
**Decision Session – Executive Member for
Education, Children & Young People**

30 June 2016

Report of the Assistant Director (Communities, Culture & Public Realm)

Future Options for York Music Hub and York Arts Education

Summary

1. This report sets out future options for the development of the York Music Hub and York Arts Education which together plan for and provide music opportunities for children and young people in York.

Recommendations

2. The Executive Member is asked to agree that:
 - The Council continue to participate in York Music Hub under the new arrangements proposed in this report
 - Officers investigate the potential for the York Arts Education Service to spin-out as a company and bring back a report with a business plan to the Executive Member (or Executive as appropriate)

Reason: to support the continued development of excellent music opportunities for children and young people in York

Background

3. York Music Hub is a strong and developing partnership including key providers of music education within the city. Established in August 2012, it works with Arts Council England (ACE) to support the delivery of The National Plan for Music Education. It is currently funded to March 2017 and, this autumn, will be submitting a bid for the next round of ACE funding up to March 2020. ACE's grant is £223,506 in 2016/17. The Hub receives no financial support from the Council but does receive support in kind in the form of accommodation and support services.
4. York Arts Education (YAE), the Hub's lead delivery partner, is a Council service which has a long and successful tradition of high quality delivery and partnership working.

5. York Music Hub is committed to achieving the highest standard of opportunities for children and young people to achieve their musical potential. It seeks to foster a life-long love of music for all, both within and beyond the classroom. Through partnerships, within York and with wider musical networks, York Music Hub sets out to provide and sustain musical diversity as well as musical excellence.
6. The power of music is well documented in supporting learning, self-confidence and wellbeing. York Music Hub (the Hub) affirms this and advocates the value of music within York. Its objectives, in line with the National Plan for Music Education, are to:
 - Ensure that every child aged 5-18 has the opportunity to learn a musical instrument (other than voice) through whole-class ensemble teaching programmes for ideally a year (but for a minimum of a term) of weekly tuition on the same instrument.
 - Provide opportunities to play in ensembles and to perform from an early stage.
 - Ensure that clear progression routes are available and affordable to all young people.
 - Develop a singing strategy to ensure that every pupil sings regularly and that choirs and other vocal ensembles are available in the area.
 - Offer CPD to school staff, particularly in supporting schools to deliver music in the curriculum.
 - Provide an instrument loan service, with discounts or free provision for those on low incomes.
 - Provide access to large scale and / or high quality music experiences for pupils, working with professional musicians and / or venues.
7. Making musical opportunities accessible and affordable is core to York Music Hub's role. YAE, as lead partner, works in partnership with Music4U (funded by Youth Music) to ensure there is sufficient funding to support musical inclusion. This ranges from free access to mainstream activities, special provision where mainstream activity is not appropriate, and targeted provision for a range of needs, from large scale group music making to supporting individual instrumental and vocal lessons. This targeted provision includes looked after children, those on free school meals and those with SEND. A variety of other partners, including Jessie's Fund and Accessible

Arts and Media, also contribute to the broader development of access and inclusion.

8. A Strategy Group forms the governing body of the York Music Hub made up of representatives from key areas of music education including schools and arts organisations. The strategy group ensures that strategic decisions made on behalf of all the partners reflect shared aims and objectives. Its function is to:
 - ensure that all activity reflects the strengths of the parties, and where possible is complementary
 - develop cost-effective and efficient activities
 - assure the standards and quality of provision
9. Financial strategy is discussed and agreed by the strategy group but ultimate responsibility for financial decisions currently rests with the Council, as lead partner, exercised through YAE.
10. A broader hub network meets once each academic term as a networking, discussion and signposting forum.
11. The Hub sits alongside the new Local Cultural Education Partnership which aims to stimulate partnership working across different art forms using all of the expertise and venues available in a given area in order to 'close the gap' between those children and young people who come from families who are more likely to access cultural provision and those children who come from backgrounds that mean that they find it more challenging to make cultural activities and learning a part of their everyday lives. The Hub is represented on the steering group.
12. YAE, as the Hub's lead delivery partner, delivers:
 - Whole Class Instrumental Tuition through schools which provides first access opportunities for children to learn a musical instrument and sing.
 - An Approved Tutor scheme across the city. All instrumental and vocal teachers are Disclosure and Barring Service (DBS) checked and monitored annually to ensure the highest quality in teaching and learning is maintained.
 - Continuing Professional Development Courses (CPD) throughout the year. All courses are free for: staff directly employed by York Arts Education, Approved Tutors and all class teachers within the York Music Hub.

- York Music Centre, which presently operates out of Millthorpe School mid-week evenings and Saturdays and provides a wide range of first access and progression group music making opportunities for all ages (3 to 18) and all abilities every week during term time. Approximately 250 children participate in various weekly ensembles e.g. orchestral, jazz, folk, rock, world drumming and choirs. York Music Centre also provides small group beginner tuition sessions. Free places are available to children and families in need.
- Low cost, instrumental hire services to individuals and to schools with subsidies and free hire to families in need.

13. York Arts Education employs 2 full-time managers and approximately 25 part-time tutors. Many of the tutors are qualified teachers and 15 staff are employed on contract under teachers pay terms and conditions. These tutors deliver Whole Class Instrumental Tuition in schools during the school day and lead instrumental sessions at York Music Centre after school and weekends and performances at various concerts throughout the year.

Future Needs

14. The Hub has made excellent progress, since its establishment, in auditing provision and establishing future needs through both research and through feedback from school clusters and other delivery partners. Headline issues identified are:
- Lack of music specialists in primary schools and, linked to this, the need to develop more expert capacity across schools, to support / provide resources for non-music specialists, to place a greater focus on continuing professional development, and to share expertise and best practice
 - Weaknesses in approaches to singing and lack of opportunities (particularly for boys)
 - Music and new technology - limited opportunities for development particularly in primary schools, and lack of time, capacity and skills to develop
 - Availability and range of instruments in individual schools is variable and technical support is lacking
 - Low budgets allocated to music in schools
 - More opportunities required to bring performing artists / professionals / groups into schools

- More opportunities needed for children to get involved in performing / specialist events
 - The importance of opportunities for children with Special Educational Needs and Disabilities (SEND).
15. The Hub's commissioning plan aims to address these issues through its three strategic pillars:
- Commissioning and Partnerships
 - Quality of Provision
 - Sharing Best Practice
16. The Hub uses its funding to stimulate new provision. In 15/16 this focussed on gaps in singing, music technology, instrumental and compositional work in schools and more support for disadvantaged pupils. The programme awarded £28,753 in grant funding and generated £20,744 in in-kind contributions. 70% of schools got involved, working through their respective clusters.
17. The Hub is well placed at the centre of music activity in the city to disseminate best practice. The Hub website and newsletter (TUTTI) all serve to strengthen communication and promote CPD across the Hub network as do Hub network meetings. The Hub has developed a school self-audit toolkit and made this available to all schools.
18. The Hub has set income targets for YAE based on a 10% increase to be delivered from increased membership of the music centres. The level of fundraising through the Friends of York Music Centre (FYMC) suggests there is potential for FYMC to become a registered charity which could then raise additional funds through gift aid.

Proposals for Future Development

19. Two issues underpin proposals for change in respect of the Hub and YAE:
- The success and increased confidence of the Hub has led the key partners involved in it to believe that the time is now right to constitute the Hub as a legal entity in its own right. By doing that there is potential to:
 - Deepen the representative nature of the Hub and increase its ability to lead the sector
 - Increase its capacity to fundraise on behalf of the sector

- By separating it from YAE, increase its freedom to commission effectively and focus it exclusively on meeting the city's needs
 - In the case of YAE there is an identified need to allow the service to spin out as an independent social enterprise so that it can:
 - Operate more effectively and in a business-like manner
 - Increase its proportion of earned income
 - Be more responsive to the needs of the Hub through a commissioned arrangement
 - Increase user-involvement in its governance
20. An initial options evaluation was undertaken by managers in the service to identify the best option to achieve the above aims. This is attached at Annex 1. The evaluation, which weights the key success criteria identified, was also sense-checked with the Strategy Group. It led to identification of the separation of the Hub and YAE as the best option.
21. Following this, initial advice was sought with regard to the most appropriate legal entities in order to take these options forward. Advice received through York CVS's consultancy service suggested:
- In respect of the Hub: A Charitable Incorporated Organisation (CIO) would be most advantageous. This new legal form has been created in response to requests from the charitable sector. It is an incorporated form of charity which is not a limited company or subject to company regulation. There are two models of a CIO – the Foundation model which only has a board of trustees and the Association model which can have a board of trustees as well as other elected/co-opted members who all have equal voting rights, thereby giving a voice to key stakeholders. The Strategy Group and new trustees will consider which version would work best for the Hub. It is relatively quick and simple to set up (taking 40 days) and is free.
 - York CVS advised establishing York Arts Education as a social enterprise by forming a Community Interest Company (CIC). CICs are limited companies which operate to provide a benefit to the community they serve. They are not strictly 'not for profit', and CICs can, and do, deliver returns to investors; however, the purpose of CIC is primarily one of community benefit rather than private profit. This model would allow YAE to operate as a

business and be able to apply for additional grant funding as required. In contrast to a CIO:

- A CIC does not have trustees but has paid directors.
 - A CIC is a legal entity and deals directly with Companies House and has Articles of Association rather than a constitution.
 - An asset lock is designed to ensure that the assets of the CIC (including any profits or other surpluses generated by its activities) are used for the benefit of the community.
22. As the new hub model is developed, it is important to maintain the Council as a key stakeholder particularly with reference to supporting commissioning and developing partnerships. As the Hub is a strategic body, it is proposed that this would be at Assistant Director level.
23. The planned timeline indicates that the Hub will be fully set up as a CIO by early October 2016. This will be important to meet the next round of bidding deadlines for the 2017 – 2020 funding cycle.

Options

24. The principal options open to the Executive Member are:
- With respect to the Hub, to decide whether to participate with the other strategic partners in developing a new legal entity
 - With respect to YAE, to decide whether to ask officer to investigate the potential for YAE to spin out into a CIC or whether to retain it as a Council service

Analysis

25. With regard to the Hub, a viable organisation can only be created through a collaboration between the key partners in the city. There is therefore no option to “go it alone”. If, on the other hand, the Council were to withdraw from the Hub it would weaken it by depriving it of the Council’s unique city-wide leadership role and perspective. The most sensible option therefore is for the Council to continue to work through the Strategy Group to help guide and contribute to the work to create a new legal form for the Hub, in collaboration with the other partners, and to ensure its continued development.
26. With regard to YAE it would be perfectly possible to retain the service in-house. It would then be commissioned and funded by the

Hub. At this stage officers believe that there will be business benefits from a spin-out. This will be tested through the business case which will be developed and brought back to the Executive Member in the autumn (or the Executive as appropriate depending on the nature of the financial decision). Any decision with regard to a spin-out will only be taken by the Executive Member / Executive in due course in the light of the detailed business case.

Consultation

27. Initial consultation has been undertaken with staff and unions. Should the proposals progress, formal consultation will be undertaken in accordance with the Council's management of change procedures.
28. With regard to stakeholders, consultation is being managed through the Strategy Group and, in particular, by the independent chair.
29. ACE's Hub relationship manager has been consulted in the early stages of this development and views the investigation of these issues positively.

Next Steps

30. A project group has been established to take forward these proposals including representatives from: the service, HR, Finance, Legal Services and the Chair of the Strategy Group. In addition, a bid has been submitted to the Arts Council for funding to procure relevant expertise, to inform the proposals, including from an authority that has undertaken a similar venture.
31. The project plan envisages an implementation date for these proposals of 1 April, 2017. Key work streams / milestones are:
 - Establishment of Hub governance structure July - August
 - Establishment of Hub legal structure July - October
 - Negotiation of service contract between Hub and YAE September - November
 - Development of YAE draft business plan July - November
 - Hub bid to Arts Council August - November
 - Decision on transfer of service to YAE November
 - Negotiation of transfer agreement to YAE and support services arrangements December - March
 - Determination of TUPE & pension December - March

arrangements

- Go live

April

Council Plan

32. The proposals in this report contribute to the Council Plan objectives that “Every child has the opportunity to get the best possible start in life” and “All York’s residents live and thrive in a city which allows them to contribute.”

Implications

33. **Financial:** Set up costs for the CIO will be minor. The most significant cost will be an estimated £2,250 for establishment of the pension arrangements. These costs will be contained within existing budgets.
34. Set up costs for the CIC will be fully assessed as part of the business planning phase. At this stage it is envisaged that it will be possible to contain them within existing budgets subject to the bid to the Arts Council, referred to in paragraph 30, being successful. Should this not be possible any expenditure will be considered as part of the overall business case.
35. **Equalities:** The Equalities Impact Assessment screening shows no equalities impact from the proposed governance arrangements.
36. **Human Resources:** There are ongoing discussions and consultation with Council staff who are affected by the outlined proposals, and with their trade union representatives. Should the proposals be approved, and ultimately proceed, transfer of staff to the new entities will be implemented in accordance with current TUPE legislation and in line with the Council’s Supporting Transformation (Managing Change) policies and guidelines. Most staff would transfer to the CIC. Any transfer to the CIO would depend on the Hub’s proposed employment arrangements which are yet to be determined.
37. Discussions are taking place with the North Yorkshire Pension and Teachers Pension providers regarding members of staff continuing in their respective pension schemes.
38. It is not envisaged that the Council will have any ongoing liability in respect of staff transferring, e.g. for any subsequent redundancy costs; however, this issue will be confirmed as part of the business planning stage.

39. **Legal:** These are contained within the Report. Legal Services will advise the Project Group and prepare all necessary legal documentation.

40. There are no **Information Technology, Property, Crime and Disorder** or **Other** implications.

Risk Management

41. In compliance with the Council’s risk management strategy the main risks that have been identified associated with the proposals contained in this report are those which could lead to the inability to meet business objectives and to deliver services, leading to damage to the Council’s reputation and failure to meet stakeholders’ expectations. The level of risk is assessed as “Medium”. This is acceptable but means that regular monitoring is required of the project plan.

Annexes

1: Options Appraisal Grid

Contact Details

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Charlie Croft Assistant Director (Communities, Culture and Public Realm)		Report Approved	✓	Date	20 June, 2016
Specialist Implications Officers:					
Wards Affected:				All	✓
For further information please contact the author of the report					