

The template

This document provides the business case template for projects seeking funding which is made available through the **South East Local Enterprise Partnership**. It is therefore designed to satisfy all SELEP governance processes, approvals by the Strategic Board, the Accountability Board and also the requirements of the Independent Technical Evaluation process where applied.

It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases, the local authority acts as Accountable Body for a private sector final beneficiary. In those circumstances, the private sector beneficiary would complete this application and the SELEP team would be on hand, with local partners in the federated boards, to support the promoter.

Please note that this template should be completed in accordance with the guidelines laid down in the HM Treasury’s Green Book. <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

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Date authorised	

1. PROJECT OVERVIEW

- 1.1. **Project name:**
Mercury Rising 2
- 1.2. **Project type:**
Site development – second floor extension and purchase of LED lighting and digital equipment
- 1.3. **Federated Board Area:**
Essex
- 1.4. **Lead County Council / Unitary Authority:**
Essex County Council
- 1.5. **Development location:**
Mercury Theatre
Balkerne Gate
Colchester
Essex
CO1 1PT
- 1.6. **Project Summary:**
We are seeking support to build a second-floor extension that will comprise of one large rehearsal space that can be sub divided into three smaller spaces suitable as meeting or practise rooms.

The space to be developed is 135m sq and will offer meeting and/or rehearsal space to a range of local and national touring artists, theatre companies and other local creative businesses.

This new space will also host activities as part of our *Mercury Creatives* programme offering business advice and mentoring to local creative start-up businesses and freelancers. In addition, the space will provide a new 'home' for *Stage Text*, a D/deaf led charity providing access to the arts for D/deaf and hard of hearing people who are moving from London this autumn to make the Mercury and Essex their new national headquarters.

Output: a new 135m sq professional standard rehearsal and meeting space(s)
Outcomes: Jobs created – **8**
Businesses supported – **240** (three-year estimate of users hiring and use of space)

In addition, we are seeking support to purchase LED theatrical lighting stock to further reduce our carbon footprint and digital equipment to allow us to offer live streaming and record performances, events and conferences.

Output: Improved quality of LED theatrical lighting stock providing professional and non-professional theatre productions, events and conferences

Outcomes: Jobs created – **1** (included in figure above)
Audiences (ticketed events) – **315,000 (over three years)**
Livestream audiences – **69,000 (over three years)**
Significant reduction in utility costs for the Mercury Theatre (estimated **10%** - **£11,500** annual saving – total saving over three years - **£34,500**)
Reduction in carbon footprint of the Mercury Theatre

Today, the Mercury benefits from world-class facilities having gained **£11.9m** of investment to complete our new building in June 2021 (including **£1,228m** investment from SELEP).

The building has been so successful we have now run out of space to meet demand from local creative businesses, freelancers, artists, touring theatre companies and from our extensive Creative Engagement and community programme with local residents of all ages.

Given the physical constraints of the site this is the last opportunity for any further development to meet this demand.

1.7. Delivery partners:

Partner	Nature of involvement (financial, operational etc.)
Colchester Mercury Theatre Ltd (Lead Applicant)	Lease Holder (40-year lease from Landlord Colchester City Council). Lead body with full responsibility for all financial and operational matters.

1.8. Promoting Body:

Colchester Mercury Theatre Ltd
Company No: 441035
Registered Charity No: 232387

1.9. Senior Responsible Owner (SRO):

Steve Mannix – Chief Executive
Steve.Mannix@mercurytheatre.co.uk

1.10. Total project value and funding sources:

Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
SELEP	£500,000	Dependent upon the outcome of this submission. Costings based on current value and market testing.
Colchester Mercury Theatre Ltd Reserves	£169,875	Confirmed – amount held in cash/restricted fund. Allocation agreed by Board of Directors. (Reserves derived from levy on all ticket sales). 15% contingency and additional allowance for inflation.

		Any unforeseen additional costs will be met from the Mercury's Reserves.
Total project value	£669,875	

1.11. SELEP funding request, including type (LGF, GPF, GBF etc.):
Funding Request: **£500,000** (GBF)

This funding will not constitute State Aid.

1.12. Exemptions:
This business case is not subject to any exemptions.

1.13. Key dates:

2023

September Complete final detailed design
Submit final Planning Application (Colchester City Council)

November Planning application approved.

2024

January Funding approved.
Complete funding agreement
Complete and issue construction tender
Adjust final detailed design (as required)

March Approve contractor.
Complete and issue Lighting and Digital Tender/Technical specification

April Approve Lighting/Digital Supplier
Place Order

May Contractor commences work on site.

July Works Complete

August Install Lighting and Digital Equipment
Fit Out

September Spaces open – project complete

1.14. Project development stage

Project development stages completed to date			
Task	Description	Outputs achieved	Timescale
Consultation	Consultation with local creative businesses and artists about the size and nature of the space to be created. Consultation with Mercury Technical and Production staff about type of equipment to be purchased.	Design brief issued to architects. Outline equipment lists and potential lists of suppliers	April – July '23
Evaluation	Feedback gathered with current users about use of and type of space. Establish business needs (booking requests not fulfilled etc)	Design principles established.	As above
Design Development	Review feedback	Final Design Brief	
Design	Outline design and architect drawings	Initial drawings and elevations for planning.	Completed (August '23)
Planning Application	Planning application		Submitted (September '23) For approval November '23
Project development stages to be completed			
Task	Description		Timescale
Final Detailed Design	Completion of final design (to include any feedback from CCC Planning Department).		January 2024
Construction tender document	Complete final tender document.		January
Issue Tender	Issue tender document.		January
Approve Contractor	Approve contractor and issue contract. Enter detailed planning meetings about methodology, timeline and choice of materials etc.		March
Complete Lighting and Digital Tender	Complete detail of final lighting and digital equipment tender document.		March
Issue Tender	Issue tender document.		March

Approve Supplier(s)	Agree supplier and issue contract. Commence detailed planning meetings with supplier(s).	April
Issue Tender – small equipment	Issue tender document.	May
Approve Supplier(s)	Approve supplier and issue contract. Agree delivery date and further details.	May
Complete major works	Final completion of major construction work on site.	July
Integration Works	Complete integration of space into existing building infrastructure (BMS system, alarm system, M+E).	July/August
Complete Fit Out	Install loose equipment and complete final detailed fit out.	August
Building Control	Final sign off by Colchester City Council's Building Control Team	August
Install Lighting and Digital Equipment	Install lighting and digital equipment (Mercury Production staff) during building dark/maintenance period.	August
Snagging	Final snagging with contractor (retention held on contract until satisfactory completion).	Completion date – February/March 2024 (6 months following completion)

1.15. Proposed completion of outputs:

The Mercury has previously received support from SELEP to develop the whole of the theatre's site through two awards:

- **£1m** – towards construction costs of the site
- **£228,000** – towards the purchase of equipment (including electric car, van, theatrical equipment)

This submission builds on the overwhelming success of this investment.

Completion is proposed by August with the spaces 'open' by September 2024. Theatrical lighting and digital equipment will be installed by the Mercury's Production and Technical Team in August next year during our two week 'dark' period (our bi-annual maintenance period and closure across the whole site).

2. STRATEGIC CASE

The Strategic Case should present a robust case for intervention and demonstrate how the scheme contributes to delivering the [SELEP Economic Recovery and Renewal Strategy](#) and SELEP's wider policy and strategic objectives. It includes a rationale of why the intervention is required, as well as a clear definition of outcomes and the potential scope for what is to be achieved.

The outlook and objectives of the Strategic Case should, as far as possible, align with the Monitoring and Evaluation and Benefits Realisation Plan in the Management Case.

2.1. Scope / Scheme Description:

Since completing its *Mercury Rising* major capital project in June 2021 (**£11.9m investment**), the Mercury has gained an even greater reputation as a centre of excellence for theatre, the arts and creative industries locally, regionally and nationally. In just **9** years the annual turn-over of the organisation has doubled to **£5m** during which public sector investment has remained at stand-still. Despite the impact of pandemic and more recently the cost-of-living crisis, it remains as an entrepreneurial, business focused not for profit with strong governance, robust management and fiscal reporting and retained reserves.

Strategic Context

As a city, Colchester has had a long history of supporting the creative industries. A recent SELEP/SECEN report found that Colchester has:

- The highest number of creative jobs in the region (**5.3%**)
- The second largest population density of any town or city in the region
- The fourth intensity of creative industries in the region
- Second largest number of creative businesses by place in the region (1)

(1) *Southeast Creative Economy Network – Strategic Framework for Creative Workspace in the South East – May 2023*

Aligning with the SELEP Priorities

This project clearly supports the growth ambitions outlined in the SELEP 'Strategic Economic Plan and Growth Deal'. The creative industries of one of the LEP's key growth sectors.

The GVA contribution of the Creative Industries in the SELEP region has been measured as **£2.5 billion** per annum (the second largest concentration in the UK outside of London), with the sector accounting for around one-tenth of the whole local economy and providing jobs for more people than in financial services, advanced manufacturing or construction.

The Creative Sector Impact Evaluation Report for SELEP highlighted the following:

“Creative industries require specific skills, thinking and behaviours that need to be developed through education and training. Education plays a crucial role in shaping the future workforce's skills that not only respond to the needs of creative employers but through adopting a “STEAM” approach to learning meet requisite needs to traditional STEM industries. Skills tailored to the needs of employers can also enable increased productivity. As creative industries are forecasted to continue growing, the provision of courses and training related to this specific sector will be increasingly important”.

The report further highlights:

“As the Creative Economy, and the overall UK economy returns to growth, it is important to recognise that without the right provision of space and support, it will not be possible to sustain recent growth rates. As commercial property costs increase and the cost-of-living increases, Colchester and Essex becomes a more attractive proposition for freelancers in the creative industries.”

This project offers the potential to mitigate against this risk and provide resources and access to support for a wide range of local people with skills and interest in the creative industries.

In addition, the Mercury offers a ‘home’ to other regional or national companies rehearsing or preparing shows and products to present or launch, contributing to resilience as well as indirectly encouraging investment. This activity offers additional economic impact through new inward investment from investors such as Arts Council England, commercial producers and the commercial sector. For example, this summer the Mercury has co-produced a new show, *Unbelievable* with the international magician, Derren Brown, premiering in Colchester prior to the West End. This production alone has brought at least **£500k** of investment into the city through jobs created, hotels used, products from local suppliers, ticketing and audience spend. Further investment in new space and equipment will help sustain these types of commercial partnerships in the future.

Alignment with Local Priorities

As a County, Essex is uniquely placed to exploit the potential of its creative industries sector, with over **6,500** Creative and Digital Industries (CDI) businesses currently employing over **25,000** people.

Colchester is the oldest recorded town (now city) in England, but, with a thriving creative industries sector, it is also today one of the fastest growing cities in the UK, with a current population of **192,000** and CDI businesses currently employing over **4,000** people locally.

Colchester City Council's Economic Growth Strategy identifies the Creative Industries, Culture and Tourism as key growth areas over the next few years.

The Mercury expansion will further stimulate this fast-growing sector and follows on from the success of the Creative Business Centre investment and SELEP funded digital ultrafast broadband, helping to secure Colchester's position as a hub for creative and cultural excellence.

In addition, the Mercury plays a key role in the Creative Colchester Partnership, established in 2014 specifically to support the growth of the Creative sector and visitor economy. As a Partnership its members provide leadership alongside organisations such as the City Council, Firstsite and the University, to the many Creative SMEs locally.

This project directly responds to the published Cultural Strategies agreed by Colchester City Council and Essex County Council.

Visitor Economy and ‘Place-Making’

The number of tourists visiting Colchester has risen to more than **8 million**, compared to just **2.8m** in 1993, and the number of jobs supported by the industry has grown by **154%** over the same period. Today the value of the visitor spend to Colchester has risen to record levels.

Education, Skills and Training

In the last three years the Mercury has developed a new programme, *Mercury Creatives*, to support and development skills and business growth for the creative industries locally (funded by ERDF to March '23). This programme supported **116** new businesses, created **124** new jobs and generated **£2.2m** of new inward investment. This programme has recently been re-funded by Arts Council England (**£360k** over the next three years).

The Mercury is now the secretariat for the Local Cultural Education Network with schools in Colchester with the aim of encouraging and embedding cultural education and skills opportunities in the curriculum and beyond, promoting a STEAM agenda to address ongoing skills shortages in the sector.

The Mercury has the largest specialist Creative Engagement Team of any arts or cultural organisation in Essex (5 full time posts).

Summary

This submission has two core aims:

- To increase available space on site as the Mercury can no longer satisfy the demand in requests for space within its existing footprint from local artists, new and emerging creative businesses and freelancers, community organisations and touring theatre companies.
 - To complete the conversion of all theatrical and digital equipment to LED with more efficient operating systems to reduce the Mercury's running costs and carbon footprint.
1. Our aim is to build a small extension (135m sq metres) on the second floor. It will offer meeting and/or rehearsal space to a range of local and national touring artists, theatre companies and others working in the creative industries. The project will also provide space for mentoring and masterclasses as part of our *Mercury Creatives* programme offering business advice and mentoring to local start-up businesses and freelancers. In addition, the space will provide a 'home' for Stage Text, a D/deaf led charity providing access to the arts for D/deaf and hard of hearing people who are moving from London this autumn to make the Mercury their new national headquarters.

Output: a new 135m sq professional standard rehearsal and meeting space(s)
Outcomes: Jobs created – **8**
 Businesses supported – **240** (three-year estimate of users hiring and use of space)

2. We are seeking support to purchase LED theatrical lighting stock to further reduce our carbon footprint and digital equipment to allow us to live stream and record performances, events and conferences.

This equipment will be the final piece of work to enable the Mercury to be fully sustainable and retain its BREEAM Very Good status. At present it is the most sustainable public building in Colchester. It will further reduce running costs by 9ithdra. **£10k** per year allowing these resources to be invested in programming and training provision.

- a. **Logic Map** [Establish a Logic Map using information from Appendix E. This will provide a logical flow between inputs, outputs, outcomes and impacts for the scheme]

Inputs	Outputs	Outcomes	Impacts
<p>Grant Spend £500,000</p> <p>Matched Contributions Spend £169,875</p>	<p>Jobs Created: 8</p> <p>Construction Jobs: 10</p> <p>Creative Businesses supported: 240 (3-year estimate of users hiring and using the space)</p> <p>Audience Attendance: 105,000 (annually) = 315 over 3 Years</p>	<p>Growth in market share.</p> <p>Increase in sustainable employment and contracts for the Mercury and supported businesses.</p> <p>Increased business support (focused on start-ups and freelancers).</p> <p>Increased competitiveness of the Mercury and wider creative industries in Essex.</p> <p>Improved performance of creative SME's.</p> <p>Improved organisational resilience.</p> <p>Wider benefit to the local economy of Colchester, Essex and wider SELEP region.</p> <p>Increased inward investment.</p> <p>Increased national profile for the county as a supportive environment for the creative industries.</p>	<p><i>For schemes of £2m of funding or less:</i></p> <p>Increase in health and well-being for residents attending community events and workshops.</p> <p>Increase in life-long learning opportunities for young people and adults attending workshops and classes.</p> <p>Reduction in isolation for vulnerable groups such as seniors and disabled and D/deaf people.</p> <p>New fully accessible space for disabled people.</p> <p>Increase in local employment opportunities.</p> <p>Positive contribution to the regeneration of the City Centre through employment, audience spend and purchasing of new local SME's and visiting producers.</p>

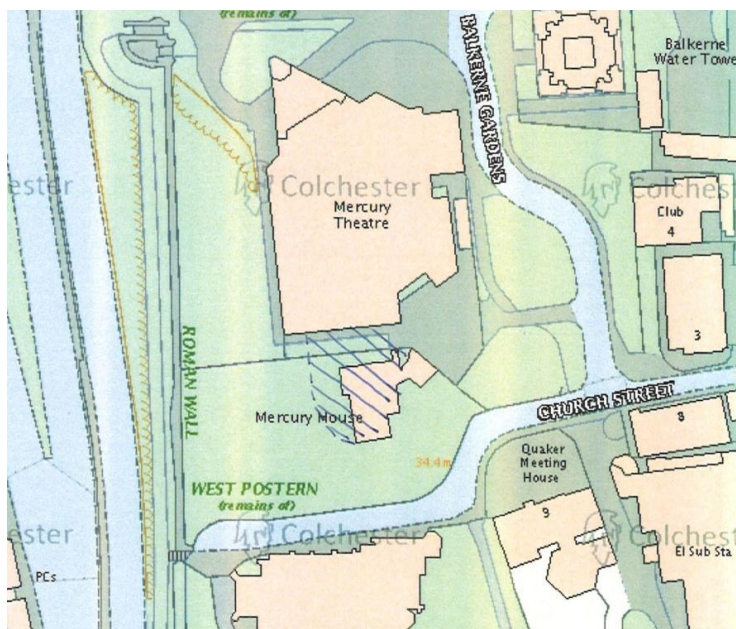
b. Location description:

Mercury Theatre, Balkerne Gate, Colchester, CO1 1PT

The footprint of the site extends to approximately 4,000 sq. metres. The net internal area of the main building is approximately 2,500 sq. metres.

The Mercury occupies a prime site in Colchester's town centre, with Colchester Arts Centre next door and key local heritage landmarks – the Roman Wall and Balkerne Gate and the Victorian Water Tower, "Jumbo" – on the doorstep. The site includes grassland areas adjacent to the Roman Wall and to the rear.

The immediate area has an eclectic mix of individual shops, boutiques, bars and restaurants and is served by good public transport links and excellent parking facilities. This can be seen in the site plan below:



Please note the above 'hashed' area now contains a new production block.

c. Policy context:

As well as projecting our values on the world stage, the creative industries drive our economy at home. The contribution they make has often been underappreciated. These industries generate £108 billion a year. Employ over 2.3 million people in every corner of the country. And there is a real sense of energy in the sector, which has grown at more than 1.5 times the rate of the wider economy over the past decade.

The Rt Hon Rishi Sunak MP, Prime Minister

National Creative Industries Strategy

The recent DCMS Strategy *Creative Industries Sector Vision: a joint plan to drive growth, build talent and develop skills* published in June of this year announced a further **£75m** to support the sector – particularly around skills and the development of Creative Hubs.

Strategic Importance of Colchester and North Essex

Arts Council England has identified Colchester as being one of only **5** geographical locations across the South-East region where a concentration of well-resourced arts and cultural organisations and dynamic creative businesses mean that a joined-up approach to shaping the creative and cultural landscape has the potential to make a significant strategic difference.

The National Endowment for Science and The Arts (NESTA) has identified Colchester as **8th** in the UK by its increase in importance for the creative industries and being **20th** as a Creative Cluster for concentration and growth (out of **47** across England above towns and cities traditionally known for being 'creative hubs' such as Brighton, Bristol, Cardiff, Oxford and Hastings).

This project underpins SELEP' *Economic Recovery and Renewal Strategy* (with the Mercury Large Capital Project highlighted as a case study within the report).

This project responds to the priorities of the report by:

- Being able to respond to the immediate business needs of the creative and wider economy 'faster' by providing both space and business support – especially for start up SME's.
- Offering 'smarter' support through the provision of space for R+D and product development.
- Supporting place based culture led regeneration in a city centre (and offering a model of best practise for other locations).
- Improving the skills and employability of a local workforce – retaining skills in the region for long-term economic growth helping to halt the skills drain to London and elsewhere.
- Providing training and community engagement promoting inclusion and diversity (e.g. by hosting a national Deaf Led organisation).
- Offering community use of the spaces to encourage wider social benefits (health and well-being, education and lifelong learning, community cohesion etc).
- Supporting the Thames Estuary Production Corridor
- Support the continued development of the creative industries.
- Supporting the development of the tourism and visitor economy.
- Create a new low-cost Growth Hub and incubator space for creative businesses.
- Encouraging 'clean growth' through improving sustainability of the Mercury's 12thdrawal12ure.
- Building the resilience of the Mercury's business model by retaining current trading and offering increased earned income and professional profile in the creative industries.
- Increase inward investment into the region (e.g. national commercial producers starting productions prior to a national tour, recent investment in business support from the Arts Council and new organisations moving to the Mercury with an annual turnover of £1m).

This project mirrors Colchester City Council's Economic Growth Strategy and Cultural Strategy setting out the Council's aspirations and further underpins SELEP's priority areas:

Creative & Digital Industries:

- Increase the number of creative and digital apprenticeships and work placements.
- Establish creative and digital mentor networks.
- Stimulate inward investment and delivery in skills and business support.
- Market Colchester to targeted companies in the sector to relocate to the city.
- Support and promote the Knowledge Gateway (University of Essex) as an emerging centre of excellence for computer games and data analytics.

Tourism and Visitor Economy:

- Support new and existing business to help maximise their potential.
- Promote opportunities in the industry to enable retention of local talent and upskilling the workforce.
- Work with Visit Essex, Essex County Council and local partners to increase the overall value of the sector as a major employer of the future and attraction.

Sustainability

The Mercury have already achieved a **VERY GOOD BREEAM** rating (placing it in the top **25%** of sustainable public buildings in the UK). It is the most sustainable building in the city.

Further investment in its sustainability features will serve to enhance its reputation further and act as a model of best practise for similar developments in the region and across the arts and cultural sector in the UK. The Theatres Trust (the statutory body for theatres) now use the Mercury as a model venue. These works will also support the future financial resilience of the organisation by helping to reduce operating costs.

The Mercury continues to further bolster the profile of Colchester as a future-focused, pro-business and pro-investment city that is actively seeking new investment and development opportunities and open for business and economic growth.

D Need for intervention:

As noted in the SELEP report above, there are currently **27,655** creative jobs in Greater Essex. They account for **50%** of the Southeast region's total. Four out of ten (43%) of the jobs are in IT, Software, & Computer Services; 11% are in the Music, Performing & Visual Arts; 14% are in Publishing; 8% are in Film, TV, Video, Radio & Photography; 6% are in Architecture; 7% are in Advertising & Marketing; 7% are in Design; and 4% are in Museums, Galleries & Libraries; and 0.5% are in Crafts.

Analysis of the employment data suggests that there has been quite a shift in the structure of the creative industries in Greater Essex between 2015 and 2019. Overall employment growth was modest (**+1%**) compared with England (**+11%**) over the period. However, within this the significant growth in Music, Performance and Visual Arts and major loss in Publishing.

This project seeks to redress this modest growth and offer quality business support and space for the sector. It will also seek to retain the jobs currently at the Mercury and within the performing arts and music sectors.

The former DCMS Secretary of State, Nadine Dorries, instructed Arts Council England through its last round of National Portfolio Funding to redistribute **£26m** of funding from London to the English Regions. In the next two years the organisations identified to 'transfer' must move. The Mercury has already benefited from this programme with Stage Text, the national charity for access for D/deaf and Hard of Hearing people making Colchester their new home. This will equate to an additional **£1.040m** of annual investment in Colchester and the region.

With additional space, the Mercury, Colchester and Essex could benefit from more organisations choosing the region as their national headquarters and their associated local employment, trading and new funding/inward investment.

As noted above, the Mercury are benefitting from its increased profile by commercial producers choosing to premiere work at the theatre prior to national and international tours or London West End transfers. The Mercury is the only full-time producing theatre in Greater Essex.

They are seeking to reduce costs and have all available resources under 'one roof' (rehearsals, wardrobe, set building, technical and production, marketing and admin). The availability of similar venues in London is very limited and in recent years at a financial premium. More space will add to this commercial opportunity for the Mercury, increase local freelance employment and supply opportunities for local businesses.

From the experience of the last two years, the Mercury can no longer satisfy demand for requests for use of space from both commercial and not for profit organisations and individuals. This intervention will support the local market in the provision of professional standard, accessible space for these groups and organisations with all ancillary support services on site.

d. Sources of funding:

The Mercury's large capital project – Mercury Rising – (in partnership with Colchester City Council) was completed two years ago. The project secured **£11.9m** of investment from a wide range of public, charitable and commercial sources.

Guidelines from funders exclude us from re-approaching them for support for capital funds in the next few years.

Colchester City Council have subsequently allocated all of their Section 106, Town Deal and capital funding to other projects across the city (such as the Northern Gateway and the regeneration of the City Centre).

Alongside this, our own individual giving scheme (Friend's Scheme etc) have now been focused on supporting revenue activity – particularly our Creative Engagement Programme.

In addition, to support the large project, the Mercury's Board of Directors took a social investment loan through NESTA (**£400k**) to meet the additional costs incurred due to Covid. We have consulted NESTA, and we are not able to extend this facility. Similarly, as an organisation of low assets, we are not able to gain a loan of this size through commercial banks.

Our Board of Directors have allocated match funding towards this scheme generated from the levy on all ticket sales (£2 per ticket) as they recognise the urgent need for these facilities to meet demand.

It should also be noted that no further overhead or staff costs are applied to this project beyond external consultancy advice (QS, Architect etc). These costs will be met from the Mercury's revenue budgets and allocation of staff time.

e. Impact of non-intervention (do nothing):

Doing nothing is not an option. The high demand for space is such that within a market led economy within the creative industries, interested companies and producers will simply go elsewhere. The theatre and the wider creative economy of Colchester and Essex would lose significant investment and sales opportunities. The Mercury needs to be able to respond to this demand as soon as possible.

With no investment in LED theatrical lighting and digital equipment, the artistic quality of productions will reduce over time as the stock ages. There is a high risk of audiences not returning and audience numbers and sales reducing (current annual income of **£1.8m**). With energy prices continuing to increase, the Mercury will be forced to meet these increased costs from self generated income. Revenue grant income (at **20%** of turnover) has remained static for the last 8 years and will remain

so for the foreseeable future. There is further risk of performance failure, increased costs of repairing obsolete old lighting stock or the high cost of hiring equipment per production. These sustained risks and the need for additional investment offers a high probability of redundancies to meet costs, reduction in opening hours and potential earned income and the withdrawal of subsidy for community use.

On a technical level, it is far more cost effective and efficient to replacement all equipment together to ensure each piece of equipment integrates into our existing electrical installation. To replace 'piecemeal' runs the high risk of failure. It is far more costly to replace individual pieces of equipment than buy 'in bulk' offering the potential for supplier discounts.

Investment now can offer potential earned income, reduce overhead costs and maintenance or replacement of equipment.

A key priority is ensuring the longevity and expansion of the Mercury as a cornerstone of the creative sector in Colchester.

This option was reviewed as part of the options appraisal process in developing this project.

Funding not Secured:

Should funding not be secured from SELEP, the project and its associated benefits would be at severe risk.

Predicated on additional space, the Mercury has recently secured additional investment of **£360k** to support its Mercury Creatives business support and mentoring programme from Arts Council England (ACE) with further support highly likely from several national Trusts (**£150k**) – Total (new income generated - **£640k** over the next three years.

This would put at risk additional project funding secured by users and creative businesses from Arts Council England and other funders – this would be from Stage Text **£1,040m** annually. If space is not available, then funding cannot be secured. Therefore, the sustainability and potential growth of the sector locally is put under severe threat.

As noted above, the Mercury is not able to self-fund all the costs and is not able to secure additional loan facilities.

The Mercury would therefore lose out on potential hire income from these spaces placing additional pressure on its existing budgets, earned income targets and future financial resilience.

If funding was not secured the scheme could not be reduced or a value engineering exercise undertaken to make cost savings. The investment in space and equipment are linked to the business needs of the Mercury, new start up SME's and commercial and subsidised producers. Once on site they will use both our stage and rehearsal and meeting space within one 'package'. Both are inextricably linked. This would have a significant impact on both the viability of our business plan and the wider objectives and economic and social benefits would not be materialised. This would in turn reduce economic benefit/value to Colchester and the wider creative sector of Essex.

Further considerations exist by our need to complete the project now. These include:

- The same management team and consultants who completed the large capital project are still in place and will manage this project. This reduces risks as they know the building and local suppliers intimately.
- Equipment and construction costs are continuing to increase. By not completing the project urgently costs could increase and the work being unaffordable.

Given the sensitive nature of the site it is significantly more cost effective to carry out these works in one scheme rather than a phased approach. This applies to both the costs of construction, business continuity and potential loss of audiences whilst works are being carried out.

f. Objectives of intervention:

Project Objectives

- Objective 1: Improve production facilities for **154** visiting theatre companies per annum and improving the audience experience – thereby retaining audiences at **105,000** per annum and Increasing future capacity and attracting more audiences and visitors.
- Objective 2: Provide space for a new hub to support **240** new creative businesses and SME's (over three years) and create **8** new jobs (with **10** additional construction jobs)
- Objective 3: Increase the capacity of the local creative economy including skills development, business support for SMEs in the sector and networking opportunities.
- Objective 4: Improve the Mercury's business sustainability and resilience.
- Objective 5: Open up routes for digital presentation and creation through the distribution of at least **8** productions and project per year reaching new excluded audiences.
- Objective 6: Create a safe, accessible and welcoming environment for community activities.

Problems or opportunities the project is seeking to address.

- Problem / Opportunity 1: Increase available fully accessible and affordable rehearsal and meeting room space to meet demand.
- Problem / Opportunity 2: Support new creative businesses with low-cost meeting and rehearsal space for business support and mentoring for creative SMEs from Colchester and Essex.
- Problem / Opportunity 3: Increase available performances, workshops and classes online via streaming.
- Problem / Opportunity 4: Improve the quality of produced and presented work on stage.
- Problem / Opportunity 5: Enable the Mercury to attract national and international producers to premiere work across the subsidised and commercial sectors.
- Problem / Opportunity 6: Offer a new income stream through hires to enable the Mercury to remain resilient.
- Problem / Opportunity 7: Reduce carbon footprint for the Mercury and reduce utility costs.
- Problem / Opportunity 8: Enable the Mercury to protect jobs – both permanent and freelance.

Please refer to attachment for summary table of above

g. Constraints:

The project has very few delivery constraints but a substantial benefit to the scheme is that Colchester City Council is the landowner and Landlord. (Please refer to attached letters from Colchester City Council Legal and Planning Departments offering their full support).

Match funding for the scheme is confirmed.

Identified Constraints include:

The ability for the Mercury to continue to deliver their programme whilst work is undertaken, careful planning of works is required to mitigate this as far as is possible.

Mitigation:

A small allowance for de-canting the Mercury's operations has been allocated within the project budget to allow for business continuity during the construction period. Staff will be encouraged to remote work during this period and noisy works scheduled in non-performance times.

Mercury Theatre in a Conservation and Area of Historical Importance

As part of the main capital project, four environmental studies were carried out on the site that highlighted some archaeology. We successfully worked with the archaeology officer, planning officer and Heritage England to ensure that this didn't negatively impact the project. Colchester Archaeological Trust were engaged to carry out this work.

Mitigation

No planned work will interfere with archaeological remains on site.

A clear method statement will be agreed with the Contractor to ensure that deliveries to site are made in a careful and considerate manner in terms of noise and disruption to local residents and visitors to the City Centre. This will include direct access work to the third floor to protect the landscape given the proximity of the site to the roman wall (such as free-standing scaffolding).

Cost Over Runs on the Budget

Mitigation

A direct contingency has been allocated to the project. Should this prove to be insufficient, the Mercury retains an annual contingency that can be approved for use by its Board of Directors. Should this not be sufficient, then the Mercury has a permanent loan facility available through its bankers, Barclays.

We will meet with the contractor weekly to monitor work on site and spend against budget using our own internal financial controls and approvals.

h. Scheme dependencies:

To our knowledge at this stage there are no further dependencies that have not already been captured, discussed and actioned as part of the Risk Register by ourselves or Colchester City Council as our Landlords.

i. Expected benefits:

The following are estimated benefits:

1. Space

- a new 135m sq professional standard rehearsal and meeting space(s)
- Jobs created – **8** (these are confirmed posts created by Stage Text moving to the Mercury in 2024/5).
- Businesses supported – **240** (three-year estimate of users hiring and use of space) – including new start-ups and Freelance Traders as a result of our Mercury Creatives Programme and other local businesses and hirers.

2. Improved quality of professional and non-professional theatre productions, events and Conferences

- Audiences (ticketed events) – **315,000 (over three years)**
- Livestream audiences – **69,000 (over three years)**
- Significant reduction in utility costs for the Mercury Theatre (estimated **10% £11,500** annual saving – total saving over three years - **£34,500**)
- Reduction in carbon footprint of the Mercury Theatre
- Job protected – as 1 above.

Economic – the majority of expenditure in relation to this project will be procured locally (**£400k**). Additional overhead savings from the reduction in utility costs and the additional income from hire of the spaces will support the Mercury’s future financial resilience. In addition, the spaces will support our mentoring and support for new and emerging creative businesses locally.

Social – the spaces will support the Mercury’s health and well-being work with the community, in particular our work with families, children and young people, disabled people and seniors.

Environmental – the installation of LED lighting will reduce the Mercury’s carbon footprint dramatically. This work will retain the Mercury’s position as the most sustainable building in Colchester.

Transport – available space will reduce the need for production companies and other users to transport their staff or goods to and from the theatre. All their work can take place on one site. The Mercury has a sustainable transport strategy.

j. Key risks:

Being such a small scheme, we feel confident that as an organisation we will be able to manage any associated risks.

We have identified the key risks as being:

Lack of contractor tenders

We will identify in advance in partnership with Colchester City Council local contractors with suitable experience. We hope the value and simplicity of the scheme will attract smaller contractors.

Cost Over-Runs

We will monitor budget, spend and variations with the contractor on a weekly basis.

Inflation

We have estimated costs at April 2024 and have allocated a significant contingency. Any unforeseen increased costs will be met by the Mercury’s reserves.

Design Changes

We are confident that the scheme is simple and that there shouldn't be any significant design changes required.

Supply Chain

We will ensure orders for equipment (especially lighting equipment that might be required to be shipped from outside the UK are ordered well in advance at a fixed price on contracting.

Noise Complaints from Neighbours

All work will be carried out during the day to avoid noise complaints from residential neighbours.

Business Continuity

The site to be developed will not have a significant impact on business continuity. Performances, workshops and events will be able to take place elsewhere in the building. Some relocation of staff offices or staff having to work from home might be required on the odd day to avoid noise.

Adverse Weather

The work on site has been planned for next Spring to avoid adverse weather conditions.

Covid 19

As an organisation we have experienced the impact of Covid 19 on construction work. We would consult the HSE and implement previous safe working methods. Impact could be on the work schedule.

Building Control

The Mercury has a close working relationship with Colchester City Council Planning. They will be invited to approve plans, fire strategies and other requirements whilst work is being carried out on site to allow for any necessary changes.

2. ECONOMIC CASE

The economic case determines whether the scheme demonstrates value for money. It presents evidence of the expected impact of the scheme on the economy as well as its environmental, social and spatial impacts.

In addition to this application form, promoters will need to provide a supporting Appraisal Summary Table (AST). This should provide:

- *a calculation of Benefit-Cost Ratio (BCR) according to the DCLG Appraisal Guidance, with clearly identified, justified and sensitivity-tested assumptions and costs*
- *inclusion of optimism bias and contingency linked to a quantified risk assessment*
- *inclusion of deadweight, leakages, displacement and multipliers*

Smaller schemes (less than £2 million) are not required to provide a supporting AST, and do not have to calculate a BCR.

a. Options assessment:

Long list of options considered:

Do Nothing

By doing nothing the Mercury would not be able to meet the demand for requests for space within our building. It would lose reputation and potential income. It would also risk losing important commercial and not for profit co-producers interested in working and premiering their work at the Mercury. The nature of the industry means they would go elsewhere in the UK.

By doing nothing the Mercury would not be able to expand its community programming and the city not gain further social value.

By doing nothing to replace our lighting and digital equipment further commercial risks exists by audiences reducing due to quality of productions and increased long-term costs of high utility bills and increased maintenance/replacement of stock. The nature of LED lighting means that it is more cost effective and technically more easily installed if all stock replaced at once.

Build Space Alone

This was an option considered. However, both production values from lighting and digital equipment (as noted above) are linked to rehearsals, meetings and community programming.

Build Part of the Space

This option was considered but given the size of the space would not be cost effective. The size of the final space would not meet the future needs of the organisation.

Purchase Lighting and Digital Equipment Alone

Whilst this would solve one 'issue' it would not solve all of the current issues as the use of space is linked to the presentation of productions.

Options assessment:

The Mercury's senior staff and Board of Directors have considered the options above.

The rationale has been to pursue both the building of the new space and purchase of equipment as this meets the organisation's:

- Future artistic policy and ambitions.

- Meets commercial needs (co-producers etc).
- Offers potential additional income from hiring of the space.
- Reduces costs (LED lighting) and contributes to future financial resilience.
- Offers opportunity to expand work with the community and opportunity for additional project grant income.
- Builds on new partnerships with national organisations.
- Builds on increased demand for community engagement work.

Short list of options:

From the Mercury’s experience of its major capital project, it is more cost effective to procure equipment in ‘bulk’ from suppliers rather than in smaller bundles. Similarly for the procurement of a contractor and the distribution of work on site it is more cost effective to build the whole space and not smaller parts.

b. Preferred option:

The preferred option decided upon is to build the whole space and purchase all of the required LED lighting and digital equipment.

This option offers:

Space

The ability to respond to all current and future requests.
 Ability to offer a new income stream – estimated conservatively as **£24,000** per year (48 weeks x 10 sessions per week @ **50%** capacity x £200 per day).
 Ability to offer performance space and support **160** artists and creatives per year.

Equipment

Reduce annual running costs by **£10,000** per year
 Reduce risk of reduction on artistic quality or future audience attendance

This decision has been arrived at through:

- Consultation with current (and non-successful) hirers and users of the space.
- Monitoring of requests for space (majority needing smaller space and not large ones as currently available).
- Review of business plan and projected budgets.
- Need to retain local, regional and national reputation of the Mercury

c. Assessment approach:

As outlined above.

d. Economic appraisal assumptions:

N/a (small scheme)

e. Costs:

EXPENDITURE

Third Floor Extension

Construction	240,000
Prelims	60,000

Fit Out	25,000
Direct Costs/Fees	75,900
<u>SUB TOTAL</u>	<u>£400,900</u>

Technical Equipment

LED Lighting	100,000
Projector	20,000
Digital Camera Installation	15,000
<u>SUB TOTAL</u>	<u>£135,000</u>

<u>SUB TOTAL</u>	<u>£535,900</u>
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<u>Irrecoverable VAT</u>	<u>53,590</u>
<i>(assume 10% reclaim)</i>	

Contingency/Additional Inflation Costs (15%)	80,385
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<u>TOTAL EXPENDITURE</u>	<u>669,875</u>
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- (1) Please note that Colchester Mercury Theatre Ltd is partially exempt for VAT and cannot claim 100% vat. The above assumes a 10% cost for irrecoverable VAT.
- (2) Any additional unforeseen costs will be met from the Mercury's Reserves and can be applied to the project immediately to avoid any delays to the project or timeline.

f. Benefits:

N/a – small scheme

g. Local impact:

The following is a summary of the local impacts for the scheme:

- Essex has **6,500** Creative and Digital Industries (CDI) employing over **25,000** people.
- Colchester is one of the fastest growing cities in the UK, with a current population of **192,000** and CDI businesses currently employing over **4,000** people locally.
- Colchester has one the highest density of creative businesses in the SELEP region.
- The projects procurement supports the local economy through jobs and spend.
- Colchester City Council's Economic Growth Strategy identifies the Creative Industries, Culture and Tourism as key growth areas over the next few years.
- This project directly responds to the published Cultural Strategies agreed by Colchester City Council and Essex County Council.
- The project supports the continued growth of the visitor economy.
- The project supports the development of education and learning.
- The project supports the skills, training and business support of the creative industries locally.
- The project supports the health and well-being of local residents.

h. **Economic appraisal results:**

Value For Money Rationale

Space

Capital Investment - **£400,000**

Length of Mercury Lease – **40 Years**

Annual notional cost - **£10,000**

Annual estimated income from hiring of space - **£24,000** (based on conservative **50%** capacity and usage (as above calculation)

Estimated Income over total lease period - **£960,000** (flat line calculation no inflationary allowance).

Lighting and Digital Equipment Purchase

Protection of annual box office income - **£1.8m**

Businesses supported – visiting theatre companies -**154**

Audiences – ticketed shows protected – **105,000**

Audience ancillary spend protected - **£735,000**

General

Provision of space for business support – **240**

Estimated increase in inward investment from business support - **£800,000** (additional project funds generated from Arts Council England and other project funders)

Estimated new job generated – **8** (FTE equivalents)

3. COMMERCIAL CASE

The commercial case determines whether the scheme is commercially viable and will result in a viable procurement and well-structured deal. It sets out the planning and management of the procurement process, contractual arrangements, and the allocation of risk in each of the design, build, funding, and operational phases.

a. Procurement options:

Given the relatively small size of the space to be developed, alongside our QS, the senior staff and Board of the Mercury have made the decision to procure the project using a 'design and build' model.

Our appointed QS will work with our architects to develop the scheme through the various RIBA Stages with formal approvals as required.

As noted, our landlord, Colchester City Council will act as advisers to the procurement process and allow access to local contractors on their framework. These contractors have tried and tested experience of working on other council owned buildings and facilities across the city.

We are confident that with the size and simplicity of the project to be built that there are a range of local contractors with the local marketplace that will be appropriate.

As previously noted, our QS previously supervised the completion of our large capital project and therefore knows the building and its construction methods intimately. This experience, alongside the close involvement of our landlords and access to all previous sub-contractors who worked on the main scheme should enable us to build and complete with ease.

The above contracting route was decided as, given the recent completion of the main project, the Mercury and its appointed QS, retain close working relationships and maintenance agreements with all sub-contractors (such as M+E, Structural Engineers and Alarm supplier). These are all local companies who took great pride in helping us to build and create the theatre within their community. All plans and details are readily available. The 'new build' area can easily be integrated into the existing systems (such as Building Management etc).

Finally, we have appointed Inkpen Downie as our architects who actually built the Mercury in 1972. They know the building and its new components intimately. Their offices are 5 minutes away from the theatre. Similar to our sub-contractors they have a great deal invested in ensuring our building is a success.

b. Preferred procurement and contracting strategy:

As noted, we have made the decision to proceed with the project using the design and build method for the construction work.

Contracts will be issued using RIBA stages with appropriate payments on successful completion of works on site. A retention will be held for snagging as per standard terms and conditions.

For the purchase of equipment, we will create a clear tender document noting all theatrical and digital equipment to be procured and invite specialist suppliers to quote within a clearly defined period. We will invite at least 3 companies to quote.

Whilst there is a limited market for the supply of LED theatrical lighting in the UK, they are all well-established, mature companies. They have a wealth of experience of similar installations and equipment supply for large arenas, theatres and concert halls. There is no immediate risk of the sector ceasing to trade. Given the nature of our business we have strong relations with each company using them to hire additional equipment throughout the year for productions and national and international tours.

In procuring this equipment we will seek advice and feedback from other similar sized theatres and venues throughout the country about supplier's standard of work, supply and installation. Advice will also be sought from our national management body – UK Theatre and the Theatres Trust.

Once a supplier is shortlisted we will carry out all necessary due diligence including credit checks and seeking references from similar clients.

c. Procurement experience:

As previously noted, both the Mercury and its appointed QS were responsible for the successful completion of the main capital project.

Colchester City Council were responsible for procuring the main contractor (£7m), with the Mercury responsible for the procurement and contracting of specialist theatrical electrical installation, additional decoration, and final fit out (loose equipment, IT etc).

This experience was invaluable and enabled the successful procurement of approx. £3m in equipment and services. If it had not been for Covid, the project would have been completed on time and on budget. Whilst the pandemic meant that schedules had to be adjusted, there were no issues with the process used or delay in supply and installation.

We will use the experience of the large project and apply our learning to this scheme.

d. Competition issues:

As far as we are aware there are no competition issues in relationship to this project.

e. Human resources issues:

Given the Mercury's recent experience of managing a large capital project, we do not foresee any HR issues in relation to this project.

Our Facilities Manager will be seconded to work on this project as their principle responsibility during the period. Additional resource has been identified from the Mercury's annual running budget to allow for his other duties to be carried out by casual or contract staff.

The management and governance of the project will be carried out by our Executive Director and Trustees as required.

Our appointed QS will work with our Production Manager and Technical Manager to identify theatrical suppliers to develop our detailed tender for the supply with equipment. This can easily be achieved within their usual duties.

f. Risks and mitigation:

As the Mercury is the main contracting body for this project there will be no allocation of risks between other partners or promoters.

The main risks from the scheme have been identified in the Project Risk Register attached and highlighted earlier in this submission.

Mitigation of risks, as noted, will be supervised by our Capital Sub Committee and regular monitoring and review meetings between our QS and our contractor. This management structure will be complemented by the close involvement of Colchester City Council's Planning Advisor and Building Control Team.

The Mercury will ensure that there are clear milestones and approved costings with the main contractor. Any variations will be discussed and agreed in advance and confirmed in writing prior to implementation or continuation. Cost over-runs will be clearly allocated and agreed in writing in advance.

Any further unforeseen increases in costs not identified as being the responsibility of the contractor or supplier(s) will be met from the Mercury's Reserves. These decisions will be made in a timely and efficient manner throughout the project to avoid any further increases and 'knock on' to the project timeline, work onsite or deliveries.

g. Maximising social value:

Whilst the Mercury is an independent charity and not a public body it places social value and local benefit at the heart of all that it does. It is revenue funded by several public bodies (in particular Colchester City Council and Essex County Council) and is monitored and reports against these values quarterly.

Covid-19 – as highlighted in the media, the impact of the pandemic on the arts and entertainment industry was catastrophic. The sector continues to recover as audiences have remained slow to return. This project offers a potential new income stream to enhance the resilience of the Mercury for the future.

Economic Inequality - where possible through the procurement process we will seek to prioritise local suppliers and contractors to help invest in the local economy. We have successfully achieved this from our main capital project with **£10.1m** of our total budget of **£11.9m** invested locally.

Climate Change – the design of the new spaces will use our BREEAM standards. In particular, the procurement of new LED lighting addresses the Mercury's largest carbon emitting item given over 500 performances are presented annually.

Equal Opportunity – the Mercury remains committed to equal access to the arts and culture. The new spaces will be fully accessible and will offer space to D/deaf and hard of hearing people as well as others.

Wellbeing – the Mercury is proud to host and produce a wide range of activities to enhance the health and well-being of local residents including workshops and classes for seniors, children and young people, young disabled people and families. The spaces will be used for these activities and build to meet their needs in terms of access and safeguarding.

4. FINANCIAL CASE

The Financial Case determines whether the scheme will result in a fundable and affordable Deal. It presents the funding sources and capital requirement by year, together with a Quantitative Risk Assessment (QRA), project and funding risks and constraints. All costs in the Financial Case should be in nominal values¹.

The profile of funding availability detailed in the Financial Case needs to align with the profile of delivery in the Commercial Case.

a. Total project value and funding sources:

Total Project Value - **£669,875**

Match Funding – **£169,875** (confirmed cash. Restricted reserves by Colchester Mercury Theatre Ltd). **Further provision is available to meet any unforeseen project cost over-runs.**

b. SELEP funding request, including type (LGF, GPF, GBF etc.):

Funding request - **£500,000**

Funding type - **GBF**

c. Costs by type:

Cost type	Expenditure Forecast				
	23/24 £000	24/25 £000	25/26 £000	26/27 £000	Etc.
Capital					
Construction		240,000			
Prelims	0	60,000	0	0	0
Fit Out		25,000			
LED Lighting Equipment		100,000			
Digital Equipment		35,000			
Non-capital					
Direct Cost and Fees (QS, Architects, Engineers, Planning Fee)	0	75,900	0	0	0
Contingency/Additional Inflation (15%)	0	53,590			
Irrecoverable VAT (10%)	0	53,590			
Total funding requirement	0	£669,875	0	0	0
Additional Unforeseen Inflation will be met by the Mercury's Reserves.	0		0	0	0

All project costs relate to 2024/25. The project will be complete by September 2024 with all GBF funds spent.

Monitoring and Evaluation

Monitoring of the direct KPI's for the delivery of the project will be undertaken by the Mercury's QS, Chief Executive and Facilities Manager through weekly planning meetings with the contractor

¹ Nominal values are expressed in terms of current prices or figures, without making allowance for changes over time and the effects of inflation.

and other suppliers as required.

Monitoring and Evaluation for the overall scheme will be incorporated into the Mercury’s on-going evaluation of its programme and activities as required by our revenue funders (Arts Council England, Essex County Council and Colchester City Council).

This methodology has been established with the support of the University of Essex and uses the *Theory of Change*. We undertake online surveys, focus groups, face to face research and analysis sales data and demographics (quantitative and qualitative) after each production, workshop or event.

Optimism Bias

This has not been included in the above cost estimates.

d. Quantitative risk assessment (QRA):

The above costs have been prepared by the Mercury’s independent Quantity Surveyor IKS Ltd based on current market conditions, experience and informal research with specialist suppliers (such as theatrical lighting suppliers).

IKS have been appointed to manage this project (along with the Mercury’s CEO and Senior Management) as he knows the organisation, building fabric and working conditions intimately as he was responsible for delivering our recently completed large capital project (£11.9m).

Similarly, we have appointed Inkpen Downie as architects as they are a local company (with their office 5 minutes from the theatre). They were also responsible for designing the original building in 1972 and again know the building and its context well.

e. Funding profile (capital and non-capital):

Funding source	Expenditure Forecast					
	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000
SELEP	0	£500,000	0	0	0	0
Mercury Theatre (Reserves – confirmed)	100,000	£69,875	0	0	0	0
Total funding requirement	£100,000	£569,875	0	0	0	0

External Factors – funding profile

Beyond the agreement of this funding submission there are no further external factors in relation to this scheme.

Flexibility

On agreement of support there remains some flexibility in relation to the scheme. However, we would like to complete the works on site as soon as possible to complete within the confines of our production, maintenance and rehearsal programme.

Scheme Non-Capital Liabilities

The completed works will require on-going running costs such as utilities and staffing.

Staffing can easily be absorbed into the roles of our current building management team and duty managers for evenings and weekend use. Similarly, we envisage a small increase in

maintenance costs that can be met from existing budgets in future years and carried out by our in-house team.

We hope that the small increase of utilities will be offset by the reduction in our use of electricity by our use of LED lights for all our productions.

f. Funding commitment:

The match funding (**£169,875**) is confirmed by the Mercury Theatre. The funds are derived from our ticket levy (**£2** on each seat sold) and are held in a restricted fund to meet the costs of our Community Programme, programme development, growth and future maintenance needs. Should any further unforeseen costs be incurred these will be met from the Mercury's Reserves.

g. Risk and constraints:

We are confident that beyond the decision in relation to this submission there are no further risks or constraints in relation to funding. As noted above, the match funding is available through the Mercury's cash reserves.

Further risks are articulated in our Risk Register.

5. MANAGEMENT CASE

The management case determines whether the scheme is achievable and capable of being delivered successfully in accordance with recognised best practice. It demonstrates that the spending proposal is being implemented in accordance with a recognised Programme and Project Management methodology, and provides evidence of governance structure, stakeholder management, risk management, project planning and benefits realisation and assurance. It also specifies the arrangements for monitoring and evaluation in terms of inputs, outputs, outcomes and impacts.

a. Governance:

This section outlines the project management and governance arrangements that have been put in place to successfully manage and take the project through to a successful completion in mid 2024.

Project Management

Senior Responsible Officer – Steve Mannix, Mercury Executive Director

Colchester Mercury Theatre Ltd

The Mercury is project managing the project and will appoint the professional team (in consultation with Colchester City Council) as necessary including an architect, QS and specialist consultants.

Capital Sub Committee

A Capital Sub Committee has been established of the Mercury's Board Members (including Chair, Treasurer) to oversee the governance of the project meeting monthly. This is made up of:

- Mercury Chair, Board of Directors
- Mercury Treasurer, Board of Directors
- Mercury Executive Director
- Mercury Facilities Manager
- Mercury QS
- Colchester Borough Council Estates Manager

The Committee takes responsibility to sign off, review and agree the project milestones and plans.

On advice of the Board's Treasurer, the Committee also takes responsibility to approve all budgets, cashflows and financial commitments in relation to the project.

The Mercury will apply all its statutory and charitable financial procedures and procurement processes to the project.

Colchester Borough Council

The Council is has offered 'in kind' support towards the project as Landlord and revenue funder to the Mercury. This support for the project offers:

- Local employment and supplier investment.
- Confidence in the project that it can be executed in a timely and efficient manner building on the close working relationship with current senior staff and the Mercury.
- Smooth day to day management of the project building on the Council's intimate knowledge of the theatre and town centre location.
- The Council has considerable experience in project managing similar cultural capital projects such as Colchester Castle.
- The Mercury benefits from established internal communications and working relationships between departments of the Council such as Planning, Building Control, and Regeneration.
- Local community and Councillor confidence (at Borough and County level) that the project is being delivered through partnership working between the public and not for profit sector.

Procurement

The main contractor contract and equipment suppliers will be procured by the Mercury with advice from Colchester Council's Head of Procurement. The Mercury's QS will manage the contract day to day.

Contract Management

Contracts relating to this project will be managed by the Mercury's QS in line with the Colchester City Council's Contract Procedure Rules.

b. Approvals and escalation procedures:

The Mercury's Capital Sub Committee will meet monthly to review progress in relation to the scheme, review risks and take all necessary decisions (with delegated authority). Actions and decisions will be reported to the Board of Directors on a quarterly basis. This will include:

- Review of budget and financial commitments
- Approval of all contracts and procurement decisions
- Review of risk register and mitigating decisions
- Approval of design
- Approval and monitored of schedule of works.

c. Contract management:

The project will be monitored through:

- On-going in-house monitoring by QS and project team (as above) of schedule of works
- Weekly monitoring of KPI's with contractors and suppliers

Our in-house evaluation methodology will capture:

- Direct jobs

- Indirect jobs
- Visitor/Audience spend
- Post completion survey with contractors and suppliers
- Mercury staff and freelance survey
- Local creative businesses survey

d. Key stakeholders:

The key stakeholder for this project is Colchester City Council as both our landlord, revenue funder and their statutory planning and building control function.

As outlined above, they will actively participate in the governance of the project by sitting on our Capital Sub Committee.

There are no further stakeholders beyond our audiences, users and those working within the creative industries.

The Mercury engages with the public year-round (over **150,000** annually – ticketed and non ticketed events). We will promote the confirmation of the funding and track progress of the build and procurement/installation of the equipment through all of our media channels including:

Social media – general posts

E-lists – regular weekly newsletters and posts to our mailing lists (approx. 55,000 weekly)

Press releases – local, national and regional

Newsletters – regular newsletters to our Mercury Creatives alumni and other interested groups such as Creative Colchester, Essex Theatre Artists Network etc.

Quarterly Brochure – feature in hardcopy brochure distributed to 100,000 households

Based on our experience of our large capital project, we will host an ‘opening party’ to highlight the new spaces to interested local businesses, local decision-makers and our wider audience.

e. Equality Impact:

A further Equality Impact Assessment has not been under-taken given the size of the project and that it is a simple extension to the building.

The project will build on our original EQIA for the whole building (available on request). The space already benefits from a lift. A new accessible toilet will be built adjacent to the entrance (services and utilities already in place).

All entrances and exits to the space are fully accessible with additional features such as:

- Bookable accessible parking
- Temperature and light adjusted spaces
- Induction loops in all spaces
- Sighted assistance and interpreters available to be booked for all users

f. Risk management strategy:

Given the recent experience of the Mercury in completing the large capital project two years ago the organisation, its Trustees, staff and consultants have extensive experience of managing risk.

The risk register for the project will be established and tracked with the contractor and suppliers weekly and monthly.

All work and the supply of equipment will be tendered and best value achieved. Contracts will be issued against design and delivery with staged payments on successful completion.

g. Work programme:

Please find attached.

h. Previous project experience:

As noted above, the Mercury's Trustees, senior staff and QS gained extensive experience of capital works through the successful completion of the Mercury Rising project (£11.9m). Whilst the project was delayed due to Covid it was delivered on budget. Some additional costs were incurred due to the extraordinary impact of the pandemic but these were met from additional emergency funding.

The project has overwhelmingly met its objectives in providing a safe, welcoming and fully accessible building both front of house and backstage. It is complemented by a range of new spaces for rehearsals, productions, admin and production facilities such as set building, wardrobe, lighting and sound.

Further evidence of positive feedback from audiences and users is available on request.

i. Monitoring and evaluation:

6.91 Logic Map

Objectives	Inputs	Outputs	Outcomes	Impacts
<p>Improve production facilities for 154 visiting theatre companies per annum and improving the audience experience – thereby retaining audiences at 105,000 per annum and increasing future capacity and attracting more audiences and visitors.</p> <p>Provide space for a new hub to support 240 new creative businesses and SME's (over three years) and create 8 new jobs (with 10 additional construction jobs).</p> <p>Increase the capacity of the local creative economy including skills development, business support for SMEs in the sector and networking opportunities.</p> <p>Improve the Mercury's business sustainability and resilience.</p> <p>Open up routes for digital presentation and creation through the distribution of at</p>	<p>Grant Spend £500,000</p> <p>Matched Contributions Spend £169,875</p>	<p>135m sq new business space</p>	<p>Jobs Created: 8</p> <p>Construction Jobs: 10</p> <p>Creative Businesses supported: 240 (3-year estimate of users hiring and using the space and accessing business support services) = 80 per year</p> <p>Visiting Theatre Companies and Community Group use: 154 (annually)</p> <p>Audience Attendance: 105,000 (annually)</p>	<p>Increase in health and well-being for residents attending community events and workshops.</p> <p>Increase in life-long learning opportunities for young people and adults attending workshops and classes.</p> <p>Reduction in isolation for vulnerable groups such as seniors and disabled and D/deaf people.</p> <p>New fully accessible space for disabled people.</p> <p>Increase in local employment opportunities.</p> <p>Positive contribution to the regeneration of the City Centre through employment, audience spend and purchasing of new local SME's and visiting producers.</p>



<p>least 8 productions and project per year reaching new excluded audiences.</p> <p>Create a safe, accessible and welcoming environment for community activities.</p>				
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6. DECLARATIONS

<p><i>Has any director/partner ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts?</i></p>	<p>No</p>
<p><i>Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors</i></p>	<p>No</p>
<p><i>Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme?</i></p>	<p>No</p>

**If the answer is “yes” to any of these questions please give details on a separate sheet of paper of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded SELEP funding.*


I am content for information supplied here to be stored electronically, shared with the South East Local Enterprise Partnerships Independent Technical Evaluator, Steer, and other public sector bodies who may be involved in considering the business case.

I understand that a copy of the main Business Case document will be made available on the South East Local Enterprise Partnership website one month in advance of the funding decision by SELEP Accountability Board. The Business Case supporting appendices will not be uploaded onto the website. Redactions to the main Business Case document will only be acceptable where they fall within a category for exemption, as stated in Appendix G.

Where scheme promoters consider information to fall within the categories for exemption (stated in Appendix G) they should provide a separate version of the main Business Case document to SELEP 6 weeks in advance of the SELEP Accountability Board meeting at which the funding decision is being taken, which highlights the proposed Business Case redactions.

I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. I declare that the information I have given on this form is correct and complete. Any expenditure defrayed in advance of project approval is at risk of not being reimbursed and all spend of Getting Building Fund must be compliant with the Grant Conditions.

I understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.

<p><i>Signature of applicant</i></p>	
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SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

<i>Print full name</i>	<i>Steve Mannix</i>
<i>Designation</i>	<i>Executive Director</i>

7. APPENDIX A – ECONOMIC APPRAISAL ASSUMPTIONS

Small scheme – not completed.

Appraisal Assumptions	Details
QRA and Risk allowance	
Real Growth	
Discounting	
Sensitivity Tests	
Additionality	
Administrative costs of regulation	
Appraisal period	
Distributional weights	
Employment	
External impacts of development	
GDP	
House price index	
Indirect taxation correction factor	
Inflation	
Land value uplift	
Learning rates	
Optimism bias	
Planning applications	
Present value year	
Private sector cost of capital	
Rebound effects	
Regulatory transition costs	

8. APPENDIX B - FUNDING COMMITMENT

S151 Officer Letter to support Business Case submission


Dear Colleague

In submitting this project Business Case, I confirm on behalf of Essex County Council that:

- The information presented in this Business Case is accurate and correct as at the time of writing.*
- The funding has been identified to deliver the project and project benefits, as specified within the Business Case. Where sufficient funding has not been identified to deliver the project, this risk has been identified within the Business Case and brought to the attention of the SELEP Secretariat through the SELEP quarterly reporting process.*
- The risk assessment included in the project Business Case identifies all substantial project risks known at the time of Business Case submission.*
- The delivery body has considered the public-sector equality duty and has had regard to the requirements under s.149 of the Equality Act 2010 throughout their decision-making process. This should include the development of an Equality Impact Assessment which will remain as a live document through the projects development and delivery stages.*
- The delivery body has access to the skills, expertise and resource to support the delivery of the project*
- Adequate revenue budget has been or will be allocated to support the post scheme completion monitoring and benefit realisation reporting*
- The project will be delivered under the conditions in the signed GBF Service Level Agreement or other grant agreement with the SELEP Accountable Body.*

I note that the Business Case will be made available on the SELEP website one month in advance of the funding decision being taken, subject to the removal of those parts of the Business Case which are commercially sensitive and confidential as agreed with the SELEP Accountable Body.

Yours Sincerely,
SRO (Director Level)



S151 Officer

9. APPENDIX C – RISK MANAGEMENT STRATEGY

Please refer to attached Risk Register

Description of Risk	Impact of Risk	Risk Owner	Risk Manager	Likelihood of occurrence (Very Low/ Low/Med/ High/ Very High) (1/2/3/4/5) *	Impact (Very Low/ Low/ Med/ High/ Very High) (1/2/3/4/5) **	Risk Rating	Risk Mitigation	Residual Likelihood/Impact Scores
				[e.g. Medium 3]	[e.g. Very Low 1]	[Likelihood of occurrence multiplied by Impact]		

* Likelihood of occurrence scale: Very Low (1) more than 1 chance in 1000; Low (2) more than 1 chance in 100; Medium (3) more than 1 chance in 50; High (4) more than 1 chance in 25; Very High (5) more than 1 chance in 10.

** Impact scale: Very Low (1) likely that impact could be resolved within 2 days; Low (2) potential for a few days' delay; Medium (3) potential for significant delay; High (4) potential for many weeks' delay; Very High (5) potential for many months' delay

Please note, not all sections of the table may require completion.

10. APPENDIX D – GANTT CHART

Below are the project milestones. The project will be directly managed by our appointed QS working to clear decisions and approvals made by our Capital Sub Committee (who will meet weekly).

Lessons learnt from our previous large capital project will be incorporated into this project. These include:

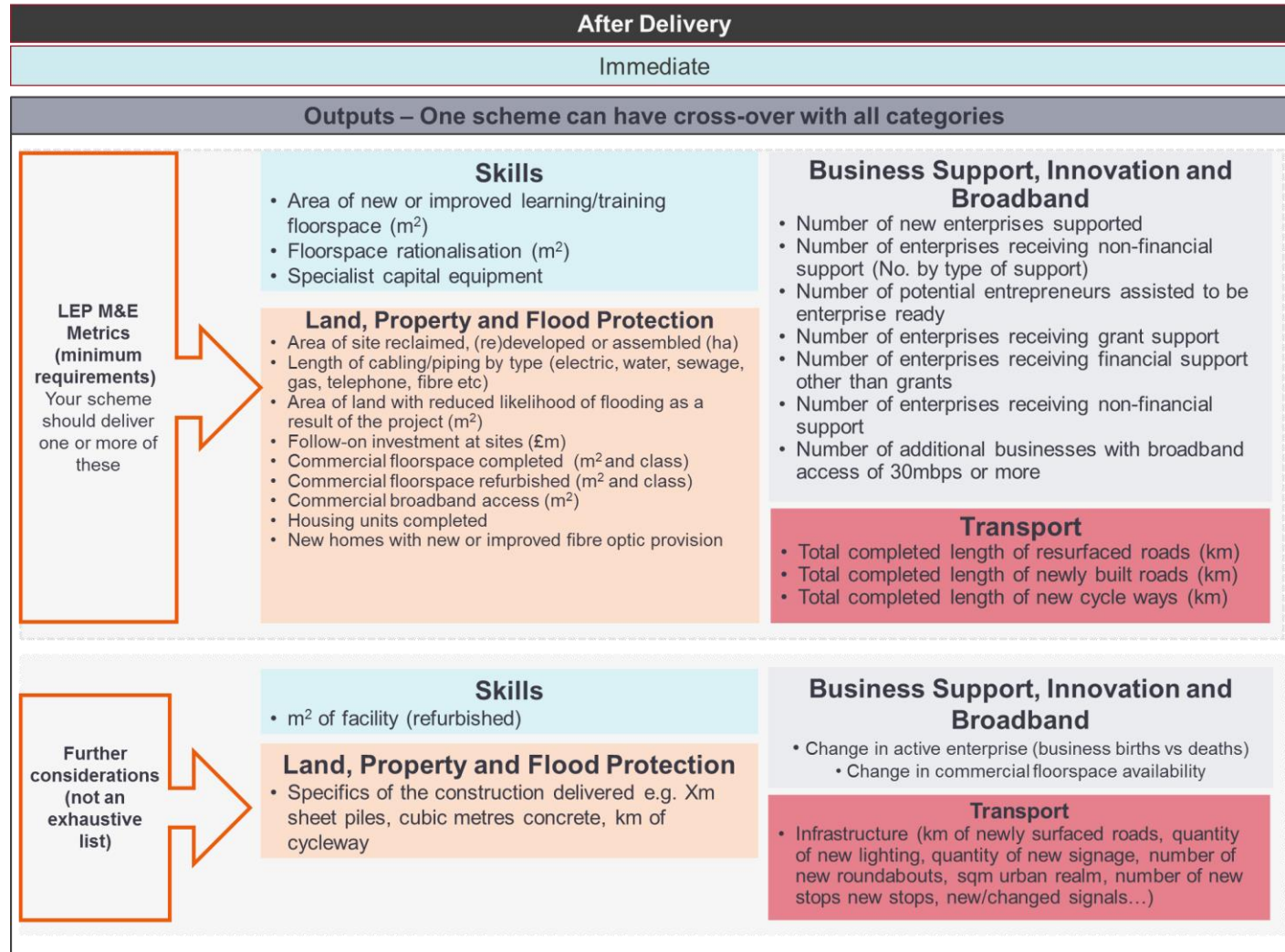
- The Project Capital Sub Committee will meet weekly with all decisions and budget variations minuted and distributed amongst the team immediately. The Committee will continue to meet throughout the duration of the project.
- All variations will be logged and agreed with the contractor and shared with the Committee for approval against the timeline and budget/costings adjusted immediately. The adjusted cost-plan and available spend will be shared with the Contractor to make them aware of the need to remain within budget.
- Contractual agreement with all contractors and suppliers that any additional work carried out on site must have prior written approval before commencement otherwise the Mercury will not be responsible.
- The costed risk register will be regularly updated and shared with the Committee (as above).
- The QS will meet with the contractor in advance of the project as required to ensure that the programme, method statements and further details are agreed (in writing). These meetings will continue weekly whilst on site with the Site Manager and Architects present.
- The Committee will oversee the tender process and approval of all suppliers. Contracts will be agreed in advance (including delivery dates and any penalties for non-delivery).

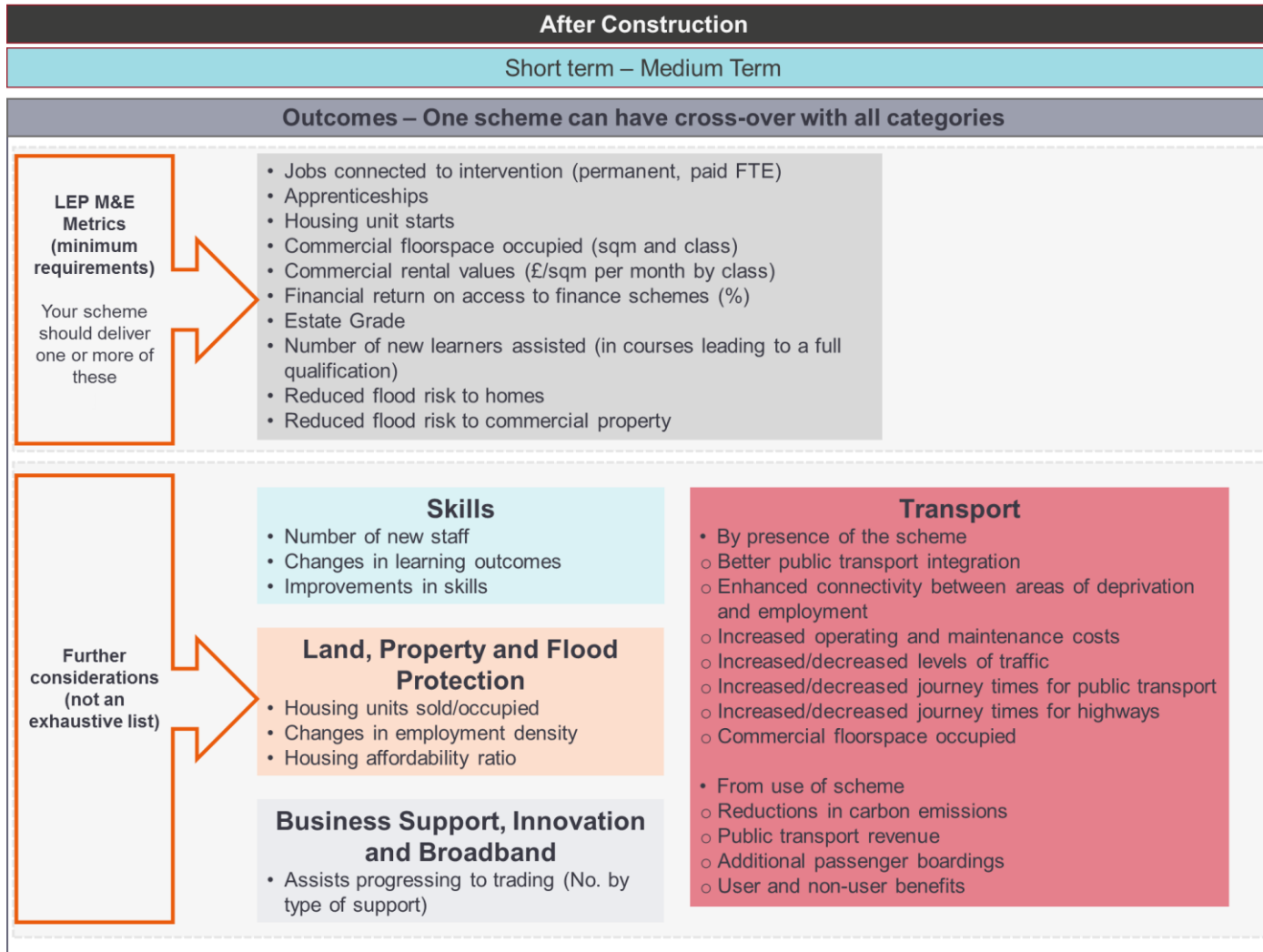
Tasks	Start date	Finish date	2024								
			Jan	Feb	March	April	May	June	July	Aug	Sept
Final Detailed Design	1/1/24	31/1/24									
Construction tender document	1/1/24	31/1/24									
Construction tender document	1/1/24	31/1/24									
Approve Contractor	1/3/24	31/3/24									

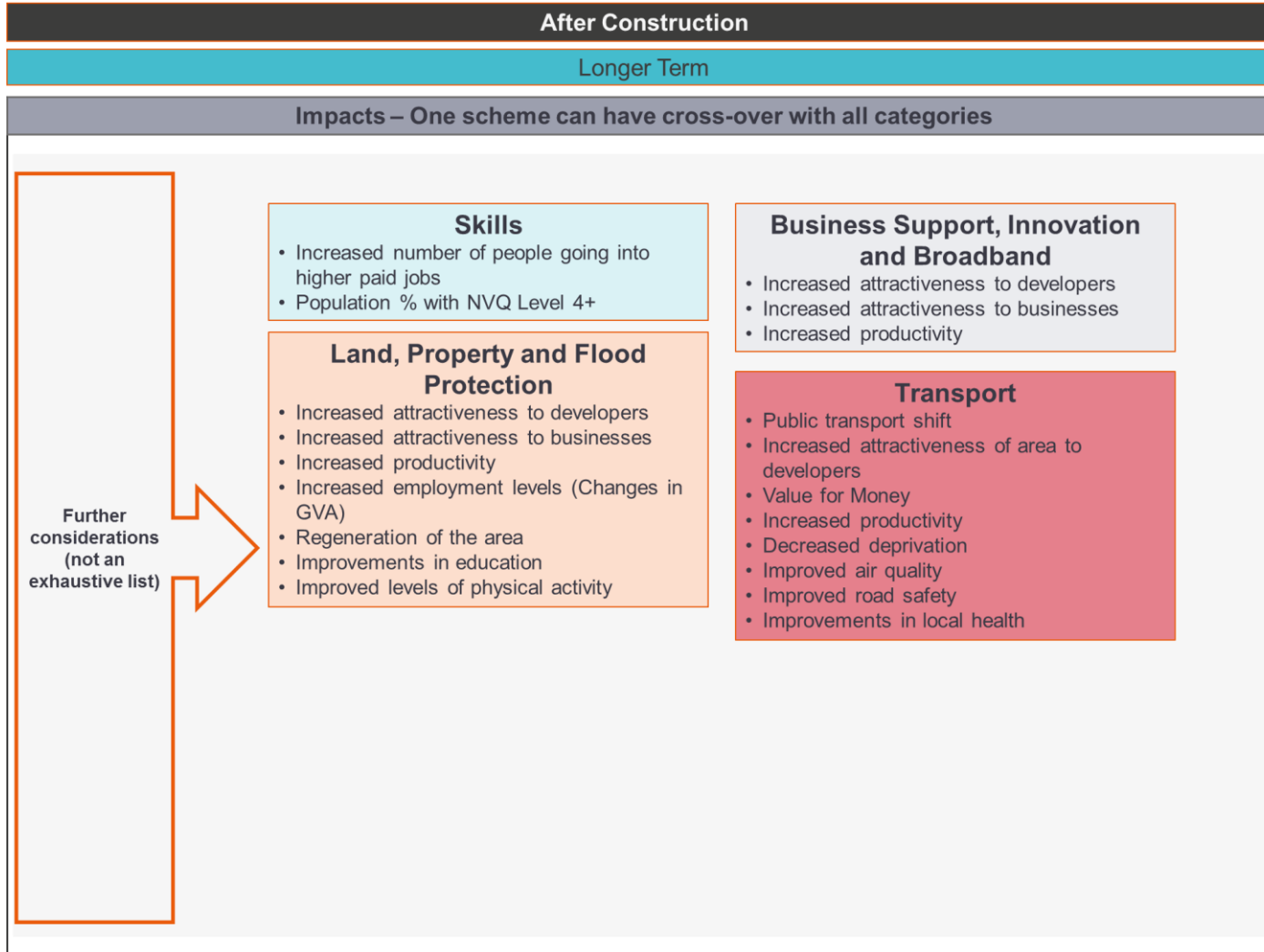
Complete Lighting and Digital Tender	1/3/24	31/3/24									
Issue Tender	1/3/24	31/3/24									
Approve Supplier(s)	1/4/24	31/4/24									
Issue Tender – small equipment	1/5/24	31/5/24									
Approve Supplier(s)	1/5/24	31/5/24									
Complete major works	1/7/24	30/7/24									
Integration Works	1/7/24	31/8/24									
Complete Fit Out	1/8/24	31/8/24									
Building Control Sign Off	1/8/24	31/8/24									
Install Lighting and Digital Equipment	1/8/24	31/8/24									
Snagging	31/8/24	28/2/25									
Key Milestones / Deliverables											
Final Detailed Design	1/1/24	31/1/24									
Approve Contractor	1/3/24	31/3/24									
Approve Supplier(s)	1/4/24	31/4/24									
Complete major works	1/7/24	31/7/24									

Integration Works	1/7/24	31/8/24										
Complete Fit Out	1/8/24	31/8/24										
Building Control	1/8/24	31/8/24										
Install Lighting and Digital Equipment	1/8/24	31/8/24										
Completion	1/9/24	30/9/24										

11. APPENDIX E – MONITORING AND EVALUATION METRICS FOR LOGIC MAP









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PARTNERSHIP

12. APPENDIX F – MONITORING AND EVALUATION PLAN AND BASELINE REPORT TEMPLATES

MONITORING AND EVALUATION PLAN

PURPOSE

- The Monitoring and Evaluation Plan details what the intended inputs, outputs, outcomes and impacts are of the scheme. These values will most likely come from the Business Case, but may also come from supplementary documentation associated with the scheme.
- The Monitoring and Evaluation Plan details how inputs, outputs, outcomes and impacts will be measured in the One Year After Opening Report and the Five/Three Years After Opening Report and any associated costs.
- The Monitoring and Evaluation Plan also outlines the proposed approach to measuring the baseline information for each of the inputs, outputs, outcomes and impacts and any costs associated with this.
- When the baseline information has been collated, it is reported upon in the Baseline Report template.

A NOTE ON COSTS

The Monitoring and Evaluation of a scheme will rely on internal resource and potentially, some external resources. Both could come at a cost either in terms of time or money.

The Monitoring and Evaluation Plan is to be completed as part of the Business Case. At the same time, a Baseline Report would also be completed.

The costs that are anticipated for the collation of the Baseline Report are therefore current costs. However, the costs incurred for data collection for the One Year After Opening Report and Five/Three Years After Opening Report would occur in the future. Therefore, it is important to consider the effect of inflation on these costs.



AN OVERVIEW TO THE MONITORING AND EVALUATION PROCESS

The following provides information on the process for Monitoring and Evaluation and how the reports fit into this process.



PROPORTIONATE APPROACH TO COMPLETING THE REPORT

The GBF supports a wide range of schemes in terms of scope and capital costs.

The Monitoring and Evaluation process has been designed to be aligned to the scale of the scheme based on its total delivery value (including GBF allocations). As a minimum, the number of jobs and housing brought forward by the scheme should be considered. These are factors which the Ministry of Housing, Communities and Local Government (MHCLG) consider to be key outcomes of GBF schemes.

The following is an indicative guide to which inputs, outputs, outcomes and impacts should be included within the Monitoring and Evaluation process for different scales of intervention.

This is based on the scale of the total value of each scheme or the value of a package in totality. Where there are complementary phases of a scheme that are funded at different times, consider establishing the Monitoring and Evaluation for the overall scheme delivered.

Value of Scheme/Package	Inputs	Outputs	Outcomes	Impacts
Under £2m	As described within the report templates	As described within the report templates	Number of jobs and houses delivered	n/a
£2m- £8m	As described within the report templates	As described within the report templates	All those prescribed by the LEP and applicable to the scheme/package (see Appendix A supplied separately) Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case	Those relevant to the scheme/package from within the list in Appendix A (supplied separately) Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case
More than £8m	As described within the report templates	As described within the report templates	All those prescribed by the LEP and applicable to the scheme/package plus applicable measures from the 'Further	Those relevant to the scheme/package from within the list in Appendix A (supplied separately)

			<p>considerations' section (see Appendix A supplied separately)</p> <p>Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case</p>	<p>Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case</p>
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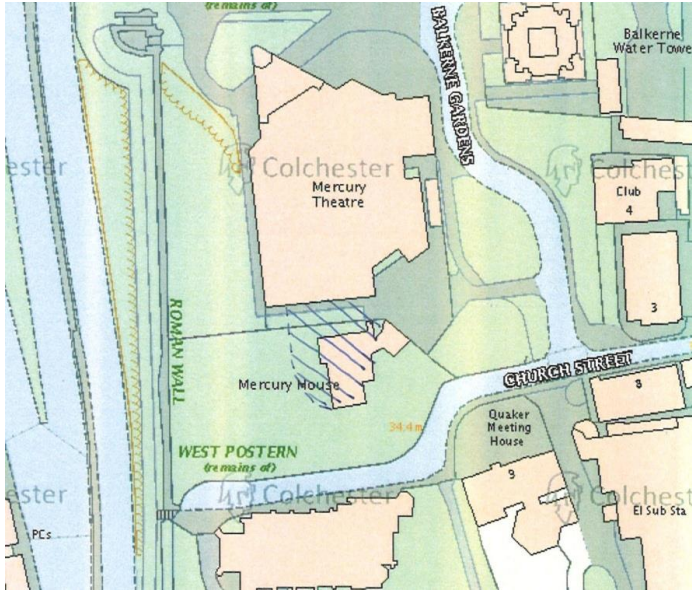
MERCURY RISING 2

This Monitoring and Evaluation Plan provides the details of the inputs, outputs, outcomes and impacts of the Mercury Rising 2 how they will be measured, and the costs associated with this for the Baseline Report and One Year After Opening Report and Five/Three Years After Opening Report.

The objectives of the scheme are:

- Objective 1: Improve production facilities for **154** visiting theatre companies per annum and improving the audience experience – thereby retaining audiences at **105,000** per annum increasing future capacity and attracting more audiences and visitors.
- Objective 2: Provide space for a new hub to support **240** new creative businesses and SME's (over three years) and create **8** new jobs (with **10** construction jobs).
- Objective 3: Increase the capacity of the local creative economy including skills development, business support for SMEs in the sector and networking opportunities.
- Objective 4: Improve the Mercury's business sustainability and resilience.
- Objective 5: Open up routes for digital presentation and creation through the distribution of at least 8 productions and project per year reaching new excluded audiences.
- Objective 6: Create a safe, accessible and welcoming environment for community activities.

The geography of the scheme is shown in the map below



INPUTS

This section requires the scheme promoter to provide information about Scheme Spend, Project Delivery, Project Risk and Project Changes. These are referenced against the values in the Business Case.

- Update the table to include actual Financial Years for the period of delivery and approaches to monitor/track these values
- *Note – you may need to extend this table if the funding occurs in a period more than 3 years before your scheme opening date.*

ID	Input Description	Source of Value	Monitoring Approach	Frequency of Tracking	Source	[2023/24]				2024/25			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IN1	Grant Spend	Planned / Forecast	Budget Meetings	Weekly	Planned/ Forecasted Spend Profile					£100,000	£200,000	£200,000	
IN2	Matched Contributions Spend	Planned / Forecast	As above	Weekly	Planned/ Forecasted Spend Profile				£100,000	£69,875			

INPUT 4: PROJECT DELIVERY AND MILESTONES

- Please complete the table of planned Key Milestones

Milestone	Planned Date of Delivery
Start of project (start spending GBF or match funding)	1 st February 2024
Public Consultation	Not required
Detailed Design	March 2024
Full Planning Permission Granted	November 2023
Site Mobilisation Works Commence	May 2024
Project Completion / Site Opening	31 st August 2024

INPUT 5: RISK MITIGATION

- Please note any anticipated risks and mitigation

Lack of contractor tenders	We will identify in advance in partnership with Colchester City Council local contractors with suitable experience. We hope the value and simplicity of the scheme will attract smaller contractors.
Cost Over-Runs	We will monitor budget, spend and variations with the contractor on a weekly basis.
Inflation	We have estimated costs at April 2024 and have allocated a significant contingency. <u>Any unforeseen increased costs will be met by the Mercury's reserves.</u>
Design Changes	We are confident that the scheme is simple and that there shouldn't be any significant design changes required.
Supply Chain	We will ensure orders for equipment (especially lighting equipment that might be required to be shipped from outside the UK are ordered well in advance at a fixed price on contracting.
Noise Complaints from Neighbours	All work will be carried out during the day to avoid noise complaints from residential neighbours.
Business Continuity	The site to be developed will not have a significant impact on business continuity. Performances, workshops and events will be able to take place elsewhere in the building. Some relocation of staff offices or staff having to work from home might be required on the odd day to avoid noise.
Adverse Weather	The work on site has been planned for next Spring to avoid adverse weather conditions.
Covid 19	As an organisation we have experienced the impact of Covid 19 on construction work. We would consult the HSE and implement previous safe working methods. Impact could be on the work schedule.
Building Control	The Mercury has a close working relationship with Colchester City Council Planning. They will be invited to approve plans, fire strategies and other requirements whilst work is being carried out on site to allow for any necessary changes.

OUTPUTS

- Please provide information about:
 - The planned/anticipated value for each output with the delivery of the scheme and reference this value from the Business Case or supporting documents
 - How the output will be monitored and evaluated for the One Year After Opening Report – you may need to include maps/diagrams to support this
 - The frequency of data collection related to the output
 - The anticipated cost of undertaking the monitoring and evaluation of the output for the One Year After Opening Report
 - The approach used to obtain baseline information for each output
 - Costs associated with this

ID	Output Description	
OP1	a new 135m sq professional standard rehearsal and meeting space(s)	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: 135m sq</p> <p>Source of Value: site plans</p> <p>Future Monitoring Approach: pre and post construction</p>



		<p>Frequency of tracking: Once on completion.</p> <p>Costs Allocated to Monitoring: None</p>
	Details:	
		<p>Approach for Collection:</p> <p>Costs Allocated:</p>

OUTCOMES

- Please provide information about:
 - The planned/anticipated value for each outcome with the delivery of the scheme and reference this value from the Business Case or supporting documents
 - How the outcome will be monitored and evaluated for the One Year After Opening Report and for some outcomes, the Five/Three Years After Opening Report as well – you may need to include maps/diagrams to support this
 - The frequency of data collection related to the outcome
 - The anticipated cost of undertaking the monitoring and evaluation of the outcome for reports after opening
 - The approach used to obtain baseline information for each outcome
 - Costs associated with this



ID	Output Description	
OC1	Jobs Created	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p>
		<p>Value: Jobs created 8 (plus 10 construction)</p> <p>Source of Value: Business Case</p> <p>Future Monitoring Approach: Internal evaluation – survey of users, data analysis of bookings (space and audiences). Collected by Talent Development Producer, Deputy Executive Director and Executive Director</p> <p>Frequency of tracking: Once a quarter after opening.</p> <p>Costs Allocated to Monitoring: None – part of Mercury’s on-going revenue costs and evaluation data collection.</p>
		<p>Details: Proposed Method of Collecting Baseline Information</p>
		<p>Approach for Collection: Review evaluation feedback from businesses</p> <p>Costs Allocated: As above – part of Mercury evaluation framework</p>

ID	Output Description	
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OC2	Businesses Supported	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		<p>Value: 240 Businesses supported (80 per year) through additional support offered when space is hired.</p> <p>Source of Value: Business Case</p> <p>Future Monitoring Approach: Internal evaluation – survey of users, data analysis of bookings for new space. Collected by Talent Development Producer, Deputy Executive Director and Executive Director</p> <p>Frequency of tracking: Once a quarter after opening.</p> <p>Costs Allocated to Monitoring: None – part of Mercury's on-going revenue costs and evaluation data collection.</p> Details: Proposed Method of Collecting Baseline Information
		<p>Approach for Collection: Review evaluation feedback from businesses</p> <p>Costs Allocated: As above – part of Mercury evaluation framework</p>



ID	Output Description	
OC3	Audience Attendance	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: 105,000 annually</p> <p>Source of Value: Audience surveys and data on attendance</p> <p>Future Monitoring Approach: Mercury internal systems – daily/weekly box office and sales reports Collated by Box Office Manager and Marketing Manager</p> <p>Frequency of tracking: daily – audience feedback</p> <p>Costs Allocated to Monitoring: None – part of Mercury evaluation framework</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: review collation of audience feedback (electronic survey after each show – approx. 503 per annum)</p> <p>Costs Allocated: None – part of Mercury evaluation framework</p>



ID	Output Description	
OC4	Visiting Company and Community Group Use	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: 154 visiting Theatre Companies (annually). Over 3 Years = 462</p> <p>Source of Value: Contracts, Annual surveys and data Collated by Deputy Executive Director</p> <p>Future Monitoring Approach: Mercury internal systems</p> <p>Frequency of tracking: Annually</p> <p>Costs Allocated to Monitoring: None – part of Mercury evaluation framework</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Annual survey of visiting companies, artists and community groups</p> <p>Costs Allocated: None – part of Mercury evaluation framework</p>

IMPACTS

- Impacts are often not measurable but can be anecdotal or inferred. However, if they can be measured then an approach and budget should be allocated for this.
- They are a longer-term effect of the scheme being in place and often occur as a result of the outcomes
- They would not be monitored or tracked beyond the Five/Three Years After Opening Report

ID	Impact Description	Details: Planned/Anticipated Impact Value and Proposed Approach for Monitoring
IM1		



BASELINE REPORT

PURPOSE

- The Monitoring and Evaluation Plan details what the intended inputs, outputs, outcomes and impacts are of the scheme. It provides details of how they will be measured and any associated costs of the monitoring process.
- The Baseline Report provides information and metrics about the current situation in the impact area of the scheme before delivery commences. Information should be provided for each of the intended inputs, outputs, outcomes or impacts. This baseline data can be used in subsequent stages to identify the scale of change brought about by the scheme.
- The tables in the report provide the basis for a tracking spreadsheet (Benefits Realisation Profile (BRP)) which will be shared with the LEP. The tracking spreadsheet is used to track the baseline, planned/anticipated values and the actual values for every input, output, outcome or impact after the scheme opens.
- The tables in this report include a space for baseline values and for planned/forecast values for each input, output, outcome or impact. These values are likely to come from the Full Business Case, but may also come from supplementary documentation associated with the scheme.



PROCESS

The following provides information on the process for Monitoring and Evaluation and how the reports fit into this process.



PROPORTIONATE APPROACH TO COMPLETING THE REPORT

The GBF supports a wide range of schemes in terms of scope and capital costs.

The Monitoring and Evaluation process has been designed to be aligned to the scale of the scheme based on its total delivery value (including GBF allocations). As a minimum, the number of jobs and housing brought forward by the scheme should be considered. These are factors which the Ministry of Housing, Communities and Local Government (MHCLG) consider to be key outcomes of GBF schemes.

The following is an indicative guide to which inputs, outputs, outcomes and impacts should be included within the Monitoring and Evaluation process for different scales of intervention.

This is based on the scale of the total value of each scheme or the value of a package in totality. Where there are complementary phases of a scheme that are funded at different times, consider establishing the Monitoring and Evaluation for the overall scheme delivered.

Value of Scheme/Package	Inputs	Outputs	Outcomes	Impacts
Under £2m	As described within the report templates	As described within the report templates	Number of jobs and houses delivered	n/a
£2m- £8m	As described within the report templates	As described within the report templates	All those prescribed by the LEP and applicable to the scheme/package (see Appendix A supplied separately) Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case	Those relevant to the scheme/package from within the list in Appendix A (supplied separately) Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case
More than £8m	As described within the report templates	As described within the report templates	All those prescribed by the LEP and applicable to the scheme/package plus applicable measures from the 'Further considerations' section (see	Those relevant to the scheme/package from within the list in Appendix A (supplied separately)

			<p>Appendix A supplied separately)</p> <p>Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case</p>	<p>Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case</p>
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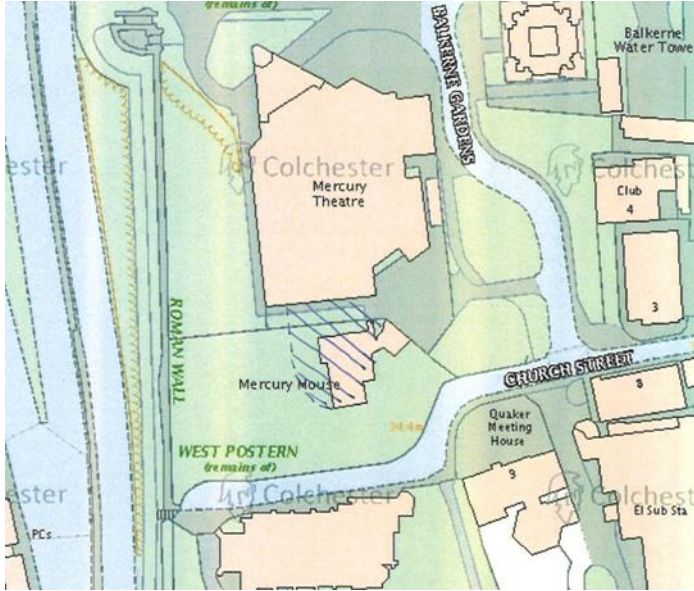
MERCURY RISING 2

This Baseline Report provides the details of the inputs, outputs, outcomes and impacts of the Mercury Rising 2 from the period 1/2/24 to 1/9/24, before the scheme is constructed/delivered.

The objectives of the scheme are:

- Objective 1: Improve production facilities for **154** visiting theatre companies per annum and improving the audience experience – thereby retaining audiences at **105,000** per annum increasing future capacity and attracting more audiences and visitors.
- Objective 2: Provide space for a new hub to support **240** new creative businesses and SME's (over three years) and create **8** new jobs (and **10** construction jobs).
- Objective 3: Increase the capacity of the local creative economy including skills development, business support for SMEs in the sector and networking opportunities.
- Objective 4: Improve the Mercury's business sustainability and resilience.
- Objective 5: Open up routes for digital presentation and creation through the distribution of at least 8 productions and project per year reaching new excluded audiences.
- Objective 6: Create a safe, accessible and welcoming environment for community activities.

The geography of the scheme is shown in the map below



INPUTS

This section requires the scheme promoter to provide information about Scheme Spend, Project Delivery, Project Risk and Project Changes. These are referenced against the information provided in the Monitoring and Evaluation Plan.

- Update the table to include actual Financial Years in the period before opening.
- Monetary values should exclude inflation (nominal values) to easily compare forecast and actual values.
- *Note – you may need to extend this table if the funding occurs in a period more than 3 years before your scheme opening date.*
- Only the values for spend and leveraged funding will go into the BRP.

ID	Input Description	Source of Value	Monitoring Approach	Frequency of Tracking	Source	FY 2023/24	FY 2024/5					
						Q4	Q1	Q2	Q3	Q4		
IN1	Grant Spend	Forecast		Weekly meeting with Contractor review spend against budget.	Weekly	Forecasted Spend Profile		£100,000	£200,000	£200,000		
IN2	Matched Contributions Spend	Forecast		As above	As above	Forecasted Spend Profile	£100,000	£69,875				

INPUT 4: PROJECT DELIVERY AND MILESTONES

- Please complete the table of planned Key Milestones

Milestone	Planned Date of Delivery
Start of project (start spending GBF or match funding)	1 st February 2024
Public Consultation	Not required
Detailed Design	March 2024
Full Planning Permission Granted	November 2023
Site Mobilisation Works Commence	May 2024
Project Completion / Site Opening	31 st August 2024

INPUT 5: RISK MITIGATION

- Please note any risk mitigation used and if any risks materialised up to the opening of the scheme.

Risk	Planned Mitigation	Actual
Lack of contractor tenders	We will identify in advance in partnership with Colchester City Council local contractors with suitable experience. We hope the value and simplicity of the scheme will attract smaller contractors.	
Cost Over-Runs	We will monitor budget, spend and variations with the contractor on a weekly basis.	
Inflation	We have estimated costs at April 2024 and have allocated a significant contingency. <u>Any unforeseen increased costs will be met by the Mercury's reserves.</u>	
Design Changes	We are confident that the scheme is simple and that there shouldn't be any significant design changes required.	
Supply Chain	We will ensure orders for equipment (especially lighting equipment that might be required to be shipped from outside the UK are ordered well in advance at a fixed price on contracting.	
Noise Complaints from Neighbours	All work will be carried out during the day to avoid noise complaints from residential neighbours.	
Business Continuity	The site to be developed will not have a significant impact on business continuity.	



	Performances, workshops and events will be able to take place elsewhere in the building. Some relocation of staff offices or staff having to work from home might be required on the odd day to avoid noise.	
Adverse Weather	The work on site has been planned for next Spring to avoid adverse weather conditions.	
Covid 19	As an organisation we have experienced the impact of Covid 19 on construction work. We would consult the HSE and implement previous safe working methods. Impact could be on the work schedule.	
Building Control	The Mercury has a close working relationship with Colchester City Council Planning. They will be invited to approve plans, fire strategies and other requirements whilst work is being carried out on site to allow for any necessary changes.	

OUTPUTS

- Please provide information about:
 - what the baseline value is for each output and its source;
 - how the baseline value was measured;
 - what the planned/anticipated value is for the output and reference this source; and
 - how the value will be measured after the scheme opens.



ID	Output Description	
OP1	a new 135m sq professional standard rehearsal and meeting space(s)	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p>
		<p>Value: 135m sq</p> <p>Source of Value: site plans</p> <p>Future Monitoring Approach: pre and post construction</p> <p>Frequency of tracking: Once on completion.</p> <p>Costs Allocated to Monitoring: None</p>
		<p>Details:</p> <p>Approach for Collection:</p> <p>Costs Allocated:</p>

OUTCOMES

- Please provide information about:
 - The planned/anticipated value for each outcome with the delivery of the scheme and reference this value from the Business Case or supporting documents
 - How the outcome will be monitored and evaluated for the One Year After Opening Report and for some outcomes, the Five/Three Years After Opening Report as well – you may need to include maps/diagrams to support this
 - The frequency of data collection related to the outcome
 - The anticipated cost of undertaking the monitoring and evaluation of the outcome for reports after opening
 - The approach used to obtain baseline information for each outcome
 - Costs associated with this



ID	Output Description	
OC1	Jobs Created	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: Jobs created. 8 (plus 10 construction)</p> <p>Source of Value: Business Case</p> <p>Future Monitoring Approach: Internal evaluation – survey of users, data analysis of bookings (space and audiences). Collected by Talent Development Producer, Deputy Executive Director and Executive Director</p> <p>Frequency of tracking: Once a quarter after opening.</p> <p>Costs Allocated to Monitoring: None – part of Mercury’s on-going revenue costs and evaluation data collection.</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Review evaluation feedback from businesses</p> <p>Costs Allocated: As above – part of Mercury evaluation framework</p>



ID	Output Description	
OC2	Businesses Supported	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: 240 Businesses supported (80 per year) through additional support offered when space is hired.</p> <p>Source of Value: Business Case</p> <p>Future Monitoring Approach: Internal evaluation – survey of users, data analysis of bookings for new space. Collected by Talent Development Producer, Deputy Executive Director and Executive Director</p> <p>Frequency of tracking: Once a quarter after opening.</p> <p>Costs Allocated to Monitoring: None – part of Mercury’s on-going revenue costs and evaluation data collection.</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Review evaluation feedback from businesses</p> <p>Costs Allocated: As above – part of Mercury evaluation framework</p>



ID	Output Description	
OC3	Audience Attendance	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: Audience Attendance 105,000 annually</p> <p>Source of Value: Audience surveys and data on attendance</p> <p>Future Monitoring Approach: Mercury internal systems – daily/weekly box office and sales reports Collated by Box Office Manager and Marketing Manager</p> <p>Frequency of tracking: daily – audience feedback</p> <p>Costs Allocated to Monitoring: None – part of Mercury evaluation framework</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: review collation of audience feedback (electronic survey after each show – approx. 503 per annum)</p> <p>Costs Allocated: None – part of Mercury evaluation framework</p>



ID	Output Description	
OC4	Visiting Company and Community Group Use	<p>Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: 154 visiting Theatre Companies (annually). Over 3 Years = 462</p> <p>Source of Value: Contracts, Annual surveys and data Collated by Deputy Executive Director</p> <p>Future Monitoring Approach: Mercury internal systems</p> <p>Frequency of tracking: Annually</p> <p>Costs Allocated to Monitoring: None – part of Mercury evaluation framework</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Annual survey of visiting companies, artists and community groups</p> <p>Costs Allocated: None – part of Mercury evaluation framework</p>

IMPACTS – N/A SMALL PROJECT



13. APPENDIX G - CATEGORIES OF EXEMPT INFORMATION

There is a clear public interest in publishing information and being open and transparent. But sometimes there is information which we can't publish because it would cause significant harm to the Council - for example by damaging a commercial deal or harming our position in a court case. Equally sometimes publishing information can harm someone who receives a service from us or one of our partners.

The law recognises this and allows us to place information in a confidential appendix if:

*(a) it falls within any of paragraphs 1 to 7 below; and
(b) in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*

- 1. Information relating to any individual.*
- 2. Information which is likely to reveal the identity of an individual.*
- 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)*
- 4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.*
- 5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.*
- 6. Information which reveals that the authority proposes— (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.*
- 7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.*