

CHAIRPERSON'S REPORT

JANUARY – DECEMBER 2017



## 1. Background to the year 2017

The year 2017 marked the first full year following several strategic changes during 2016:

- The launch of the FSSO Sustainability and Endowment Campaign called 'Symphony for Life' in mid-2016. This was intended to build a base of regular donations from private individuals and companies, thereby reducing the risk and exposure of the FSSO to uncertain and variable public funding sources. This followed a very difficult and uncertain period in both 2015 and especially 2016 due to the uncertainties of a then major funding source for performances, i.e. the National Lotteries Commission (the Lotto), as well as the International Arts Trust. Such uncertainties undermine timely annual planning of activities and performances, which needs to be done at least a year in advance. (By November 2016 debit orders in excess of R200 000 had been secured by Symphony for Life.)
- The related application to the SA Revenue Service (SARS) for the FSSO to obtain Section 18a Status, which would imply that donations to the FSSO by individuals and companies would be tax deductible in the hands of a donor. Following a quite arduous process of application and submission of documents, the FSSO indeed was accorded Section 18a Status from 3 January 2017. This was a major breakthrough.
- The related revision of the Memorandum of Incorporation (MOI) of the FSSO to clarify the FSSO's compliance with the conditions of Section 18a status. These revisions clarified the important role of the music-educational component and 'pipeline' in the rehearsals and concerts of the FSSO company's various orchestras, and thus in the FSSO's mission and objectives. This pipeline enables large numbers of young musicians to be trained and developed in orchestral playing, eventually enabling many of them to enter a career in music (as players or teachers). Henceforth the music-educational pipeline was to feature as the fundamental strategic guideline for planning all activities of the FSSO company.
- The appointment of two part-time marketing officers targeting, respectively, the private sector and the government sector, with Ms Daphney Teffo's appointment in the latter portfolio renewed into 2017.
- A first-ever strategic planning workshop of the Board in October 2016.
- Changes in Board portfolios and membership after the resignation of professor Teuns Verschoor as Chairperson, following changes to his duties at the University of the Free State. (Prof. Johan Moll, who was a founding director of the FSSO in 2003, also retired as director.) Changes included the appointment of professor Helena van Zyl (Director of the UFS School of Management) to the Board, the election of Mrs Zarine Roodt as Deputy Chairperson and professor Frederick Fourie as Chairperson.

## **2. The year 2017**

In approving plans for 2017 in November 2016, while still in quite some financial uncertainty, the Board took bold decisions to signal a new strategic direction and growing financial security to its stakeholders – the members of its orchestras, its audiences, its still small but growing group of private funders within Symphony for Life (Friends, Patrons and Distinguished Patrons), the UFS as a key institutional partner, school learners and university students, the broader music community of Mangaung and the Free State, and so forth.

As the separate General Report of the FSSO shows, within its music-educational pipeline five FSSO symphony concerts were approved for 2017, together with several youth orchestra (FSYO) and schools outreach activities. This marked a substantial increase in activities and performances over 2016, with growing opportunities for young musicians to participate. Of particular importance was the presentation of a short opera in partnership with the UFS's Odeion School of Music, its lecturers and singing students. This was the first opera production in Bloemfontein in decades and the start of a longer-term strategic initiative.

### **Governance**

Regular quarterly meetings of the Board took place. Significant improvements in the quality of meeting documents were obtained as part of a general effort to raise the level of organisational efficiency and professionalism in the FSSO, even if it is a quite small company with only part-time staff.

The capacity of the FSSO Board was strengthened by the appointment of Mr Sam Moleko, a director at Phatsoane Henney Attorneys, as a director of the FSSO company in November 2017.

Prof. Helena van Zyl, Director of the UFS School of Management, was elected Deputy-Chairperson of the FSSO Company at the 2017 Annual Meeting, following the resignation of Ms Zarine Roodt from that position due to time constraints.

### **Financial resources**

The operational plans for 2017 were approved in the belief that the Symphony for Life initiative would grow sufficiently to finance those plans. Through hard work, this indeed occurred: by the end of 2017, the full-year commitments from private individuals and companies had grown to more than R800 000 per annum (from about R200 000 a year before).

In addition, in October 2017 the FSSO obtained a significant new sponsor, the Oppenheimer Memorial Trust (OMT), which has committed a significant three-year funding allocation to the FSSO.

The NAC remained a steady contributor of approximately R180 000 per annum.

An analysis of the components of *income* from 2014 to 2017 is revealing. It shows the large share of Lotto funding in some years, but also the total absence of Lotto funding in others, for example 2015 – at a point when donations from the public still were very low. This vividly illustrates the fundamental uncertainty that motivated the launch of the Symphony for Life campaign in mid-2016. Secondly, one sees the remarkable growth in the contribution from the individuals (and some companies) through the Symphony for Life campaign. Since these contributions mostly are in the form of debit orders, they provide a relatively secure ‘own funding base’ (although not sufficient to fund all operational expenses, of course). This means that the operational risk of the company has been reduced significantly.

In addition, a couple of key trusts/foundations constitute what may prove to be a relatively dependable source of income (but not long-term security).

The other main funder of the FSSO, the University of the Free State, has dependably financed the company’s overhead costs with regard to management and administrative staff in 2017. The new Vice-Chancellor and Rector, professor Francis Petersen, has confirmed the continued commitment of the UFS to its long-term funding partnership with the FSSO (as well as to the Odeion String Quartet, which is of strategic importance to the FSSO).

The pattern of annual *expenditure* is much more stable than the pattern of income flows. The pie charts indicate some variation between years, which is mostly related to fluctuations in the number and nature of activities and concert performances.

### **Human resources**

To improve the operational efficiency of the FSSO company and office, and to deal with the increased complexity of financial administration and compliance (also related to our Section 18A status and SARS), a major restructuring of the positions in the FSSO office was approved at the end of 2017. This followed a thorough process, in the second half of 2017, of psychometric assessments, staff development processes and consultations, and redesign and clarifications of processes, roles and responsibilities. The main changes were the restructuring of the roles of:

- Ms Ella Kotze, previously Administrative Assistant, as the FSSO Company Organiser;
- Mr Piet Moolman, previously FSSO Manager, as FSSO Financial Administrator; and
- Ms Daphne Teffo, previously an ad hoc marketing consultant, as the FSSO Administrative Assistant.

The other member of the office staff is Mr John Msimang-Minnaar, Youth Orchestra Organiser.

At the end of 2017 Mr Alexander Fokkens was re-appointed as Artistic Director and CEO of the Company for another three-year term (2018-2021).

Initial indications are that the staff restructuring has had a major beneficial impact on organisational efficiency and effectiveness, as well as staff morale. Still, with all staff members being employed on a part-time basis, they continuously face pressure in executing and coordinating all the necessary functions at a high level of proficiency.

### **Looking forward to 2018**

At the end of 2017 the Board could look forward to 2018 very optimistically. Relative to a year before, the FSSO was in a much healthier financial position.

A one-off Lotto grant, from an application already submitted in 2015 and assumed to be unsuccessful, was a pleasant surprise late in the year (to be transferred to the FSSO in 2018). The Arts Trust also has returned to the donor table for the 2018 financial year (specifically to help finance international conductors).

Healthier finances have enabled the FSSO to plan ahead in good time for a much better, stronger programme of music-educational pipeline activities and concert performances for 2018. Contracts for the whole year could be offered to regular symphony orchestra members, thereby also contributing to their personal financial security.

Though we are not where we want to be yet in terms of financial sustainability, we are heartened by the tremendous support we have received from local individuals in the form of Friends, Patrons and Distinguished Patrons of the FSSO, as well as a (still small) number of local companies. In addition, the much-appreciated support of organisations such as the Oppenheimer Memorial Trust and the Rupert Foundation has added significantly to our capabilities and security – they indeed are valued partners, as is the National Arts Council (NAC). We will continue to apply to the Lotto for funding as application opportunities arise.

In terms of other strategies, we will continue to endeavour to increase the number, quality and imaginativeness of our activities and performances, increasing the number of international soloists and conductors, and establish a regular annual opera production. We also hope to benefit significantly from the offer of Mr. Gérard Korsten, renowned international conductor, to visit the FSSO for at least one concert per year in the next several years as part of his desire to help develop and mentor young orchestral musicians in particular.

### **A word of thanks**

I wish to thank all the funders and sponsors of the FSSO, in particular the University of the Free State, the Friends, Patrons and Distinguished Patrons of the FSSO, and companies, foundations and trusts that support the FSSO. Without their valued funding support, the positive impact which the FSSO's music-educational pipeline has on large numbers of young

musicians – and generally on the quality of cultural life in the Free State – would have been weakened significantly and, actually, under threat.

I wish to thank the musicians – the principal players and tutti members of the orchestra, the teachers, the students, the learners – whose continued hard work, diligence and enthusiasm has made a very successful year of pipeline activities and performances possible.

I wish to thank the members of the Board for their time and especially their support, starting in mid-2016, for a turnaround strategy that appears to have borne much fruit thus far. A special word of thanks to Prof Helena van Zyl for her support in driving the staff restructuring process, which was very time-consuming. I also wish to express my appreciation to all the FSSO staff members for their constructive involvement in the restructuring process which initially created uncertainty and later affected their work routines.

Thanks are due to the Artistic Director, Mr Alexander Fokkens, for his key management role in effecting the new operational processes, implementing new roles and new job descriptions.

Lastly, thanks to Mr Fokkens and the whole team for a well-executed 2017 as well as timeously planning an exciting programme of activities for 2018 – and in particular to Ms Ella Kotze, newly-appointed Company Organiser, for immediately setting the wheels in motion to be operationally ready for the first activities and performances of 2018.



**Frederick C.v.N. Fourie**

Chairperson: FSSO Board

24 June 2018