



Department  
for Education



# The relationship between Arts Council England and Music education hubs

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# 1. Background

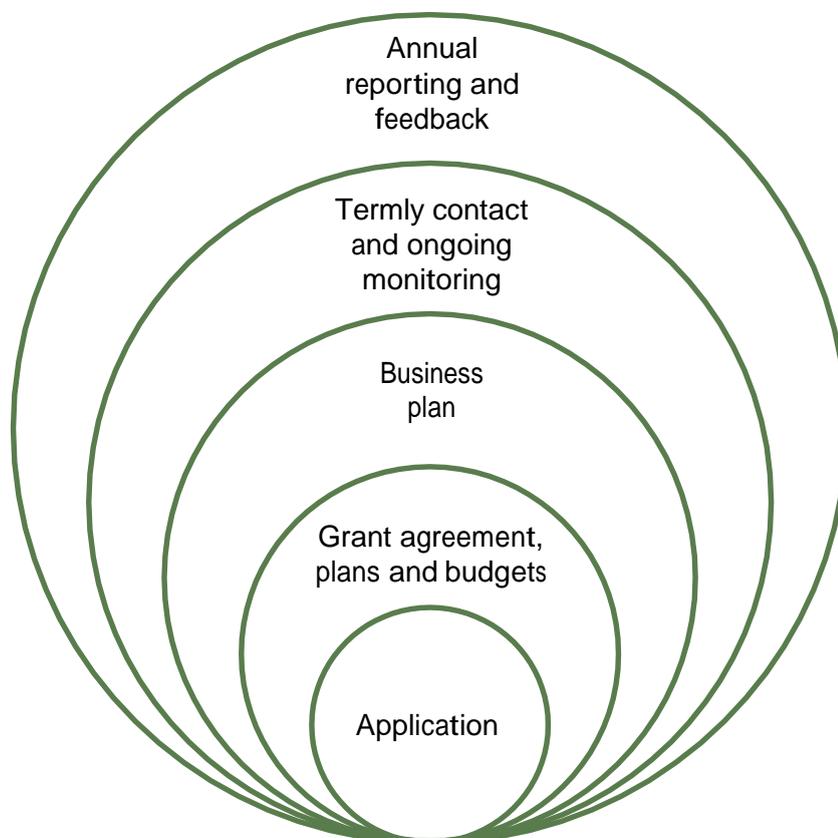
## Aims of our relationship

The relationship between the Arts Council and Music education hubs aims to:

- provide an ongoing dialogue and monitoring, with a commitment to termly contact with every Music education hub
- foster a developmental and supportive relationship that varies according to the risks to our investment
- produce annual feedback to Music education hubs on their risks, progress, achievements and best practice
- develop and broker relationships in the music education sector and beyond

## Components of the funding relationship

There are a series of components that, taken together, form the funding relationship:



## **The application**

Our funding decisions are based on the application. Applications were submitted by a lead organisation, the 'hub lead', in collaboration with a number of partners. Here they set out, on behalf of their partnership: their proposals for delivery of music education in their area; how they intend to demonstrate value for money; their ability to successfully manage themselves and their activity; and evidence of their track record in delivering high quality music education.

## **The funding agreement**

The funding agreement (the offer letter and related terms and conditions) is a high-level agreement that sets out the terms and conditions for funding and many of these are also explained in this document. It also reflects the fact that the Arts Council is accountable to the Department for Education when distributing these funds.

We may occasionally place additional requirements or conditions in funding agreements as part of our monitoring responsibilities, either at the start or during the funding period. Such changes will always be made in writing with sufficient notice. We may also agree to change payment conditions or funding agreements where circumstances require it. We endeavor never to change the standard terms and conditions of funding agreements without providing at least six months' notice.

## **Business plans**

We require all hub leads to submit a business plan on behalf of their Music education hub, including a needs analysis, risk assessment, key performance indicators/milestones and financial information. Robust business planning that includes clear key performance indicators will allow hubs to establish what data and information they need in order to plan, evaluate and measure their progress and assist in gathering data to fulfil the annual reporting requirements (see 'Annual reporting').

Through the hub business plan we seek to understand the context and environment the Music education hub is operating in and the goals it has set itself to achieve as a partnership. We ask for a copy of the business plan at the start of the funding relationship, with updates at the beginning of each financial year, so that we can understand and monitor Music education hub delivery. Business plans are owned by the hub lead and should be endorsed and monitored at Board (or equivalent) level within the hub. We do not approve the business plan but we will review it to determine if the hub lead and the hub partners have assessed their risks and have appropriate mitigation plans in place. We will provide feedback to hubs where we believe necessary, and we expect to receive any updates. We have published guidance on creating a business plan, available from our website at [artscouncil.org.uk/funding/apply-for-funding/music-education-hubs](https://www.artscouncil.org.uk/funding/apply-for-funding/music-education-hubs) which you may wish to refer to.

## **Programme of activity and budgets**

On an annual basis every Music education hub will need to provide a detailed programme of activity for the financial year and an accompanying budget. We have published guidance on developing a [programme of activity](#) and a [budget template](#), available from our website at [www.artscouncil.org.uk/funding/apply-for-funding/music-education-hubs](http://www.artscouncil.org.uk/funding/apply-for-funding/music-education-hubs) which you may adapt.

## **Engagement**

The National Plan for Music Education states that Music education hubs should ensure an offer is available to children that reaches beyond school boundaries and draws in the expertise of a range of education and arts partners.

Music education hubs have a responsibility to engage with all schools in regards to their statutory and non-statutory musical provision. The School music education plan (SMEP) acts as the focus of this relationship, encouraging a hub to support schools to ensure a high quality musical education is available for every pupil. Music education hubs might find it useful to signpost schools to sign up for the refreshed Artsmark Award. Aligned to a schools improvement plan, it can help hubs deliver their SMEPs. Schools can include a strong commitment to music in their Artsmark application and have a music specialism reflected in their Artsmark. We do not expect hubs to be involved in any of the delivery or assessment of Artsmark.

## 2. Ongoing monitoring

### Contact with the Arts Council – your Relationship Manager

Every Music education hub will be appointed a relationship manager. Your relationship manager is your first point of contact with Arts Council, and their role is to offer help, support and guidance, as well as releasing payments on receipt of payment conditions. They do not provide legal, financial or other specialist professional advice.

Relationship managers are also a valuable ‘critical friend’, signposting you to other possible sources of advice and support. Your relationship manager will monitor the hub, and our investment into the hub. Contact will be with your Relationship Manager through a combination of *termly contacts*, and *monitoring payment conditions*.

### Termly contacts

Your relationship manager will be in contact with you at least on a termly basis (this is the minimum level of contact you can have). They will discuss the hub’s progress, opportunities and challenges. A termly contact could be in any of the following forms:

- a face to face meeting
- a scheduled telephone conversation
- at a hub’s Board (or equivalent) meeting
- experiencing some of the hub’s work with children and young people
- attending a joint meeting with other hub stakeholders

In addition, if you have any issues, concerns or simply want to discuss something with your relationship manager, you can make contact at any time.

### Monitoring payment conditions and making payments

#### *What are payment conditions?*

Payment conditions are vital pieces of information about your hub that are required by Arts Council before we release your payments. There are different payment conditions attached to each payment.

Typical payment conditions are most recent management accounts and board papers.

Other payment conditions vary but a full list can be found in your Funding Agreement. We advise that where possible you align your governance group meetings with the payment schedule, to ensure that Arts Council always receives paperwork that has been ‘signed off’ by the relevant Board (or equivalent).

### *Why do we have payment conditions?*

In our experience as distributors of public funds, payment conditions are a very useful way of ensuring that a) public money is being spent according to our agreement, b) that the hubs are working effectively, and c) that we are knowledgeable and able to assist in our on-going monitoring and supportive role. We usually require payment conditions to be submitted to your relationship manager two weeks in advance of the payment date, which gives us time to read through the information.

Payment conditions are also very important when it comes to us reporting back to Department for Education, because if we are ever challenged we can demonstrate that we know exactly what the hub are doing, and how you are spending public funds.

### *What are we looking for in your payment conditions?*

We are looking for evidence as to how effectively a hub is being managed, delivering core and extension roles, and managing change. Each payment condition has been set in order to demonstrate a particular aspect of the overall hub management. For example:

- Management accounts allow us to see how effectively you are managing the funds and how financially resilient your hub is. Equally importantly, it shows us how well you are managing the financial aspects of the hub, how clear and transparent the paperwork is, and how easy it is for your hub Board (or equivalent) to see the financial position of the hub. The clarity of the management accounts is just as important as the information they contain, as management accounts should be easily understandable by your Board (or equivalent) who may be laymen in financial management.
- Board papers (or equivalent) allow us to see how effectively your board (or equivalent) is operating, how decisions are being made, and what information the hub lead is sharing with its stakeholders and governance groups. Board papers should include not just minutes and agendas, but any paperwork or other documentation shared with the group.
- The programme of activity is your comprehensive programme of music activity in and out of school for the full financial year ahead. It should clearly relate to your needs analysis, business plan and School Music Education Plan and identify the core and extension activities funded or subsidised through the grant, or alternatively funded. It should be shared and agreed with the hub senior management team and the board/ advisory group. The programme of activity is not your internal plan for management and development of your hub; this should be included in the hub business plan.
- Business plans demonstrate how a hub will meet the core and extension roles, use the core funding to lever in additional funds and remain sustainable, its long term vision and how it will get there.

### *What happens if we can't meet them?*

If a hub cannot provide a particular payment condition in the first instance you should speak to your relationship manager and explain why. It might be possible in exceptional circumstances to waive the condition to a future payment. Alternatively, your relationship manager might be able to help you. If you do not submit your payment conditions your relationship manager will be unable to release the payment, as per our funding agreement with you.

Repeat late or non-submission of payment conditions will trigger Arts Council's Criteria for support and challenge.

### *Where can we find them?*

The full payment schedule, including dates and conditions for each payment, can be found in your Funding Agreement. If you are unable to locate this please speak to your relationship manager for a full list.

## **Relationship with your staff and Board (or equivalent)**

We recognise that the governing structures of Music education hubs vary, but will usually include a Board or equivalent advisory group of externally appointed, independent stakeholders who work strategically to ensure the hub meets its core and extension roles, remains financially sustainable, and makes fair and transparent decisions. We acknowledge that some hubs don't have boards, but as a definition of 'board or equivalent', the equivalent body needs to be independent (i.e. not solely local authority), strategic and accountable.

Our main point of contact within a Music education hub is the representative of the lead organisation, for example Music Service Head or Chief Executive. The hub lead and board (or equivalent) is ultimately accountable for the performance, management, value for money and sustainability of the Music education hub. We assume that the Board will be proactively interested in the hub's relationship and funding agreement with Arts Council and that conversations about the performance of the hub will be discussed at Board meetings. This enables us to feedback and to gain a deeper insight into the issues and development of the hub. It also allows us to see how decision making works and how business is conducted.

It may also be appropriate for Arts Council to attend some hub partner meetings.

## **When you make senior appointments within the hub**

If you are making a new senior appointment, whether replacing an existing staff member or creating a new hub role, Arts Council may be involved. We can contribute information and comments for Music education hubs to consider in decision making, but we will not take part in the decision itself.

Hub leads should inform their relationship manager of any proposed processes for appointing the Chair of the Board (or equivalent), the Chief Executive (or equivalent), or other similar or new posts, and our role will vary from commenting on job descriptions, through to taking part in interview panels (to ask questions, but not to cast any deciding vote).

The reason we ask to have a role in making new appointments is to help provide transparency about the appointment process. By helping to ensure strong recruitment processes for senior leaders, we fulfil our obligation to safeguard public funds.

### 3. Risk

We will use risk assessment to determine the degree of risk to hub delivery and therefore to our investment. Specifically, we will look at three areas:

- **Music education hub delivery:** how well is the Music education hub delivering the core and extension roles as measured by its milestones and key performance indicators (KPIs); and whether there are strong strategic and delivery partnerships in place
- **leadership, governance and management:** whether the hub leadership demonstrates an appropriate range of skills and experience; and what arrangements have been made to ensure quality, accountability and reporting within and across proposed partnerships
- **value for money and financial resilience:** the Music education hub’s ability to bring in additional funding (based on the quarterly management accounts); efficiencies enabled through partnership; whether resources are being used effectively; what controls are in place to ensure appropriate financial management; and whether the budget is realistic in relation to the proposed activity

These three areas are a starting point for the relationship manager’s regular conversations with hub leaders and will be used to make judgments on the impact and likelihood of risk to a hub. The scoring system we use to determine level of perceived risks can be shared through these conversations.

We reach a conclusion about the level of risk for each Music education hub based on various factors:



We record these risks on a quarterly basis, or if needs be, as they arise.

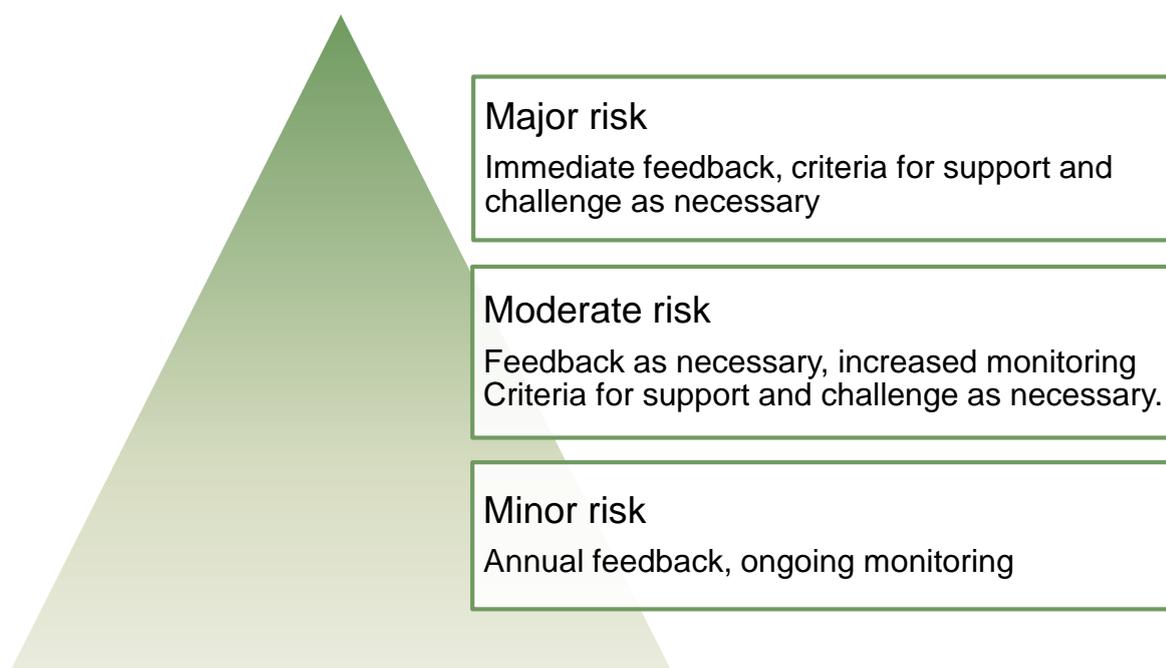
Hubs with an overall risk rating of moderate or major will be supported via mutually agreed mitigations based on our criteria for support and challenge which can be found on page 6 of our [Ensuring Quality](#) document .

Our relationship managers will prioritise their time to focus on hubs we consider carry a major degree of risk to our investment.

We send a list of higher risk hubs to DfE on a monthly basis sharing the causes of the risk and the mitigations in place.

We expect many of the hubs will present minor risks to our investment. We will use the risk level to determine whether any change in our relationship or additional challenge or support is required.

This graphic illustrates categories of risk and our consequent levels of engagement.



## 4. Annual reporting and feedback

### Annual reporting

The Arts Council reports formally to the Department for Education on an annual basis. To inform this reporting, the hub lead partner will be asked to complete an annual report containing statistical data and written information relating to the activity of the Music education hub. This will be submitted in October of each year with information about the preceding academic year. It will be submitted through an online form, accessible through our application portal.

We expect Music education hubs that cover one or more local authority areas to be able to account for their expenditure and impact in each area. However, when submitting data for our returns, we request that these figures be aggregated.

Annual return guidance notes are available on our website. If you experience any difficulty accessing them please contact your relationship manager or our enquiries team.

The annual return will largely remain the same each year. Questions may be nuanced or additional questions may be added if it will enable us to provide Arts Council and Department for Education with detailed information on hub impact and performance. We aim to inform hubs of any changes to the annual return as early as possible.

We will review this information to help us determine the impact of investment in Music education hubs, inform our reporting to the Department for Education and provide each hub lead with feedback for their Music education hub in the form of an annual feedback letter. We expect hub leaders to use this information for self-improvement and to learn from peers.

We will publish national Music education hubs annual return statistics in the first quarter of 2016.

In between the annual reporting, it is the responsibility of hubs to inform us of any changes to their activity or business by contacting their relationship manager.

## Annual feedback

We will provide written feedback to the hub lead on at least an annual basis. This will take place in the third quarter of every financial year and will be based on the annual report provided to us and our ongoing monitoring and contact, as well as other evidence.

The feedback will set out:

- how well we consider the Music education hub to be delivering the core and extension roles, how successfully they are managing themselves and their activity, and value for money and financial resilience
- where we have identified risks in these areas and proposed mitigating actions

Our feedback letter is not only to identify concerns. It is also an opportunity to give feedback where we believe there is good practice and encourage hubs to share such practice with peers and the sector. Feedback is intended to be constructive and a tool for continuous improvement.

The feedback letter will cover at least the following elements:

Hub performance and assessment of risk	How the hub is meeting the criteria for Music education hub delivery, value for money, and leadership, governance and management, with a low-medium- high risk rating
Monitoring plan	We will highlight any concerns and will propose the monitoring and/or intervention to be carried out by the relationship manager in the following year
Achievements and best practice	A statement from the relationship manager highlighting recognised achievements and best practice by the Music education hub

## 5. Where we have concerns

In our role of monitoring public investment we record on an ongoing basis the potential risks facing our investment. We monitor whether we believe a Music education hub's business plan is fit for purpose and if it is delivering sufficiently what it set out to do in that plan. Our ongoing contact with the hub lead will inform our judgment.

Where we have cause for concern, our first step will be to give feedback and discuss this with the hub lead so we can both understand where the issues may lie. We expect the hub Board (or equivalent) to be aware of our concerns. If we consider it appropriate, we will ask the hub lead to revise its business plan or produce and agree with us a milestone plan for the Music education hub in response to our concerns. We will monitor how effectively the milestone plan is put into place.

In extreme cases we may decide that continued investment is not in the best interest of public funds, and will discontinue funding. We would not take such a decision lightly and would base it upon the evidence available, interventions we have made and the progress against the Music education hub's milestone plan.

### **Arts Council support**

The Arts Council encourages excellence and ambition across the whole hub network. Information on the support we offer all hubs can be found in our Ensuring Quality document which also outlines our process for support and challenge.

### **Novation process**

Music education hubs may, in very rare occasions, find themselves in the position where they feel it necessary or desirable to novate their funding agreement to another organisation.

In these cases the existing grant can be transferred from the existing Music education hub to another organisation if all parties, including the Arts Council, are in agreement.

The Arts Council will ask for the submission of mandatory core documents in order to satisfy itself (in its absolute discretion) that the novation is necessary and suitable for the funding project/activity. Such documents may include, for example, a business plan, a needs analysis, and a budget for the remaining funding period. The documents requested will be specific to the requirements of each funded programme.

The new funded Music education hub must accept the terms and conditions of the original grant agreement (and any existing liabilities).

Your Relationship Manager will guide you through the process.

Whilst we aim to work quickly in these circumstances (the usual turnaround time from start to finish is approximately 10 weeks) we cannot guarantee a set timeline for completion.

There are a number of factors that will affect how long the process takes – including the varying complexity of each situation, the speed with which hubs provide relevant information and the scheduled dates of the appropriate Arts Council decision making body.

We therefore encourage hubs to inform the Arts Council as soon as difficulties within the current funding agreement and/or the wider situation are known.

# Appendix 1: Music education hub monitoring and risk assessments

We will use the following list of Music Education Hub specific risk prompts to determine the degree of risk to the delivery of our funding agreements with hubs. We may also use prompts from Arts Councils wider risk assessment framework for National Portfolio organisations where appropriate to ensure all perceived risks are appropriately articulated. These can be found at appendix one of the Relationship Framework for National portfolio organisations [here](#).

## Core roles

- a) Is the organisation ensuring that every child aged 5-18 within the hub area allocation 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?
- b) Is the organisation providing opportunities to play in ensembles and to perform from an early age?
- c) Does the organisation ensure that clear progression routes are made available and are affordable to all young people?
- d) Has the organisation developed a singing strategy to ensure that every pupil sings regularly and that choirs and other vocal ensembles are available in the area?
- e) Does the hub have a School Music Education Plan in place that demonstrates how it will reach every school in its area?

## Extension roles

- a) Does the organisation offer Continuing professional development to school staff, particularly in supporting schools to deliver music in the curriculum?
- b) Does the organisation provide an instrument loan service, with discounts or free provision for those on low incomes?
- c) Does the organisation provide access to large scale and / or high quality music experiences for pupils, working with professional musicians and / or venues? This may include undertaking work to publicise the opportunities available to schools, parents/carers and students.

## Additional Governance and management prompts for Music Education Hubs only

### Governance and management

- a) Is the hub undertaking an annual needs analysis and using it to inform its offer and partnerships?
- b) Are there any quality assurance processes in place and implemented across the hub?
- c) Are there plans to change the hub business model or governance structure? (if yes, please consult our MEH Ensuring quality and Transfer of leadership documents for further guidance).

## Additional Financial Viability prompts for Music Education Hubs only

### Financial viability

- a) Is the organisation drawing together funding sources so that they align to meet the music education needs of the children in its area including other public funding (such as local authority funding), schools' contributions, parental contributions, charitable/philanthropic donations, sponsorship, industry sources and lottery funding through Youth Music grants?
- b) Does the organisation have financial plans in place to enable it to reach the widest possible range of schools within the local area?
- c) Does the organisation have plans in place to coordinate its work to maximise value for money and avoid unnecessary duplication in an area of between hubs?
- d) Is the organisation spending at least 80% of Department for Education funding on front line delivery or continuing professional development of music educators engaged in delivering the hub's core and extension roles to children and young people?
- e) Does the organisation intend to use or share assets and resources to create new revenue streams or to achieve back office cost savings?
- f) Has the organisation identified any risks to ensuring value for money and detailed how they plan to manage them?