

National Theatre

The National Theatre - Initial brief for research (year 1)

Proposed research title: Shining a light on evolving business models in the performing arts: how varied investments support different financial and social outcomes

Proposed funding pot: 40,000 (GBP) *including VAT if applicable*

Proposed research timing:

March 2024	Tender for research launched, steering board nominated
April 2024	Researchers chosen, work begins
October 2024	Final draft prepared
November 2024	Report launch

The National Theatre's Research Strategy:

The National Theatre (NT) has launched its new five-year strategy which sets an ambition for a future-fit organisation committed to innovation across its operation and live and digital output. It will underpin the National Theatre's aims to entertain and inspire, spark imagination and bring people together, and its vision for a world where theatre is thriving and vital.

The NT's four strategic objectives are:

1. Be sustainable: economically, environmentally, socially
2. Attract the best collaborators
3. Innovate to expand our audience
4. Inspire creativity and boost skills

To achieve these objectives the NT is delivering a series of commitments. These include a Research Strategy, of which the research proposed here is part.

To create the NT's first strategies for Data, Evaluation and Research. We want to maximise business insight to strengthen management decision-making and to

drive income growth; and we want to maximise understanding of how the NT delivers benefits to society. We will use the resulting evidence to drive our advocacy and partnerships, and to consolidate NT's position as a leader and innovator within the UK's creative sector.

The National Theatre will use its strategic objectives to shape a new research strategy. Each year, they will focus a sequence of research activities on a theme that corresponds with one of the NT's strategic objectives. This work will be supported by Eliza Easton, a leading researcher on the creative industries and founder of Erskine Analysis.

These activities will include:

- Bringing together an external, high-level **research advisory group** with expertise and influence on that strategic objective, co-chaired by Executive Director Kate Varah and Eliza Easton. The board will meet three times over a year.
- Developing a wider **research network** of people in the sector and support organisations who want to participate in the research agenda and take action on its outcomes. This will host 'drop in' groups every two months where people can get updates on the research progress and feed in at appropriate times.
- Producing an agenda-setting piece of research, providing insight and recommendations to the wider sector and/or policymakers that can support the continued vitality of arts and culture. This would build on other significant pieces of research, including the [McKinsey report into the UK Arts Ecosystem](#), as well as research coming out of institutions like the Centre for Cultural Value and Creative Industries Policy and Evidence Centre.

Rationale for this research:

The focus of the first year of the research strategy will be on financial business models and sustainability. The piece of research tendered here will be the cornerstone of this year's research efforts.

The NT, like many other publicly funded performing arts organisations, has a complex business model. This includes generating revenue through:

- ticket sales (both from the theatre itself and through commercial transfers and touring)
- statutory funding (Arts Council England)
- philanthropic donations
- corporate partnerships
- cinema distribution
- streaming services
- food, drink and retail sales.
- venue hire

- educational services

Over the last decade, the National Theatre – like performing arts organisations around the country – has developed and grown its programme and income streams, to better achieve its mission, to overcome the challenges of increased costs and reducing public funding, to increase impact for audiences and communities around the UK, and to take advantage of new technologies (for example, the development of digital performance platforms and educational resources).

At the policy level, there remain misconceptions about emerging performing arts business models: how these organisations sustain themselves, and what support they need to achieve their purpose. This was highlighted during the pandemic, with the evaluation of the Cultural Recovery Fund pointing to how limited our current understanding is of income and costs in the sector.

Given political headwinds and a challenging fiscal outlook over coming years, it is more important than ever that policy makers and arts leaders fully understand the effective and sustainable business models available for performing arts organisations and their potential, and that this in turn helps to develop policy that supports performing arts organisations to deliver efficiently and that directs funding where it has the greatest impact.

As a result, the NT is commissioning a piece of research which will shine a light on modern performing arts business models – providing an accessible breakdown of the strengths of different interventions, financial or otherwise, and developing a set of achievable recommendations for policy makers and arts leaders. This piece of research will look at the benefits of new approaches to traditional revenue streams, but also other more novel revenue streams and partnerships. It will also work alongside initiatives from the Department for Culture, Media and Sport which are seeking to better articulate the value of different arts, cultural and heritage interventions.

The National Theatre will act as a core case study in this piece of research, and the researchers will have access to NT staff for detailed conversations over the research

period. However, this piece should look beyond the NT's experience, and work with a network of organisations thinking innovatively about the challenge – including at least one small and one medium-sized organisation.

Audiences: This piece of work is expected to be of particular use to:

- Policy makers charged with influencing decisions about national funding strategies including public sector officials (we note that this paper will likely be published in the same year as a general election);
- Funders of arts and culture (including leaders of arm's length bodies, trusts and foundations and individual donors)
- People working in arts and cultural organisations in the UK
- Trustees and board members of arts and culture organisations

Secondary audiences may include international governments, those leading international arts and cultural organisations, and students and academics studying the arts and cultural industries.

Research approach: While we do not want to be prescriptive, we suggest that the research process for this piece of work is multi-phased, and should employ a range of quantitative, and qualitative methods to build on a significant body of work which already exists. Work packages might include:

WP1: Targeted review of academic and grey literature

WP2: Business model mapping for two small, two medium and two large arts organisations

WP3: Questionnaire development and analysis

WP4: Qualitative data capture through in-person meetings

WP5: Quantitative analysis of relevant sectoral data

WP6: Audit of existing policy initiatives

WP7: Policy proposal development

We expect the team carrying out this research to make full use of the new National Theatre Research Network, running several sessions bringing this group up to date with the development of the research and seeking guidance where helpful. The work will be more directly overseen by the Research Advisory Group who will meet to provide thoughts

to the research team three times - early into the research process, halfway through the research development, and to give comments on a near-final draft.

Principles of this research: This research should be evidence based, provide actionable recommendations, and be conducted in recognition of the place of the National Theatre within the broader arts and cultural sector.

Dissemination: The dissemination of this research will be done with support from the National Theatre policy and communications team. Activities may include an event and the creation of bespoke communications outputs (e.g. Op-Eds, blogs). We expect dissemination may be in partnership with other organisations including arts and cultural partners, funder and academic organisations including the Creative Industries Policy and Evidence Centre and Centre for Cultural Value.

Tender guidelines:

We invite proposals from organisations and/or individuals who have:

- Demonstrable research expertise in the UK's performing arts sector
- Skills in writing and data collection
- Project management skills
- Demonstrable ability to develop policy recommendations and to communicate research to policymakers.

The Deadline for applications is 12 noon on Friday 12 April 2024. Proposals should be no more than five pages. We do not expect the quote to include design costs for the final report.

Proposals received will be scored by a panel including representatives from the National Theatre and external experts. The panel will consider:

- Experience and capabilities of the researcher/research team (criteria weighting - 40%)
- Quality of the research proposal, including methodology (criteria weighting - 40%)
- Value for money (criteria weighting - 20%)

If you have any questions about this brief, please contact Eliza@ErskineAnalysis.com

To submit an application, please email it to Jasmine Brennan, Assistant to the Chief Marketing Officer, on jbrennan@nationaltheatre.org.uk with the subject line 'Research tender response'.