



DERBY CITY COUNCIL

**LEISURE AND CULTURAL SERVICES  
INDIVIDUAL CABINET MEMBER MEETING  
4 April 2006**

**ITEM 6**

Report by Cabinet Member for Leisure and Cultural Services

**Arts Grants for Q Arts and The Metro Cinema**

**SUMMARY**

- 1.1 At its meeting on 14 March 2006 Cabinet decided the levels of grant funding to Q Arts and Metro Cinema. It also determined to pay these grants to the new emerging QUAD organisation in order to facilitate the forthcoming merger.
- 1.2 The merger is expected to take effect in the Autumn of 2006.
- 1.3 In discussion with tax specialists it has emerged that there may be complications if we make payments to QUAD Ltd in the way previously proposed.
- 1.4 Consequently it would be more sensible to continue to pay grants to Q Arts and Metro as separate organisations for the first part of the financial year 2006/7 and to make subsequent payments to QUAD once the organisation is established as a legal entity.

**RECOMMENDATION**

- 2.1 To vary the decision of the Council Cabinet on 14 March so that separate Arts Grants payments can be made to Q Arts and Metro Cinema.
- 2.2 To authorise the Director of Regeneration and Community to switch the payments to QUAD Ltd at the moment when the merger is complete later in the financial year.

**REASON FOR RECOMMENDATION**

3. The Recommendation is based on the advice of the QUAD Project Director and the Directors of Q Arts and Metro Cinema after receipt of advice from tax specialists.



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## COUNCIL CABINET

4 April 2006

Report of the Corporate Director of Regeneration & Community

### Arts Grants for Q Arts and The Metro Cinema

#### SUPPORTING INFORMATION

- 1 The Project Director for QUAD has obtained independent advice which has been verified by the City Council's own VAT specialist.

#### OTHER OPTIONS CONSIDERED

2. Payments could be made to QUAD Ltd now, but this would create potential complications for QUAD and its partner organisations during the early part of 2006/7.

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**Background papers:** None  
**List of appendices:** Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial**

1. The total expenditure agreed at the Cabinet meeting on 14 March remains the same.

**Legal**

2. None.

**Personnel**

3. None.

**Equalities impact**

4. None.

**Corporate objectives and priorities for change**

- 5.1 The proposal supports the objective to:

- **deliver excellent services performance and value for money**

- 5.2 The proposal supports the priority to:

- **reduce inefficiency by improving business processes and ability to perform**