



FACTORS FOR THE AUDITING OF PERFORMING ARTS BODIES AND POLICIES

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PLAN

- **1-General Background concerning the Performing Arts:**
- **2-Control points and lessons:**
 - Management issues
 - Governance
 - Relations with public partners
 - Economic Activity
 - Knowledge of the audience
 - Creation





1-GENERAL BACKGROUND CONCERNING THE PERFORMING ARTS:



DEFINITIONS AND BOUNDARIES OF THE PERFORMING ARTS

- **“*La rencontre physique entre des interprètes, un public et une œuvre artistique*” [“The Physical Meeting of Performers, an Audience and an Artistic Work”] *Rapport Robin au CES L’organisation du spectacle vivant* [“Robin Report to the CES Organisation of the Performing Arts”] (1992)**
 - **Conditions or proximity and simultaneity of dissemination**
 - **Contrast between heritage/museum; recorded performances; public interpretation**
 - **However, difficulties need to be precisely specified and therefore require identification by means of 4 criteria:**
 - artistic
 - professional
 - economic
 - institutional



ACTION BY LOCAL AND REGIONAL AUTHORITIES

- Areas of public initiative:
 - regulation and control
 - direct and indirect subsidisation
 - organisation
 - recognition
- Subsidies enable:
 - sale below the equilibrium price
 - the taking into account of “cultural initiative” objectives
- Local and regional authorities take part in organisation
- They support the State with regard to recognition



SUBSIDIES, REDISTRIBUTION AND CULTURAL DEMOCRACY

- Cost of seats covered by a private contribution (ticket) and partly by subsidies
 - for each purchase, audience members have the benefit of a public contribution
- Individual contribution = (overall cost of the performance, number of persons in the audience, ticket price) → situations of high unit costs:
 - Very high cost but good attendance and major capacity: Opera
 - Average cost but low attendance: “leading edge” performances
 - Free shows with limited capacity



PERFORMING ARTS IN PAYS DE LA LOIRE REGION

- 1,160 holders of performing arts licences in the region; 522 in Loire-Atlantique department; 218 in Nantes
- $\frac{3}{4}$ of the bodies are dependent upon public support
- 6,415 employees including 2,350 contract workers in the entertainment industry [*intermittents du spectacle*]
- In Nantes: more than 500 jobs and 318,000 hours of work for contract workers in the entertainment industry
- Regional turnover of €400 M
- €30 to €35 M of public subsidies in Nantes
- 450,000 seats financed by the public in permanent venues in Nantes + 150,000 seats in *La Folle Journée* annual classical music festival + 130,000 seats in the *Cité des Congrès* events centre alone



2-CONTROL POINTS AND LESSONS



AUDITS BY THE PAYS DE LA LOIRE REGIONAL COURT OF ACCOUNTS

- **Reports available for communication and inspection for 2009-2015 :**
 - Angers Nantes Opera and National Orchestra of Pays de la Loire *Syndicats mixtes* joint commissions for cooperation between local authorities
 - SEM (*société d'économie mixte*: semi-public company) *La Folle Journée* (Nantes)
 - *Association ARC (Rezé); Lieu Unique; Grand T Theatre; Royal de Luxe* (Nantes)
 - The state-owned company (*Régie*) *La Fleuriaye Theatre* (Carquefou)
 - City of Nantes
- **6 performance venues (1 festival/5 permanent); 2 institutions involved in creation; 1 “contracting authority”**
- **6 organisations certified or officially approved by the French Ministry of Culture and Communications**



THE CHOICES

- An opportunistic approach
 - planning of programmes “without reserves” for the ARC, the LU, the SMANO and the National Orchestra of Pays de la Loire (ONPL)
 - a will to capitalise on the programme of the Grand T as well as those of 2012
- A varied panel:
 - geographically: regional bodies and bodies from Nantes and its urban area
 - in terms of form: associations, semi-public companies (SEM), joint commissions for cooperation between local authorities (SM), public institutions for cultural cooperation (EPCC - *établissement public de coopération culturelle*), state-owned companies (*régies*)
 - in terms of business activity: permanent organisations, festivals, companies, dissemination, creation
 - in terms of artistic field: pluralists, theatre, various styles of music, opera, street theatre
 - in terms of national status: independent public theatres (*scène nationale*), local government-controlled public theatres (*scène conventionnée*), theatres without official classification



MANAGEMENT ISSUES

- Difficulty in determining the wage bill: high level of entertainment industry short-term contract workers (technicians and artists) and other contract workers (tickets and reception)
- No observed mismanagement (wages, expenses)
- More common problems:
 - no use made of competition even in a minimal manner
 - the question of buildings and entry thereof in the books
 - relations with any sub-occupants
 - list of fixed assets rather incomplete



GOVERNANCE: LEGAL STRUCTURE

- Coexistence of various different legal structures: majority of associations (in Nantes), as well as SEMs, joint commissions for cooperation between local authorities (*syndicats mixtes*), EPCCs, state-owned companies under direct public management (*simples régies*)
- Will on the part of the Regional Department of Cultural Affairs (DRAC) to make local-government-controlled theatres (*scènes conventionnées*) change over from associations to EPCCs
- Difference between associations and state-owned companies with regard to the establishment of contracts as well as cultural projects → paradoxically fewer guidelines in the case of state-owned companies (Quai des Arts, Fleuriaye)
- To be correlated with the venue's cultural status: local government-controlled public theatres, independent public theatres, publicly-subsidised theatre companies (*centre dramatique*) etc.



GOVERNANCE: MEMBERSHIP VS. SUBSCRIPTION

- **For organisations set up as associations, the status of members varies:**
 - closed organisations: co-optation of members, absence of real general meetings
 - open organisations: possibility of membership without subscription, automatic membership on taking up a subscription, option given to subscribers
 - intermediate organisations: existence of subscribers' panels
- **Raises the problem of taking the responses and expectations of the public into account**



RELATIONS WITH PUBLIC PARTNERS

- For institutions with officially-labelled status, framework provided by texts:
 - double document: artistic project of the director on which the latter's recruitment is based; triennial multilateral agreement (organisation/State-city-region-French department)
 - variable content and precision although quantified objectives called for by circular
 - double role of creation and performance
 - traditional presence of “cultural action” activity
 - reporting, auditing and assessment obligations
 - minimum level of 20% own resources
- For private institutions without officially-labelled status, framework for payment of subsidy provided by agreement but without obligation with regard to its content
- For state-owned companies, absence of obligation



RELATIONS WITH PUBLIC PARTNERS: OBSERVATIONS

- Tendency to group public partners together under a single agreement
- Problem of the large number of different partners, each giving priority to its own pet subjects and "clients", with considerable demands in terms of communication
- Existence of false objectives, modelled upon the annual reports of institutions
- Existence of “phantom” objectives
- Few actual assessments apart from annual reports and absence of connection between results and renewal of agreements
- State-run institutions without officially-labelled status work outside of the formal framework of cultural policy
- Variable presence of representatives of the partners within governing bodies
- Close relations between the supervision authorities and the institutions



ECONOMIC ACTIVITY

- No reference levels with regard to attendance but possibility of examining:
 - the differences between years: reactions after a poor season?
 - the number of shows below certain levels of attendance = measurement of risk taken
 - the composition of attendance: number of schoolchildren (captive audience), guests and subscribers
- Problem of subscriptions in connection with work on audience composition, audience loyalty-building, audience renewal and territorial cooperation
- With regard to prices:
 - price rates based upon a double criterion: the show and the audience
 - difficulty of analysing prices due to differences between face and real value and between institutions
 - Issue of modes of price-fixing

2-4- ECONOMIC ACTIVITY: PRICES



- Price rates, in general, based upon a double criterion: the show and the audience
 - With regard to the show: distinction with regard to the actual cost of the show and expected receipts
 - With regard to the audience: social, territorial, age-based, loyalty-building and renewal criteria
- Difficulty of analysing prices:
 - difference between face values and real values (since subscriptions lower the prices actually paid) creating a distorted picture for decision-makers and supervision authorities
 - between different institutions, according to their price tables
 - with regard to annual variations
- Question of decision-making with regard to prices: discussion by board of directors or executive committee, framework provided by agreement



2-4- ECONOMIC ACTIVITY: SUBSCRIPTIONS

- **Problem concerning:**
 - Work on the audience: social subscriptions, age
 - Loyalty-building: packages according to number of shows
 - Networks: territorial subscriptions, mutual benefits
 - Renewal: number of subscribers in audience
- **Examples:**
 - *La Fleuriaye*: high level of subscribers; policy of loyalty-building; calendar-based advantages for inhabitants
 - *The Grand T*: excessively high level of subscribers → discussion by board of directors
 - Failure of Nantes common subscription; putting in place of reductions coordinated between different venues



KNOWLEDGE OF THE AUDIENCE

- Indicator of the success or failure of traditional agreed objectives: renewal, attracting younger audience, greater accessibility
- Observations:
 - surveys seldom take overall approach and often hold little interest
 - little use made of existing data: subscribers
 - more or less shared interest between directors and institutions
 - absence of external motivation
- Concerning the small amount of data collected: old and ageing audience, from higher socio-professional categories, little renewal





ISSUES WITH REGARD TO CREATION

- Conditions of contract of institutions with officially-labelled status contain obligations with regard to creation
- Joint production (for performance) and joint undertakings are in general use and enable:
 - risk-sharing for certain performances
 - sharing of the costs of creation with guarantee of a minimum of performances
- With regard to *Royal de Luxe*:
 - major production institution with international profile, audience of hundreds of thousands, but weak administrative structure and absence of salesforce
 - high price of sale of shows and additional expenses means that public bodies are the principal clients
 - very few guarantees provided in terms of initial approaches and culture outside of the field of public procurement contracts → cancellations a few weeks before shows without compensation



THE CONTRACTING AUTHORITY'S POLICY

- **Overall operational budget: €403 M - Culture : €61 M – Performing arts: €26 M (around €90 per inhabitant)**
- **Subsidies concentrated on a very small number of operators: 1/2 allocated to 4 operators; 3/4 allocated to 9**
- **Very great variability of subsidies with regard to seat occupied**
- **Twofold political will:**
 - Attractiveness of the territory through its cultural influence
 - Access to culture: access of the public at large to culture
- **Some municipal initiatives targeted in support of greater access to culture and creation but ...**
 - Absence of studies of the audience and of changes thereto
 - Absence of reflection with regard to actual prices and the cost of access to shows
 - Absence of follow-up of creations produced by institutions of Nantes