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THE COUNCIL OF REGIONAL ARTS ASSOCIATIONS

**Review of the Structure and Organisation
for Support of the Arts in England**

Submission from the Council of Regional Arts Associations

...to use the way which...

June 1989

Review of Arts Funding Structures

Formal Submission from the Council of Regional Arts Associations

A) Background

1. Introduction

1.1 The Council of Regional Arts Associations publicly welcomed the Review when it was announced at the end of last year. The brief addresses a number of the key issues previously identified by the twelve Regional Arts Associations through CoRAA during the 1980s. In particular, CoRAA in offering up its own structures for joint review at the outset of the Arts Council's Organisational Review in 1985 stated that "a partial review of the arts funding and support system would be unlikely to eliminate the risk of confusion and duplication from the system as a whole.

1.2 The Minister's Parliamentary written answer on 8 December 1988 stated:

" The review will be primarily concerned with the structure of support, and the way in which the various parts of the system fit together. It will be conducted on the basis that the arm's length principle will continue to govern the allocation of money within a given total and the making of artistic judgements, and that a substantial amount of decision making should continue to take place at the regional level. "

1.3 Richard Wilding, who is responsible for the conduct of the Review, is quoted in a recent Southern Arts' publication as saying :

" Undoubtedly present in the minister's mind is the amount of friction in the working of the system between the Arts Council and the Regional Arts Associations. Recent events haven't done much to improve that, and it looks as if a larger change is needed to find a system within which people work more easily together. "

He is further quoted as adding that the root of the friction is "uncertainty and confusion about roles" with a resulting "intensification of discontent and suspicion of each other's motives".

1.4 The brief for the Review identified the following four key objectives:

- (a) Accountability
- (b) Coherence of funding policy
- (c) Improved structures and procedures
- (d) Administrative economy

2. Réaction to the Review

2.1 CoRAA Council at its meeting on 24 February discussed the Review, and recorded the following points of broad agreement :

- The basic concern of all RAAAs was to develop the quality and accessibility of the arts in their region. Any changes arising from the review should be directed at fulfilling these aims more effectively.
- These aims were best pursued by developing effective partnerships at a local level, particularly with local authorities, and with the maximum possible decentralisation of resources and delivery of services.
- A federal structure was most appropriate for linking the regional and national agencies with accountability within the structure being achieved by direct representation of the autonomous regions on the national bodies.
- The current RAA boundaries were not inviolate but they should only be changed if direct benefits accrued to fulfilling the basic aims of the RAAAs.

2.2 The above points of consensus emphasise the convictions of all the RAAAs that a policy led review process would be actively engaged with, and could deliver real benefits and improvements. Recommendations for administrative economy which were not rooted in policy and effectiveness would, by contrast, look like change for change's sake and receive no support.

2.3 No RAA would claim improvements are not desirable. Whilst the system that exists grew up in an ad hoc manner, and has served the cause of the arts and arts development well over the years, it does not function as effectively as it could. The 'Glory of the Garden' strategy attempted to make significant changes to the respective responsibilities of the Arts Council and the RAAAs. However, the clarification of roles was only partial, as was implementation. The envisaged second stage never happened and indeed to some extent, the Arts Council has deliberately 'put the clock back'. This has served to increase the 'friction' identified by Richard Wilding.

2.4 CoRAA has played a successful role during the 1980s in interpreting and assisting with the common ground between the RAAAs, and between the RAAAs and national bodies over a period of rapid, and often confusing, change. It has also made available joint services to RAAAs on an economy of scale basis. A number of key functions are carried out through CoRAA which are not delivered anywhere else within the system.

- 2.5 RAAs have been encouraged by the willingness of the Review team to spend considerable time in the Regions listening to, and engaging in dialogue with, a wide range of views. We have every confidence that this will have led to a clearer understanding and analysis, particularly in relation to the nature of RAA roles and how some of these may have changed over recent years in response to the general economic, political and cultural climate.

3. The Context of Operation

- 3.1 The roots of the present RAA network lie in professional artists, the general public (both as active and passive consumers of cultural experience), the voluntary sector and the local authorities. The funding pattern which has evolved reunites at the regional level elements of OAL grant-in-aid to the Arts Council, British Film Institute and Crafts Council, and blends it with an agreed proportion of local ratepayers' contribution.
- 3.2 The BFI and Crafts Council input is important, but the RAAs believe that they provide the most appropriate context for much development work, safeguarded by RAA autonomy. It is vital that the policies which develop are not seen in isolation, but are linked into others relating to the visual arts and media. This is significant both for the RAAs themselves, and for partners such as Museums and Galleries and Broadcasting.
- 3.3 Local authorities, whilst having no statutory duty to make provision for arts activities, have a long and distinguished record, which has grown spectacularly over the past 15 years. Despite constraints on expenditure in non-statutory policy areas, local government is now known to invest considerably more in the arts in cash terms than central government. Recognition of the rich diversity of local government support in cultural matters, and adjustment to positive progress, have been constant features of the partnership with the RAAs over that period.
- 3.4 The arts help us make sense of our existence, and are part of our daily lives, helping us to achieve individual fulfilment. The arts are a positive force for cohesion, but also affirm diversity as an important factor in any healthy society. RAAs would all stress the importance of quality of experience and striving for excellence of standards in all that they support whether amateur or professional. RAAs reject the misleading and false antithesis between 'excellence' and 'access' which has been commented upon in recent years.
- 3.5 Under the banner of 'the best for the most', RAAs are above all concerned with effective partnerships, which can usually only be put together in the light of local knowledge and experience. These partnerships increasingly involve both the public and private sectors, and their artistic outcomes are widely perceived as

contributing to a region's social and economic health. It is frequently of crucial importance to be able to foresee the likely effect of one set of actions within the wider local context - social, cultural and political - in order that development potential can be exploited to the full, and potential loss or damage minimised. Initiatives taken at national level need to take account of these local and regional issues, otherwise they can be difficult to implement and prove ineffective. 'Glory of the Garden' provided a number of examples of these difficulties.

- 3.6 Within the context described above, CoRAA accepts and endorses the Minister's desire to broaden the audience for the arts, to strengthen and diversify the funding base at a time of public expenditure constraint, and to ensure value for money through the most efficient possible approaches to management, planning and finance. At the same time, we must continue to be sensitive to the wider social and economic policies of local government within the local and regional context.
- 3.7 Following the Arts Council's Organisational Review, detailed agreement was reached between the Council and the RAAs
- (i) that regional arts plans should be created for each region and reviewed quinquennially;
 - (ii) that management audits of each Regional Arts Association should be undertaken every five years within the context of the regional arts plan.

A paper for Council dated September 1986, which included the schedule for Regional Arts strategies and Management Reviews between 1986/87 and 1990/91 clearly set out the intended commitment on both sides. This was to be the jointly agreed method for delivery of coherence of funding policy, amongst other things. Whilst it was clear from the outset that the responsibility for the creation of the strategy should reside with the RAA, the Arts Council pledged itself to a serious level of involvement in and with the process -

" The creation of arts plans in the twelve regions is a major collaborative exercise for the Arts Council and the RAAs and includes an extensive programme of consultation with other funding partners, principally the local authorities. This paper sets out a framework for the development of the plans and suggests the relative responsibilities of the Arts Council and the RAAs for the collection of material....

The final document will be presented to the Arts Council and the governing body of the Regional Arts Association concerned for approval and adoption. It is envisaged that the detailed consultation within the region will ensure that the plan carries the broad support of all the parties involved, although formal agreement is only required between the Arts Council and the RAA. "

3.8 These initial intentions were overtaken, particularly following the 1987 General Election, and the Arts Council has increasingly treated the "joint" planning exercise as a means of securing RAA/Local Authority statements, with their own contribution and detailed involvement reduced - and that at the end of the process.

The diminished national interest and perspective in regional strategies as they have come about, has led the Arts Council progressively to see the plans as regional statements, rather than as vital components of the national picture. Given the history of Arts Council bids to Government for grant-in-aid over the past two cycles, the report's statement that the plans would form "an important element in the Arts Council's bid to Government for increased resources" looks particularly unfortunate.

3.9 In September 1987, at the Council meeting which formally approved the first completed plan (Lincolnshire and Humberside Arts), Lord Rees-Mogg stated that "the RAAs are the way in which the Arts Council has its relationship with local authorities". What RAAs have experienced since that date is an increasing concern within the Arts Council to construct their own relationships with local authorities independently of the RAAs.

B) The Key Issues Identified

4. Coherence of Funding Policy

4.1 RAAs, in drawing up their Regional Arts Strategies have been striving to deliver cohesion which makes sense in local, regional and national terms. These strategies are based on the twin themes of excellence and access, which are also reflected in the Arts Council's formulation of its own objectives in the Three Year Plan

- to speak for the arts
- to expand the arts economy
- to demand the highest possible creative standards
- to enable as many people as possible to enjoy the arts.

However, whilst sharing the common basic themes of excellence and access, the national and regional agencies have differing tasks to achieve, and need to develop their own policies related to their own roles. Coherence of policy and purpose exists : the key question is one of articulation, which tends to focus upon the point in the system where the bulk of available resources is located, and upon partners.

4.2 Attempts to produce clarity through the allocation of differing responsibilities at national and regional level for excellence and access are doomed to failure. The twin objectives are usually indivisible, and excellence is most certainly not the sole preserve of the large scale or metropolitan.

4.3 So far as partnerships are concerned, national policies are more likely to relate to national advocacy and service (and possibly funding) functions, with a significant connection with central government. Regional policies inevitably have a similarly strong relationship with local government and statutory or voluntary regional agencies. National agency relationships with local government independent of an understood and coherent context can be damaging both to regional policy itself, and to coherence within the system as a whole.

5. Improved Structures and Administrative Economy

5.1 Appropriate national and regional roles and improved structures to minimise friction and waste of time, energy and resources are the key elements here. Serious attempts have been made on both sides to find solutions in these areas, notably through 'Towards a New Relationship' (1983) and 'The Glory of the Garden' (1984). All attempts have however failed to produce a breakthrough since the real underlying issues of influence and resources were inadequately addressed. This from CoRAA's point of view is the crux of the Review, being concerned with decision making, resources and staffing capacity.

5.2 With regard to both appropriate procedures and efficiency CoRAA has long admitted that there is a degree of unjustifiable duplication within the system. The effective solution must embrace the notion of a major decentralisation of resources to the point within the system when the partnerships are created and maintained and, if necessary, terminated. Given the scale of this, and the possible further need to examine what consequential devolution might then become desirable culturally, politically and in terms of efficiency, the clearest starting point is to define the main roles which would have to be maintained by the central body.

5.3 The CoRAA response to 'Towards a New Relationship' in 1983 stated that "the present role and structure of the Arts Council needs to change in order to reflect the growing responsibility of the RAAs for the development of the arts" and, in the course of the document, identified responsibility for a number of central roles as follows :

- a) (a number of) companies whose work naturally exists in an international as well as national context;
- b) a few other areas of work, where, for one reason or another, the appropriate funding and assessment base is national rather than regional;
- c) funding, moderating and encouraging regional practice;

- d) bringing together diverse regional experience as a base for the development of national policy
- e) provision of an increased information and publication service;
- f) influencing the policy and practice of national agencies and government departments whose actions and inactions have an enormous impact on the short, medium and long term health of the arts in this country;
- g) co-ordination of major touring;
- h) increased involvement with the international exchange of artists and companies.

5.4 In the light of events and experience over the succeeding five year period, these functions can be restated more succinctly as follows :

- a) Advocacy for the arts nationally (and to some extent internationally), which implies no restrictions to areas with which the central body may, or may not have, a funding role.
 - b) Formulation and implementation of national arts policy in conjunction with regional policies (for example, as set out within Regional Arts Strategies).
 - c) Funding on an agreed basis the regional structure and any remaining truly national organisations. Most of the direct funding responsibilities will have been decentralised, but the national body will be accountable to central government for the workings of the system as a whole.
 - d) Moderating and evaluating the regional structure on an agreed basis of plans, strategies, reviews etc.
 - e) A specialist advisory and service function where this is most appropriately, effectively and efficiently provided on a national basis - e.g research and information, certain major touring and some private sector and capital functions.
- 5.5 Attempts since the Organisational Review have been made to improve central/regional working links, which have delivered some positive improvements structurally. But once again it has to be said that the benefits have only been marginal, since the Arts Council's own major funding role and vested interests have tended to cut across other good intentions. Once again, therefore, the spotlight lands on the key issues of decentralised decision making power and resources, in short - articulation.

- 5.6 We are convinced that it is the failure to address the question of articulation openly and devise an effective 'joint' which leads to most of the friction within the existing system. The last meeting of CoRAA Council reaffirmed its belief that a federal-type of structure with direct and clear linkages between the regions and the centre was most likely to produce a unified and smooth running system. This was also the conclusion of a joint two day meeting of the Arts Council's Management and Departmental Directors with the RAA Directors in autumn 1986.
- 5.7 We would propose autonomous regional bodies with greater decentralised authority than at present, but more closely tied in with the centre. There would need to be direct representation of the regional bodies on the central body by chairs who, as members, would establish the missing direct line of accountability.
- 5.8 CoRAA Council has already indicated its attitude to the boundaries question subject to certain precise conditions. There is a danger that larger regions could end up being more costly to administer and be less effective. The Local Authority Associations have made comments on the dangers of remoteness. Current successful partnerships would need to be convinced that real benefits to accrue would heavily outweigh the disruption caused through reorganisations. Obviously, it would be premature and potentially damaging for RAAs or CoRAA to adopt a firm public position on this sensitive issue until we have heard more specific proposals emerging from the Review.
- 5.9 It is likely that a significant redefinition of national/regional roles based on decentralised funding and assessment responsibilities could result in reduced administrative costs at the centre. Previous experience (e.g. Abolition, 'Glory of the Garden' demonstrates that the Regions have been successful at absorbing additional responsibilities with only modest increases in cost.

6. Accountability

- 6.1 The question of accountability is crucial to any consideration of a system which is responsible for relatively large sums of public money. A much greater degree of decentralisation would render this even more important. The RAAs, and the Arts Council under 'Towards a New Relationship', believed that the constitutional involvement of elected members from local authorities and nominees from the national bodies (who together hold a majority) satisfies the accounting requirements. However, it is accepted that, in a more decentralised and federal system, central government would wish to build in additional safeguards.
- 6.2 Through the chairs and chief officers of the regional bodies, we believe that an effective strengthening could be made to the lines of accountability. It ought to be quite possible within such a framework to guarantee the required degree of autonomy to the regional bodies within an overall agreed national policy framework. It will also be necessary to give greater attention to questions of the advisory structure within a federal system and to the question of service conditions and career structure for the staff.

C) Footnote

- 7.1 This paper is written strictly according to the brief as set out for the Review process. CoRAA is reluctant to offer more radical solutions to problems at this stage, which would depart from the brief. It will be clear from what is said above that we regard a federal-type solution, with autonomy guaranteed, as fundamental to any improvements within the existing limits.
- 7.2 CoRAA however believes that better solutions could be devised to meet the points correctly identified within the terms of reference on an expanded brief. The constraints of the existing system, and vested interests of key players, make it difficult to believe that satisfactory long term solutions can be found without extending the horizon.
- 7.3 The Minister's wish to maintain the 'arm's length principle' is understood, but it would seem prudent to examine how the interests of economy and efficiency can be served by two (or in the case of the Welsh RAAs, three) arms lengths being interposed. Subject to satisfactory agreement being reached on technical and actual accountability, the advantages of direct Government funding of RAAs within a federal system are strong. This issue was discussed by the House of Commons all-party Select Committee on the Arts in 1982 (Appendix 15 and recommendation 37)
- 7.4 The operation of the Goschen formula and the political influence of the Scottish and Welsh Office means, in effect, that the SAC and WAC's funding is secured and protected. The national companies' grants are allocated out of the remaining English sum, rather than from the national allocation. This further creates difficulties in the Arts Council's ability - both practically and politically - to fund the national companies at an appropriate level, satisfy its own retained client needs, and ensure some measure of justice to the Regions. CoRAA believes that Scotland, Wales and the English Regions should be equal partners within a federal system for Great Britain.
- 7.5 The conflicts and confusion caused through the Arts Council's funding of the national companies and retaining a substantial client portfolio were also remarked upon in 1982 by the Select Committee, whose recommendations (17 and 18) are reproduced herewith :
- " In conjunction with the Minister, the Arts Council should make special arrangements to administer a separate grant for the national companies as earmarked by the Minister (paragraph 6.10).
- The Arts Council should accelerate the hand-over of routine responsibility for its clients, other than the national companies, to the regional arts associations and the local authorities. These new relationships should be established within the next five years (paragraph 6.11). "

CoRAA would willingly participate in discussions which could, on a wider brief, help towards more radical options.

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