

Snapshot Policy Briefing – The Future of the Arts with a Conservative Government

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"I can't promise to maintain funding. We face cuts whoever wins the next election but we are committed to a mixed-economy funding model for the arts and I do believe in state funding. I can promise the arts won't be singled out, because we believe in their importance to both our economy and society."

Jeremy Hunt MP (Shadow Secretary of State, DCMS) speech to the RSA State of the Arts Conference, London, 14 January 2010

Background and context

The policy context ahead of the publication (on 22 February 2010) of the Conservative Party Arts Manifesto: *The Future of Arts with a Conservative Government* was dominated by the threat of future funding cuts for the arts during the next Spending Review period following the General Election. Indeed, the Treasury has stated that non ring-fenced departments (including the Department for Culture, Media and Sport) could face up to 17% cuts in the next Spending Round. The policy debate also highlighted the potential reorganization or restructuring of the DCMS and Arts Council England (ACE) under an incoming Conservative Government. The contribution of the arts / creative and cultural sector to the post-recession recovery (including the development of skills and job creation) has also been central to the debate; and in particular the potential of the forthcoming 2012 London Olympic Games (Cultural Olympiad) and the establishment of a long-lasting cultural legacy.

Prior to publication of the Arts Manifesto, neither party had been specific about how it would change the arts landscape if elected on 6 May. In reality, the stated arts policies of all three major parties are strikingly close. It was former DCMS Secretary of State James Purnell who commissioned, in 2007, the McMaster report, the most important Labour Party statement on culture in recent years. That shifted Labour policy away from valuing the arts in terms of how they might help fulfill social policy goals; instead, the arts were to be celebrated for their intrinsic qualities, and encouraged to strive for "excellence". That approach has since been adopted by the Conservatives and is listed as a key core principle in their Arts Manifesto.

The apparent divergence in approaches over the status of Arts Council England (ACE) could represent a rare example of disagreement between the two parties over the arts. Shadow Secretary of State for Culture, Media and Sport, Jeremy Hunt is keen to see ACE and the DCMS strip administrative costs "to the bone". He has argued that ACE is "top-heavy" or "admin-heavy"; and also believes that the DCMS ought to be in the arts policy "driving seat". The Government however, has cautioned against any attempts to transfer ACE's policy-making powers back "into government" which they say could threaten the "arm's length" principle of artistic independence.

Highlighting some "clear blue water" between Conservative and Government approaches to arts policy, the Arts Manifesto develops two main strands of thinking: reforming the Lottery to benefit its original good causes; and making it easier to give to the arts by reforming the rules surrounding philanthropy. It is therefore clear that an incoming Conservative Government would take a "mixed economy" approach to funding arts projects; and seek to progress a radical restructuring of the arts landscape. Indeed, the planned Museums and Heritage Bill will seek to establish a new administrative status for non-departmental public bodies within the cultural and heritage sectors. We examine their proposals in more detail below.

Key proposals

The Conservative Party approach is based on three core principles:

Secure, long-term funding for the arts, based on the mixed economy and the “arm’s length principle”;

Promotion of excellence in the arts; and

Enjoyment of the arts by as many people as possible, of every age and from every background.

Promoting the Mixed Economy

National Lottery: Restoring the National Lottery to its four core aims: the arts, heritage, sport and charities. The Conservatives will seek to make the Lottery “independent of politicians”, and will aim to increase the share of Lottery funding received by the arts.

Endowments: Adding a fourth pillar to arts funding by enabling leading museums and performing venues to build up endowments. The Conservatives see the setting up of endowments as the next big frontier for arts organisations to cross. They say that in return for long-term funding agreements, arts organisations will be encouraged to raise money for endowments. The Conservatives will also look to encourage endowments through the use of matched funding from the Arts Council. One-off endowment grants will also be available on a competitive basis from the Lottery every year.

Public funding: Using public funding to catalyse philanthropy and private sector investment by requiring a wider use of ‘matched grants’ by the Arts Council. The Conservatives will seek to increase the frequency of funding awards where the grant is conditional on the arts body raising some funding themselves.

Philanthropy: Making it easier to give to the arts by reforming the rules surrounding philanthropy. The Conservatives will aim to make it possible for donors to give works of art while still alive, under the acceptance-in-lieu scheme; they will seek to reform Gift Aid to make it simpler and easier to give; and will change the guidelines to allow arts organisations to reward their donors.

Arts funding bodies: Their aim here is to substantially reduce the administration costs of the main arts funding organisations in order that more funding goes directly to the arts themselves. The Conservatives will insist that these funding bodies spend no more than 5% of their annual budget on administration.

Excellence

National Museums: to be given greater independence to spend the funding they raise. The Conservatives plan to introduce a Museums and Heritage Bill which will seek to establish a new administrative status for non-departmental public bodies within the cultural and heritage sectors. The Bill’s key objectives include: recognising the role of museums as public organisations with responsibility to steward the nation’s assets; and to allow them independence to be entrepreneurial fundraising bodies.

Developing best practice: Working with the Arts Council, the Conservatives plan to introduce multi-year funding arrangements for the most successful institutions to enable them to plan with certainty. They will encourage the Arts Council to become a focus of best practice, so that innovation, particularly in the digital sphere, is quickly

made available to all. The Conservatives will also ask the Arts Council to work with the commercial arts sector in order to share best practice.

Access

Technology: Harnessing technology to ensure major arts organisations are able to showcase their work on-line.

Museums and Galleries: Maintaining free access to the National Museums and Galleries.

Arts funding in schools: Rationalising arts funding in schools. The Conservatives will seek to consolidate the numerous funding streams for the arts in schools, and ensure the funding available is used to promote three key objectives: that every child in school will have the opportunity to learn a musical instrument; that every child has the chance learn to sing; that every child is able to receive a solid cultural education.

National Music Week: Raising the profile of school music by holding a National Music Week every year.

The other parties

We now highlight the key arts / culture policies of the Labour and Liberal Democrat parties:

Labour Party

Since 2007, the Government has had four Secretaries of State for DCMS: Tessa Jowell, James Purnell, Andy Burnham and Ben Bradshaw. Though no pre-election document on arts policy has been published as yet, the most wide-ranging statement on Labour arts policy came when James Purnell accepted the recommendations of the 2007 McMaster report. This shifted the focus away from “the achievement of simplistic targets” towards “a focus on the quality of artistic experience”. The key policy driver became “excellence”.

In 2008, Andy Burnham pledged schoolchildren five hours of culture a week, and announced a million free theatre tickets for the under-26s by 2011. In 2009, he announced a new scheme for British cities to be named “capital of culture” for a 12-month period; and speaking at the RSA State of the Arts Conference in January 2010, current Secretary of State, DCMS, Ben Bradshaw argued that funding for the arts would be safer under Labour than the Conservatives. However, given the extremely tight Spending Round that is expected following the next General Election next month and the fact that DCMS is not a ring-fenced department, Bradshaw may find it very difficult to protect the current level of arts funding.

Liberal Democrats

In February 2010, the Liberal Democrats announced their proposals for the arts in a document called *The Power of Creativity*. Unlike Labour and the Conservatives, they have pledged to retain current levels of funding. They aim to strengthen the arts’ role as a tool of “soft diplomacy” (with performances for visiting foreign dignitaries) and to increase culture’s visibility at No 10. National arts organisations, they say, must move out of London more. The Liberal Democrats also support Conservative Party proposals to reform gift aid and extend acceptance-in-lieu to lifetime giving. They also support helping local government to use culture and the arts as a key driver for regeneration.

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