

## OnLine Case 6.2

### The National Theatre

The National Theatre is in fact three theatres in one building on the south bank of the Thames in London. A substantial proportion of revenue has to be allocated to cover the overheads on the building. The specially built theatre opened in 1976. Despite its name, and although its 'company' does at times tour the country, it does not attract a national audience. The plays it offers are generally different from those in the more commercial non-subsidized theatres in London's West End, and it attracts a mixture of regular theatre goers from the south-east of England, foreign tourists and occasional visitors.

The National receives a grant from the Arts Council, which is funded by the Treasury. At certain times during the 1980s and 1990s the grant increased at less than the rate of inflation, a reflection of government policy concerning support for the arts and their belief that more private support was required. In addition, the National receives private sponsorship and earns money from the box office, catering and other front-of-house sales. Sponsorship and subsidies allow ticket prices to be lower than they otherwise would.

Some stakeholders, such as directors and actors, might hold the view that as the National is prestigious it should seek to offer the 'best of everything' – plays, actors, costumes and scenery – and that it should experiment and seek to be innovative. At the same time it has at least to break even, although the types of play and musical which earn the most revenue at the box office are not necessarily those that the National will seek to produce.

Sir Peter Hall, Director from 1976 to 1988, has said that his main aim was to provide working conditions where actors can be at their most creative. Audiences and money matter, but they are not the primary goal.

How, then, is success measured? Audiences and revenue can certainly be measured, but 'success is something you can feel and smell when you are with an audience'.

**questions:** Is it possible for the National Theatre to satisfy all of its stakeholders at any one time?

What do you think the priorities should be? Has the National Theatre adopted a policy of putting on more commercial productions in recent years?

*National Theatre* <http://www.nt-online.org>