

HAMPSHIRE COUNTY COUNCIL

Officer Decision Record

Decision Maker:	Director of Corporate Resources
Title:	Hampshire Cultural Trust – timing of grant payment
Reference:	7433

Tel: 01962 847533

Email: Anne.hibbert@hants.gov.uk

1. The decision:

- 1.1. That the payment of the annual service grant and annual support service grant for 2017/16 be paid in full on 1 April 2016 to the Hampshire Cultural Trust.

2. Reason(s) for the decision:

- 2.1. In accordance with the decision of the Executive Member for Policy and Resources on 23 October 2014 (decision reference 6201) the Director of Corporate Resources agrees that it remains appropriate to pay the grant due to Hampshire Culture Trust for 2016/17 in full on 1 April 2016. In reaching this decision, the Director has maintained an ongoing dialogue with the Chief Executive and Director of Finance and Resources of the Trust in respect of the financial position of the Trust. Specifically, the Director has reviewed the following documents provided by the Trust:
 - Quarter 3 management accounts for 2015/16
 - Projected outturn for 2015/16
 - Budget for 2016/17
 - Cash flow forecast for 2016/17.
- 2.2. Given that 2015/16 was the first full year of operation of the Trust and it was also the year of a phased transition to independent finance systems, the Trust does not yet have a long enough period to generate robust cash flow forecasts. As a new independent organisation, it therefore continues to bear the risk of potential periods of insufficient cash flow. In addition, although good progress is being made to build up a general reserve, as a new organisation, this is not yet sufficient to move away from an upfront grant in 2016/17. Therefore the evidence reviewed confirms that payment of grant in full on 1 April 2016 will balance the risks for both the County Council and the Hampshire Cultural Trust.

2.3. The Director of Corporate Resources will continue to monitor the financial position of the Trust upon receipt of quarterly management accounts from the Trust as required by the Management and Funding Agreement between the County Council and the Trust.

3. Other options considered and rejected:

3.1. Payment of grant six monthly in advance and quarterly in advance was considered. However, this resulted in a less favourable cash flow forecast likely to cause the Trust to divert its attention towards more detailed cash flow management to the detriment of service delivery and development that is required to build and maintain a robust financial position going forward.

4. Conflicts of interest:


4.1. None

5. Dispensation granted by the Head of Paid Service:

5.1 None

6. Supporting information:

6.1. The supporting information listed in paragraph 2.1 is held by Anne Hibbert.

Approved by:	Date:
 -----	23 March 2016
Carolyn Williamson	
Director of Corporate Resources	