

### 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, and support delivery of the Creative Colchester Strategy 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 alignment with Arts Council England (ACE). In 2017 the Mercury was successful in their bid to ACE for continued National Portfolio Organisation (NPO) funding from April 2018 for four years. Therefore, the 2018-19 funding agreement with CBC will continue to focus on the Theatre's work towards the goals as set out in the bid, as well as the key areas of performance and delivery required by CBC.

#### 2.0 Scope and Financial Arrangements

- 2.1 Between 1 April 2018 and 31 March 2019 the Council will fund the Mercury Theatre to the amount of £195,025. 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 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 2017-18 when available.
- 4.2 As a minimum throughout the term of the agreement, the Mercury Theatre must submit quarterly budget reports if required and invite a Council representative to observe two Board meetings. The organisation will also participate in an annual review meeting, 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 at least once during the period of the agreement. The meetings shall be attended by the Portfolio Holder (PFH), 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 <b>400</b> performances with <b>100,000</b> people attending.	
Collate and report audience feedback about the artistic programme with a minimum of <b>60%</b> approval rating.	
Collate and report press feedback about the artistic programme.	
At least <b>50%</b> local audience and <b>50%</b> audience supporting tourism economy.	
Annual target of <b>787</b> community and education sessions with <b>17,500</b> participants of which <b>150</b> will be undertaken at The new Abbey Field Centre.	
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.	
Launch Abbey Field Centre and establish a process for community hires for local groups.	

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### 9.4 Community and Audience Development

Target	Outputs/Report
£ 175,000 to be invested into work in the community.	
Annual target – 787 community and education sessions with 17,500 participants.	
Maintain rate of 7% of tickets sold to disabled people and carers.	
Maintain level of accessible performances for disabled and deaf people – 14 performances.	
Maintain methods of seeking audience and user feedback – 75 surveyed events per year.	

### 9.5. Governance and Management

Target	Outputs/Report
<p>Mercury Theatre Board of Directors to agree a new three-year business plan for the period 2018/19 – 2021/22 to include:</p> <ul style="list-style-type: none"> <li>• Activity Plan</li> <li>• Artistic Programme</li> <li>• Financial Projections</li> <li>• Cash Flow</li> </ul>	
<p>Mercury Board to review and update all policy statements to include:</p> <ul style="list-style-type: none"> <li>• Equality and Diversity Strategy and action plan</li> <li>• Digital Plan</li> <li>• Audience Development Plan</li> <li>• Risk Management</li> <li>• Health and Safety</li> <li>• Sustainability and Environmental Strategy</li> </ul>	
Mercury Board and senior staff to continue to progress the capital development of the Mercury Theatre:	

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<ul style="list-style-type: none"> <li>• Tender and procurement processes</li> <li>• Details plans and costings to RIBA Stage J</li> <li>• Financial and fundraising strategy</li> </ul> <p>(subject to additional capital funding being secured).</p>	
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### 9.6. Diversity

Target	Outputs/Report
<p>Continue to encourage more diverse audiences and participants engage with the Mercury across all equality groups.</p> <p>Target: <b>3%</b> of audiences</p>	
<p>Continue to ensure the Mercury recruits and attracts a diverse workforce.</p> <p>Target:</p> <p><b>70%</b> female  <b>5%</b> disabled  <b>2%</b> minority ethnic  <b>5%</b> lesbian and gay</p>	
<p>Annual review all equality action plans and policies.</p>	
<p>Continue to attract those from lower income and modest income households, proactively engaging with those from disadvantaged backgrounds and deprived areas of Colchester.</p> <p>Target: <b>10%</b> of users and audiences</p>	

### 9.7. Young People

Target	Outputs/Report
<p>Maintain rate of <b>10%</b> all tickets sold as concessions are for young people.</p>	
<p>Deliver <b>787</b> community and education sessions attracting <b>17,500</b> participants.</p>	

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Maintain Teachers Forums for Primary and Secondary Schools.  Target: <b>40</b> 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 overall community activities.	
Maintain level of <b>145</b> young people enrolled in youth drama classes.	

### 9.8. Older People

Target	Outputs/Report
Work with older people will continue during the period through senior matinees and other specific activities. Former ACT V Programme transferred to Headgate Theatre with a small grant for 2018/19. A new programme of work will be developed over the next two years to be launched in 2020.	

### 9.9. Job Creation, sector skills development and contribution to the local economy

Target	Outputs/Report
Deliver <b>20</b> work experience placements during the year.	
Deliver <b>1</b> apprenticeship across all areas of the Mercury and 5 internships	
Continue to deliver Technical Theatre Vocational Degree in partnership with Colchester Institute.	
Provide evidence and support for new and emerging regional talent and companies.  Target: <b>60</b> participants	

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Target and engage with <b>20</b> volunteers during the year.	
Assist CBC with other initiatives including: <ul style="list-style-type: none"> <li>• Night-time economy</li> <li>• Local employment and skills</li> <li>• Development of creative and cultural industries</li> <li>• Marketing of Colchester as a visitor destination</li> </ul>	
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.	

### 9.11. What are the Mercury's particular plans to promote the support that the Council provides during the period of the agreement?

Each year, the Mercury focuses on developing partnerships for the benefit of the community and local economy, for example assisting the Chinese and Nepalese Communities in their annual cultural celebrations, working with Colchester and Tendring Women's Refuge and providing space and support for the Essex Gang Show, Colchester Operatic Society and other school and community groups.

During 2018/19, the Mercury have been successful in securing a contract with Acton for Children and Essex County Council for a new programme of work with young people on the autistic spectrum and their families and carers. This programme will

offer a range of after school and holiday workshops and activities, including a monthly club night. This is the first time that these activities have been made available to local residents (Colchester has one of the highest young people with autism in Essex).

The Theatre continues to develop co-productions to enable **Made in Colchester** shows to tour nationally and where appropriate internationally raising the profile of Colchester. In 2018/19, the Mercury's production of *Spamalot* will continue to tour the UK with Selladoor Worldwide Ltd and also played internationally in Dubai Korea. At the same time our production of *Turn of the Screw* will tour the UK with Dermot McLaughlin Productions.

The Mercury continues 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 **23,000** brochures distributed twice a year. In addition, electronically we distribute a weekly e-newsletter to **43,400** people with more than **345,000** unique visitors to our website. In addition, there continues to be a steady growth on Facebook and in Twitter followers.

The Mercury invites civic guests to press/gala evenings each year as a chance to say thank you for the support given and to promote the stage and community work that our funding partnership makes possible. The event includes acknowledgment of the Council's support.

Specifically in relation to our Mercury Rising Capital Project, the Mercury will ensure that the support of the Borough is profiled as a key stakeholder in this ambitious project through credits on external hoardings on site (to be erected in early August), press releases and other events during the year.

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

#### Local

The Mercury Theatre continues to work proactively 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 has included in engaging with the other arts and cultural organisation about joint working models, the benefits of a joint box office and shared data and the joint commissioning of services.

The Mercury Theatre actively contributes 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 is an active member of the Creative Colchester Board (Chair of Mercury Board of Directors Chairs the Group) and the Creative Colchester Project Group (attended by our Head of Creative Learning and Talent).

The Mercury is an active member of Colchester Presents CIC with our Executive Director as a Board Member. We similarly contribute where we can to other civic events such as the Christmas Lights Switch On and other community events throughout the borough.

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

Finally, during 2018/19 the Mercury will open and launch the Abbeyfield Centre as a new community resource for local residents. Alongside our own activities, the Mercury will offer space for local community groups to offer activities year-round.

As agreed, the Mercury will ensure that the space is launched and promoted establishing a clear lettings and management process over the next two years to allow a new tenant to take on the lease.

### **Regional**

Further partnership agreements are in place with Colchester Institute and Essex University around joint funding bids, skills development and other place-making initiatives.

The Mercury's Executive Director is also a Board member of Visit Essex ensuring that Colchester can benefit from county wide and regional campaigns.

The Mercury has been active in SECAS assisting in securing a large regional ERDF Award to support the development of the creative industries across the SELEP Region. In addition, our Executive Director sits on the Regional Tourism Advisory Board for SELEP.

Finally, our Executive Director has recently agreed to become a Colchester Ambassador and assist where he can in the promotion of the town regionally and nationally.

### **National**

The Mercury Theatre has promoted its collaborative working with other arts providers and Colchester & Ipswich Museums to strategic funders such as Arts Council England and the Heritage Lottery Fund. This has demonstrated 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.

Finally, through our Mercury Rising Capital Project we hope to further increase the profile of Colchester and its arts, heritage and cultural offer. The project is one of only four large regional awards offered by Arts Council England in the last round of funding.

**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.

<b>On behalf of Mercury Theatre</b>	<b>Date</b>	
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**Signed** (Executive Director)

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**Name** (please print)

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<b>On behalf of Mercury Theatre</b>	<b>Date</b>	
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**Signed** (Chair of the Board)

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**Name** (please print)

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<b>On behalf of Colchester Borough Council</b>	<b>Date</b>	
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**Signed** (Portfolio Holder)

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**Name** (please print)

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<b>On behalf of Colchester Borough Council</b>	<b>Date</b>	
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**Signed** (Officer)

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**Name** (please print)

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