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## 21<sup>st</sup> Century Culture – Making art matter in the 21<sup>st</sup> century

Keynote Speaker: **Jeremy Hunt MP**, Shadow Secretary of State for Culture, Media & Sport

Date: 14<sup>th</sup> January 2010

Venue: Park Plaza Riverbank, SE1 7TL

### NB

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## Jeremy Hunt:

Thank you all very much for coming today, braving the weather. Thank you Matthew and Alan for organising this conference, I think it's a great idea. I think it would be really good to do this outside London in another year, and I think it's a really good idea just to step back, and sometimes moving outside London helps you to do that once a year and really think about the future strategic direction you want to go over the next year, two years, three years and not just over the short term horizon. So, I think this is a really, really good idea for a conference.

I was thinking about the arts and the state of the arts when Richard Wright won the Turner Prize and he gave that wonderfully humble acceptance speech. And as you will all know the thing about his art is that it's meant to be temporary and I think in fact the painting that won the Turner Prize is due to be destroyed at the end of this month which seems a terrible tragedy. And actually, listening to him on *Front Row*, I did sense there was room for negotiation on that one. But what he said was that the reason that he makes his art temporary is because he's interested in the fragility of the moment of engagement, and in some ways I think that's quite a good metaphor for the state of arts in general. The fragility, but also the utter brilliance of the arts that we have in this country is something I think that anyone who has the responsibility of shepherding the arts through the periods that we are now going through needs to reflect on. And if you go down a floor at Tate Britain from where Richard Wright's masterpiece is being displayed they've got the Turner and the Masters exhibition, which I really recommend seeing if you haven't seen it because it is a brilliant exposition on the nature of genius. But there too you can reflect on something else that's amazing about the British arts scene, which is the way we've built on an extraordinary heritage but also have an incredibly vibrant and exciting and challenging present as well.

Now, I think that when it comes to politicians and the arts, politics and art never really mix and if they do it's usually art that wins. There's a story, I don't know if it's apocryphal or not, Liz may know, but there's a story that a civil servant once said to Tessa Jowell, "Minister, the arts only want two things from the government, money and silence". And I sort of have that engraved in my mind whenever I'm asked to hold forth on arts. But I just want to get the politics out of the way if I could at the beginning and I think there is a lazy assumption that when it comes to the arts Labour is good, Tory is bad and I think that it's important to have a balanced picture. I wouldn't say that everything that happened under the last Conservative government was good by any means at all for the arts, but there were two very important things that did happen. One was the creation of the Department for National Heritage, which then became the Department of Culture, Media and Sport and put arts on the top table for the first time around the cabinet, and the second was the founding of the National Lottery, which has generated £4 billion for the arts since it was launched in 1994 and completely transformed the funding environment for the arts. Nor is it the case that everything Labour has done has been bad; I actually think that Chris Smith was a very good culture secretary. He tells me that every time I say that it ruins his credibility in the Labour Party, but he did some very important things. I think he did something that very few ministers achieve which is that he actually left a mark, you can point to some things that Chris Smith did that are still having impact now, like free museums which, you know, are here to stay under the Conservatives if we win. But also like his very important work in identifying the role of the creative industries which is something I want to talk about and is becoming more and more important. That was work that he started over ten years ago and I think that's been very important.

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But there have been some minuses as well and I think the worst thing that's happened has been the raiding of lottery funds, over one and a half billion pounds has been taken out of lottery funds that would have gone to the arts and that was initially for political projects and then for the Olympics. But the result is that funding from the lottery has halved since 1997 and as a result of that it's actually something that not many people know, but if you combine lottery funding and exchequer funding for the arts it's actually less now than it was when Labour came to power in 1997. And I think that was a big mistake. I think we've also had a lot of turnover, we've had four culture secretaries in as many years. I've been Shadow Culture Secretary for two and a half years, Ed Vasey's been my Shadow Arts Minister over that period, and we hope very much that if we do win the next election we are in this role and in this role for a considerable period of time because I think you do need stability of leadership.

And the other thing I think we have to recognise is that it's not true to say that there are no cuts under Labour, the cuts have already started. The Arts Council has had a cash cut, the museums have had their budget cut by half a percent, the Film Council's lost £25 million, the universities have just lost £600 million which I'm sure will have some knock-on effect. And I think rather than a puerile debate saying, you know, whether the arts are safe under this party or safe under that party, I think we need to move to an intelligent and sensible debate about how we help the arts weather the biggest economic crisis that we've had since the Second World War: that's the real issue. And that's what I want to talk about this morning because I've got four policy proposals that I think will really help in this climate.

However, there's one other argument that I think all of us need to work together to confront which is this argument in a time of recession - something that Alan alluded to - in a time of recession what matters is getting the economy on its feet, sorting out the deficit and the arts don't really have a role. I think that is fundamentally wrong. It's wrong for social reasons and for economic reasons. For social reasons because, as I think one of the *Guardian* columnists said about six months ago it is actually in recessions that people need art the most because it's in recessions that people want things that can either explain their problems or help them escape from their problems and the arts manage to do both magnificently well. But also let's not forget the economic impact of the arts, they are the powerhouse behind Britain's creative industries. Yesterday I came back from a trip to Singapore and I was there looking at Singapore's digital backbone which is one of the most advanced in the world and I said to the Chairman of the Singaporean equivalent of Ofcom, I said, "If you were going to describe Britain in one word what's the word you would use?" And he said, "Creative". And Singapore, which is a country which is, you know, technologically more progressive than anywhere else in the world is looking at Britain and saying, how can we learn from your creativity, the incredible vibrancy of your creative industries, the largest independent television production sector in the world, the second largest exporter of TV formats, the second largest music exporter, the third largest market for the film industry or video games. And, you know, taken together those creative industries are worth about 7% of our GDP, they employ two million people. And it is the arts, the vibrancy of our arts that power them, whether it's our actors who start off at the National and go on to star in the West End or in Hollywood, whether it's Danny Boyle starting off at the Royal Court and then going on to win eight Oscars for Britain with *Slum Dog Millionaire*, it's that creativity at the start, that link between the funded arts sector and the commercially viable creative industries that is an incredibly important part of the equation. And that is why a new Conservative government is totally committed to a mixed economy for the arts. We recognise that we do very well in this country because we have the best of European State support but we also have private giving although not on the scale that they have in America, it still does happen. And so we are absolutely committed to that.

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But let me just talk about funding, because I think this is the thing that's on a lot of people's minds, at least it's on a lot of people's minds when they talk to me. And I think there are four things that we can do. The first is return the National Lottery to its original four pillars, so that arts gets its share of funding, the share of funding that it originally got when the lottery was founded, namely 20% which is considerably more than it gets now. It's getting £240 million a year less than in 1997 and we have said that we will raise the arts share progressively to 20% which could mean £50 million more annually for the arts, it could mean a lot more depending on how lottery sales go and post the Olympics, but I think there's a huge opportunity there.

Secondly, we want to do something, and I'm afraid this may make Alan and Liz a little bit uncomfortable, but we think admin costs are way too high in arts administration in this country and the heritage lottery fund admin costs increased from 6% to 13% of the amount they distribute between 2002 and 2008. Alan may dispute this but the latest figures I've seen are the Arts Council, around 11% of the money it distributes gets used up in admin. If you take our seven main funds distributors together they're using up £120 million annually in admin and I just think that's too high when everyone else is having to tighten their belts. And so we have said that all grant distributors need to control their admin costs to be no more than 5% of the total amount they distribute and that will release more money to go to arts organisations.

Thirdly, I want to do what we can to lay the foundations for an American philanthropy culture in this country. I think we're got a few seeds sprouting here and there, but we could do a lot more, as soon as we can afford to we will introduce lifetime giving by extending the acceptance in lieu scheme, I want to get rid of the regulations that prevent arts organisations rewarding benefactors and simplify the gift aid rules.

And finally, just as I think we could have a better culture of giving in this country I would like us to have a better culture of asking. And in particular I would like to see our major arts organisations building up proper endowments. The American museum sector has endowments worth about £14 billion which is a tremendously useful other pillar of income. The reason that we haven't built up endowments in this country is because most large cultural organisations are worried that if they build up an endowment their treasury grant will be cut. And so we are prepared to offer large arts and cultural organisations five year funding agreements, stability in funding for five years in return for commitments to build up an endowment to agreed levels and that way I think we can start to improve and develop a real philanthropic culture.

Let me just finish with a couple of things. I think excellence has to run through everything we do, it's absolutely fundamental. I think we've moved on from this debate about intrinsic value of art versus the instrumentalist value of art, I think we want both. When you look at the power of music therapy in teaching disabled children, I mean, you know, there is an incredibly important social function for the arts, but excellence has to run through everything we do, whether it's a new play by Lucy Prebble or a new film by Mike Leigh, excellence is at the cornerstone of what makes our arts successful and for that reason we are absolutely committed to getting rid of many of the targets that arts organisations have, strengthening their independence by getting rid of treasury year end funding rules for NDPBs and respecting and strengthening the arm's length principle. I don't want ministers to be making decisions about which arts organisations get funding. There will be an Arts Council under a future Conservative government, hopefully it'll be leaner but not meaner, and I want it though to continue to be a guardian for the arts and avoid the politicisation of funding decisions.

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But I also hope that if the government steps back and says we're going to have fewer targets, you as arts organisations will continue to really focus on broadening engagement because if you believe in arts you believe, and I know everyone here is passionate about the arts, then you think that that should be available to everyone but there are just too many children in this country that don't have the exposure to arts at school that all of us had. And I think that's something that we really need to think about. But I think the new way to improve engagement is not by targets, saying you've got to get so many of this group of people and so many of that group of people coming to your events, it's actually by technology and I would, you know, point out a really good example of that as Tony Hall's experiment at the Royal Opera House which is broadcasting opera to nearly 80 digital cinemas worldwide. We've had an opera broadcast digitally in my own constituency in Farnham, Gavin Stride from the Maltings sitting in the second row, but I think that's what we need to think about when we're talking about engagement.

So, I just want to say this, going to Liz's comments, I too don't know the result of the next election, but if the Conservatives win and if I end up as culture secretary as I very much hope to, it will be an incredible honour for me to work with all of you and I want people to say that on my watch the arts not just weathered a very, very difficult period, but also laid the foundations for a new golden age for the arts. And with imagination, commitment and determination I'm convinced that we can make that happen. Thank you very much.

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