

Financing of Cultural Institutions by Local Government Units on The Example of Bielsko-Biała Theatres

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Abstract—Culture is one of the most essential development factors influencing the quality of life and social advancement. Financing of cultural institutions from public funds aims at propagation of culture, supporting artists and artistic work, as well as national heritage. The group of entities involved in cultural activities include numerous public institutions, non-governmental organisations and private individuals. Local government units play a key role in this field. The paper seeks to examine the importance of city budget grants for the existence of theatres. The adopted theory that the city budget grant is significant for the functioning of theatres was confirmed by the analysis of the revenues of Bielsko-Biała theatres, however the share of local government subsidies in total revenues of theatre institutions seems to be on the decrease.

Index Terms—local government units, cultural institutions, public finances.

I. INTRODUCTION

The political changes in Poland led to the establishment of local government units as main patrons of local cultural policy. The Act of 25 October 1991 on organising and conducting cultural activities (Act of 25 October 2009 on Organising and conducting cultural activities) precisely defines regulations concerning the creation and operation of cultural institutions. The Act specifies that cultural activity within the meaning of the Act relies on creation, promotion and protection of culture. It also defines a way of funding of cultural institutions and cultural activity. The state has patronage over cultural activity, including support and promotion of creativity, cultural education, cultural activities and initiatives, as well as conservation of monuments. The Minister of Culture and Protection of National Heritage as a part of the state's patronage programme may support financially the realisation of activities

connected to the national cultural policy planned for a given year. The activities may be carried out by cultural institutions and other entities independent from public finance sector. The patronage is also performed by local government units (LGUs) in terms of their properties (Article 1 paragraph 2 and 3 of the Act of 25 October 1991 on Organising and conducting cultural activities).

According to the Act of 4 September 1997 on government departments (Article 14 paragraph 1 of the Act of 4 September 1997 on Government departments) the protection of tangible and intangible national heritage and cultural activity, including the state patronage over this activity, is the responsibility of the Department of Culture and National Heritage Protection. The scope of care and protection embraces:

- maintenance and development of national and state heritage;
- preservation and care over monuments and museums;
- preservation of places of national remembrance, graves, burial sites, war cemeteries, memorials etc.;
- creative, artistic activities, folk culture and artistic craft and their preservation;
- publishers, bookselling, libraries and reading;
- cultural education;
- art exhibitions;
- audiovisual policy, in particular in the field of media, radio, television and cinematography; amateur artistic movement, regional organisations and associations, and social and cultural organisations;
- international cultural exchange;
- spectacular and entertainment activities;
- restitution of cultural goods, including the return of cultural artefacts unlawfully removed from the territory of the Republic of Poland;

The Minister of Culture and National Heritage is an

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authorising officer of majority of state budget expenditure on culture. Culture related expenses are included in the budget (part 24 – Culture and National Heritage Protection) and enclose:

- subsidies for cultural institutions,
- targeted subsidies based on grant competitions organised by the Minister of Culture and National Heritage,
- state budget units expenditure, above all archives (Malinowska-Misiąg, 2016, p.207).

Public funding of culture is to a large extent focused on conservation and consolidation of national heritage and providing the widest possible access to the world of culture for citizens. The objectives impose the direction of expenses and their basic forms i.e:

- funding of state and non-state cultural institutions, which is crucial for the development of social capital, determining economic development in a longer term perspective,
- supporting specific cultural projects, significant and valuable for the objectives of cultural policy,
- preservation of widely understood national heritage, in particular protection and conservation of monuments (Malinowska-Misiąg, 2016, p.206).

Every year artists and cultural operators stress an increased need for public funds and undertake steps to obtain support from non-public sources. Public tasks related to culture are financed from regional budget resources funds as well as from non-budgetary funds, e.g. state targeted funds and state private parties. A small percentage of tasks is funded by cultural institutions' own income.

The theory adopted in this paper that the city budget grants are significant for the functioning of theatres, was confirmed in the author's research and it was proved that the importance of these grant have increased. The aforementioned research was based on the information from the Central Statistical Office, regional chambers of auditors, the Ministry of Finance and Bielsko-Biała City Hall.

II. FINANCING OF CULTURAL INSTITUTIONS FROM PUBLIC FUNDS

In Europe the degree of involvement of public resources in funding cultural activity varies. It is still not clear to what extent the state or a local government unit should participate in financing culture and national heritage and what extent of participation from non- governmental organisations, private donors and sponsors would be appropriate. Amongst individual European Union member states there are differences with respect to the level of expenses of central and local government institutions on recreation, culture and religion (Table 1) (Within COFOG classification used to divide expenses by function, 10 main expenditure categories may be distinguished: general public services; defence; public order and safety; economic affairs; environmental protection; housing and community amenities; health; recreation, culture and religion; education; and social protection. It is regulated by the Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional

accounts in the European Union (OJ, EU. Lex 2013.174.1)). In the Eurozone between 2007 and 2015, the biggest amounts of money spent annually on the above mentioned goals were observed in Estonia (from 4,5% to 6% of the total budget), in Latvia (from 3,7% to 5%) and in Hungary (from 2,8% to 4,3%). Polish central and local government institutions did not allocate more than 3% of all expenses on recreation, culture and religion. The most frugal were Greece (only from 1,1% to 1,4%) and Italy (expenditure from 1,0% to 1,8%).

In Poland since 1990, culture has been assigned to own tasks of local government units. The communes have taken over the majority of establishments propagating culture. According to the Act on organising and conducting cultural activity in force since 1991, the organiser ensures subordinate culture institutions necessary funds to set up and conduct cultural activities, and maintenance of premises where such activity is performed. Pursuant to Article 28, paragraph 2 of the Act, revenues of cultural institutions include activity income, containing movable assets income, and proceeds from assets letting and hiring, budget grants, funds received from natural and legal persons, and from other sources.

TABLE 1.
SHARE OF EXPENDITURE OF CENTRAL AND LOCAL GOVERNMENT INSTITUTIONS ON RECREATION, CULTURE AND RELIGION IN TOTAL EXPENSES IN EU COUNTRIES (%)

COUNTRY	2007	2008	2009	2010	2011	2012	2013	2014	2015
EU - 28	2,4	2,4	2,3	2,3	2,2	2,1	2,1	2,1	2,2
BE	2,5	2,5	2,5	2,4	2,4	2,4	2,3	2,3	2,2
BG	1,9	2,2	1,7	2,0	2,0	2,2	2,0	3,5	4,2
CZ	2,9	2,9	3,1	3,1	2,8	2,6	2,7	2,8	3,2
DK	3,4	3,5	3,3	3,1	3,2	3,2	3,3	3,2	3,2
DE	1,8	1,8	1,8	1,7	1,8	1,8	1,8	1,8	2,3
EE	6,0	5,9	5,1	5,2	5,1	4,5	5,4	5,2	4,9
IE	2,0	2,1	2,1	1,4	1,8	1,9	1,9	2,0	2,0
EL	1,3	1,4	1,2	1,1	1,2	1,2	1,1	1,2	1,3
ES	4,0	3,9	3,6	3,6	3,3	2,5	2,5	2,6	2,6
FR	2,5	2,5	2,5	2,5	2,5	2,5	2,6	2,5	2,3
HR	2,2	2,1	2,1	2,3	1,9	2,6	3,1	2,8	3,1
IT	1,8	1,7	1,7	1,6	1,0	1,4	1,5	1,4	1,5
CY	3,1	3,1	2,9	2,8	2,8	2,4	2,2	1,8	2,3
LV	5,0	4,9	4,0	3,7	4,1	4,1	4,3	4,5	4,4
LT	2,9	2,9	2,7	2,3	2,2	2,3	2,3	2,6	2,7
LU	3,3	3,0	3,0	2,8	2,7	2,8	3,0	3,0	2,8
HU	3,0	3,0	2,8	3,6	3,5	4,0	3,6	4,0	4,3
MT	1,3	1,5	1,7	1,9	2,1	2,2	2,1	2,5	2,8
NL	3,6	3,8	3,7	3,7	3,6	3,4	3,3	3,2	3,1
AT	2,1	2,0	1,9	1,8	1,8	1,8	1,8	1,7	2,4
PL	2,6	2,9	2,9	3,0	2,9	2,8	2,6	2,8	2,7
PT	2,3	2,3	2,3	2,1	2,0	1,9	1,8	1,7	1,6
RO	2,8	2,8	2,6	2,6	2,7	2,7	2,5	2,7	3,4
SI	2,9	3,7	3,6	4,5	3,8	3,9	3,0	3,4	3,4
SK	2,3	2,3	2,4	2,4	2,4	2,3	2,2	2,2	2,3
FI	2,2	2,2	2,2	2,2	2,2	2,1	2,5	2,5	2,6
SE	2,0	2,1	2,1	2,2	2,1	2,1	2,1	2,1	2,2
UK	2,1	2,1	2,1	2,0	1,9	1,8	1,6	1,5	1,5

Source: (Your key to European statistics, 2018)

The Act of 27 August 2009 on public finances generally distinguishes two forms of cultural activity subsidizing:

- direct funding from the state budget or local government budget to cover costs related to objectives or tasks connected with cultural activity (mainly units and branches of education system e.g. music schools),
- indirect funding e.g. subjective and targeted grants.

Subsidies are funds subjected to specific accounting rules of the state budget, local government units budget and state targeted funds, designed pursuant to the Act on public finances, separate acts or international agreements, to finance or co-finance realisation of public tasks. However, the Act pays special attention to targeted grants, which include funds for:

- financing and co-financing of statutory tasks, including tasks within the state patronage of culture, implemented by units other than local government units, for instance the National Library, costs of investment implementation;
- realisation of programmes financed with funds from foreign sources, not refundable (except for the EU sources and EFTA sources) and other resources, used by entities implementing the programmes, other than state budget units;
- financing and co-financing of tasks implemented by local government units and other entities, with funds of e.g. state targeted grants;
- realisation of programmes financed from other sources e.g. the European territorial cooperation;
- co-financing implementation of programmes funded from the EU sources connected with the European Social Fund and the European Regional Development Fund (Szlendak, Nowiński and Wieczorek, 2012, p.36).

Among subsidies destined for cultural institutions one may distinguish a subjective subsidy, which includes resources for a given entity in a separate Act or in an international agreement, only for co-financing of current activity within a specified range. It is essential that the grant is accounted for in accordance with provisions of the Act on organising and conducting cultural activities, therefore according to a financial plan by revenue which is supposed to cover costs and liabilities the organiser is not responsible for. A considerable difference between a subjective grant and a targeted grant means that the subjective subsidy is transferred to cultural institutions without an agreement. The institution distributes a given subjective grant for its own objectives and tasks. While a targeted grant is spent on a planned expense, therefore a targeted subsidy must have a defined and specific objective.

Commissioning of public tasks related to culture to non-governmental organisations, as tasks assigned within the provisions of the Act of 27 August 2009 on public finances, may impose a need for conclusion of contracts:

- commissioning public tasks, including grants to finance tasks realisation;
- supporting implementation of public tasks, including grants to co-finance tasks realization (Szlendak, Nowiński and Wieczorek, 2012, p.37).

Funding cultural activity from public resources is one of the

most important tools of the cultural policy of the state. Decentralisation resulted in changes in financing and functioning of cultural institutions. In recent years local government units have begun to play more substantial role in the cultural sector– they are responsible for the major part of public expenditure on culture, particularly poviats and cities with poviat rights. In 2012-2016 the state budget participation of public expenditure on culture and national heritage protection fluctuated from 18% to 27% (Table 2). The main burden of funding of the objectives fell on communes and cities with poviat rights (annually from 60% to 80% of public expenditure, and respectively from 14% to 16% of districts local government budgets). In districts, culture and national heritage expenses are increasingly perceived as a significant indicator of regional identity and development. However, poviats do not work as cultural organisers (share of 1%), which is also the result of very limited funds (Głowacki at. al., 2009, p.12). It is confirmed by information in Chart 1 that shows the structure of local government units expenditure on culture and national heritage protection in 2007-2016. According to Table 2 the largest part in the structure of expenses of local governments budget allocated on culture and national heritage protection were expenses from communal budgets (from 32% to 45%).

TABLE 2.
THE STRUCTURE OF PUBLIC EXPENDITURE ON CULTURE AND NATIONAL HERITAGE PROTECTION ACCORDING TO FUNDING SOURCE (%)

Specification	2012	2013	2014	2015	2016
Total expenses	100,0	100,0	100,0	100,0	100,0
State budget ^a	19,5	18,4	18,6	21,5	27,2
Local governments budgets ^b total, including:	80,5	81,6	81,4	78,5	72,8
• communes	36,0	35,9	35,8	33,9	32,5
• cities with poviat rights	27,2	29,0	30,0	27,8	25,1
• poviats	1,3	1,1	1,1	1,0	1,0
• districts	16,0	15,6	14,5	15,7	14,3

a. After transfers deduction to local government units.

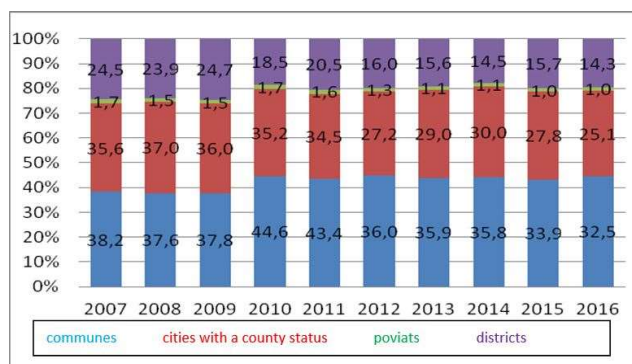
b. After transfers elimination between local government units.

Source: Information and descriptions in given years (Kultura w 2016, 2017)

The share of expenses in case of cities with poviat rights in total expenditure of local government budgets was 25,1% in 2016 as compared to 37% in 2009. The share of districts' expenses dropped from 24% in 2007 to 14,3% in 2016. The share of poviat expenses remained at the similar level (1,0% in 2015 and 2016 to 1,7% in 2007 and 2010).

Cultural institutions are differentiated in terms of nature of their activity or range of impact. The largest group consists of libraries and information and library branches (62%), cultural centres (9%), community centres (8%) and museums (7%). Cultural centres, galleries and art salons or clubs constitute 2% of cultural institutions whereas musical theatres, concert halls, orchestras, choirs, song and dance groups are only 1%.

CHART 1. THE STRUCTURE OF LOCAL GOVERNMENT UNITS EXPENDITURE ON CULTURE AND NATIONAL HERITAGE PROTECTION



Source: The Central Statistical Office, Kultura, Information and descriptions in given years

TABLE 3.
THE STRUCTURE OF CULTURAL INSTITUTIONS IN 2015

No.	Cultural institutions	%
1.	Libraries and information and library branches	62
2.	Cultural centres	9
3.	Community centres	8
4.	Museum institutions	7
5.	Culture centres	4
6.	Cinemas	3
7.	Cultural centres	2
8.	Galleries and art salons	2
9.	Clubs	2
10.	Theatres	1
11.	Musical theatres, concert halls, orchestras, choirs, song and dance groups	1

Source: (Kultura w 2015, 2016)

The largest group of cultural institutions consists of public, pedagogical, scientific libraries, and their branches, libraries of scientific societies covered by public statistics research, as well as scientific, technical and economic information centres.

In 2016 the biggest amounts coming from the state budget were spent on museums (45% of expenses on culture and national heritage protection), only 8% on cultural and art centres, 7% on concert halls, orchestras, choirs and bands, 7% on theatres (Table 4).

The archives in 2016 received 5,8% of resources intended for cultural purposes. Expenses on monuments protection and care were equal to 5,1% of the state budget allocated for culture. At the same time 5,3% was spent on preservation and documentation centres such as: the Regional Offices for the Preservation of Historic Monuments, the Council for the Protection of Struggle and Martyrdom Sites and the National Fund for the Restoration of Monuments in Cracow. About 1% of resources was spent on cinematography and the Polish Film institute.

In case of local government units, the biggest proportion of resources (up to 30% of expenses on culture and national heritage protection) was spent on cultural centres, community centres and clubs, 20% on libraries, about 12% on museums and 11% on theatres.

In 2016 the state budget expenses on culture and national heritage protection constituted 0,72% of total expenses, and

expenditures for the objective in local government units were equal to 3,34%. It is a share indicator for the last ten years. In 2006 local governments expenditure on culture constituted 3,53% and since then there has been an increase in allocating funds on culture, reaching the highest level of 3,94% in 2010 (Chart 2). In three subsequent years the indicator dropped to the level of 3,72%, 3,79% and 3,73%. Although the share indicator decreased, the amount spent on cultural goals was equal to 7 million PLN. In 2014 expenses related to culture and national heritage of local government units budgets were the highest (7,723 m PLN) which constituted 3,93% of total expenses. Subsequent years resulted in a considerable drop of expenses to the level of 6,923 m PLN in 2015 and 6,673 m PLN in 2016. Global economic recession as well as external financing, mainly from the EU funds, had a large impact on public funding of culture.

TABLE 4.
EXPENDITURE OF STATE AND LOCAL GOVERNMENT UNITS BUDGET ON CULTURE AND NATIONAL HERITAGE PROTECTION IN 2016.

Specification	State budget expenses ^a		Local government units budget expenses ^b	
	PLN, thousand	in %	PLN, thousand	in %
Total budget expenditure	360 092 781	x	200 034 558	x
Culture and national heritage protection expenses	2 586 680	100,0	6 672 966	100,0
Share in expenses in total	0,72%		3,34%	
including:				
Cinematography ^c	15 454	0,6	2 888	0,0
Polish Film Institute	12 269	0,5	—	—
Radio and TV	21 847	0,8	—	—
Museums	1 167 228	45,1	784 051	11,8
Protection of historical monuments and monuments care	130 505	5,1	253 762	3,8
Other activity aimed at monuments protection ^d	136 968	5,3	2 143	0,0
Galleries and art exhibitions bureaus	14 218	0,6	53 449	0,8
Culture and art centres	210 082	8,1	262 766	3,9
Libraries	111 424	4,3	1 341 387	20,1
Archives	148 759	5,8	1 613	0,2
Culture centres, community centres and clubs	4 901	0,2	2 012 922	30,2
Theatres	182 617	7,1	728 186	10,9
Concert halls, orchestras, choirs and bands	170 766	6,6	277 059	4,2

A. Including transfers to local government units.

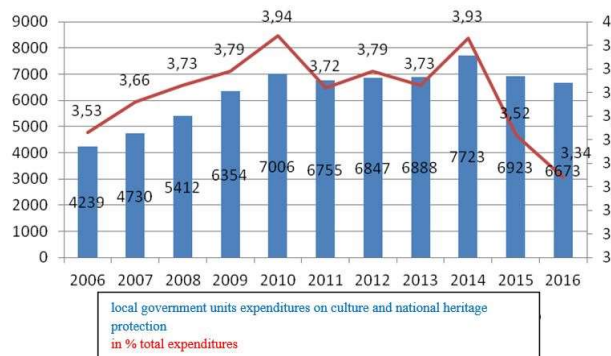
B. Including transfers between local government units.

C. Production and film development, distribution and promotion of films, cinematography tasks.

D. Preservation and documentation centres of monuments, the Regional Office for the Preservation of Historic Monuments, the Council for the Protection of Struggle and Martyrdom Sites, the National Fund for the Restoration of Monuments in Cracow.

Source: (Kultura w 2016, 2017)

CHART 2. A SHARE OF EXPENDITURE ON CULTURE AND NATIONAL HERITAGE PROTECTION IN TOTAL EXPENSES OF LOCAL GOVERNMENT UNITS



Source: the Central Statistical Office, *Kultura*, Information and descriptions in given years

III. EXPENDITURE ON CULTURE FROM THE BUDGET OF THE CITY OF BIELSKO-BIAŁA

Bielsko-Biała is a city with powiat rights, situated in the southern part of the Silesia voivodeship with a number of inhabitants of 172,407 (polskawliczbach.pl, 2018). The city is developing dynamically. Old and abandoned factories are constantly being redeveloped into modern office buildings or commercial premises. Road infrastructure is also developing. The city is a large road and rail junction with convenient connections in all directions. Many monuments are undergoing an overall renovation, e.g. the Sułkowski Castle or townhouses in the Old Market Square. Bielsko-Biała is also an important cultural centre. A large number of well-known events takes place here. One should mention Jazzowa Jesień, directed by Tomasz Stańko, Zadymka Jazzowa, patronised by Jan Ptaszyn Wróblewski, the Festival of Polish Composers named after professor Henryk Mikołaj Górecki, the International Festival of Puppetry Art, Biennale Malarstwa Bielska Jesień or Foto Art Festival.

In Bielsko-Biała there following cultural institutions are administered by the local government:

- Bielskie Centrum Kultury (Bielsko-Biała Cultural Centre);
- Galeria Bielska BWA (Bielsko-Biała Gallery);
- Książnica Beskidzka (Bielsko-Biała Library);
- Miejski Dom Kultury (the Municipal Culture Centre);
- Teatr Lalek Białaluka im. Jerzego Zitzmana (Jerzy Zitzman Puppet Theatre Białaluka);
- Teatr Polski (The Polish Theatre).

Public resources are the basic source of financing cultural institutions in the city. The expenses allocated for this purpose amount to about 3% of budgetary expenditure of Bielsko-Biała, and their amount varies from 23 million PLN in 2012 to 28 million PLN in 2016 (Table 5).

TABLE 5. IMPLEMENTATION OF BIELSKO-BIAŁA BUDGET (THOUSANDS OF PLN)

Specification	2012	2013	2014	2015	2016
Total budget expenses	728 176,9	722 519,1	745 780,3	783 961,6	894 917,6
Including : (921) Culture and national heritage protection	22 867,4	24 685,2	23 255,7	24 717,2	27 987,7
% share in total expenditures	3,14%	3,42%	3,12%	3,15%	3,13%

Source: (Reports on Bielsko-Biała city budget implementation for years 2012, 2013, 2014, 2015 and 2016)

Similarly to other local government units, the biggest share of Bielsko-Biała budget allocated for culture and national heritage protection are spent on cultural centres, community centres and clubs (about 40% of the expenses). Other important expenses include resources intended for libraries (about 24% - 26% of expenditures). Between 2012 and 2016 from 21% to 25% of culture resources were spent on theatres, from 5% to 6% was spent on galleries and artistic exhibitions and about 5% was spent on other cultural activities and tasks. Monuments protection and care of monuments expenses amounted to just 0,6% or 1,5%.

TABLE 6. A STRUCTURE OF CULTURE EXPENSES OF BIELSKO-BIAŁA CITY BUDGET (%)

Specification	2012	2013	2014	2015	2016
Culture and national heritage protection - total expenditures	100,0%	100,0%	100,0%	100,0%	100,0%
Cultural centres, community centres and clubs	37,1%	44,3%	39,8%	40,6%	40,4%
Libraries	25,5%	23,8%	25,6%	25,4%	24,4%
Theatres	24,9%	21,0%	23,6%	22,4%	24,4%
Galleries and artistic exhibitions bureaux	5,9%	5,0%	5,2%	5,4%	5,6%
Other activity	3,7%	3,2%	3,5%	4,0%	3,0%
Other tasks within culture	1,5%	1,5%	1,5%	1,6%	0,7%
Monuments protection and care of monuments	1,5%	1,2%	0,8%	0,6%	1,5%

Source: (Reports on Bielsko-Biała city budget implementation for years 2012, 2013, 2014, 2015 and 2016)

Amongst all cultural institutions of Bielsko-Biała administered by local government, the activity of the two town theatres (the Polish Theatre and the Białaluka Puppet Theatre) is particularly visible. Both theatres have a very interesting history.

The Polish Theatre has been in operation continuously since the end of the 19th century. In 1890 the building at 1 Maja Street was opened. During WW2 there were regular performances in German language (until September 1944). Finally, in 1945 the activity was resumed in the same building by a permanent and professional Polish theatre group (Legoń, 2017). The contemporary Polish Theatre puts out numerous performances

annually and attracts a large number of audience (Table 7). The year 2012 was a record year for the Theatre in terms of the number of performances. The following year noted a significant decrease in the number of performances (from 293 to 232) and, consequently, a drop in the number of viewers (by 13,658 people). It is a result of a change in the Theatre management.

TABLE 7.
THE POLISH THEATRE ACTIVITY

Year	Total performances	Including own performances	Number of viewers
2012	362	293	77 112
2013	295	232	63 454
2014	271	225	63 741
2015	268	231	62 216
2016	310	278	78 082

Source: (Reports on Bielsko-Biała city budget implementation for years 2012, 2013, 2014, 2015 and 2016)

In 2013 the general and artistic director Robert Talarczyk was replaced by Witold Mazurkiewicz. In subsequent years the number of performances and viewers never reached the level from 2012. However, in 2016 the number of viewers achieved a record level of 78,000. Of course, the Theatre's income was influenced by a decreasing number of performances and viewers (Table 8).

In 2012 the city budget grant exceeded own income of the Theatre by PLN 751,000 and constituted 56,5% of total revenues. Own revenues of the Polish Theatre are mainly proceeds from ticket and programme sales. Additional income comes from costume rental, advertising services, theatre hall and car rental, interest, donations and income from stage creativity courses. The year 2013 saw the lowest own income ever for the Theatre— 1 989,6 thousand PLN, consequently a share of subjective subsidy of the city budget in total revenues increased to 60%. This year the Theatre also obtained a grant from Z. Raszewski Theatre Institute within a programme 'Teatr Polska' in the amount of 105,872 PLN. In 2014 the city budget grant was the only subsidy from the public funds, and its amount comparable to previous years was equal to 3,269 thousand PLN, which constituted 56% of total revenues. In 2015 a considerable increase of total revenues was recorded for the Theatre (by 13%). It was a result of the city budget subsidy in the amount of 3,500 thousand PLN, the state budget co-financing the celebration of the 125th anniversary of the Theatre in Bielsko-Biała in the amount of 166,000 PLN, co-financing of Z. Raszewski Theatre Institute in Warsaw for tickets as part of the celebrations of 250 Years of Public Theatre in Poland – 46,105,00 PL, and increased own income of 2,842 thousand PLN. However, in 2016 the city budget grant rose to the highest level in the analysed period i.e. 3,652 thousand PLN, its share in total revenues was the lowest - 50%, and own revenues were only lower by 223 thousand PLN than the subsidy. In the same year the Theatre received funding from external sources such as: Z. Raszewski Theatre Institute, A. Mickiewicz Institute, the Ministry of Culture and National Heritage for the programme 'Teatr Polska' – 227,376,33 PLN.

TABLE 8.
THE REVENUES OF THE POLISH THEATRE IN BIELSKO-BIAŁA,
PLN THOUSAND

Year	Total revenues	Subjective grants of city budget	Other grants	Own revenues	% share of the city budget grant in total revenues
2012	5 779,3	3 265,0	0,0	2 514,3	56,5%
2013	5 312,0	3 216,5	105,9	1 989,6	60,6%
2014	5 775,2	3 269,2	0,0	2 506,0	56,6%
2015	6 553,9	3 500,0	212,1	2 841,8	53,4%
2016	7 308,4	3 652,2	227,4	3 428,8	50,0%

Source: (Reports on Bielsko-Biała city budget implementation for years 2012, 2013, 2014, 2015 and 2016)

Generally, the subsidy from the city budget constitutes at least 50% of the Polish Theatre's revenues. In years when the Theatre's own income increases or the Theatre obtains funding from other sources, the percentage share from budget grant constitutes a smaller part of revenues.

The Banialuka Puppet Theatre is believed to be one of the oldest puppet theatres in Poland and one of the most famous in the country and worldwide. It was founded in 1947 by visual artists Jerzy Zitzman and Zenobiusz Zwolski. Banialuka's actors have performed in many countries including Japan, Chile and the USA. The Theatre took part in the most prestigious theatre festivals, inter alia in Edinburgh, Avignon, Cividale, New York and Charleville-Mezieres. The Theatre has won many prestigious prizes and awards at the most renowned festivals. Since 1966 Banialuka has been an organiser of the most important puppetry review of the world - The International Festival of Puppet Theatre. Since July 2003 the Theatre's artistic director has been Lucyna Kozień, a former Banialuka's literary director (Teraz Teatr, 2018).

TABLE 9.
ACTIVITY OF BANIALUKA PUPPET THEATRE

Year	Total performances	Including away performances	Number of viewers
2012	398	35	72 017
2013	392	35	72 936
2014	379	31	71 750
2015	402	25	73 800
2016	407	20	75 195

Source: (Reports on Bielsko-Biała city budget implementation for years 2012, 2013, 2014, 2015 and 2016)

Each season of Banialuka consists of interesting performances. In 2014, 379 performances took place, in 2016 the number of performances accounted to 407. The Theatre is very popular with Bielsko-Biała audience, and it is very frequently visited by children, with a number of viewers exceeding 70 thousand annually (Table 9). Unfortunately the artistic achievements of Banialuka Theatre are not mirrored with its financial condition. Banialuka's own revenues from performances, ticket sale, organised workshops, renting rooms, advertising services, and received donations or interest do not cover all costs (Table 10). In 2012 Banialuka Theatre received a grant from the city budget in the amount of 2,182 thousand

PLN, and also a subsidy from the Ministry of Culture and National Heritage in the amount of 209,126,56 PLN for organisation of the 25th International Festival of Puppetry Art. In the following year Białaluka recorded a significant decrease in revenues (by 17%), own income dropped by 18%, and the city budget grant by 10%. With such financing situation the city grant constituted 64% of total revenues. In 2014 an increase in own revenues was observed, as well as an increase in budget subsidies, also the amount of 100,000 PLN from the Ministry of Culture and National Heritage was obtained for the 26th International Festival of Puppetry Art. In 2015 own revenues rose to a level comparable to the one in 2012, which resulted in a lower grant from the city budget (a drop by 8% compared to previous year). The Theatre also received a subsidy from the Ministry of Culture and National Heritage for the implementation of the programme ('Digital Białaluka- archive digitisation of the Białaluka Puppet Theatre artistic activity in Bielsko-Biała') in the amount of 38,000,00 PLN. In 2016, the highest revenue of Białaluka Theatre was observed. The Theatre received the highest subsidy from the city budget in the amount of 2,411 thousand PLN (its share in total revenues was the lowest – 57,5%), and also a target grant from the Ministry of Culture and National Heritage in the amount of 209,000,00 PLN for the celebrations of the 27th International Festival of Puppetry Art.

For the Białaluka Theatre subjective grants from the city budget are essential, they constitute between 58% to 64% of total revenues. Apart from the above mentioned grants, the Theatre receives targeted grants from the Ministry of Culture and National Heritage for the organisation of the International Festival of Puppetry Art.

TABLE 10.
THE BIAŁALUKA PUPPET THEATRE, IN THOUSANDS OF PLN

Year	Total revenues	Subjective grant of the city budget	Other grants	Own revenues	% share of the city budget grant in total revenues
2012	3 720,3	2 182,0	209,1	1 329,2	58,7%
2013	3 054,8	1 965,5	0,0	1 089,3	64,3%
2014	3 469,7	2 209,6	100,0	1 160,2	63,7%
2015	3 429,5	2 035,0	38,0	1 356,5	59,3%
2016	4 193,6	2 411,0	209,0	1 573,6	57,5%

Source: (Reports on Bielsko-Biała city budget implementation for years 2012, 2013, 2014, 2015 and 2016)

The cultural potential of Bielsko-Biała that receives financial aid from local government and other culture-related institutions consists of the following establishments: the Polish Theatre, the Białaluka Theatre of Puppet Art, the Sułkowski Castle Museum, the Museum of Technology and Textile Industry, the Weaver's House, Julian Fałat's Villa, Galeria BWA, Galeria of Photography B&B, Galeria Wzgórze, Galeria-Pub Bazylijszek, Galeria ARS NOVA, the Gallery of Artistic Associations as well as numerous culture centres, cinemas and libraries including Książnica Beskidzka. The city hosts numerous cyclical events of high culture for example: The Festival of Polish Composers and many others.

IV. CONCLUSION

Financing culture with public funds is an important element of the state's social and economic policy. It is designed to ensure an equal access to culture, to promote and support creativity, as well as preserve national identity. Cultural policy also contributes to building a civil society and accelerates social advancement (Wąsowska-Pawlik, 2013). Local government units decide about the level of public resources on culture which correlates with local government financial condition.

Local government units as organisers of local cultural institutions, forward financial resources to the institutions in a form of grants: subjective for co-financing of current activity within implemented statutory tasks, targeted grants for financing or co-financing of implemented investment costs, for realisation of commissioned tasks and programmes. As far as the expenses of local governments units are concerned, resources on culture and national heritage protection are equal to the share of 3% – 4%, but for most cultural institutions it is a basic source of income.

In Bielsko-Biała, funding cultural institutions is based on similar rules as in other Polish communes. Theatres operating in the city are institutions with a rich history, however their artistic achievements do not mirror their financial condition. The revenues obtained by the theatres from ticket sales, workshops, rooms rental, advertising services, donations or interest do not even cover the incurred costs. Therefore, the theatres really need the support from public resources. Generally, the subsidy from the city budget constitutes at least 50% of the Polish Theatre all revenues but in case of Białaluka Theatre it is about 60%. In years when the theatres' own revenues increase, or theatres receive co-financing from other sources, the percentage share of grant from the city budget is lowered.

A large commitment of local government units in the development and support of cultural institutions was proved by Bielsko-Biała's Strategy of Development till 2020 (Resolution No. XX/496/2012 of 26 June 2012 on the Adoption of the update of Development Strategy of Bielsko-Biała till 2020), where one of the main objectives reads: Bielsko-Biała is a city of strong creative associations, with a considerable residents' participation in the high culture.

Local government units as organisers of local cultural life should provide the institutions with resources necessary to start and conduct cultural activity and also to maintain the premises where the activity is performed. Cultural institutions would not be able to function and develop their activity without financial support from local government units.

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