

Funding Agreement between Colchester Borough Council and the Mercury Theatre

1.0 Introduction

- 1.1 Colchester's vibrant cultural scene is one of the town's unique selling points, and something that Colchester Borough Council (CBC) is keen to support and sustain. Colchester Arts Centre, firstsite and the Mercury Theatre are central to this, providing the leadership, capacity, creativity and innovative programmes of delivery to make Colchester a great place to live, learn, work and visit.
- 1.2 The Council provides core revenue grants to these organisations, because they deliver on the Council's Strategic Plan, in particular they are fundamental to supporting delivery of the Creative Colchester Strategy and Action Plan which is a detailed delivery framework for promoting and enhancing the arts in the local economy. In line with the Creative Colchester strategy, the Council continues to work with regional partners to align policy and funding to help deliver key economic and social outcomes through investing in development of the arts.
- 1.3 As part of the Council's commitment to transparency, quality and performance management systems, the arts organisations that receive CBC funding must set out clear objectives and provide performance and sector data so that the service that is provided through partnership working can be measured, evaluated and improved. This document defines the performance targets and monitoring process, and confirms the funding amounts currently agreed.
- 1.4 The Mercury Theatre is one of three arts organisations strategically-funded by CBC. In 2014 the Mercury was successful in their bid to the Arts Council for continued National Portfolio Organisation funding from April 2015. Therefore, the 2016-17 funding agreement with CBC will focus on the Theatre's work towards the goals as set out in its bid, and updated Business Plan, as well as the key areas of performance and delivery required by CBC.

2.0 Scope and Financial Arrangements

- 2.1 Between 1 April 2016 and 31 March 2017 the Council will fund the Mercury Theatre to the amount of £221,850. This funding was agreed by the Cabinet and full Council in line with the budget strategy to support the core operations of the organisation as set out in the business and operations plan and to meet the targets for performance set out in section 9 of this Agreement.
- 2.2 Upon signature of this Agreement, the Council will release the funding in quarterly instalments.
- 2.3 Any financial investment that the Council needs to make under its obligations as the owner of the theatre buildings is deemed to be outside of this

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agreement. However, any tenant responsibilities that the Mercury Theatre holds are considered to be within this agreement.

- 2.4 On signing this Agreement, the Mercury Theatre recognises that it is in receipt of public funding and accepts responsibility for showing proof of eligibility, meeting the targets for performance, and collecting qualitative and quantitative performance data to provide evidence of the service standards. The Theatre also agreed to provide available sector data to assist with monitoring and performance assessment.
- 2.5 Where appropriate and possible within current resources, Colchester Borough Council will provide non-financial support to the Mercury Theatre where it seeks to develop additional services that contribute towards meeting the Council's strategic priorities. If these additional services are developed to a point that requires additional funding, the Mercury Theatre may request such funding formally, and the Council may issue a separate funding agreement if applicable. If this circumstance arises, the services will be deemed to fall outside of this agreement.

3.0 Eligibility and Criteria for Acceptance

- 3.1 In order to be eligible for funding the Mercury Theatre must supply evidence to demonstrate that it is:
 - a. Properly constituted
 - b. Financially viable
 - c. Able to manage its work effectively, monitor and manage risk, and seek necessary professional financial, legal and insurance advice
 - d. Operating with effective policies and procedures in equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults.
 - e. Delivering on the current strategic priorities of the Council.

4.0 Performance monitoring framework

- 4.1 The Mercury Theatre must submit an up to date Business Plan and operations information to CBC, including a budget to cover the same period as the funding agreement and a copy of the audited accounts from 2014-15.
- 4.2 As a minimum throughout the term of the agreement, the Mercury Theatre must submit quarterly budget reports and invite a Council representative to observe two Board meetings. The organisation will also participate in two bi-annual review meetings, as outlined below.
- 4.3 At the end of the agreement period, the organisation must provide audited accounts and submit performance data to evidence the organisation's turnover, audience and participation levels as well as contribution to the Council's strategic priorities.

5.0 Bi-annual review process

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- 5.1 A review meeting will take place between Colchester Borough Council and Mercury Theatre twice in the period of the agreement. The meetings shall be attended by the relevant officer(s) of the Council and Executive staff of the Mercury Theatre.
- 5.2 The Portfolio Holder and Theatre Management may be asked to sit before a Scrutiny Panel to monitor performance and achievements. As such, the bi-annual review process should be seen as an opportunity to ensure that the Portfolio Holder can evidence performance within their area of responsibility.

6.0 Acknowledgement of funding

- 6.1 The Mercury Theatre will acknowledge its financial assistance from CBC in all marketing and communication materials in print, electronic, broadcast and other formats.
- 6.2 The organisation is asked to specify particular steps that it will take within the period of this Agreement to promote the support that it receives from the Council in Section 9.

7.0 General conditions

- 7.1 The funding provided under this agreement may not be assigned to any other person, association or company other than in the course of delivering the Business Plan and agreed performance targets.
- 7.2 This agreement does not constitute the Mercury Theatre as an agent of the Council or otherwise make the Council liable to any person who may take proceedings against the Theatre.
- 7.3 The Council reserves the right to nominate annually a councillor to be a director on the Mercury Board.
- 7.4 Funds will be repayable in full to the Council in the event of any of the following:
 - i. Misuse of payment received from the Council by Mercury Theatre
 - ii. A breach of the law by Mercury Theatre
 - iii. Petitioning the court for the appointment of an administrator
 - iv. Having a receiver appointed over all or any part of the Theatre's assets
 - v. Being the subject of a petition or resolution for the Mercury Theatre's 'winding up'
- 7.5 The Council should be consulted where any change or development in the direction of the organisation's affairs might affect this Agreement.

8.0 Breach in agreement

- 8.1 In the event of either the Council or the Mercury Theatre notifying the other in writing of a breach in this agreement, the parties shall meet to discuss the alleged breach within 21 days.
- 8.2 Both the Council and the Mercury Theatre agree that they have an equal responsibility to reach a practical and reasonable solution to the breach, but if

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after 12 weeks a solution has not been agreed then the parties mutually agree to arbitration.

9.0 Specification of performance targets

- 9.1 The specification of performance targets is developed collaboratively between the Council and the Mercury Theatre. The information provided here substantiates the Council's decision to invest public funds and helps to strengthen the partnership delivery model.
- 9.2 The information is set out in line with the Strategic Plan to help to convey to Members, officers and partners how the Council's financial support is an effective and efficient way to deliver services to meet local identified needs.

9.3 Performance Overview

Target	Outputs/Report
Annual target to put on 400 performances with 115,000 people attending	
Collate and report audience feedback about the artistic programme with a minimum of 60% approval rating	
Collate and report press feedback about the artistic programme.	
At least 60% local audience and 40% audience supporting tourism economy	
Annual target of 900 community and education sessions with 20,000 participants	
Continue SLA partnership between CBC, Arts Council England and the Mercury to ensure on-going revenue funding for core stage and community work is maintained.	

9.4 Community and Audience Development

Target	Outputs/Report
£ 200,000 to be invested into work in the community.	
Annual target – 900 community and education sessions with 20,000 participants.	
Maintain rate of 35% tickets sold on a concessionary basis.	
Maintain rate of 7% of tickets sold to disabled people and carers.	
Increase level of concessionary tickets to 35%	

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Maintain level of accessible performances for disabled and deaf people – 18 performances	
Maintain methods of seeking audience and user feedback – target - monthly audience survey	

9.5. Governance and Management

Target	Outputs/Report
Mercury Theatre Board of Directors to agree a new three year business plan for the period 2018/19 – 2021/22 to include: <ul style="list-style-type: none"> • Activity Plan • Artistic Programme • Financial Projections 	
Mercury Board to review and update all policy statements to include: <ul style="list-style-type: none"> • Equality and Diversity Strategy and action plan • Risk Management • Health and Safety • Sustainability and Environmental Strategy 	
Mercury Board and senior staff to continue to progress the capital development of the Mercury Theatre: <ul style="list-style-type: none"> • Tender and procurement processes • Details plans and costings to RIBA Stage D • Financial and fundraising strategy <p>(subject to additional funding being secured)</p>	
Mercury Board and senior staff to participate with CBC in confirming the Leases for the main theatre building and associated premises	

9.6. Diversity

Target	Outputs/Report
Continue to encourage more diverse audiences and participants engage with the Mercury across all equality groups. Target: 3.% of audiences	

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Continue to ensure the Mercury recruits and attracts a diverse workforce. Target: 70% female 5% disabled 2% minority ethnic 5% lesbian and gay	
Annual review all equality action plans and policies.	
Continue to attract those from lower income and modest income households, proactively engaging with those from disadvantaged backgrounds and deprived areas of Colchester. Target: 10% of users and audiences	

9.7. Young People

Target	Outputs/Report
Maintain rate of 10% all tickets sold as concessions are for young people.	
Deliver 900 community and education sessions attracting 20,000 participants.	
Target 100 sessions/performances in Schools.	
Establish and maintain Teachers Forums for Primary and Secondary Schools. Target: 40 members schools	
Continue to create opportunities for access to the arts particularly for children and young people. This includes community involvement in Mercury Company productions and an ongoing commitment to our overall community activities.	
Maintain level (145 people) of young people enrolled in youth drama classes	

9.8. Older People

Target	Outputs/Report
Continue to deliver specific projects and activities for older people to include: Senior Matinees Regular classes and workshops	

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Target: 30 workshops per year 9 senior matinees	
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9.9. Job Creation, sector skills development and contribution to the local economy

Target	Outputs/Report
Deliver 20 work experience placements during the year.	
Deliver 3 apprenticeships across all areas of the Mercury.	
Deliver new Technical Theatre Vocational Degree in partnership with Colchester Institute	
Provide evidence and support for new and emerging regional talent and companies. Target: 6 new local companies and artists 60 participants Produce Annual Lights Up Festival – June 2016	
Target and engage with 20 volunteers during the year.	
Assist CBC with other initiatives including: Night-time economy Local employment and skills Development of creative and cultural industries Marketing of Colchester as a visitor destination	
Continue to participate in and support the ongoing development of the Colchester Comedy Festival	

9.10. Environmental and Economic Sustainability

Target	Outputs/Report
Develop and agree a Sustainability and Environmental Policy and Action Plan.	
Collate and publish targets to reduce carbon footprint and provide evidence of improvement at regular intervals.	
Monitor the usage of green energy	
Strengthen and grow partnership	

working through joint bids, cross programming and shared activity, including developing a big data approach to audience development across partners	
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9.11. What are the Mercury's particular plans to promote the support that the Council provides during the period of the agreement?

The Mercury will continue to focus upon developing partnerships for the benefit of the community and local economy, for example assisting the Chinese and Nepalese Communities in their annual cultural celebrations, providing space and support for the Essex Gang Show, Colchester Operatic Society and other school and community groups.

The Theatre will continue to develop co-productions to enable **Made in Colchester** shows to tour nationally and where appropriate internationally raising the profile of Colchester. Target touring weeks: 8 nationally.

The Mercury will continue to attend regional and national conferences and events to present and share best practise to those within the arts and creative industries and others acknowledging the support of the Council.

Acknowledgement of the Council's support in 25,000 brochures distributed three times a year. In addition electronically they distribute a monthly e-newsletter on our website.

The Mercury will host a civic evening each year as a chance to say thank you for the support given and to promote the stage and community work that the funding partnership makes possible. The event includes acknowledgment of the Council's support.

In September 2016, the Mercury will host a formal launch of the Public Capital Fundraising Campaign at the House of Commons with a further local launch event where the support of the Borough will be highlighted.

9.12. Please outline the way in which your organisation meets relevant local, regional and national strategies.

Local

The Mercury Theatre will work proactively in partnership with the Council (including Colchester and Ipswich Museums), firstsite and Colchester Arts Centre to ensure a collective and united vision for Arts, Culture & Heritage promotion and accessibility across Colchester aimed at maximising potential and seeking out opportunities for a more collaborative and sustainable approach. This will include joint marketing and visitor package offers to encourage increased numbers of cultural visitors to the town and to ensure they have a stimulating and rewarding experience.

The Mercury Theatre will contribute to 'The Creative Colchester Strategy' by supporting emerging local talent and providing work experience, supporting cultural tourism initiatives, and working with a range of community service providers such as charities, health providers and voluntary groups to engage and develop communities.

The Mercury will continue to be an active member of the Creative Colchester Board (Chair of Mercury Board of Directors attends) and the Creative Colchester Project Group (Executive

Director).

The Mercury will continue to be an active member of the new Town Centre Management Group – Colchester Presents CIC and will actively participate and contribute to the Colchester Carnival and Christmas Lights Switch On Event.

The Mercury's Executive Director is a member of the Purple Flag Working Group.

Further partnership agreements are in place with the Colchester Institute and Essex University.

National

The Mercury Theatre will promote its collaborative working with other arts providers and Colchester & Ipswich Museums to Arts Council England. This will demonstrate a strategic partnership approach to the development of arts and heritage in Colchester which will raise the profile and status of the town as a cultural centre and generate greater efficiencies and value for money.

11.0 Acceptance

- 11.1 Upon signing this agreement, the organisation agrees to the terms and conditions of funding and use reasonable endeavours to meet the performance targets and monitoring framework that have been outlined above.

On behalf of Mercury Theatre	Date	
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Signed (Executive Director)

Name (please print)

On behalf of Mercury Theatre	Date	
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Signed (Chair of the Board)

Name (please print)

On behalf of Colchester Borough Council	Date	
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Signed (Portfolio Holder)

Name (please print)

On behalf of Colchester Borough Council	Date	
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Signed (Officer)

Name (please print)
