations that have not already placed their collections online should see as a major priority the opportunity presented by the 2012 Cultural Olympiad to showcase British works of art to the world. The combination of new technologies and old curatorial skills should lead to an unprecedented national assessment of what we have, and act as a spur to further scholarship.

**4.5** We recommend that the restructured ACE acts as an agency to provide guidance and expertise to arts organisations to raise their technological ambitions. In addition, the agency should promote technological innovation; support partnerships between private companies, sponsors and arts organisations; provide advice on all Intellectual Property Rights (IPR) issues, and encourage a coherent overall approach for use and exploitation of IP among arts organisations.

**4.6** We recommend that each organisation should have a fully developed and easily understood IPR policy. In future, organisations should, when commissioning work, seek to acquire as many rights as possible at the outset, and they should be supported by funders in this.

**4.7** We recommend that Government take the lead in negotiating with collecting bodies such as the Design and Artists Copyright Society a blanket scheme for the allowance of non-commercial use of works by institutions. This would release organisations from the laborious and expensive clearance process.

**4.8** We recommend that the protection of an arts organisation's own rights should not interfere with the

user's ultimate enjoyment of that organisation's productions or collections. In some cases, an arts organisation's protection of its own rights detrimentally affects the contents of its own website.

**4.9** We recommend that arts programmes must remain a significant condition of Public Service Broadcasting (PSB). Currently, 'arts and classical music' accounts for about 4% of television PSB output, although the bulk of this is aired on BBC Four, and the general trend has been for arts programmes to move out of peak-time. Ofcom's definition of 'the arts' should include a greater focus on productions of UK arts organisations, and Ofcom must continue to ensure that arts programmes are well represented by PSBs after digital switchover.

## CONCLUSIONS

The Task Force's recommendations have been informed by a belief in several basic principles. The principle of excellence in the arts must be absolute; the arts cannot contribute in all the ways demanded of them without this commitment.

We believe that with the full assumption of responsibility by the Trustees of arts organisations, government should recognise that trust allied to responsibility is more effective than insisting on mere bureaucratic accountability.

We believe that our vision of a new landscape for the arts will allow ambition to flourish still more. As it is, the arts are a huge British success story. This new landscape will allow success to flourish.

The arts world needs to deliver its side of the bargain. A culture of asking and a culture of recognising giving is part of the landscape in which a culture of giving can thrive.

Within this new landscape the arts would be liberated. The time has come to remove the chains.