

Art Figures

Policy Paper 38



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Summary

The arts are valued for themselves in a civilised society. Liberal Democrats believe that the arts are confidence building, self-affirming and identity forming. They help to create a sense of community and contribute to good health and to social and economic well-being. Liberal Democrats believe that it is a primary function of government support for the arts to help to make the arts accessible to all. Therefore we propose doubling the resources currently distributed through the Arts Council and bringing public expenditure on the arts in the UK broadly into line with our European partners.

Education

It is of primary importance to ensure that educational opportunities are available to all on a life-long basis. However the opportunities children have at school to learn are of a far more vital nature. This is the only chance young people have to be exposed to the richness and variety of cultural experience. In addition, it has been demonstrated that cultural activity at school can reap significant rewards for education in other areas, particularly mathematics. We therefore propose:

- Formulating an explicit definition of arts entitlement in schools, including measures to be taken by the Government.
- Revising the curriculum to include an arts subject at each Key Stage.
- Paying for instrumental tuition out of the central curriculum budget.
- That the Teacher Training Agency includes a major arts component in training of teachers in Key Stages 1 and 2.
- Encouraging and resourcing regular visits to the theatre and other live performances.

Entitlement

Liberal Democrats recognise that working professionally in the arts is not an easy option. The few who are successful in funding themselves through training can find their careers stressful, insecure, and in the case of some performing artists, time-limited. We therefore propose:

- Ensuring that support is available for continuing education throughout a professional's career.
- Making funding available for dancers to retrain for other activities after their dancing careers are over.
- Utilising under-employed artists in schools, prisons, hospitals etc.
- Maintaining Schedule D taxation status for actors and other performing artists.

Experience

Liberal Democrats believe that the opportunity to experience the arts is a basic entitlement in a democratic society. We will ensure that everybody, not just the more fortunate in society, is encouraged to experience the arts. Arts policies must encompass the needs of ethnic minorities, disabled people, the poor, the young, the old, and even the busy. We therefore propose:

- Free entry to national and municipal collections.
- Increasing funding available to public and school libraries by 30% to enable them to return to 1990 levels of spending on new acquisitions.
- Removal of VAT on repairs and alterations to listed buildings.

Arts Funding and Administration

Liberal Democrats accept that the state has a responsibility to support artistic endeavour. This responsibility includes ensuring that its financial resources are utilised in the most effective way possible. Our proposals in this area include the following reforms:

- Doubling the funding currently distributed through the Arts Board.
- Giving the Arts Council of England's present responsibility for funding the national companies to the DCMS and devolve all other funding decisions to the Regional Arts Boards.
- Except for retention of a fund for innovation devolve all other funding decisions and reconstitute the Arts Council of England as an advocacy body and a centre of expertise.
- Making the Arts Lottery Fund independent of the Arts Council.
- Establishing a new touring fund administered by the DCMS.
- Either enacting a statutory requirement for artistic provision by local authorities or ringfencing a sum of money available to each local authority specifically for the provision of cultural services.
- Providing resources to ensure that local authorities are able to meet fully their current legal responsibilities with regard to libraries, museums and galleries.
- Appointing a Lottery licensee who would not make private profits from the Lottery's operation, and re-establishing the equitable sharing of the money available for good causes, by giving 20% of the money to each of the five proposed distribution bodies.
- Abolish QUEST.

A vibrant cultural scene must be supported by a variety of different sources: the state has to be joined by private sources of finance in order to ensure the success of artistic activity. We therefore propose:

- A pilot scheme should be inaugurated which would encourage individuals and businesses to make a limited level of donations to arts charities in a single tax year.

The ambit of the paper does not extend to matters related to broadcasting, film and the cultural industries including issues of copyright, which we anticipate will be addressed in a separate paper.

STATEMENT OF PURPOSE

1.1.1 Beauty, like truth, is important to civilised life, art embodies these values. Liberal Democrats do not believe that government can tell people what should count as beautiful, just as we do not believe that government can tell people what counts as true, but we do believe that government has a responsibility to open up opportunities for all to participate in and to appreciate the creation of beauty, and to maintain and increase the diversity of approaches to that task. That is why we believe that government has a duty to support the arts.

1.1.2 Liberal Democrats believe that the arts should be at the centre of our society embodying the values we proclaim of justice, truth and beauty. We want to see art opened up to all and non-conformity encouraged. We believe in diversity for its own sake and encouraging those with their own particular vision to pursue their ideas and in so doing enrich their communities.

1.1.3 The Liberal Democrats last drew together a comprehensive policy programme for the arts in 1992 in *The Heart of Society*. Some of its particular recommendations have been acted upon, for example that a single Ministry of Arts and Communications headed by a Cabinet Minister should be established and that there should be an increased role for the Regional Arts Boards. But the key recommendation, to increase public funding of the arts to the European average, regrettably is as far from realisation as ever. Indeed, since 1992, spending on the arts has fallen to under one half of one per cent of total public expenditure. (That relative position has

remained largely unchanged since the present government took office and is

unlikely on previous plans significantly to improve.)

1.1.4 The quality of the arts in the United Kingdom is generally admired at home and abroad. The economic importance of the cultural industries is acknowledged by the Government. The role of the arts in reflecting the diversity of the country, in breaking down cross-community barriers, and in promoting the “inclusion” of the disadvantaged in society is widely accepted. With the help of lottery funds there have been some notable modernisations of old assets and some new venues, particularly but not exclusively in central London, including Covent Garden, the Royal Court Theatre, The Music Centre, Gateshead and The Lowry Centre, Salford. Moves have been made to restore free access to some national museums and galleries, at least to children. The new British library has opened. Why, then, is there a palpable mood of continuing anxiety and frustration among the practitioners, including the artists themselves? Why, indeed, is there not a golden glow of satisfaction suffusing all those who contemplate the arts scene in Britain today?

1.1.5 The main reason for the disenchantment and concern about public policy towards the arts is that the decision makers are perceived to undervalue the arts. The evidence for this is not only drawn from the many examples of exiguous or non-existent public funding to sustain artistically and publicly acclaimed work. Decision makers too often dismiss the claims for public spending on the arts as ‘inessential’ or ‘an optional extra’. But perhaps the most telling evidence of under valuation is the unwillingness of those who do advocate public support for the arts to promote art in its own terms as a public good.

1.1.6 It is not thought out of place for politicians to back the goal of justice in society with a call for public funds to help to attain that end. Similarly, politicians will promote the quest for truth by advocating expenditure on scientific research. By parallel reasoning, fostering the attainment and preservation of beauty (something which art and nature share), would seem to be a worthy goal also suitable for support from the public purse.

1.1.7 The preservation and enhancement of natural beauty is now, in an environmentally conscious country, something that politicians commend without embarrassment. It was not always so. The case for artistic beauty is less confidently advanced by the politicians. It was not a politician but a philosopher, Schopenhauer, who wrote: "We all recognise human beauty when we see it, but in the genuine artist this takes place with such clearness that he shows it as he has never seen it, and in his presentation he surpasses nature."

1.1.8 Art is a human product that needs support to survive. Perhaps it is because its ethical necessity in society is less easily demonstrated than justice and truth, that politicians find it easier to make the case for judges and scientists to be supported than they do the case for artists. But art too, has an ethical impact. "Perhaps the most obvious thing in our surroundings which is an occasion for 'unselfing' is what is popularly called beauty," wrote Iris Murdoch. She went on to describe the ethical impact of art.

"Art transcends selfish and obsessive limitations of personality and can enlarge the sensibility of its consumer. It is a kind of goodness by proxy. Most of all it exhibits to us the connection in *human* beings of clear realistic vision with compassion. The realism of a great artist is not a photographic realism; it is essentially both pity and justice."

1.1.9 Contemporary government must give ethical priority to the education and health of the citizenry. There is now irresistible evidence of the beneficial impact of cultural activity on both (chapter 2). We regard this as further strengthening the case for government to support artistic endeavour more generously.

1.1.10 Although we are convinced that government support would enhance and enlarge artistic activity we are also concerned that much of the best of what is available is costly to produce or display and that the partial recovery of those costs by expensive ticketing can exclude substantial numbers of people particularly when travel costs have to be added to the price of entry. That inevitable self-exclusion fortifies the wrong impression that the arts are innately not for everyone. It is a primary function of government support for the arts to help to make the arts accessible to all.

1.1.11 It is impossible to quantify an optimum level of artistic activity and therefore what society needs to spend to achieve that. It is not impossible, however, either to identify artistic opportunities which have had to be foregone or particular gaps in provision which society would do well to fill or, by extension, how much would need to be expended to meet these goals. It is also possible to indicate what would be the outturn if a given additional amount of money were to be made available. For the purposes of this paper, the party has considered what would be the consequences for artistic provision of accepting the view of the current Chairman of the Arts Council of England, Gerry Robinson, that the resources, which should be made available from the public purse for the arts in the UK, should be doubled. To do this would give effect to the existing policy of the Liberal Democrats by bringing public

expenditure on the arts in the UK broadly into line with our European partners.

1.1.12 There is no evidence that demand for the arts is approaching saturation or

that participation has reached a ceiling. Year by year there is a growing public involvement in the arts:

ARTS ATTENDANCE IN ENGLAND

Percentage of adults

| | 1993 | 1997 |
|-----------------------------|------|------|
| | % | % |
| Plays | 23.4 | 24.1 |
| Opera | 6.3 | 6.5 |
| Ballet | 6.1 | 6.5 |
| Contemporary dance | 3.3 | 4.3 |
| Classical Music | 11.9 | 12.3 |
| Jazz | 5.7 | 6.2 |
| Art galleries / exhibitions | 20.4 | 22.3 |

Source: ACE Annual Report 1998

1.1.13 It is also clear that there is no shortage of ideas at community, local, and regional level as to how arts provision should be enhanced. There is, moreover, a multiplicity of successful pilot schemes for access, educational outreach, artists' residencies, showcase events, and practical training initiatives that could be given wider application. It is not necessary for a political party's policy to indicate which of such schemes should be applied in particular locations. It is, however, vital that arts policy should not merely commend such activity but should enable

responsible providers to resource it not simply on an ad hoc experimental basis but more widely to help artists and the public to participate fully in the arts.

1.1.14 Arts will only grow if they are supported by the education sector in the curriculum of nurseries, schools and colleges. All the current pressures are in the opposite direction - literacy and numeracy hours etc. LEA advisory services in art, music and drama have been cut - instrumental teaching is greatly reduced.

THE THREE 'E'S

2.1 The International Context

2.1.1 Our culture does not take place in a sealed container. The arts are among the government's international responsibilities, with significant trade missions projecting Britain's image abroad. The BBC World Service and the British Council remain two of the most effective ambassadors Britain has ever appointed. The arts have been downgraded in their work over the last twenty years. This trend must be reversed. Britain's arts must be seen as the centrepiece of their role.

2.1.2 In the European Union it is vital that culture is treated as sensitively and seriously as the environment if European co-operation is ever to appeal to hearts and minds as well as to wallet. Despite wide-reaching cultural clauses in the treaties of Amsterdam and Maastricht enabling the European Commission to help the members states support creativity and requiring it to take culture into account in the formulation of all its legislation the budget of the Culture 2000 programme is no bigger than its predecessors. The support the EU gives to international work (that would normally be funded by individual nations) has been frozen for years. Liberal Democrats would accept and move towards the 1% of EU spending for culture figure that the European Parliament has been advocating since 1979.

2.1.3 Although Britain has rejoined UNESCO we are still not playing our full part in supporting UNESCO's work in sustainable development. Liberal Democrats believe that culture is a valuable component in the generation of jobs and social stability. It is also a vital sector for understanding conflict and

alleviating tension. We therefore regard UNESCO as one of the most important agencies in the UN system and would work to make sure that the UN Security Council is able to evaluate the role of culture in areas of conflict.

2.2 The British situation

2.2.1 The arts have an important impact on everyone in Britain. They contribute to good health, educational fulfilment, and the human environment. They also contribute valuably to the productive and service economies. They are a crucial part of the fabric of the civilisation to which we aspire, and government should help to sustain citizens' artistic entitlements.

2.2.2 There are three overall entitlements, which we have termed the three 'E's. These three 'E's encompass the whole range of artistic activity. They are: Education, Engagement, and Experience.

2.2.3 Education does not simply refer to the activities of schools, colleges, and universities. Everyone is entitled to education throughout his or her life, and the concept of life-long learning is one that has particular relevance to the arts.

2.2.4 Engagement refers to those who take an active part in the arts, whether they are professional or amateur. The entitlement to be able to engage in the arts means that anyone who wishes to get involved in artistic activity should have the opportunity to do so.

2.2.5 Experience of the arts is as important as engaging in them. It should be a basic right of all to be able to experience culture of all types without encountering insuperable obstacles.

2.2.6 The following paragraphs are not intended to be an exhaustive description of the cultural scene in The United Kingdom, nor are they a complete prescription for every situation. The examples given are apposite as illustrations but the principles they embody can (and should) be used in areas other than those specifically cited.

2.3 Education – The First Entitlement

2.3.1 Education is not something confined to young people: it is the right of everyone. All must expect to be able to enjoy the benefits of education throughout their lives, and we consider it to be the duty of Government to facilitate such opportunities. The concept of ‘life-long learning’ has particular relevance to cultural activities. Many take up the practice of an art form at a relatively late period in their lives, while others might find a growing ability to enjoy the experience of artistic exposure only in their more mature years. It is therefore of primary importance to ensure that educational opportunities are available to all on a life-long basis.

2.3.2 The greater opportunities, which people should have in terms of enjoying the arts and taking part in them, will reap rewards not only for individuals but also for society as a whole. The arts can enable the creation of a more harmonious society in which the individuality of citizens might be developed to its full potential. Through the arts, communication and understanding can be developed, as well as better health and a greater sense of well-being. We consider it legitimate for society to use a proportion of its resources to achieve these ends. By doing so, society considers the arts to be more than merely a recreational activity. The arts make one a more complete person, and this justifies the expenditure of resources on maintaining

and developing educational activities in the arts.

2.3.3 While life-long learning is important, the opportunities children have at school to learn are of a far more vital nature. This is the only chance young people have to be exposed to the richness and variety of cultural experience: the moment to benefit from a youthful encounter is fleeting and of inestimable value. In addition, it has been eloquently demonstrated that cultural activity at school can reap significant rewards for education in other areas, particularly maths. This sort of evidence cannot be ignored when considering what is appropriate in terms of educational provision.

Spychiger (1996) completed a study of 1200 children in Switzerland, and discovered that those who were taught more music at school had improved ability to learn a language and better social skills than those who were not. A study in Nature (May 1996) demonstrated positive effects of music training on numeracy in a group of first graders (aged 5-7) in Pawtucket, Rhode Island. Further US studies point to connections between participation in music classes and increased spatial temporal ability. A Hungarian study (1969) looked at 208 pupils from two different primary schools. The first was a music primary school, where the pupils had to take a music dictation and sing every day. The second was an ordinary primary school. After carrying out a number of comprehension tests on the children it became apparent that the reasoning faculty of pupils in the music primary school was more highly developed than in the ordinary school. Numerous American studies have provided evidence that integrating teaching the visual and performing arts with other subjects leads to an increased willingness to learn. Torff (1992, 93, and 95) found this integration gave evidence of positive effects on student

achievement, motivation, and engagement in learning. Four main studies (Luftfig 1994, Gourgey et al 1985, Moore 1993, and Carter 1996) report on the role of the arts in improving pupils' reading and writing skills.

2.3.4 The United Nations Convention on the Rights of the Child, which was ratified by the United Kingdom in 1991, requires member countries to "respect and promote the right of the child to participate fully in cultural and artistic life and...encourage the provision of appropriate and equal opportunities for cultural, artistic, recreational, and leisure activity." UK legislation requires schools to provide "a balanced and broadly based curriculum" promoting pupils' cultural development.

2.4 Education in schools

2.4.1 The National Curriculum: The Curriculum is divided into four "key stages". Key Stages 1-3 (ages 5-14) require that children are taught the three "core subjects" of English, Maths and Science. In addition to these, there are seven so-called "foundation subjects" (also required) which include history, geography, art, music, and PE. A foreign language is introduced at age 11. At the age of 14, the level known as Key Stage 4, art and music become optional.

2.4.2 Currently the curriculum is in a state of flux. A new revised curriculum will come into force in September 2000, designed to enable a greater focus on literacy and numeracy. This follows a ruling by the Secretary of State removing the requirement for schools to follow the Key Stages 1 and 2 programmes of study in the non-core national curriculum subjects. The present special arrangements have seen arts education in schools suffer. The new curriculum, which will continue to undervalue the importance of artistic education, may have serious consequences

for cultural formation at the vital primary age.

2.4.3 We believe that such an undue focus on literacy and numeracy is misplaced. While expertise in these is undoubtedly important for every child, too much emphasis on dry and objective subject areas can be self-defeating. For children and young people who live in socially deprived areas, or those who suffer from a lack of educational support in the home, the arts may help to provide a sense of personal fulfilment. Activities such as dance and drama can give a real sense of self-worth to children suffering from a lack of adequate educational formation. Such realities have a bearing on a child's entire development, and must be considered when viewing a picture of balanced provision of educational opportunities.

2.4.4 **Practical artistic activity in schools:** Since LMS (Local Management of Schools), the LEA advisory services in music, art, dance, and drama have been decimated. Similarly, available funds for artists in schools, theatre in education (TiE), and school visits to the arts have been wiped from LEA budgets, and in many cases these funds have not reappeared in the budgets of individual schools. The Music Industries Association estimates that £3 million was wiped from the budgets of local instrumental services in the first five months of 1998 alone. A survey by the National Campaign for the Arts finds that average subsidy for TiE companies has fallen by over 25% in real terms over the last 10 years. A third of all TiE companies have closed.

2.4.5 **Instrumental tuition:** Charges have been introduced for instrumental tuition, effectively disenfranchising children from less well-off families. The effect of this measure is already clear in the drop of children entering for music examinations. The Associated Board of the

Royal Schools of Music published a statistical review of instrumental music teaching in 1997. The report finds that there has been a significant decline in children both playing and taking music lessons in school. Since 1994, some 300,000 children of primary school age have lost the opportunity of learning a musical instrument. A MORI survey in 1996 showed that only 6% of children are active in instrumental music at school. Such a low figure shows the effect on secondary school music making of the severe loss of access to tuition in primary schools.

2.4.6 It is well recognised at all levels that the current situation regarding access to good quality instrumental tuition at school is unacceptable. We consider the only option to improve the situation is to bring instrumental tuition within the remit of the National Curriculum, as a discrete subject in its own right. Thus, the standard of teaching can be better assessed and regulated, and the Curriculum can specify acceptable standards of achievement at each Key Stage.

2.4.7 Training and resourcing of teachers: The provision of adequate arts education has to be underpinned by a commitment to ensuring that teachers are properly trained and resourced. At the present time, the level of expertise in arts subjects is worrying. The RSA has demonstrated that half the teachers of craft, design and technology are unqualified for the subject. In primary schools, 41% of new teachers are not well prepared to teach music; for arts, it is 25%, and for reading 46%. A quarter of all art lessons in secondary schools are not taught by a specialist art and design teacher. Music has the highest teacher vacancy and teacher turnover rates of all National Curriculum foundation subjects. Teachers of art and design spend 20% fewer days on in-service training. This is expected to decline further to 50%. Over all, schools

are employing less experienced teachers, and some staff have to double-up on subjects for which they are not trained.

2.4.8 In addition to the problems with training, schools continue to have difficulty providing adequate resources for artistic education. There are problems with finding suitable areas for drama; few schools have specific classrooms or studios for art; and timetabling constraints inhibit the best uses of space for music. Only 40% of secondary schools consider their accommodation for art and design to be good or to have improved. In one in four secondary schools, accommodation for music is in poor condition. Furthermore, half of all art and design teachers report that their departmental budget has fallen; one third of schools rely on sponsorship to fund arts projects; and one third of schools are not properly equipped with a suitable range of good quality instruments for performing and composing, in spite of the fact that such activities form part of the National Curriculum. We recognise that an overnight transformation of artistic educational provision is not practical and our recommendations are expressed as goals to enable the children's entitlement to be met. We are also conscious that the monitoring which we advocate should not simply record how far particular schools are short of the national required standard but also the progress they are making.

2.4.9 OFSTED and school league tables: OFSTED inspections concentrate on the core subject areas, and give inadequate attention to the quality of work in the arts. Furthermore, the school league tables do not feature the arts at all. Pressure to compete in the league tables means that the arts are further marginalised. The combination of OFSTED's lack of interest in the arts, and the non-featuring of the arts in the league tables, has a predictable effect on the attention teachers pay to artistic subjects,

in a climate of increasing pressure in terms of timetable and paperwork.

2.4.10 We are aware that issues such as these form part of a larger debate: that is, they do not fall solely within the remit of the Department for Culture, Media, and Sport. However, their importance is such, that we consider it reasonable and appropriate to make specific proposals for improvement.

2.4.11 Policy for the arts in schools:

- We will formulate an explicit definition of arts entitlement in the education of children, including what measures the Government is responsible for taking to ensure that adequate resources exist for such an entitlement to be met.
- We will revise the Curriculum, so that Dance, Drama, Art, and Music are taught in all primary schools as discrete subjects, and stipulate that every child should study at least one art form at Key Stage 4.
- We will give the arts much greater focus in OFSTED reports so that the quality and depth of the arts programme in schools can be discerned and compared with other schools and progress marked.
- We will introduce instrumental music tuition as an option at every Key Stage as an integral part of the curriculum (as a subject in its own right), paid for out of the central curriculum budget.
- We will include dance and drama in the curriculum as subjects in their own right at every Key Stage.
- We will ensure that the Teacher Training Agency promotes arts teaching as a career and raises the quality of such teaching and particularly ensures a major arts component in training of teachers in Key Stages 1 and 2.

- We will encourage and resource regular visits to the theatre and other live performances, through the use of special programmes and subsidised seating schemes.

- We will formulate specific funding to enable companies and individual artists, including poets to perform in schools.

2.5 The arts in higher education

2.5.1 Students at universities or music colleges studying for recognised degree courses are eligible for payment of tuition fees. Students of dance, drama, and stage management courses at private institutions are not eligible for mandatory grants for fees or maintenance. There has been a dramatic decline in the number of discretionary grants awarded. In 1987 83% of councils awarded such grants in full. Now less than a third do, and the number is falling. 28% give no support at all to students of dance and drama. As a result some of the most talented young people in the country are denied the opportunity to take up training places for which they have successfully auditioned. A new funding scheme was recently launched by the DfEE for students seeking to enter vocational dance and drama programmes from autumn 1999. 820 funded places (later increased to 830) were offered to dance, acting, and stage management students. However, 25% of these awards are for one and two years duration only. Even under this new scheme, there is a significant shortfall of students who remain non-funded, and are therefore unable to take up places on courses for which they have been accepted. This situation needs a political determination to find a solution that will give young dancers and actors an equitable position compared to other students.

2.5.2 Policy for dance and drama at higher education level:

- We will accredit dance and drama courses on a similar basis to the accreditation currently used for music courses.
- We will ensure that students on these courses will be eligible for the same payments towards tuition and maintenance as students at university or music college.

2.6 Life-long learning

2.6.1 Everyone should have the chance to enjoy the arts by taking part directly or as an audience member or viewer. The arts are a significant feature of many people's lives. Eight out of ten people in the United Kingdom attend artistic and cultural events each year. Over 50% of the public take an active part in the arts and crafts as involved practitioners. In spite of these figures, it is clearly much easier for someone to be involved if they live in a highly populated and adequately resourced area. There is a need to provide artistic resources for everyone, regardless of the location in which they live. Artistic activity should not simply be viewed as recreation: they have a fundamental impact on the health of the nation. Recent research has demonstrated that those who get involved in creative activity feel happier and healthier than they did before. Widespread artistic activity can help to benefit society as a whole across the board.

A large scale study undertaken by Professor Lars Olov Bygren of the University of Umea in Sweden (1997) shows that the death rate among people who undertake cultural activity is half that of those who do not. Professor Bygren suggests that artistic activity gives an individual ideas to help cope with everyday life and provides an emotional safety valve, thereby strengthening the immune system. The arts can, therefore,

help reduce social exclusion; reduce dependence on anti-depressants (anti-depressant prescriptions currently cost the Health Service £81 million a year); enable patient empowerment through creative expression; increase the confidence and self-reliance of individuals and communities; and create more compassionate healthcare professionals.

2.6.2 Arts activities do not have to be confined to particular times. Events can be programmed at a variety of different times to assist those who are unable to commit themselves at particular periods. Similarly, greater use of crèche facilities can allow mothers with young children to experience artistic activity.

2.6.3 About a quarter of people with an interest in the arts find genuine difficulty in physically getting to a venue. For people living in rural areas, and for the disabled, these difficulties can be so great as to stop them taking part at all. Access to artistic venues and events must be considered as part of a strategic transport policy.

2.6.4 Participation is restricted by cost. In the past, adult education classes have stimulated and supported participation in the arts, but the rapidly rising cost of classes, coupled with market rate charges for hiring school and council premises, have had an effect of greatly reducing access. The Government should undertake a study to see how the effects of ever rising costs to individuals can be ameliorated.

2.6.5 Policy for life-long learning:

- We will give high priority to the concept of "life-long learning" and undertake a serious appraisal of access. We will adopt an holistic approach to establish how the Open College, Open University, libraries, local authorities, and other bodies can work together to provide a strategic network of provision.

- We will take a proactive role in influencing the policy of other departments which impacts directly on the question of access: e.g. public transport policy.
- We will make resources available to encourage schemes designed to facilitate access to educational projects.

2.7 Training for specific skills

2.7.1 We intend to encourage the commercial sector to contribute towards training artists in specific skills, particularly those in high demand – e.g. historic restoration. However, this should be undertaken in partnership between Government and business, on similar lines to the current Sponsorship Pairing Scheme.

2.7.2 Policy for training:

- We will establish a pairing scheme in conjunction with the commercial sector to facilitate the training of artists, craftsmen and technicians in the cultural industries.

2.8 Engagement – The Second Entitlement

2.8.1 A fulfilling life without the enjoyment of the arts is unthinkable to most of us. The ways in which we make participation a possibility for as many who want it are much fought-over, but we state this clearly: every citizen should have an entitlement to engage in the arts as a participant.

2.8.2 Working professionally in the arts is not an easy option. The few who are successful in funding themselves through training can find their careers stressful, insecure, and in the case of some performing artists, time-limited. With the decline in funding for theatre, opera and

dance companies, and music ensembles, which might provide properly remunerated employment, together with the constrained purchasing funds for libraries and museums preventing the acquisition of innovative work, state patronage in an individual's career has become a threadbare notion.

2.8.3 We intend to revitalise and extend the publicly financed support structures for anyone prepared to make the commitment to a life in the arts; to recognise the professional status of those making their careers in the field; and to require, in return, the maintenance and reassertion of the demanding standards to which cultural policy has sporadically aspired since the 1940s.

2.9 The Performing Arts

2.9.1 Actors, dancers, and musicians need to maintain their technical facility throughout their careers, and grasp every opportunity to develop their craft. For those working freelance, without the support of a company, this imposes a considerable financial burden (individual tuition in voice, movement, or instrumental technique can cost anything from £30 an hour upwards). We propose that a proportion of the cost of approved courses of continuing training should be refundable through an artist's relevant Regional Arts Board.

2.9.2 Dancers, whose working life is necessarily intense and short, often suffer extensive minor injury, sometimes leading to premature retirement. Individual funding for remedial work and re-training in new occupations (choreography and teaching in particular) is currently very limited, and we envisage making it available on the basis of need, discounting previous LEA awards.

2.9.3 There is an immense social benefit to be derived from deploying under-

employed artists in the public services. In schools, live music is a vital educational experience, in hospitals a proven therapeutic resource, while drama provides a potential spiritual and emotional lifeline for the prison population. These opportunities have been tentatively explored, but there is room for much more work of professional standard to be funded in an extensive programme of visits throughout the educational, health, and justice systems. The mutual benefit – for audiences, who have often had minimal experience of live art, and the professionals themselves, encountering unmediated enthusiasm – is potentially immense.

2.9.4 The tax and benefit arrangements for performing artists, whose sources of income are variously and notoriously sporadic, have recently been strained by ill-judged attempts at reform. Historically, only a few have earned enough to become fully self-employed; now, after failing to coerce the profession into PAYE, the Inland Revenue would like all to assume that status – thus relinquishing pension,

sickness, and JSA entitlement. We believe the Schedule D taxation category protecting artists' welfare through its flexibility, should be maintained.

2.9.5 Policy for the Performing Arts:

- We will ensure that support is available for continuing education throughout a professional's career, available from the Regional Arts Boards for approved courses of study.
 - We will ensure that funding is available for dancers to retrain for other activities after their dancing careers are over.
 - We will ensure the DfEE, the Home Office, and the Department of Health consider ways in which they might utilise under-employed artists in schools, prisons, hospitals, etc.
 - We shall maintain the Schedule D taxation status for actors and other performing artists.
-

2.10 The Visual Arts

- Young gifted artists require opportunities to have their work seen. Specific provision for this will be offered by the Local Initiatives Fund in conjunction with local libraries, museums, and galleries.
- Projects for the built environment ought to have an artistic dimension. Some budgets have included a Percent for Art offering the best in contemporary artists a new and prominent platform. Partnership schemes for this purpose involving the developers and clients should be encouraged to make this the norm. In appropriate cases supporting funds could be made available from the proposed lottery local initiative fund.

2.11 Experience – The Third Entitlement

2.11.1 The opportunity to experience the arts is a basic entitlement in a democratic society. We should increase the opportunities to experience the arts by extending the geographical coverage of arts institutions and be setting public funding at a level that supports affordable ticket prices for the live arts. Discount cards, residents' cards, 'pay-what-you-can', and free performances should be widely promoted by the arts funders.

2.11.2 We will ensure that everybody, not just the more fortunate in society, is encouraged to experience the arts. Arts policies must encompass the needs of ethnic minorities, the disabled, the poor, the young, the old, and even the busy. We welcome the fact that many arts companies and institutions have attracted new audiences through various forms of outreach, and diverse audiences are particularly desirable.

2.11.3 During the 1990s the audience for the arts in England has grown, though this growth has come after an economic recession at the start of the decade. Between 1993 and 1997 the percentage of adults in England experiencing plays went up from 23.4% to 24.1%; opera from 6.3% to 6.5%; ballet from 6.1% to 6.5%; contemporary dance from 3.3% to 4.3%; classical music from 11.9% to 12.3%; and art galleries, museums, and exhibitions from 20.4% to 22.3%. This growth is encouraging. It would be helped further by ensuring that people can get to and return from arts events easily. We intend to make the arts accessible and our transport policy will address the needs of audiences for the arts.

2.11.4 In the long term an audience can only be expected for a living art form, that is one in which there are new ideas about performance and where new works are being commissioned. We recognise that people are often reluctant to support new artwork directly but nonetheless come to appreciate the best works in time. We will ensure, through the proposed ACE Innovations Fund (2.3.5), that money is made available for companies to develop and commission new work. Arts institutions must see themselves as both patrons and collectors.

2.11.5 Museums and public galleries: The UK has an excellent network of publicly owned galleries. Citizens should be able to enter national and municipal collections free of charge: the DCMS has estimated that this would cost £40 million per year. This amount includes compensation to museums which charge for the loss of recovery of VAT and the operating costs of new gallery space.

2.11.6 Theatres: In many places outside London's West End theatre is in worrying decline. Constraint on funding appears to have hit regional theatres particularly badly, as arts funders have found them

hard to sustain. The additional resources, which we have earmarked for touring and greater liberality towards producing theatres, could help to revive regional centres of theatrical activity.

2.11.7 Ballet and modern dance: British dance troupes are popular with audiences both at home and abroad. While the audience is growing, particularly for modern dance, funding has fallen: this needs to be reversed. There also needs to be proper facilities in each region for dance touring. Ballet is suffering from a lack of new choreography. The repertoire must be renewed if ballet is to live on. Funding bodies must give money for making new work.

2.11.8 Orchestral Music: There is still a sizeable audience for the symphonic orchestras. Nevertheless, the audience is ageing and the earned income of orchestras funded by the Arts Councils has fallen over the years 1994/5 to 1997/8. Orchestras must educate and attract new audiences. Therefore the Arts Council is right to ask for more outreach on the part of orchestras in return for having their debts paid. Orchestral provision should not be cut back, even in London. Instead orchestras should become more flexible. The BBC should be encouraged to extend its public service requirement to enable people to hear orchestral music on a more regular basis. There are significant areas in which there is limited access to orchestral music: the South West, the South East outside London, the Welsh border, and Wales in general. These gaps can be filled with more touring, not necessarily by an entire orchestra, but by chamber ensembles and other groups. We shall provide resources through the DCMS Touring Fund (3.3.9) to enable the publicly funded orchestras to tour more often. We shall encourage orchestras to be more flexible in their operation.

2.11.9 Opera: The amount of money available to opera companies has fallen by

over 15% in real terms since 1993. That shortfall needs to be made up if opera companies are to be able to perform the established repertoire, as well as innovate and reach out to new audiences. It is our intention to raise the amount of money spent on opera to enable the price of opera seats in London to remain broadly in line with West End musicals. Accessibility could be improved, and in this case it is important to foster touring.

2.11.10 Libraries: Public library services are provided and funded by local authorities. Over the last ten years, many library services have suffered severe cuts to their funding. As a result, many libraries are in a poor condition and people are losing the opportunity to experience the riches gained by reading. (It is also disturbing that many historic manuscripts have been lost due to the lack of money and effort to preserve them. Once these documents are lost they are gone forever.) This is true not only of public libraries, but of school libraries as well. Over the last ten years people have increasingly ceased to borrow books from libraries. The total number of books on loan at year-end has fallen by 24% between 1987 and 1999. Budgetary pressures have meant that many public library authorities have closed branch libraries or substantially reduced opening hours.

2.11.11 We must ensure that libraries have the money to buy new books. Increasingly libraries are being funded through charges made against CDs and videos and at the same time full time qualified librarians have been replaced by part-time semi-skilled library assistants. We would seek to throw these trends into reverse and increase the funding for professional librarians, especially children's librarians.

2.11.12 Support must be given to library authorities to ensure that libraries can afford to open when readers want them to:

that is, they need to stay open longer in the evenings and also at weekends.

2.11.13 Libraries should be enjoyable and safe places to visit. The lack of capital investment in building stock (partly as a result of the rules for the disbursement of lottery money) has meant that many libraries are shabby, ill equipped for welcoming information technology, and occasionally hazardous.

2.11.14 We welcome the Government's decision to connect libraries to each other and other national institutions through the People's Network. But we are concerned that there is no money to maintain the resulting infrastructure. Furthermore, the provision of Internet access should not detract from a library's core activity, lending books. People need to be more than barely literate to make the most of their access to the Internet. Such deeper literacy can best be achieved through

fostering a taste for reading. Libraries are the best way of spreading this deep literacy throughout society.

2.11.15 We shall increase the funds available to both public and school libraries by 30% to enable them to return to 1990 levels of spending on new acquisition. We shall encourage local authorities to make the most of their libraries by keeping them open more of the time and earmark central government funding for this purpose. We shall change the Lottery rules so that library authorities can apply for funds to refurbish existing libraries or build new ones.

2.11.16 **Historic buildings:** The UK has some fine buildings, which are enormously popular tourist attractions. The maintenance of these precious buildings should be made easier than it is. Repairs as well as alterations of listed buildings should no longer be liable to VAT.

ADMINISTRATION AND FUNDING

3.1 Introduction

3.1.1 It is clear from Section 1 that we accept the state has a responsibility to support artistic endeavour. Taking this as our starting-point, we believe that the question of how the state supports culture is perhaps the most pressing one at the present time. The structures of state support have remained broadly unchanged for the last fifty years, and the job of any serious cultural policy is to examine the current arrangements in order to determine whether they are effective or not, and if not, how to make them more so. We believe that the state's responsibility to support cultural activity is underpinned by its inherent responsibility to ensure that its financial resources are utilised in the most effective and efficient way possible. This is accepted as self-evident in the case of such areas as Education and Health: we believe that the highest standards of transparency and accountability should also exist in the case of our cultural life.

3.1.2 The United Kingdom is unique in the European Community in that its Government does not support directly its country's cultural activity. Instead, money is given to a third party (the Arts Councils and Regional Arts Boards) for onward distribution to arts organisations. Only in the case of the national museums and galleries does the Department for Culture, Media, and Sport make direct grants. We consider this an anomalous situation demanding reform. At the present time, the DCMS is able to evade responsibility for most funding decisions by passing that responsibility to the Arts Council of England. This enables Government Ministers of this Department to refuse to accept the level of accountability that we would expect from any other Department of State. This is fundamentally

undemocratic and it is our intention to reform this situation.

3.1.3 Some local authorities have been consistently generous and visionary in terms of their support of the arts while others have found it more difficult to find the necessary funds to support this sort of activity adequately. It is our intention to enable all localities to enjoy the benefits of cultural activity, through the specific availability of resources for this purpose. These resources will also be available to enable local authorities to fulfil their current obligations in terms of the provision of public libraries, museums, and galleries.

3.1.4 The National Lottery has become a major factor in the over all funding provision. Because the Lottery has large amounts of money to distribute, it is vital that this distribution is undertaken in an equitable and efficient manner. Since the Lottery was established we have favoured consistently the appointment of a licensee who makes no profit from its operation. Furthermore, we would seek to restore the initial objective that lottery funding should not be used to replace head of expenditure that would previously have naturally been undertaken by departments.

3.1.5 A vibrant cultural scene must be supported by a variety of different sources: the state has to be joined by private sources of finance in order to ensure the success of artistic activity. We believe there are measures that could encourage a broader foundation of support from personal and corporate sponsors. We intend to put in place a limited number of fiscal reforms designed to encourage the increase of corporate and individual support. We develop this point further in 3.6.

3.1.6 Administrative and funding structures should be designed to promote the arts cost-effectively. Where structures detract from this aim, we will reform them, and where structures are currently not in place, we will establish them. All our proposals and reforms are informed by one of the underlying principles of liberal democracy, which is to increase access to the widest number of people for the lowest possible cost.

3.2 Central Government support

3.2.1 **General levels of provision:** The table below illustrates the fact that central Government support of the arts in this country is amongst the lowest of the EU countries. It has long been Liberal Democrat policy to increase the level of

central support for culture to a figure equivalent to at least the EU average, effectively doubling the current provision. This remains our aim. We accept that it is neither possible nor desirable to realise this aim in a single bound. Incremental increases can be better absorbed by the economy, as well as ensuring responsible and intelligent planning by both funding bodies and arts organisations. Our first priorities would be to double the funding currently distributed through the Arts Council, improve library provision and provide free instrumental tuition for school children. (However, we believe that it is possible to increase central support to this level over not more than a five-year period.) Once this is achieved, we will continue to ensure that a figure equivalent to at least the EU average is maintained in the UK.

INTERNATIONAL COMPARISONS OF CULTURAL SPENDING

| Country | £ per head | % of total government spend | % of GDP |
|-------------|------------|-----------------------------|----------|
| UK | 16.60 | 0.65 | 0.14 |
| Ireland | 5.60 | 0.43 | 0.07 |
| France | 37.80 | 1.31 | 0.26 |
| Germany | 56.50 | 1.79 | 0.36 |
| Finland | 59.20 | 2.1 | 0.47 |
| Netherlands | 30.30 | 1.7 | 0.21 |
| Sweden | 37.50 | 1.02 | 0.29 |

3.2.2 **Current levels of financial shortfall:** As we made clear in Section 1, it is impossible to quantify an ideal level of cultural activity to justify a particular increase in expenditure. However, it is possible to identify differences between actual funding and potential funding, based on the level of applications to funding schemes, or projected funding levels based on particular analyses. For the purposes of this section, we have used Arts Council figures as well as research material from other bodies, with specific reference to recent schemes administered

by ACE. By analysing the level of applications to ACE schemes, and comparing these with the number of grants made, it is possible to posit an assumption of the level of artistic activity which might be made possible by an increase in funding levels from central Government. This is a reliable empirical method, providing accurate information about the effect of current and potential Treasury support.

3.2.3 For the purposes of this statistical analysis, we shall be taking figures from funding schemes administered by ACE.

This does not imply that arts organisations in areas covered by other funding bodies (viz Wales, Scotland, and Northern Ireland) do not experience the same or greater levels of funding deprivation, and it is our assumption that a similar increase in the level of funds available would increase substantially the level of cultural activity in those particular areas. However, these bodies receive their money from departments other than the DCMS, and therefore (strictly speaking) they do not fall within the remit of this policy paper.

3.2.4 The total accumulated net deficit of all the ACE and Regional Arts Board (RAB) regularly funded organisations is currently calculated by ACE to be in the region of £20m. This figure might reflect a genuine need for additional income, or a history of bad financial management. However, it is possible by way of illustrative example to examine the gap between income and the desired level of activity by looking at the figures for ACE's Arts 4 Everyone programme, which used Lottery money to supplement ongoing grant funding for a discrete programme of work. Because the programme covered a very wide range of organisations (including both those in receipt of regular funding and those who do not receive such funds), it is possible to see the desired level of activity from a fairly broad arts constituency, and the amount of money required to resource such a level.

| | |
|---|-------|
| Total funds applied for over 18 month period: | £387m |
| Total funds awarded: | £50m |
| Funding gap: | £337m |
| Equivalent for 12 months: | £220m |

It can easily be seen that the level of applications vastly outweighed the amount of money (a mere £50m) available for the support of a wide range of artistic activity. The terms of the programme required that the supported activity be geared towards

work with young people, access, and participation. It is therefore possible to see a genuine level of aspiration over and above the current provision and extrapolate the amount of money required to support and sustain that level. In the Arts 4 Everyone programme, only 13% of the activity proposed could be supported. Even taking into account a level of applications that were inappropriate candidates for public funding, it is clear that there is a massive difference between the levels of actual activity and potential activity. Since there is easily identifiable local and regional under-provision, in some cases amounting to black holes, this evidence of potential activity greatly fortifies the case for increased central Government support for the arts.

3.2.5 Exercises in potential funding increases: It is possible to make calculations which aim to show how much additional funding would be needed if all RABs were funded at a particular level. We shall look at two scenarios: one in which we assume that all regions spend the same as the region currently spending the most; and one where the regions spending least increase their funding to a median level. These illustrate the fact that the amount of money needed to increase substantially the support available from central Government is not, in fact, as great as it might initially appear. We illustrate in Sections 3.2.10 to 3.2.13 the increased activity that can be generated by a relatively modest increase in Government support.

3.2.6 In 1998/99, the largest per capita spend on the arts was in London, where the total grant-in-aid spend by ACE and the London Arts Board (excluding the national companies) was £4 per head. If in 1998/99, £4 per head had been spent on the 42.2m people in the country outside London, then £168m would have been required. Adding that to a figure of £64.6m, which was the total spend for the

year on the national companies (treated as spread equally across the country), we arrive at a figure of £233.4m. This is £43.8m more than the grant-in-aid total spend in 1998/99 of £189.6m. With the currently proposed uplifts to ACE in grant-in-aid in the next three years of 14%, 4.4%, and 6.3%, the amount of shortfall increases dramatically in real terms, as follows:

| | |
|-----------|------------------|
| 1999/2000 | £53.6m shortfall |
| 2000/2001 | £55.7m shortfall |
| 2001/2002 | £59m shortfall |

3.2.7 Looking at a median regional spend, in 1998/99 total spend by ACE and Southern Arts was £2.42 per head (excluding national companies). If in 1998/99, instead of using a figure of £4 per head, £2.42 per head had been spent in the four regions with a lower per head spend (Eastern, East Midlands, South East, and South West), another £10.2m of grant-in-aid would have been required. Using the same percentages as in the previous calculation with this level of increase of

grant-in-aid per head of the population, the shortfall would have increased as follows:

| | |
|-----------|------------------|
| 1999/2000 | £11.6m shortfall |
| 2000/2001 | £12m shortfall |
| 2001/2002 | £12.7m shortfall |

3.2.8 **Regional spending:** Our aim remains to double the current level of central provision. This figure is arrived at by calculating the average Government support for the arts by all the EU countries. The UK is one of the lowest of all the EU countries in terms of the support it gives its culture. For a country that prides itself on having a vibrant and successful economy, we believe that there are compelling arguments for increasing our present level of provision. For the purposes of this exercise, we have calculated how much extra money would be required if our aim were to be realised in 2001/2002, and what impact this increase would have on regional levels per head of the population. The following table illustrates the current level of funding across the regions:

| Region | Population (millions) ONS 1997 | 1998 / 99 Total amount of grant into region - direct and indirect* (£) | 1998 / 99 Total grant per head of population (£ per head) | 1998 / 99 % of Government grant funding |
|-------------------------------|--------------------------------|--|---|---|
| Eastern | 5.954 | 8.209 | 1.38 | 4.4 |
| East Midlands | 3.448 | 7.221 | 2.09 | 3.9 |
| London | 7.112 | 28.468 | 4.00 | 15.3 |
| Northern | 3.086 | 9.6-1 | 3.11 | 5.2 |
| North West | 6.481 | 16.488 | 2.54 | 8.8 |
| Southern | 4.794 | 11.585 | 2.42 | 6.2 |
| South East | 4.110 | 5.585 | 1.36 | 3.0 |
| South West | 3.930 | 10.645 | 2.71 | 5.7 |
| West Midlands | 5.321 | 11.199 | 2.10 | 6.0 |
| Yorkshire | 5.037 | 12.711 | 2.52 | 6.8 |
| *excluding national companies | | | | |
| National Companies | | 64.888 | | 34.7 |

Using the above figures it is possible to generate a possible scenario if the amount of funding being made available to ACE

for the year 2001/2002 (£228.9m) was doubled. Such an increase would result in a figure of just over £500m.

Using a round figure of £500m and, purely for the purposes of this exercise, assuming that the proportion of grant going to the national companies remains the same (i.e. 34.7% - totalling £173.5m), a figure of £326.5m remains to be allocated across the ten ACE regions.

Assuming that this £326.5m is allocated on an even per capita basis across the ten regions, all regions would receive £6.62 per head. This would have the following impact on grant levels:

| Region | Amount of grant (£m) going into RAB area - directly and indirectly - based on a £6.62 per head allocation |
|---------------|---|
| Eastern | 39.4 |
| East Midlands | 22.8 |
| London | 47.1 |
| Northern | 20.4 |
| North West | 42.9 |
| Southern | 31.7 |
| South East | 27.2 |
| South West | 26.0 |
| West Midlands | 35.2 |
| Yorkshire | 33.3 |
| TOTAL | 326.5 |

3.2.9 The impact of additional funding on levels of activity:

It is possible to see how additional funding can impact upon the current levels of participation in the arts. Using figures from previous ACE schemes, which have given additional money over and above existing provision, it is clear that additional money unlocked new opportunities for artists, audiences, and young people. The examples used in this section relate to the outcomes of discrete funding programmes, and in one case to particular tours or activities where it is possible to quantify specific impact. These figures show conclusively that increasing the current level of provision would have an exponential effect on the amount of artistic activity.

3.2.10 An earmarked sum of £5m was awarded to ACE in 1998/99 for a New Audiences programme. £5m for this programme has created 1.1m new attendances. The following are specific examples:

Sheffield Theatres £300k
18,000 first time attendees
(aged 16-24)
Birmingham ArtFest £120k
75,000 attendees for 250 performances

Eastern Angles (East Anglia) £30k
1,500 new attendees

3.2.11 Activities funded under the Arts4Everyone programme have not been completed yet, and so it is not possible to demonstrate a quantifiable impact in full at this stage. However, we can determine the impact it has had upon ACE and RAB regularly funded organisations. There has been a disproportionate impact on audience development, with additional funds generating a proportionately greater increase in attendance than might have been predicted. The average cost per additional attendee between 1997/98 and 1998/99 for all regularly funded organisations was £2.32. However, the

average cost for those organisations in receipt of A4E funding was just £1.36, a saving of over 40%.

3.2.12 The A4E Express programme – which awarded grants of between £500 and £5000 to organisations that had not received regular income from ACE or the RABs – provides more complete and useful information. £21m was spent on A4E Express over a nine-month period. This resulted in audience figures of some 7m, and more than 50,000 participants.

3.2.13 A specific example of the increased activity facilitated by extra funding can be illustrated by a one-week tour to Manchester undertaken by English National Ballet. The total cost for the week was £197,500, with ACE providing a subsidy equivalent to 50% of the turnover. 14,147 people attended performances, of which 2,900 were children. The tour provided employment for 205 people: 64 dancers; 2 guest artists; 98 musicians; 13 technical staff; 5 wardrobe staff; 2 stage managers; 8 education and outreach staff; and 13 administrative staff. 90% of attendees rated the experience as ‘good’ or ‘excellent’, while 30% said that their expectations had been exceeded. Over all, 82% said they were proud that Manchester was hosting English National Ballet.

3.2.14 Although it is our contention that the ethical argument for increased artistic opportunity is paramount, these examples demonstrate how increased public funding can and does enhance that opportunity.

3.3 The Arts Board Structure

3.3.1 The Arts Council of Great Britain was established in 1946 as a funnel through which central Government funding of the arts could be channelled to arts activities. In 1994 autonomous arts councils were established for England, Wales, Scotland, and Northern Ireland.

The original Arts Council was intended to enable there to be an ‘arms-length’ between Government and arts organisations, so that those responsible for providing money would not have undue influence over artistic activity. In 1946, when Europe was still heavily influenced by the cloud of Fascist and Communist regimes, such a safeguard had a genuine *raison d’être*. Over fifty years later, the need for such a principle is debatable. It is our conclusion that the arms-length principle has provided past administrations with the opportunity to evade the consequences of the under-funding of the arts. The distributing bodies, being the clients of government, have been reluctant to point the finger of blame at their paymasters. They have tended to be caught in the trap of continuing support for their own clients but due to financial constraints, at a level that is inconsistent with the artistic objectives of the existing arts bodies themselves. This has certainly contributed to the £20m deficit. Also, new bodies have great difficulty in attracting public funds. Furthermore it reduces the flexibility of public spending required to address gaps in provision. Although the arms-length principle continues to be invoked by ministers as a shield against criticism, it has been quietly ignored when it suits them, as when the then Department of National Heritage on the eve of an election chose to fund directly the purchase by English National Opera of the Coliseum Theatre.

3.3.2 In spite of the arms-length principle, the DCMS does have direct responsibility for funding some arts organisations, namely, the national museums and galleries. This has not unleashed fears that British governments might, as did the Nazi Government, destroy contemporary art as ‘degenerate’. It is simply far-fetched in a society where comment is as free as in Britain today, to fear the political manipulation of the performing arts by the paymasters.

Government, therefore, should be directly responsible for the funding of the national companies, as it is directly responsible for the national collections, the independence of the organisation of both being secured by the trustees responsible for their management. We would also place a statutory duty on directors of arts companies to safeguard their independence.

3.3.3 Devolution of funding responsibilities to the RABs: ACE has begun a process of decentralising decision making on funding to the RABs. We welcome this decentralisation, but would wish to see the function democratically exercised by, and the boundaries of operation aligned with, the regional tier of government that our constitutional reform proposals envisage. It is therefore our intention to make Regional Governments responsible for the funding of the Arts in their regions. Until regional government is in place we will entrust the RABs with this responsibility. Pending this change we are anxious to ensure that the RABs do not become bureaucratically over-inflated pre-empting funds required for their clients, and we would wish them systematically to engage in strategic decision making with the elected local councils in their areas. When the process of regionalisation is complete, the RABs would discharge a role analogous at regional level to that advocated for ACE at a national level.

3.3.4 We have referred earlier to the imbalance of regional funding of the arts, and we would wish to achieve a more equitable distribution that is measured not only by the per capita basis but also takes account of existing under-provision. In particular we would wish any calculation to take into account the sparsity factor of rural areas.

3.3.5 The future role of ACE: The divestment of responsibility for funding of client bodies would offer the opportunity

greatly to strengthen the role of ACE as advocate, strategic advisor, repository of expertise, and representative of excellence in British culture. Its independence and objectivity would give it an authoritative voice, which would, no doubt, influence the policy makers.

3.3.6 There are three areas of funding in which ACE is currently involved more or less directly which require separate consideration. The support of innovation is a necessary tool to enhance the ability of ACE to proffer advice. We would, therefore, maintain a small fund for distribution by ACE for that purpose. The support of touring by arts bodies is of national importance and best provided for at national level. The DCMS should, therefore, have funds to distribute at its own hand for that purpose. The Arts Lottery Fund should remain responsible for distributing its moneys; however this responsibility should be independent of ACE and should follow the equitable principles of distribution as between the regions that we would propose for central Government funding.

3.3.7 **QUEST:** The DCMS has recently announced the establishment of QUEST (Quality, Efficiency and Standards Team) at an initial cost to the taxpayer of £500,000 pa. QUEST has a specific brief to promote the effective working and management of cultural institutions, and to identify and investigate potential problem areas. It has been specifically charged with investigating the effectiveness of funding agreements between the government and cultural organisations as well as evaluating such areas as the cost of Lottery fund applications. We consider this to be an unnecessary extra level of bureaucracy. The work of QUEST can be more efficiently and effectively handled by ACE, divested of its particular funding responsibilities. We shall, therefore, abolish QUEST, and ensure its responsibilities are handled by ACE.

3.3.8 Bureaucracy: An undesirable consequence of the extreme inadequacy of funds for arts companies has been the expansion of the amount of managerial effort devoted to competitive fund raising. Funders and donors have been caught up in often-spurious attempts to measure the achievement of the applicants by the imposition of targets, which are less managerial tools than symbols to be accumulated as a measure of worth. Performance by companies in education, innovation, extending access, and delivering value for money are important objectives, but the proliferation of performance indicators can obfuscate the underlying artistic purpose and divert management from artistic enterprise. This tendency is particularly unacceptable if it is designed to service not accountability but competition between supplicant bodies and comparisons of unlike with unlike. It is wrong to seek to reduce the judgement required by the funders to a formulaic process. We want to encourage diversity and pluralism, and institutional structures that seek to impose a pattern of artistic provision are unacceptable. A systematic programme to reduce the levels of bureaucracy to which arts organisations are accountable is required, while maintaining transparency and accountability for those in receipt of public money. Regional consortia are a half way house implying the importance of democratic accountability. But we see them as potentially too bureaucratic and ripe for replacement when regional governments are elected.

3.3.9 Policy relating to central Government support and the Arts Board structure:

- We will increase the level of central Government support for the arts to a figure equivalent to at least the EU average, effectively doubling the present provision.

- We will entrust ACE's present responsibility for funding the national companies to the DCMS, and devolve all other funding decisions to the RABs, on an equitable basis, pending regional government.
 - ACE will continue to exist as an advocacy body and as an important centre of expertise. Its administrative costs will be met by an annual grant from the DCMS. Its role will include making an objective independent appraisal of arts policy; lobbying on behalf of arts organisations directly with the DCMS; and keeping a watching brief on the activities of the RABs.
 - The Arts Lottery Funds will become independent of ACE. A new touring fund will be established and administered by the DCMS. A specific fund for innovative work will be administered by ACE.
 - We will abolish QUEST. ACE will undertake the responsibilities currently earmarked for QUEST.
 - We will undertake a strategic exercise designed to reduce the complexity of public bureaucracy to which arts organisations are presently accountable.
-

3.4 Local Authorities

3.4.1 Local authorities have no statutory duties in relation to the arts, and all their powers in this area are discretionary at the present time. However, they do have powers relevant to cultural activity:

- Section 145 of the Local Government Act 1972: this includes theatres, dancing, orchestras, arts and crafts, and purposes incidental to these.
- Sections 12 and 14 of the Public Libraries and Museums Act 1964: these cover powers to maintain libraries, museums, and art galleries.
- Sections 24 and 45 of the Ancient Monuments and Archaeological Areas Act 1979: these cover ancient monuments and archaeological sites.
- Section 508 of the Education Act 1996: this covers facilities for recreation and social and physical activities. This mainly covers sporting activities, but would also cover classes and other events related to the arts.

In addition to these specific powers, local authorities have power under Section 137 of the Local Government Act 1972 to spend money on projects that benefit their community and also have incidental powers under Section 111 that have relevance to artistic activity.

3.4.2 After a substantial drop in support between 1993/1994 and 1994/1995, arts spending by English local authorities as a whole has continued to decrease in real terms year on year, and now stands at a mere £300m. The trend is similar for all the categories of spending: theatre, art galleries and museums, grants, and other arts spending.

3.4.3 Within the English local government finance system, arts spending is not identified separately when calculating entitlement to revenue support grant. Instead, it is one of many services that are funded within the Environmental, Protective, and Cultural Services standing spending assessment (SSA). This is calculated using information on the characteristics of each local authority, such as population, and social and economic deprivation. Whether a service is mandatory or discretionary, SSA formulae are intended to be independent of local authority policy decisions. Therefore, a decision by a local authority to radically increase its support for the arts would make practically no impact on its entitlement to revenue support grant from central government in future years. This means that in most cases increased support for the arts is not an attractive option for local authorities. This fact is borne out in examples where local authorities have reduced their support for the arts, and in some cases removed it altogether.

3.4.5 Support for the arts is currently at the total discretion of each individual local authority therefore artistic provision around the country is massively uneven. Some local authorities are mindful of the importance of artistic provision in their area, while others find it difficult to find adequate resources to support artistic endeavour. We believe that this situation could be remedied by the introduction of a specific policy designed to increase the resources available for artistic activity.

There are two possibilities:

OPTION

3.4.6a Local Authority Policy Proposal

I: It would be possible to introduce a specific element for the arts in the SSA and to make expenditure on culture mandatory. However, it could be perceived that this policy would reduce a local authority's autonomy in making funding decisions. In view of the vulnerability of the arts to constraints on local authority spending this would arguably be the most direct way to reverse the decline. It could however lead to minimum conformity with the requirement and would certainly reduce local authority autonomy. Therefore we have proposed an alternative.

3.4.6b Local Authority Policy Proposal

II: As an alternative to inaugurating a mandatory spending element on culture, it would be possible to introduce the concept of a ring-fenced central fund specifically for use in cultural activity. This fund could be drawn upon by a local authority as a top up. In this proposal, we envisage that the central fund could be drawn upon by a local authority in proportion to the extent to which it deploys the money it already receives in revenue support grant. This policy has the benefit that it will assist greatly those authorities that already support the arts, while encouraging those authorities that find it difficult to devote resources to culture to consider making this an integral part of their budgetary decisions.

3.4.7 Local authorities have statutory duties regarding library services, however many continue to find it difficult to secure adequate resources to meet these responsibilities. Our policy is intended to

enable local authorities to satisfy these particular obligations.

3.4.8 Policy for local authorities:

- We will either enact a statutory requirement for artistic provision by local authorities, and support this by the introduction of a specific element for the arts in the SSA; or, we will make a ring-fenced sum of money available to each local authority specifically for the provision of cultural services to be drawn down by them in proportion to the money they already use to support cultural activity.
- Pending the establishment of regional government, we will require RABs to work in partnership with local authorities.
- We will provide resources to ensure that local authorities are able to meet fully their current legal responsibilities with regard to libraries, museums, and galleries.

3.5 The National Lottery

3.5.1 The National Lottery was established to raise money for good causes, one of which is the cultural life of the nation. Money for the arts is channelled through the Arts Councils of England, Scotland, Wales, and Northern Ireland, which currently receive 16.66% of the available money for good causes. When the Lottery was established, this figure was 20%, but since the present Government introduced its 'New Opportunities Fund', this figure has decreased. Once the Millennium Commission ceases to exist on 31 December 2000, the New Opportunities Fund will receive one-third of the total money earmarked for the good causes.

3.5.2 When the Lottery was established, it was indicated by the Government that the money raised would only be applied to those areas not currently in receipt of

central support. This was a safeguard to ensure that the ongoing programme of central support would not be threatened or replaced by the Lottery. The present administration has established the New Opportunities Fund, to support specific projects for the public good. The activities currently earmarked for the NOF (healthy living centres, out-of-school activities, and ICT training for teachers) are policies that, in our opinion, are required national services that should be supported by central taxation revenues. The establishment of the NOF has enabled central Government to shuffle off its proper responsibility to meet the funding of these services to the Lottery. In addition, it has removed nearly a quarter of much needed money from the arts and the other good causes. We will, therefore, at the earliest opportunity, abolish the New Opportunities Fund, and re-establish the original directions pertaining to additionality. We will also restore the 20% figure of support to the Arts Lottery fund, as well as a similar figure to the Heritage, Sports, and Charities boards. In place of the Millennium Commission, we will establish a Local Initiatives Fund for the benefit of local libraries, museums and galleries. This fund will help rebuild the depleted public library service throughout the country; amplify funds for acquisitions of local importance; provide educational services to the community; and provide support for other related projects of local importance. The new fund will be administered by the Local Initiatives Commission, whose members will be appointed for a fixed period of time. This new fund will, like the other good causes, receive 20% of the money available to the good causes

3.5.3 We have maintained consistently the desirability of appointing a Lottery licensee who would not make private profits from the Lottery's operation. This continues to be our position.

3.5.4 We welcome the recent endowment fund (NESTA) with an income of currently £10 million per annum to which individual creative artists may have access. A shift of support towards individuals is certainly required and we believe the principle may well be capable of extension further in the arts field.

3.5.5 Policy for the National Lottery:

- We will abolish the New Opportunities Fund.
- We will re-establish the principle of additionality in the disbursement of Lottery funds.
- We will establish a Local Initiatives Fund in place of the Millennium Commission.
- We will re-establish the equitable sharing of the money available for good causes, by giving 20% of the money to each of the five proposed distribution bodies.

3.6 Private support for the arts

3.6.1 This paper concentrates on the public support of the arts, as this is the proper responsibility of government. We do not, however, overlook the potential of increased private giving. While Lottery funds have hitherto been particularly directed towards capital projects, which are, in a sense, a form of long-term investment, the greater need now is for revenue funding and the establishment of endowment funding for arts organisations. There are a few programmes presently in existence that aim to encourage private donations (such as the Gift Aid scheme). However, we believe it is possible to make giving to the arts and other charitable organisations infinitely more attractive by the establishing of specific fiscal initiatives designed to appeal to both private and corporate donors.

3.6.2 We propose that a pilot scheme should be inaugurated (initially for one year only to gauge its effect on the economy over all), which would allow individuals and businesses to make a limited level of donations to arts charities in a single tax year. The amount of their donation could then be claimed as an allowance against their total tax bill for that year. Their tax liability would not, in this case, be increased or decreased, but they would have the opportunity to direct some of their tax burden to a specific organisation.

3.6.3 While our proposed fiscal pilot scheme would assist arts organisations in raising additional revenue funds, it is clear that very few arts bodies enjoy the benefit of endowment funds. Incentives, which

would encourage private giving for the purpose of endowing companies, could best be provided through other means. One particular scheme, Artshare, enables arts organisations to benefit from the growth of particular companies. It is an arrangement whereby companies agree to donate a number of non-voting shares to a particular arts organisation. This is a way of providing a capital investment that can increase. We would want to encourage and facilitate schemes of this nature, and see how they might be more tax effective for both donors and recipients. It is our intention to facilitate the increase of levels of donation of funding specifically for endowment, in addition to our scheme for increasing the amount of revenue funding available.

This paper has been approved for debate by the Federal Conference by the Federal Policy Committee under the terms of Article 5.4 of the Federal Constitution. Within the policy-making procedure of the Liberal Democrats, the Federal Party determines the policy of the Party in those areas which might reasonably be expected to fall within the remit of the federal institutions in the context of a federal United Kingdom. The Party in England, the Scottish Liberal Democrats and the Welsh Liberal Democrats determine the policy of the Party on all other issues, except that any or all of them may confer this power upon the Federal Party in any specified area or areas. If approved by Conference, this paper will form the policy of the Federal Party, except in appropriate areas where any national party policy would take precedence.

Many of the policy papers published by the Liberal Democrats imply modifications to existing government public expenditure priorities. We recognise that it may not be possible to achieve all these proposals in the lifetime of one Parliament. We intend to publish a costings programme, setting out our priorities across all policy areas, closer to the next general election.

Working Group on Arts Policy

| | |
|--------------------------------------|-------------------|
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Note: Membership of the Working Group should not be taken to indicate that every member necessarily agrees with every statement or every proposal in this Paper.

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