

WORCESTERSHIRE COUNTY COUNCIL

RECORD OF OFFICER EXECUTIVE DECISION

Item	Outcome
Date Of Decision	17 February 2021
Decision Maker	Michael Hudson: Chief Finance Officer
Brief Description Of Decision	<p>To grant Severn Arts a further deferment on their loan repayments until April 2022.</p> <p>Severn Arts is a charitable arts company which brings high quality music and arts to a wide range of people across Worcestershire through innovative partnership working. They lead Worcestershire's Music Education Hub, deliver an arts programme on behalf of Worcestershire County Council, support the Local Cultural Education Partnership and deliver a three-year Festivals programme.</p> <p>These services were previously managed by Worcestershire County Council and were transferred into the newly formed Severn Arts charity in June 2018. As part of this transfer agreement WCC agreed to offer Severn Arts a loan to support their cashflow in the first 5 years of operation. There is a signed loan agreement in place which outlines the repayment schedule, interest payable and loan security.</p>
Reason(s) For Decision	<p>In the light of the impact of Covid-19 and Severn Arts' inability to provide business as usual regarding physical delivery of music tuition, they are looking at a potentially difficult period over the next 6-12 months, with little or no income coming in from schools and parents. In order for Severn Arts to manage their current financial position and cash flow, they had initially requested that WCC defer their loan repayments until March 2021. Given the continued lockdown and potential future impact across 2021 of the pandemic it is suggested this is extended further until April 2022.</p> <p>Severn Arts's largest responsibility is the lead for Worcestershire's Music Education Hub (WMEH), providing music tuition and music education in formal education settings, offering music opportunities for all children and young people in the county. Their work also supports schools and teachers to work to the objectives outlined in the National Plan for Music Education</p>

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	<p>and the principles outlined in the Durham Commission's report on Creativity in Education.</p> <p>Supporting the financial viability of this service is the reason why the request for deferring the loan has been agreed and it presents minimal financial risk for the Authority.</p>
<p>Alternative Options Considered And Rejected</p>	<p>No extension – could have led to solvency issues and whole loan at risk.</p> <p>6 months extension only – the pandemic is likely to mean at the earliest school provision will be the new academic year 2021/22. That will mean a further 6 months of lost income. Income had the service been in house the Council could have partially recovered from Government funding. As such we would likely be seeking a further extension in August 2021.</p>
<p>Any Conflict of Interest declared by a consulted Cabinet Member/ any dispensation granted</p>	<p>N/A</p>
<p>Reference</p>	<p>02/2021</p>