



'The only trustworthy book...'
Art and public value

Sir Christopher Frayling
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When the Momart warehouse in Leyton burned down last year, my first reaction was a rush of adrenalin. As chair of the Arts Council, I'm responsible for the Arts Council Collection, pieces of which were stored at Momart – luckily not damaged. And as rector of the Royal College of Art, I'm responsible for the college's painting and sculpture collection, which is mercifully warehoused by other companies. We'd considered moving it to Momart quite recently.

As it was, I had friends who lost important pieces of work in the fire: six important pictures by Paula Rego – one of them, called *The Departure*, was the last she painted before her husband Vic Willing died; 50 St Ives paintings by Patrick Heron; the prototype of the *Big Easy* chair by Ron Arad; 20 pieces from the Crafts Council Collection, many by my colleagues at the college.

But the thing that struck me as most strange – and disturbing – was the reaction of some parts of the media. Sniggering attention was focused almost entirely on the 'Young British Artists', and Tracey Emin's tent in particular. No mention of work by earlier or even parallel generations of artists.

And I was shocked, too, by the vitriolic nature of some of the comment. Even written by journalists from whom one expected much better.

Peter Conrad, writing in the *Observer*, of all papers, coined the phrase 'aesthetic cleansing' – hijacking one of the most unpleasant concepts around. Tony Parsons called it 'bloody hilarious'.

It was only when the dust had – literally – settled, that the scale of the loss was realised.

Then the sniggering comments about Tracey Emin's tent began to subside a bit. But there were still articles about how none of the lost art was irreplaceable, how

most contemporary art was throwaway art anyway, how at some level it was all a con trick. No one put the other case – that we should have much more confidence in the work of our contemporaries. If just one Old Master drawing had been destroyed, think of the hoo-ha there would have been. But above all, I think the media – with their knee-jerk reaction – were out of step with their readers and their audience on this one.

In recent years, the contemporary visual arts have enjoyed not just a sustained period of productive activity, but a much higher profile than ever before. The coverage of the fire, though, made me wonder just how far we have come since the Carl André ‘pile of bricks’ debacle at the Tate a generation ago.

Are we still – as a lot of newspaper editors seem to think – a society that is resistant to contemporary arts, and only comfortable with our heritage?

Well, I don't think we are. Look at the evidence. The success of Tate Modern has confounded even the most optimistic expectations. Over a million people came to see *The Weather Project* alone. What's more, they loved it. A great big man-made sun in a huge industrial chamber with an enormous mirror on the ceiling. I had to clamber over rows of visitors lying on the floor, as if it was an eclipse.

Another success story is the BALTIC Centre for Contemporary Art, Gateshead. It too has attracted more visitors than anyone predicted. The opening of the BALTIC has fuelled a big change in the attitudes of people from the North East to contemporary art. Newcastle and Gateshead residents are 40 per cent more in favour of centres for contemporary art (than before) and over 80 per cent believe that interest in arts and culture has increased since the gallery opened.

We did a national report last year – called *Taste Buds* – which looked closely at the contemporary art market. Its punchline was that just under five million people *have* bought art and, on top of that, nearly six million aspire to buy art.

Three-quarters of them would buy work that is by living artists. That's over eight million people who are prepared to spend their own money on contemporary art for their homes. Contemporary art – art that is more modern than modern.

Building on this, we launched Own Art – an interest-free loan scheme to provide up to £2,000 of credit through a national network of galleries.

In making this available throughout England for the first time, we had several simple objectives. One was to stimulate the market for living artists. Another was to stimulate the market for buying art – encouraging people to own original art in their homes.

When I took over the role of chair of the Arts Council just over a year ago, I said I wanted us to be an incubator for new ideas, a campaigning organisation, a development agency for the arts and its economy; not just a funding body. Much more than a cashpoint machine with a rather complicated PIN. It was my predecessor Lord Goodman who famously wrote in an Arts Council annual report in the mid-1960s, “everything apart from the accounts might properly be called extraneous matter”. Well I'm afraid I don't agree.

So – as a small example – I've watched the Own Art scheme develop, with great interest. It normalises the buying of original work, makes it part of everyday life. No big deal. People are used to interest-free credit when they buy cars, vacuum cleaners and televisions. So why not art? The scheme gives confidence in making judgements, then shopping, then collecting.

As the scheme expands – which it is, as we speak – I’m sure this cycle will accelerate.

I’m sure because our research shows a huge untapped demand, and I’m sure because of the amount of interest shown in the scheme. It looks to be one of the most widely reported, and popular, things the Arts Council has ever done: I’m told we received a record number of press enquiries, including some from New York.

But it’s not only in the visual arts that we’re seeing a major shift in public attitudes, though they’ve often dominated the headlines. The number of people regularly attending performances and events continues to rise, right across the country. Eight out of 10 people attend at least one arts event a year, and almost nine out of 10 participate in at least one arts activity each year. Audiences in every artform have risen by six per cent since the year 2001 – partly through demand, partly through opportunity, partly through welcome changes in the perception of culture.

We shall be publishing these statistics tomorrow – and others drawn from the Arts Council survey *Arts in England 2003*. But tonight I’d like to trail some of the most interesting figures.

Very encouraging for me – as chair of the largest arts *development* agency in the country – is the level of public support for the concept of arts subsidy itself. Although you wouldn’t know that from much of the media commentary.

Since 2001 the percentage of adults who believe that arts and cultural projects should receive public funding has increased from an impressive 74 per cent to an even more impressive 79 per cent – amazingly, that’s almost the same degree of support for a public health service and education. And we know how high *they* are on the political agenda!

It mirrors the attendance figure which has risen by six per cent, and it confirms that there is a democratic will to fund cultural institutions.

I know it's always risky to read too much into statistics, but I'm not going to let that stop me.

Here's a thought: This shift in the nation's appetite for the arts and culture – and the support for public funding – is linked both to the unprecedented investment in the arts from the National Lottery and from the Treasury in recent years, and to the increasing accessibility of what's on offer.

More investment means that the public gets the opportunity to see more art, and more interesting art. That, in turn, creates an appetite and a demand for yet more art. And we are happier to pay for that art through taxes and through a weekly flutter on the lottery. It's a virtuous circle.

Over the past year, since I became chair of the Arts Council, there's been a lively public debate about the contribution of the arts to society, and how they add 'value'. Between Tessa Jowell's pamphlet *Government and the value of culture*; the Institute for Public Policy Research's report *For Art's Sake?* and others. In December, DEMOS published a pamphlet called Capturing Cultural Value, which looked at the ways in which the arts have become a tool of government policy – and proposed a wholesale restructuring of public investment in this area. It's a debate that has been going on since a body for public support of the arts was first set up – in that same period just after the Second World War which saw the birth of the health service.

But today there are in fact many more shared assumptions in the debate than ever there were in 1945, partly because of the existence of the Arts Council: that culture is central to our identity and our aspirations; that the arts in Britain are a crucible

from which we draw ideas of ourselves and our communities; that there are cultures in the plural rather than culture in the singular.

And the assumption that today Britain has become a world class centre for culture and creativity. In 1945, the first chairman of the Arts Council, John Maynard Keynes, dreamed that cities which were 'half a ruin' might one day be remade as 'the great artistic metropolis'. Well, it is happening.

To confirm the point about 'world class', you only have to look at the tourism statistics: 29 per cent of overseas visitors are drawn to visit Britain by the chance of going to the performing arts. There were almost 25 million of them in 2003 – so you can see why the arts and cultural industries account for around six per cent of London's economy, for example.

When the *Angel of the North* was covered with a Newcastle United shirt, whatever we may think of Newcastle United the gesture showed an acceptance by the people of Newcastle that the angel was theirs. It is easy to forget that it was not popular at first, with local newspaper campaigns against it, local scepticism and indifference. I can remember the Arts Council debate too – there were agnostics who spoke of vandalism and rejection. The process by which the angel came to be adopted as part of the landscape, and a symbol of the region, was just that – a process. A process of defining an identity through a piece of art – like the opera house in Sydney, or the works of Rennie Mackintosh in Glasgow, or the *B of the Bang* in Manchester.

So 60 years after the foundation of the Arts Council, we know that the arts are more popular than ever, that the concept of public subsidy commands greater public support than ever, and that the cultures themselves have changed radically.

We know the importance and necessity of a thriving arts sector to the health of the nation; to the quality and effectiveness of its education; to its civic and communal life; and to the quality of individual experience and personal lives. We know all these things – we have 60 years' experience of them – and yet the arts continue to hold an uncomfortable place in this country's wider political culture.

It's almost as if politicians are embarrassed to be associated with the arts. This isn't a party political point. The left is as uncomfortable with opera as the right is with street arts.

There are of course individual politicians who are honourable exceptions to this – some are in the room tonight – but they are exceptions. Jennie Lee, the first-ever Minister for the Arts, rightly said that one of the big challenges was to make the arts politically worthwhile without at the same time politicising them.

Artists are by definition unpredictable and often highly provocative. They tend to revel in challenging convention and rocking boats. They are the opposite of risk-averse. That's part of what they do.

But I fear that too many politicians believe that these who celebrated the 'aesthetic cleansing' of the Momart fire represented public feeling towards the arts. They don't. As I say, there's a strong democratic will to support the arts.

The achievements of our sporting heroines and heroes – great though they may be – are more than matched by the achievements of our playwrights and actors, dancers and musicians. In London, and in the cultural sphere, we win the Olympics, cross the line, get into the finals over and over again.

I'm not saying that the arts deserve *more* political support than sport. And I'm not saying that the achievements of our sports stars do not deserve to be celebrated.

This is the week that the International Olympic Committee arrives in London to inspect the city's bid. There is strong political and increasing public support for the 2012 Olympic bid and this is a great moment to show that England leads the field in both sport and the arts and that London is the cultural centre we know it is.

I just want the arts to get bigger and more focussed share of the political limelight than they currently do. A realisation that the value of the arts and the values of a democratic society go hand in hand.

This political discomfort with the arts – the upward cadence in the voice when talking about them – has a cost. Public subsidy to the arts in this country still lags behind our European counterparts by a very wide margin. The arts often remain an afterthought in wider government policy – and the arts are often the first to suffer when money is tight. They are seen as entertaining distractions, bolted on to the margin of life's main concerns and action. To make matters worse, governments can also interfere in the arts in unhelpful ways. More of that a little later.

In saying this I am fully aware that the Arts Council is a creation of government – the great post-war reforming government of Clement Atlee. This year, the Arts Council is 60 years old.

While I want to take us forward this evening, it's worth pausing for a little history. I don't often agree with Karl Marx but I agree with him that those who don't understand their history are condemned to repeat it. So bear with me for a moment.

Although it is often forgotten, the creation of the Arts Council was part of the wider movement of reform that in 1945 transformed this country. The arts went hand in hand with the creation of the NHS, the widening of public education and the establishment of the welfare state. It was an integral part of wholesale societal changes that followed the privations of the pre-war depression and the hardships of the Second World War.

We should not forget that the right of equal access to the arts was articulated at that time as a right on a level with healthcare and education.

It was no coincidence that the founder chairman of the Arts Council was Keynes: whatever his contribution to economics – and opinions differ – we are all Keynesians in the arts.

For him the arts were not an afterthought, a bolt-on. They were central to his vision of a fair and civilised society. Despite the parlous state of the post-war British economy, the physical devastation of towns and cities, and the huge financial commitments that were essential to set up the NHS and other aspects of the welfare state – and despite, perhaps because of, his unmatched intellectual rigour on matters of economic policy – Keynes still advocated public funding for the arts. ‘There can be no better memorial of a war than to save the freedom of the spirit of the individual’, he wrote in July 1945. ‘We look forward to a time when the theatre and the concert-hall and the gallery will be a living element in everyone’s upbringing, and regular attendance at the theatre and at concerts a part of organised education.’

It was and remains a great vision but it has to be admitted that his definition of culture was very different to ours today. It was very Establishment, very metropolitan, and very much within the classical European tradition. ‘Few, but roses’ was the phrase that characterised his vision of the scale and reach of the

organisations funded by the Arts Council. As the Council's annual report of 1950 actually said, 'few, but roses' was the motto written over the door of patrician nurseries in ancient times and it was a good motto. The assumption of a classical education – and the patrician emphasis – were characteristic. It was in the end a question of preserving the arts for the educated minority. When Keynes was shown a scheme for opening new arts centres in small towns outside London, he retorted, 'Who on earth foisted this rubbish on us?'

Some people have a kind of nostalgia for this period. A wistful sense that – in some ways – these matters were once so much more straightforward. That the post-war years in which 'culture' was singular – and pronounced 'culcha' – somehow represented a more golden age. A time when one instinctively knew what was right, and when another predecessor as Chairman Kenneth Clark could say to a parliamentary Select Committee – in 1949 – 'I am not in favour of giving the Arts Council a much larger grant, because I think it will simply get itself into trouble' – 1949, when the grant was just £235,000 a year. Kenneth Clark also said of one of Keynes' successors as Chairman, 'Having no interest in the arts, he could be relied on not to press their claims too strongly.'

Keynes himself dreamed of a time when the arts would be part of everyone's upbringing – but he admitted it was a long way off. As the dream has come true, the whole concept of the arts and of culture has also changed beyond recognition. As a nation, we are better off and more diverse. Our society is more mobile. The arts are part of every child's education – precariously in some respects, but they are. The way we live our lives today could not even have been imagined 60 years ago – just as it is impossible for us to imagine what life will be like 60 years hence. The arts have been at the forefront of that change – at times its catalyst.

So ladies and gentlemen, the 'Golden Age' is, I believe, happening right here, right now.

And it is golden precisely *because* we have gone for the new and the brave and the different. Because we now have a diversity of traditions, forms and artistry – and new artforms which can collaborate with each other. The arts have been influenced from without as well as from within. They are now more reflective of the society which nourishes it than ever before, in part thanks to the Arts Council as development agency. In 1945, our predecessors saw access and excellence as antithetical. Today, we see them as absolutely essential to each other. In 1967, Lord Goodman described the first stirrings at the Arts Council as a more inclusive approach, but added, 'I do not believe that with the immense present demand that exists in various localities, any other policy [than the present one] is a possibility; but it may be, as time goes on, we will have to consider a change.'

Forty years on, the change has become firmly established. I've looked back over our annual reports to measure the number of organisations that the Arts Council has funded on a regular – yearly – basis. Unsurprisingly the number, scale and range of these organisations has increased beyond all recognition since 1945 and it's worth looking at how this change has been effected and the impact it's had.

In 1945, the Arts Council supported 22 theatres, eight orchestras and 12 arts clubs, putting on open-air performances and touring exhibitions. By 1955 this number had already doubled, taking on organisations like the Royal Court Theatre and the Royal Opera House in 1955 and 1956. The focus continued to be on rebuilding the capital after the loss of theatres in the war. A sense of preservation rather than development.

Between 1965 and 1975 the figure had again increased – to 270. This decade included the tenure of Jennie Lee as the first arts minister, when there was a step-change in the relationship between government and the arts, and when the Arts Council's mission moved on from 'preserving the arts for the educated minority' to

'making the arts more widely available', although definitions of the arts had not yet changed that much.

During the 1980s, the Arts Council looked outwards, away from London and towards what were still known as the provinces. But funding was becoming increasingly tight – by the end of the decade in 1988/89, the Arts Council's grant was running six per cent below inflation.

By the early 1990s the arts were demoralised. Funding had become very variable and arts organisations had suffered as a result. A lack of capital investment had had its inevitable consequence. Buildings were in a bad state, equipment didn't work and the arts were becoming increasingly unfit for purpose. 'Stop-go' made it very difficult to plan – even to stabilise – in a sensible way. A little extra money one year, a cut the next. Money taken from one place to fix an acute problem in another. Not surprisingly, this resulted in a drop in artistic confidence and an aversion to risk.

Some of our landmark arts buildings were becoming national scandals. Remember the loos in the Coliseum? The inventiveness – and the entrepreneurial flair – of our artists and arts organisations did a lot to keep the arts going in this period. But the arts in England were in a bad state of health.

Almost overnight that changed. The National Lottery Act of 1993 threw a lifeline. For the first time ever a programme of major capital modernisation and refurbishment could take place. Old buildings were renovated, new buildings were designed, new organisations developed and placed in new settings, equipment could be replaced.

Physical access to arts buildings improved, as did the working conditions of artists. The arts in every part of the country benefited – brass bands, opera houses, new

galleries, new theatres, new public art. We had some lively discussions at that time about where the boundaries could be drawn – including a fierce debate about morris dancing and another about conjuring.

All in all, everyone agrees that the lottery has been and is a great boon to the arts. Maybe the era of grand projects is coming to a close, but don't believe for a second that the job is done. There are still countless capital needs, new projects, new ideas, new collaborations which will be needing support in the future.

And there remain areas of the country and sections of the community who still haven't seen their fair share of lottery investment. The arts have much more to contribute to urban and rural development – not to mention the creation of new communities such as in the Thames Gateway, which will need substantial cultural investment if they are to be places where people will want to live.

So, as the Government considers future good causes in the run up to the renewal of the lottery licence in 2009, it would be foolish even to think about slowing the momentum, downplaying the arts, or undermining what has been achieved over these remarkable 10 years; such thoughts could debase the 'Golden Age' overnight.

But by itself, lottery money wasn't enough. Why build a new arts centre if you can't afford to put anything on in it? Why respond to or even generate demand if you can't meet it?

The arts needed enhanced revenue funding from the Treasury. And in the last five years, it was forthcoming. These days we give regular funding to well over 1,000 organisations. That's a long way from the 22 of 1945.

[AV: CLIP ENDS]

In fact the Arts Council's budget for revenue has more than doubled since the late 1990s. More of that later.

Jennie Lee was worried that as the arts moved higher up the political agenda, there would be a growing temptation to politicise them. Having a minister for the arts, she said, should never be confused with political control. And she added, 'Political control is a shortcut to boring, stagnant art: there must be freedom to experiment, to make mistakes, to fail, to shock – or there can be no new beginnings. It is hard for any government to accept this.'

Hard to accept that the arts are about individual voices, and work that is intensely personal. She was right. That is one of the reasons why the Arts Council exists. Not as an arbiter of taste, but as a buffer between individual artists or organisations and government – to champion creative independence, and to insulate politicians from direct decisions about individual artistic choices. To ask not 'Do I agree with this?' – nor even 'Do I like it?' – but: Is it original? Is it worthwhile? Is it inspirational? Does it have something important to say? Is it excellent in its own terms? Could it be a classic or does it take an artform in a fresh direction?

It's called the 'arm's length principle', and it means that, while Arts Council England is funded by the Treasury through the Department for Culture, Media and Sport (DCMS), it is independent of government. Technically, we are known as a 'non-departmental public body'. The government evolves the policy framework but it is not supposed to interfere with implementation. The arm is attached to the body – of course – but it also has a life of its own, which is where the metaphor ceases to work except in horror movies.

Beyond funding, the Arts Council has a brief to advise government on arts policy, on the development of arts organisations, on how the arts can contribute to society more widely. To develop strategies which will help bring the best work to the fore, and to make sure that this country remains a place renowned for its thriving culture. The council is at the same time a funding body, a development agency, a campaigning organisation, a mapping unit, an incubator and a think tank. It is not, as some people seem to think, just a letter box or a cashpoint machine.

Generally, the arm's length principle works pretty well. The Council which I chair is appointed by the Secretary of State, and we are rightly accountable for the proper investment of public money into the arts – but fiercely independent in making individual decisions. And when we advise, my experience is that government listens.

The Arts Council brings a mix of professional perspectives, and include among our number artists, people running arts organisations, academics and business people. We bring expertise which spans different artforms and the wider creative industries, and hails from all parts of England – to make sure that the regional and local dimensions are understood and valued.

In short, we have our own professionalism. And I believe we make decisions better informed by the needs and opportunities of the sector than a career civil servant ever could. Brilliant though the best of them are, they can't possibly bring our experience and knowledge. Why should they?

But lately, I have to say that I have sensed the distance between the Arts Council and government is narrowing. While it was the Conservative government of the 1980s that first introduced the mantra 'culture should serve the economy', since 1997 New Labour has added a whole new list of priorities – still on the basis of instrumental outcomes. The DCMS is becoming more 'hands on'. Our

independence is less well understood – and commitment to the benefits of the arm's length principle may be slowly ebbing away.

Let me give just a few examples.

The first, a detail – but I think a telling one: the letters we receive at the conclusion of each Comprehensive Spending Review, when the DCMS having had its allocation from the Treasury, tells the Arts Council what its grant-in-aid will be for the next three years.

Once upon a time, these used not to contain a great deal of detail about implementation. They gave a steer on policy and strategy, of course, for example specifying in 2002 that we should implement our plans in respect of theatre following the review the Arts Council had completed and the development proposals it had suggested.

But I have noticed these letters are becoming more prescriptive – and much more detailed. In 2000 the settlement letter from the then Secretary of State, Chris Smith, was three pages long. In 2004, Tessa Jowell wrote me seven pages, more than twice the length of the 2000 letter, with much ring-fencing of sections of the Arts Council's budget for specified purposes. Such mechanisms seek to second-guess the independent, expert people at the Arts Council – with their own brief to take a bird's eye view – and to second-guess or even clone the Council specialists.

And – maybe in time – they will seek to superimpose decision-making by individual ministers and civil servants. Or at least reserve the right to do so.

Another worrying example: efficiency. Despite what's been written in some quarters lately, the Arts Council has a success story to tell here. As a direct result

of the big restructuring in 2002 – when we created a single, national development agency for the arts, by merging the national funding body with 10 separate and independent regional arts boards, to form England United or rather Arts Council England – as a result of that we have already saved £5.6 million per year.

By 2006, the arts funding system will cost £7 million less to run than it would cost if the reorganisation had not taken place. In other words, we are on course to save around 15 per cent of administrative costs, and of course any money not spent on administrative costs is spent directly in support of the arts. In the jargon of the moment, from the ‘back office’ to the ‘front’.

These are huge percentage efficiency gains – by any standards – and were achieved by completely reorganising the funding system, which also left a healthier, slimmer, modernised organisation. For example, we reduced more than 100 different grant schemes – with their own rules and their own vocabularies – to just five. The DCMS warmly commended us on all this in its report to the Treasury about efficiency.

With the Gershon Review of public sector efficiency now to be implemented across government, however, we have recently been told that we must find 2.5 per cent across the entire Arts Council budget. As part of that, we’re being asked to encourage efficiencies within the arts organisations we fund as well.

I could talk about the semantics. We like to think of the arts sector being made up of arts organisations and artists. I was fascinated recently to learn that they are, in government-speak where this exercise is concerned, ‘second-tier’ organisations. That they are to be treated as mini Whitehall departments.

Put all these together – plus the fact that the DCMS has developed an alarming tendency to replicate our structures – and there can be little doubt that the Arts

Council is increasingly seen as an extension of the Department for Culture, Media and Sport. As a part of government.

In other words that in the eyes of the government, the National Theatre is an extension – a second-tier extension – of the civil service. When that has happened, the length of the arm has become very short indeed, almost Venus de Milo length.

At this point, it's worth saying a word or two about Wales and Scotland, because, as many of you will know, there may be fundamental changes in the relationship between arts council and government in those two nations – with, in the case of Wales at least, a direct reporting line between the larger arts organisations and civil servants, and a much less strategic brief for the council.

As I discussed earlier, the arts – and culture more widely – are key to individual, local, regional and national identity. When, in 1994, the old Arts Council of Great Britain was split into separate councils for England, Wales and Scotland, this was an important recognition of the emergence of distinct nations, each with their own character and their own politics. Fine.

And I am very sensitive to the fact that I chair a public institution with a remit for England – but I offer these comments in the context of my concerns about the shortening of the arm's length in England, and about arts councils in general, so I hope they won't be misunderstood.

I'll put it like this: if what is proposed for the Arts Council of Wales – and mooted for Scotland – were to be proposed for England, I, and I hope everyone in this room, would be very, very concerned.

What is proposed is that funding decisions on major arts organisations be moved from Arts Council Wales to the Welsh Assembly – that's to say, from an independent, specialist body to a national government.

I think this should be of concern to all those in the nations of the United Kingdom who support – often passionately – the public funding of the arts.

I am determined not to be misrepresented here. I began this section by saying that the Arts Council and I are firmly accountable for the investment we oversee. So we are and so we should be.

And I am absolutely committed to the need to run things ever more efficiently. As I have explained, the Arts Council has a record – ahead of Gershon – that is one of the best in government. And this has been acknowledged by the DCMS.

But I do not believe that this is entirely or even really about money. And by the same token it is about much more than a rearrangement of the furniture.

It amputates the arm's length principle, the principle that government should be distanced from implementation.

Part of what I am arguing for is a more sophisticated, more nuanced model than the one we currently have. The DCMS is a relatively small, relatively new department. It's only been in existence since 1997. For five years before that we had the curious Department for National Heritage. But before 1992 the arts, heritage, media and sport were simply spread around a number of other government bodies, such as education. You could argue that the DCMS is undercapitalised. And that it needs the chance to do something different with its NDPBs.

The Arts Council in turn is large-scale compared to the other arms-length bodies within the DCMS, a very large NDPB in a very small department. And we are rightly being encouraged to work across government – with Education, with Health, with the Home Office. But as yet we have no sensible mechanism with which to do so. I am sure we can come up with a more sophisticated model, to achieve all this. But whatever that model is, it has to be of real benefit to the arts.

So my concerns are that what we have at present – in the absence of such a model – is leading to an erosion of artistic independence, a gradual dismantling of a coherent framework for arts policy, the danger of playing politics with the arts – and maybe the danger, in Jennie Lee's words, of 'boring, stagnant art' – and the potential loss of influence in the decision-making process for those who really understand and belong to the sector..

Get this wrong, and it's not just the arts which are the poorer. As JB Priestley wrote – in a passage often quoted by both Jennie Lee and Lord Goodman:

'The State can only clear the ground and build a wall against the cold wind. It can not pull out of the dark soil the flower of art. Only the artist can do that.' The state's role, they said, was 'money, policy and silence' . . .

When we received our Spending Review allocation from the Secretary of State in December, we were disappointed.

I can't say we were entirely surprised – by the time the announcement was finally made – because these things always firm up over a period of time. But I can say that the result was substantially worse than we had been expecting a couple of weeks before. After I went public about our disappointment, and about the gloss which I thought was being put on the settlement, angry words were exchanged in the press.

Yes, the Arts Council had been permitted to move money from other budget lines to mitigate the impact of the settlement – but that didn't alter the basic fact that we have a cash standstill settlement over three years. Our allocation in 2007/08 will be exactly the same as in 2005/06.

The Secretary of State wrote a bylined article which accused the Arts Council of 'mugging' her. Of spinning against her. I tended to feel – to misquote King Lear – 'more spinned against than spinning'. How had we got here?

The government clearly thought we were being ungrateful after the big uplifts to the arts in previous spending rounds. We felt betrayed that government had decided for some reason not to continue with its investment of new money – despite all the success. A strange decision, since the upward curve of the arts was one of country's good new stories. It was up to then an uncompromised record – so why start compromising now?

From the arts people, the thing they most feared was a return to the stop-go funding of the early 1990s. That was the refrain I heard the most, and I think we must recognise the legacy of the 1980s and 1990s, the memory of when government subjected the arts to an unpredictable regime of feast and famine.

Earlier in this lecture, I've paid tribute to the achievements of this government in funding the arts. As I have said many times, don't look back for the 'Golden Age' – look around you! And this government – more than anyone else – really should take the credit for that.

In all the 'noise' surrounding the spending review, inevitably this message got lost. And it is a shame, because one of the reasons I felt such disappointment at a real-terms cut was the symbolism of undermining all that good work.

Certainly, the symbolism of it is what drove the emotional response of artists and arts organisations. Since those angry days in December, the Arts Council and the DCMS have been working closely together, trying to make the standstill settlement go further – trying to do the maths in different ways. The cash standstill was particularly troubling because over the last year, we have been giving a lot of thought to the development and nourishment of our regularly funded organisations – on the assumption of a sustainable environment. What are they going to need in the future? What could an arts organisation look like in the early 21st century? How can the portfolio that we fund be refreshed?

Well, high on the list comes the stability to plan. Performers, seasons and major exhibitions must be arranged often years in advance. Being unsure from year to year about budgets makes this very difficult.

Also high on the list – and very much linked – is confident leadership and governance. Organisations can only fulfil their artistic potential in a sustained way if they are also well-run and outward-facing – entrepreneurial, with flat hierarchies and a mix of partnerships, good at taking the right kind of risks. Time for research and development and risk are things that we are committed to supporting.

An entirely new, multi-faceted model of 21st century art organisations is beginning to emerge from our research. Yes of course they're programming and performing, but they're also likely to emphasise training, artists development, creating new work, seeking new audiences and processes, investing in the next generation of artists, providing information, advice and guidance.

To give an example, Dartington Plus is building on a new relationship between the higher education college, the international summer school, visiting artists, the local community college and becoming a development agency for musicians and other artists across the whole of the South West.

Another example, this time of larger partnered with smaller – the Norwich Theatre Royal is running all the box offices of the local arts centres except one. This scheme allows the box office to stay open for longer, better data collection and of course financial savings.

One of the reasons I took on this role was because my vision of culture – or rather, of cultures in the plural – is one that is unashamedly outward-looking, inclusive – meaning not exclusive – and open to all. In my own field, the visual arts, I see every day how people from different backgrounds and with different perspectives can enrich our cultural vocabulary.

And it is an article of faith with the Arts Council that we must make this accessible to all. Not that everyone will take us up on the offer – why should they? – but that the offer must be made.

So – for me – engaging new audiences and artists from a wider range of backgrounds is part of the mission. That has to mean extending the franchise particularly – and energetically – to those who have not yet taken part. When Keynes started out in 1945, he noted with some surprise that one lesson of wartime was that far more people were interested in the arts than had been anticipated before. The view from Bloomsbury hadn't looked like that at all. So it wasn't a matter just of replacing what had been taken away – it would one day become a question of providing what had never existed before. He was right. It was a question of opportunity.

So where does all this leave us now?

The investment in the arts of previous years has, I believe, been used pretty well, and we now have increasingly flexible arts organisations which are capable of

delivering world class performances, exhibitions and events. We have a new generation of artists and arts managers. We have the makings of a sustainable cultural sector, given seed money which keeps pace with inflation.

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

But we also know that if you have an entirely 'instrumental model' of the arts, an extrinsic model, this kind of thinking soon leads you to a dangerously reductive chain of argument and some dreadful jargon. Analyse them, measure them, find out how they work. Understand the mechanism by which the arts engage people. Isolate the 'DNA' of a cultural experience.

Then you may be able to replicate it, bottle it and sell it. Produce a kind of 'arts-lite' separate from the process by which it is created.

But of course that's rubbish. The arts do not work like that, precisely because of the intensely individual nature of the experience on both sides of the equation. By changing the way people see the world, you might bring changes in how they interact, as well.

But like those beautiful fractal patterns derived from simple equations – like the complexity of natural history drawn from the four code letters of DNA – what you get is so much more than the sum of the parts.

The arts can work in these ways, but the benefits they bring will never be entirely predictable or quantifiable.

The arts can bring about the transformation of an urban landscape. But they are not a method of town planning. Sometimes, as we know, artists are even the shock troops of gentrification.

The arts might bring health benefits. But they can never be wielded with the same precision as a scalpel.

Culture fosters learning. But it does so because it brings out the whole person, not because – by some physiological trick – it means you can ‘cram in’ more knowledge. The arts can help young offenders gain self-esteem, but they are not a probation officer.

And I know that, in its heart of hearts, Government believes this too. When Tessa Jowell published her pamphlet about the value of culture last year, no one cheered louder than I did. It put the quality of the work at the centre of public debate. The same day an influential think tank produced a much more instrumentalist prospectus, based on a demand for measurement and determinism that – for all the reasons I have given above – is just pie in the sky.

I hope that in the light of this, Tessa Jowell would welcome a discussion about a new model for the relationship between the DCMS and the Arts Council. It could prove the key to her legacy in this area. I imagine there are times when she too feels her small department is overburdened by a bureaucracy designed for the much larger empires of Health, Transport and Education. I cheered in December last year when the Secretary of State went public in the *Financial Times* about what she called her “little book of bollocks” – the book in which she recorded the worst examples of jargon in the Cabinet. She sensibly admitted at the same time that she herself can sometimes be an offender. True enough. I mean who among us can translate “*reprofiling expenditure*” (does that mean a cut?). Or “*cultural*

data feedback rollout". And I still have no idea what "*weaning the profile*" means. Reopen the "little book of bollocks", Tessa.

I know that when she celebrated the contribution of the arts to contemporary life – and the track record of the Arts Council – Tessa Jowell meant it. And she expressed it in clear, direct and passionate language.

And yet... For every step forward, a nervousness. Sneers following the Momart fire. A skittishness on the part of government, which sometimes sees culture and creativity *only* in the instrumental terms of what it can do for the economy, for learning or for health. That upward cadence in the voice. A nervousness about seeming to be an egghead or a toff. Wanting to treat the arts as a government department. The gradual amputation of the arm.

Just when we have entered, I believe, a golden age – at very the moment when artists and creative people are poised to make an unprecedented contribution across the public realm and when there's a clear democratic will to support the arts – I fear that we could be put back in our box, bolted on again to the main structure.

Just when things that Keynes dreamt of – and Lord Goodman did not have time for – are actually happening over a wider frontage than ever before, are being completed...

And all that is why I am so disappointed with a return to stop-go funding.

I believe that the Comprehensive Spending Review which we have just been through has missed a trick. But we must move on. Next time, for 2006, we need somehow to make the case for the arts across the public realm – very loudly indeed – so it cannot be ignored. In direct, forceful language.

Why can't it be ignored? Well I could use the buzz words of the moment – cultural entitlement, public value, ownership, inclusivity, diversity – and they're all true and important as I've been trying to say in this lecture, but the great Victorian artist and critic John Ruskin put it so much better:

'Great nations', he said, 'write their autobiographies in three manuscripts – the book of their deeds, the book of their words and the book of their art. Not one of these books can be understood unless we read the two others – but of the three the only trustworthy one is the last...'

I couldn't agree more. The book of our art is the *only* trustworthy book.

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