
Executive Member for Children and Young People's Services

14 December 2010

Report of the Director of Communities and Neighbourhoods

New Business Model for the Schools Music Service

Summary

1. This report asks the Executive Member to agree a new business model for the peripatetic Music Service in order to support the Council's commitment to a cultural entitlement for young people and to create a flexible business model that can adapt to changing funding from central government.

Background

2. City of York Council Arts Education Service provides instrumental music teaching in groups to over 1,400 pupils per week and "Wider Opportunities" instrumental teaching in the classroom to a further 850. This teaching, together with the opportunities provided by our York Arts Academies is an important part of the Council's pledge to provide all young people in York with a ten-hour cultural entitlement. Furthermore, research has shown that learning a musical instrument improves concentration, motor skills and team working skills.
3. A Department for Education Standards Fund grant of £408k has supported instrumental music teaching in schools. This grant has remained at the same level since 1998. A further £72k has been available for the last four years to ease the transition into a "Wider Opportunities" teaching model (whole class teaching) promoted by the Department for Education (DfE); however, this grant will cease at the end of 2010/11.
4. The DfE has recently issued guidance to Music Services that with the withdrawal of the grant for transition to Wider Opportunities teaching it is their expectation that future Standards Fund subsidies will be based on total numbers of pupils taught, thereby supporting their promotion of whole class provision. If our allocation were to be based solely on our current Wider Opportunities pupil numbers then the current subsidy of £408k might drop by as much as 50%.
5. The Music Service is also funded by £142k of Council core budget and an income target of £413k for parental fees. Since 1998 we have seen large increases in teachers' pay, the introduction of threshold payments for qualified teachers and increases in teaching and learning responsibilities payments. In response we have made efficiency savings in timetabling and increasing the cost to parents. Despite this, since 2006/07 the Music Service has not been

able to balance its budget and funding has had to be vired from elsewhere in the department in order to contain overspends. This is no longer possible and in this financial year the service is projected to overspend by close to £100k.

6. In order to face the current budget challenges and to adapt to flagged changes in government policy we now need to establish a flexible model of provision that helps to future proof the service. Standards Fund can only be spent on music provision and in line with the aims of the Wider Opportunities programme our provision needs to be accessible to all and not dependent on an ability to pay.

Consultation

7. In 2007/08 we consulted schools through a series of Key Issues papers dealing with the implications of moving to a Wider Opportunities model in primary schools and the resulting increased take up of peripatetic instrumental lessons in secondary schools (envisaged by the DfE to be 25% of all pupils). We received the following feedback:

- Although Primary schools recognised the improvement to standards and quality that accrues from whole class instrumental provision they would find the additional costs to pay for the Wider Opportunities provision difficult to find from current school budgets.
- Primary schools would still like to see small group instrumental provision at school although there was a recognition that this may have to be clustered where demand for specific instruments did not allow for economically viable provision. However they did not want the administrative burden of organising this themselves.
- Secondary schools would not be able to cope with the removal from curriculum timetables of large numbers of pupils wishing to take up instrumental lessons and would therefore want much more of this provision to happen outside curriculum time.

8. We have consulted with Staff on the options a. and b. outlined below and there has been a healthy discussion on variations to the proposals. However none of the staff proposals have been able to satisfy the criteria outlined in paragraph 11. below. There are ongoing discussions about improvements to the approved tutor scheme, which if the member approves option b will continue.
9. Trades union officials have had the opportunity to comment during the drafting process for this paper and have indicated their willingness to work with us to ensure a smooth transition for staff and learners to any new model of provision agreed.

Key Issues

10. In response to the issues faced by the service and the views of schools we now need a new business model for the service that uses our Standards Fund subsidy to provide whole class Wider Opportunities teaching at no additional charge to primary schools whilst facilitating access to individual tuition outside of curriculum time.

11. The new model must provide:
- A balanced budget within the current and potential future available Standards Fund allocation
 - A well trained, supported, flexible and quality assured workforce
 - Support to the Council's commitment to a 10 hours cultural entitlement for young people through linked pathways of provision

Options

12. In investigating appropriate models, officers have examined a wide range of potential solutions including:
- Establishing a trust: This would take the risk of overspend away from the council and still provide instrumental teaching for pupils. However, for the council to establish an independent trust the Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE) would apply and therefore any savings in the main fixed cost of the service would not be realizable. We would also have to retain a client function to ensure quality of provision and compliance with safeguarding policies and therefore the full amount of the current subsidy would not be transferred to the Trust. The trust would still have to charge schools for the cost associated with wider opportunities teaching and therefore this take up would continue to be limited. With potentially higher parental fees in order to break even this is not considered a sustainable business model. Staff have also suggested this model set up as a social enterprise company but without continued council subsidy this would not be viable.
 - New terms and conditions for teachers: Moving the staff group off teachers' terms and condition and onto the Local Government Service terms and conditions has been investigated; however, this change would be difficult to implement with the staff and because of the regulations surrounding pay protection would take around 17 years to realise the level of savings required.
 - Increasing charges: The music service is already noticing price resistance since, in the current economic climate, many parents are opting to reduce non-essential outgoings. While there might be some small opportunity to increase charges this would not realise the savings required and any further increase to charges would see reductions in paying pupil numbers.
13. In the light of the above the options available to the Executive Member are:
- a) To cease the service and distribute the Standards Fund grant to schools. The funding would be ring fenced for the provision of whole class instrumental teaching.
 - b) To move the core service to a whole class Wider Opportunities model and retain a restructured York Arts Academy. In addition, we would maintain an approved teacher scheme, open to all freelance instrumental teachers to join, and providing quality assurance for pupils and schools and professional development opportunities for freelance teachers.

Analysis

14. It is proposed that whichever option is agreed it is organised on an academic year basis with implementation from September 2011. Option a. is the simplest model but it would place a heavy burden on schools for the recruitment of staff, delivery of the Wider Opportunities programme, co-ordination of any instrumental provision, quality assurance, professional development of staff (including safeguarding policies), reporting back to the DfE and, if they were to offer instrumental lessons, the collection of fees. Schools have previously indicated that they would prefer not to be involved in this aspect of delivery.
15. Under option a. there would be no centrally employed staff remaining, with all the provision being made by individual arrangements at each school. Therefore all 21FTE teachers, 2 teachers with Management Allowances, 1.8FTE management posts and 3.8FTE business support posts would be made redundant.
16. Option b. would consist of the following elements:
 - Teaching of a whole year group of pupils in Key Stage 2. This will mean about 3,000 pupils learning a musical instrument for a year.
 - An approved tutor scheme the key features of which will be as follows:
 - ⇒ The Music Service would assure the quality of freelance peripatetic tutors going into schools. There are already some freelance tutors operating within the schools system but our current teaching staff may also wish to pick up this opportunity
 - ⇒ This would cover CRB (or equivalent) checks, which we would arrange and cover on behalf of the schools plus training and updating on safeguarding procedures and policies.
 - ⇒ Quality monitoring on behalf of schools to the OFSTED framework with feedback given to the teachers for developmental purposes and removal from the register of teaching quality falls below a certain threshold
 - ⇒ Training days for all approved tutors to access to keep them professionally up to date on curriculum changes, new approaches and the regulatory framework
 - ⇒ Schools and parents would have access to the register to allow them to choose their tutor.
 - ⇒ Other than informing parents and schools about the register there would be no marketing of specific individual tutors
 - ⇒ We would not be involved in the collection of fees as this would be the responsibility of the freelance tutor - as it is for those who currently operate in this way.
 - Provision at York Arts Academy would be restructured around music provision hosted weekly at Canon Lee School on a Saturday morning. This would continue to support citywide ensembles allowing pupils learning an instrument with the freelance tutors to learn and perform

together. Currently this is offered free, which would continue and would support improved learning outcomes. Because of restrictions on the use of Standards Fund monies dance and drama opportunities will need to be absorbed by providers elsewhere in the city. At the moment we have 312 pupils accessing music provision at York Arts Academy and 33 pupils accessing dance and drama provision. The York Arts Academy provides young people with access to the city's Festival and Events programme and will contribute to their 10-hour cultural entitlement.

17. With the retention of a central teaching team providing the Wider Opportunities program the service will also continue to have the ability to trade with schools for targeted Key Stage 1 whole class provision and after school ensemble provision for all Key Stages on a cost recovery basis. It would not provide group or individual instrumental teaching which would, under this option, be provided by freelance instrumental tutors.
18. Under option b. the service staffing would be reduced from 21FTE teachers, 2 teachers with Management Allowances and 1.8FTE management posts and 3.8FTE business support posts to 5FTE teachers, 2 FTE senior teachers each with 0.4 management time, 1.5FTE business support posts and 0.8 FTE management posts.

Conclusion

19. Option b. is recommended because:
 - The service will be free to schools and will not burden them administratively
 - It will allow equal access to all pupils through the Wider Opportunities whole class teaching without penalizing those who may not be able to afford to pay
 - The service will run within the Standards Fund allocation
 - Continued York Arts Academy provision will provide the opportunity for enhanced musical learning not available in Option a. and will support the Young Peoples' 10 hour cultural entitlement
 - Although there is no council provided instrumental teaching the approved tutor scheme will support the continued quality of instrumental teaching in schools and give reassurance to parents and schools that those tutors on the register are up to date professionally
 - There will be 3,000 pupils per year learning musical instruments through the wider Opportunities whole class teaching program, which will help to safeguard the level of our future Standards Fund grant.

Implications

Financial

20. The proposed structure under option b would come into operation for the start of the 2011/12 academic year. The costs shown in the following table are at 2010/11 prices.

	FTE	2011/12 7 months £	2012/13 full year £
Management	0.8	27,770	47,600
Teachers	3.0	74,930	128,450
York Arts Academy Teachers	2.0	36,890	63,240
Senior Tutors	2.0	52,550	90,090
Admin Support	1.5	20,300	30,450
Operational Budget		27,410	47,000
Recharges		17,540	30,070
Total Costs		<u>257,390</u>	<u>436,900</u>
Funding			
Standards Fund Grant		238,190	408,320
Existing Council Subsidy		60,520	103,740
		<u>298,710</u>	<u>512,060</u>
Potential reduction in council subsidy		<u>41,320</u>	<u>75,160</u>

21. The existing Council subsidy to the Music Service is £144k in 2010/11, reducing to £104k in 2011/12 (due to the full year effect of a saving offered up in 2010/11). As shown above this restructure will further reduce the required Council subsidy by £75,160 in 2012/13, leaving a subsidy of £28,580. The part year effect of this reduction will be £41,320 in 2011/12; however, as there are likely to be redundancy costs associated with this restructure (currently estimated to be around £100k, but potentially substantially more than this), in practice no savings will be realised in 2011/12.
22. As can be seen from the table above, option b. achieves the objectives for the business plan in that the core service provision is fully funded by the Standards Fund Grant (the remaining council subsidy of £29k being used to pay back the Council to cover corporate recharges).
23. The above structure is dependent upon the Standards Fund grant for the Music Service continuing at the same level as in 2010/11 (i.e. £408k). At the time of writing the future of the grant had yet to be confirmed. If the grant is reduced there is a risk that this restructure will not be affordable and will need to be revisited. In addition, it is possible that in future the grant will be paid directly to schools rather than to the Council, in which case the agreement of the schools will have to be obtained in order to continue to use this grant to fund the Music Service.
24. Further information on the future of the grant may be available by the time of the meeting, if so a verbal update will be provided.

Human Resources

25. There are a variety of HR issues which need to be considered and planned for in relation to both options a. and b. Extensive discussions have already taken place between HR and Music Service managers to plan the implications of each option. Staff and Trade Unions have been briefed on the proposals and

further meetings are due to take place. All HR implications will be managed in line with the Council's agreed Change Management Procedures. If option b. is chosen the Director of Communities and Neighbourhoods will approve the detailed implementation arrangements under the council's scheme of delegation.

Equalities

26. An equalities impact assessment (EIA) has been undertaken in reference to both options proposed in this paper. Under option a. key issues identified included possible disadvantage to pupils where the schools did not retain the expertise to deliver whole class instrumental teaching. Both options included some disadvantage to continuing pupils who would be taught by freelance tutors who may not offer any discounts on payment for pupils from lower income households. Currently 209 learners receive some sort of discount. Under option b. this would be mitigated by the positive impact that over 3000 pupils each year would be receiving instrumental tuition.
27. The report has no additional implications relating to:
 - Legal
 - Crime and Disorder
 - Property
 - Information Technology

Corporate Objectives

28. The new business model contributes to a number of corporate and directorate objectives including supporting the skills development for young people and improving young peoples access to and take up of cultural activities.

Risk Management

29. In compliance with the Council's risk management strategy the main risks that have been identified in this report are those that could lead to financial loss and damage to the Council's image and reputation. Measured in terms of impact and likelihood, the risk score all risks has been assessed at less than 16; this means that at this point the risks need only to be monitored as they do not provide a real threat to the achievement of the objectives of this report.
30. In both options there is a risk of disruption to individual learners instrumental lessons though this could be mitigated under option b. by a good transition time between current working practise and the introduction of the approved tutors scheme. The success of the latter will depend entirely on the availability of freelance tutors willing to offer their services. In discussion a substantial number of current teachers have indicated that they are considering this way forward.

Recommendations

31. The Executive member is asked to approve the new business model for the Music Service set out as Option b. in paragraphs 16 to 18.

Reason: To support the Council's commitment to a cultural entitlement for young people and to create a flexible business model that can adapt to changing funding from central government without council subsidy.

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**Report
Approved**



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Wards Affected:

All

For further information please contact the author of the report