

## **Beyond Value for Money Symposium**

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Opening talk by Sir John Tusa, published here with his kind permission.

Richard, Friends, Colleagues –

I am pleased and honoured to open this session on life “Beyond Value for Money”. It is an important subject and one worth giving time to. This is in every sense a good place for me to start, placed as we are overlooked by Bush House, once the seat of BBC World Service, soon to house Kings College. When I arrived as managing director there in the autumn of 1986, the air was thick with demands for the BBC External Services, as they then were, to show “value for money”. The Treasury had recently agreed to fund the External Services on a triennial basis; that was great. In return, every department in Bush House was to be subject to a “value for money” review by external accountants. People were terrified by this new fangled and alien notion; these were, after all, the very early days of the Derek Rayner Whitehall managerial revolution. Resistance, though, would have been futile. So we got on with it. We insisted that each VFM review must yield as much in efficiencies as it cost. Also, each department had to own and implement the recommendations, and deliver the efficiencies, financial and operational. They did; the VFM reviews worked. Bush House's efficiency and effectiveness -the two horses pulling the managerial chariot- was rewarded by a National Audit Office enquiry four years later giving it a clean bill of managerial health.

I like value for money. But only if it is an instrument, if it creates additional usable skills. I have doubts about it if it is mistaken for a thing in itself, above all if it is awarded primacy over the arts activity themselves. Importantly, what the accountants' VFM scrutiny did not do was to attempt to pass judgement on the journalism or the broadcasts themselves. That is why the reviews worked so well, they were themselves both efficient and effective. Being efficient and effective in our use of scarce resources allowed broadcasters to give 120 million worldwide listeners a better service.

What did "giving listeners a better service involve?" It did not mean pushing a line, peddling a political message or aiming for a particular outcome. That would have been prescriptive, even coercive. Delivering the most accurate, honest information possible was a good in itself. That was the nature of the service. How the listener used that service of information and opinion was a matter for them. Trying to measure the impact of World Service broadcasts, and still more trying to define the impact being sought would have both hampered and rapidly undermined the fundamental openness of the transaction between broadcaster and listener.

Similarly, as we say in the arts, creating the arts is a public good; the impact it has is a private matter for the recipient, the listener, the viewer, the looker. Striving to measure impact in the arts, or academe for that matter, and explicitly stating that funding depends on demonstrable impact invites a series of questions.

Did Picasso's "Guernica", an overtly political canvas of the highest order, have any impact on the Spanish civil war or prevent the rise of European fascism? Did Beethoven's "Ode to Joy" advance the cause of European cohesion and identity? Unless impact studies have anything quarter way sensible to say in answering such questions, judging impact on the art of the present day is at best a diversion, at worst a dishonest tactic. What impact, I

wonder, has the Warwick Commission had – on anything or anyone except other academics? Painstaking, yes, thorough, yes, well-meaning probably, a bit laboured, I would say, but does anyone think that it made or is likely to make a contribution to the creation of art? If not, why do we put up with this stuff?

I have no doubt Ken Loach hoped that works such as “Cathy Come Home” or “I, Daniel Blake” would, might, have an impact on social policies and attitudes. The fact that homelessness exists 30 years after “Cathy Come Home” suggests its impact on housing policy was zero. Anyone who believes that the pathos of “I, Daniel Blake” might lead to a reform of the social security system is an optimist indeed. Paradoxically, any hope that either work had of making any kind of impact sprang not from a primary political impulse but from the fact that each was a beautifully crafted work of film art. That quality of excellence of the film craft remains the essence of their value, their true value. And ultimately, therefore, determines their real impact.

In the over long, over-extended, now surely exhausted debate about intrinsic versus instrumental value in the art, countless examples point in one direction: if the arts are to stand any chance of being useful, they must first be excellent and considerations of excellence fall outside the dreary parameters of utility. Yet they keep on being demanded and measured. Why?

I remind you of two sayings. First, “measures measure what measures measure.” They do not explain aesthetics, harmony, balance, originality, lyricism, drama, or proportion. Measures have absolutely nothing to say about the essential ingredients of art of any kind. Oh, and talking of proportion: the golden mean in architecture, those proportions of height to width in doors and windows are indeed expressed in a mathematical ratio. But the mathematics has nothing to offer by way of explanation as to why those ratios produce

what our eyes see as harmony, proportion, balance and beauty. The mathematical ratio is an account of, not an explanation of, beauty. But why try to measure characteristics of art that are clearly beyond measurement?

The second saying is the familiar one: “He who can, does; he who can’t, teaches; he who can’t teach, teaches teachers”.

Let me offer a more modern version: “Those who can, make art. Those who can’t, manage it. Those who can’t manage it, teach it. Those who can’t teach it, measure it”. It behoves all of us, managers, teachers, measurers to be aware of our real, humble, place in the hierarchy of the arts world. All three activities can be, should be, useful to the arts. It is time to ask “if they are not useful, why do we do them and ascribe such value to them!?” Ah, that word again “value!” What is the value, or value for money, of these impact, econometric studies? Are they essential to the creation of great art? Or are they merely useful? Or should you measure utility too? That way madness lies.

In imagining an arts world “beyond value for money”, it is time to take stock of the managerial landscape in which that world exists. I concentrate on two activities or processes in particular – objectives and risk analysis. First, objectives. Well, most organisations have them or should have them. But how many should they have and for how long should they keep them? I have seen more than one organisation where by the time the centre, the sub- centres and individual departments had all set out their objectives, the total list ran to well over a hundred. This was organisational insanity, an incontinent rush of objectives. Attempting to deliver them must have got in the way of doing the job. Common sense apart, and there is much to be said for common sense in a world beyond value for money, why was this mountain of objectives such a bad idea, such bad practice?

The father of management by objectives, Peter Drucker, called for each organisation to have “a handful of key objectives”, a handful, please note, not a mountain. What’s more, he advised that objectives should be regularly reviewed and if they were not working, they should be abandoned. This did not represent failure, they might have been the wrong objectives to start with. Objectives are not, therefore, to be carved in stone like the notorious “EdStone”, more like notes on paper to be shaped as events change. They are guides to activity, not instructions enforced by sanctions.

Similarly, look at the practice of risk assessment that leads to the compilation of “risk register” which every organisation has. Now, anyone who does not consider risk is a fool, any organisation without one fool hardy. But how many truly need to be identified? I have seen risk registers – like lists of objectives – running into the dozens. One large organisation’s lengthy Risk Register left the Audit Committee groaning in impotence and frustration. The committee instructed managers to work to no more than a dozen key risks and to throw away the cottage industry that had grown up around assessing and quantifying supposed risks.

Both “having” objectives and “being aware” of risk are important parts of good practical, management practice. Please note my use of language. I did not say “setting” objectives nor did I say “assessing” risk. These are directive words, implying an imposition of behaviour onto managers and executives. They tell those lower in the hierarchy of authority what they should do. My preferred usage, of “having” objectives and “being aware” of risk, assumes that responsibility for both is adopted and accepted throughout an organisation. It involves a more liberal, more humane and ultimately more effective vision of how an organisation works.

Let me make clear: I am for giving value for money; I think measurement and understanding of impact can be interesting and may be useful; I have no doubt that having objectives is a good practice; I believe being risk aware is sensible, so long as it does not make you risk averse. After all, any new idea in the arts is inherently risky! What I believe is dangerous and destructive when some of these peripheral practices -peripheral, that is, to the business of making art- are awarded a standing that they do not deserve and should not, cannot, have. None of them are more important than making art. They are adjuncts to the behaviours that allow the arts to happen. The danger is that each is built up to have a value, a relevance, an authority to the arts which they cannot ever have. They can be useful but they are not uniquely useful. Unless they are useful, they should have no place in a future world beyond "value for money".

At this stage, the argument commonly used is that without these practices, the arts lack hard indicators which alone, it is claimed, can confirm their effectiveness. The arts, it is charged, have only soft indicators to work with. Let's take a look at that. Box office sales are a hard indicator; that's a metric. Audience numbers are a hard indicator; that's a metric. The composition of the audience is a hard indicator; that's measurable and measured too. Commercial, bar and catering sales are a hard indicator; and fiercely counted. Performance against budget is hard and measured. The notion that the arts work only with soft indicators to meet is absolute nonsense.

And there is one soft indicator that is perhaps the most important of all – reputation. You can't measure it. But unless critics and public esteem approve of an arts organisation, value its work, no amount of metrics will save it. "Esteem," "reputation" may sound in narrow terms as if they are "soft" indicators. But the arts world is littered with the bodies of

chief executives and arts directors destroyed by public and critics. To these casualties of life and the arts, it was the so-called “soft” indicators that proved deadly.

And here we run into what I regard as the final argument proposed by the “intrusive” activities. It goes like this. “You may say what you like about them, and some of what you say may be true, but that is irrelevant. The reality is that value for money, metrics, impact studies and all of what you choose to call the “intrusive activities” is essential for purposes of public accountability. With public money goes public accountability. So get used to it!”

I have two replies to that. The first is personal. In a dozen years at the Barbican, answerable to our principal stakeholders, the hard faced money men and women of the City of London Corporation, we worked to just four objectives. I inferred them; they were never delivered to me or my colleagues explicitly. First, produce excellent work. Second, live within your budget. Third, bring credit to the City of London Corporation. Fourth, do not insult the Lord Mayor. None of these were intrusive activities. But they had the desired results.

My second answer is to challenge the whole notion of accountability. It involves a set of externally defined, externally imposed, targets and behaviours. It sets activity in a wholly bureaucratic framework, with punitive overtones. I prefer the notion and practice of “responsibility” which places accountability where it belongs – with the people and organisations who are responsible for meeting the proper demands of public funding. Responsibility internalises accountability internally as it should do. It does not diminish it. Accepting personal and professional responsibility is liberal, humane, and effective, far more than the intrusive activity involved in the heavy processes associated with accountability.

The world beyond value for money can be more direct, more honest, more effective, more responsible than the world of intrusive and often irrelevant activities. It can and should be far simpler. Let me suggest some simple observations and practices that I believe can make the arts flourish.

“If it’s no good – it’s no good”. The first, last and only condition demanded of the arts of any kind is that they should be good. It really is that simple. Any suggestion inviting belief that work in the arts can be justified if it is “quite good”, or perhaps that art in certain conditions or special circumstances may be acceptable so long as it is “good enough for the job” should be rejected.

“If you want to do good - be good”. This amounts to an admonition to those who use the arts in one way or another to deliver social or economic results. But their contribution socially or economically will only be as effective as it could be if it is excellent art first.

“If people don’t trust you – they won’t come”. Much time and effort is spent on wooing audiences, holding them, persuading them, informing them, keeping their loyalty. All such effort is wasted if the organisation at the heart of the relationship does not deserve the audience’s trust. This shifts the question to the more profound one of the nature of the organisation itself. Unless it is honest with itself, relations with the audience will be vitiated.

“Tricks are tricks – not answers”. Every organisation has problems. Where possible these should be addressed and solved. Many organisations fool themselves that outsiders – usually presenting as consultants - can find perfect or near total solutions. Most intrusive activities are just that, mere tricks.



“Don’t try to fool the public – you fool yourself first”. Self-deception starts at home. Everybody else sees it first. The first act of self-deception is not to know that others recognised it before you did. It leaves you looking very foolish – and others know it first.

“If you put lipstick on a gorilla – it’s still a gorilla”. Don’t pretend that superficial change is anything other than superficial. Do not be fooled by appearances, by –literally- cosmetic changes. They mask but also reveal an inability to make the real changes needed. Besides lipstick always wears off.

“Experience without concept is a mess; concept without experience a nightmare”. How should you combine the value of learned experience with the sustained thinking that makes the experience useful and start to approximate to wisdom? Unexamined experience is an undifferentiated mass. Some theoretical framework is needed to refine and order it. Those who start with the certainty of theory but have no experience on which to base it create deformed ideological monsters. If experience comes first, the practice of theoretical examination can turn it into something useful.

Reaching for simplicity needs time; it needs space. But it may also reveal the possible outlines of the world beyond value for money.

So, Mind how you go! Stay lucky! Keep it simple! And do remember: “It’s the Art, stupid”.

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**Editor's biographical note:** Sir John Tusa started as a BBC General Trainee in 1960 at Bush House. After two decades as a freelance including an abortive five months on "Nationwide", he became main presenter with Peter Snow of BBC 2's "Newsnight" from its foundation in 1980. From 1986-92 he was Managing Director of BBC World Service. He spent a distressing few months as President of Wolfson College, Cambridge in 1993. From 1995-2007 he was Managing Director of the Barbican Centre. Between 2007 and 2014 he was Executive Chair of the Clore Leadership Programme and Chair of the Governors of University of the Arts London. Now he is joint Chair of the European Union Youth Orchestra and of the British Architecture Trust Board. His books on arts include *Art Matters*, *Engaged with the Arts* and *Pain in the Arts*.