The relationship between Arts Council England and Music Education Hubs
Relationship framework

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Welcome to the 2018-20 Music Education Hub portfolio

Ensuring that children and young people have the opportunity to experience the richness of the arts is at the core of the Arts Council’s 10-year vision for the arts – Achieving great art for everyone.

We are delighted to continue our work with the Department for Education in making the vision set out in The Importance of Music: A National Plan for Music Education a reality. The arts contribute to the development and well-being of children and young people, so it is vital that children engage with the arts early in their lives. Music Education Hubs play a key role in ensuring that every child has the opportunity to experience the richness of the arts.

Music Education Hubs act as a gateway for local areas to create music education provision that works in a local context, both in and out of school. They help drive the quality of service locally, with scope for improved partnership working, better value for money, local innovation and greater accountability.

Music Education Hubs have served every local authority area since 2012. There is not a standard model – all hubs are different, reflecting local circumstances and local needs. They provide opportunities for children to learn instruments, play and sing with others and for musical talent to be developed.

The Department for Education funding augments and support schools’ music curriculum provision. Music Education Hubs work in partnership with a range of organisations, determined by the local needs of children and young people, to deliver high quality music education that gives scope for all children to progress and to reach the next level of excellence.

This framework sets out the parameters of our relationship with Music Education Hubs. It describes what we expect from the organisations in which we invest and what they can expect from us.

We look forward to working with you throughout the 2018–20 investment period.

Darren
How we invest in Music Education Hubs

Arts Council England operates as fund holder for Music Education Hubs on behalf of the Department for Education. As fund holder, we are responsible for providing advice, assessment, decision-making and monitoring the performance of Music Education Hubs against agreed delivery plans. Funding of £75m per year for 2018-19 and 2019-20 is available.

The Arts Council delivers these funds through a ring-fenced grant from the Department for Education. This funding is in addition to the money we receive through our funding agreement with the Department of Culture, Media and Sport and from the National Lottery.

Funding is aligned to the local authority pupil populations and cover all the children aged five to 18 within one or more local authority area/s. These allocations have been calculated by the Department for Education according to a national funding formula based on total number of pupils. Each Hub lead organisation will receive a proportion of the overall funding amount based on their share of the overall number of eligible pupils in their local authority area(s). 90% of the funding is distributed based on each local authority’s share of the total number of pupils registered on roll and the remaining 10% is distributed based on their share of the numbers of pupils eligible for Free School Meals (FSM).

How the Arts Council will approach the relationship with Music Education Hubs

We expect that all hubs will focus on pupil outcomes and carry out the core roles set out below:

1. Ensure that every child aged five to 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.
2. Provide opportunities to play in ensembles and to perform from an early stage.
3. Ensure that clear progression routes are available and affordable to all young people.
4. Develop a singing strategy to ensure that every pupil is singing regularly and that choirs and other vocal ensembles are available in the area.
It is also expected that many hubs will be able to carry out extension roles, alongside the core roles. These extension roles will include some or all of the following:

1. Offer Continuous Professional Development (CPD) to school staff, particularly in supporting schools to deliver music in the curriculum.
2. Provide an instrument loan service, with discounts or free provision for those on low incomes.
3. 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.

Every hub should have Key Performance Indicators based on the core and, if relevant, extension roles, embedded in their business and associated plans.

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

We will look to organisations and their boards to take responsibility for managing performance and undertaking self-evaluation.

We will shape our relationships according to the risk to our investment in each hub, giving ongoing feedback on risk, progress, achievements and best practice. This will be summarised in an annual letter.
The elements of the relationship

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

The application

Our funding decisions are based on the original 2012 application and the funding agreement for 2018-20 investment period. 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 is a high-level agreement that sets out the investment you will receive for each year of the agreement; the allocation for 2019/20 is indicative and may be subject to some change to reflect changes in pupil numbers. As your business plan is embedded into the funding agreement, it includes your own objectives showing how you will achieve the core and extension roles.

The funding agreement contains our standard terms and conditions, many of which are explained in this document. It is possible that these may need to change during the investment period. We would aim to give at least six months’ notice of any change. 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 investment 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.

Business plans

Music Education Hubs are required to submit annually updated business plans that cover your mid to long-term strategic aims and include specific detail regarding your planned activity and budget assumptions for the coming financial year for which funding has been agreed. Your business plan should include a needs analysis, risk assessment and financial information. We expect to clearly see how the core and extension roles will be delivered, what your key performance indicators (KPIs) are and what partnerships are in place. It should describe management and governance arrangements.

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’).

Business plans are owned by the organisation and should be approved and monitored at board level. While we do not approve business plans, we will provide feedback to you if we believe it to be necessary, to make sure that the plan reflects the activity and aspirations of the hub and identifies risks and appropriate mitigations. We also expect to receive any relevant monitoring reports or updates.

Through the 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. We have published guidance on creating a business plan, available from our website which you may wish to refer to http://www.artscouncil.org.uk/music-education/music-education-hubs.

**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 as well as a budget template, on our website which you may adapt http://www.artscouncil.org.uk/funding/apply-for-funding/music-education-hubs.

**Current and future funding**

Our funding agreement with Music Education Hubs will state that the amounts offered are indicative, Arts Council England can only guarantee future instalments of the grant as long as sufficient funds from the Government are available to it. It is possible that the indicative amounts may therefore be reduced for future instalments.
Self-evaluation and monitoring

The significance of self-evaluation

We expect all organisations to carry out regular self-evaluation. This provides the opportunity to identify ways to improve performance. It is a valuable process, enabling your organisation to decide where it has succeeded and how it wants to do things differently. The outcomes of self-evaluation should help your business planning.

Contact with the Arts Council

Relationship Managers are the main point of contact between us and Music Education Hubs. As well as maintaining communication, they lead our monitoring of hubs and make judgements that inform our funding decisions.

Relationship Managers are critical friends, providing feedback on a hub’s performance and suggesting other sources of advice and support. However, they cannot provide legal, financial or other specialist professional advice.

It is the responsibility of the directors, other officers, or those directing a hub’s affairs to ensure that it properly fulfils its legal duties under the laws of England at all times.

Your hub can expect to have formal contact with your Relationship Manager on a termly basis to discuss progress, opportunities and challenges. Frequency would increase in proportion to the risk rating. The Relationship Manager will determine the nature of the contact and monitoring.

Contact may include:

- a scheduled telephone conversation
- observing a board meeting
- a meeting for a specific purpose
- experiencing some of the hub’s work with children and young people
- attending a joint meeting with other hub stakeholders
- email correspondence

We expect that hubs will still have ongoing informal ‘development’ contact with Relationship Managers, which may take various forms. If you have any issues, concerns or simply want to discuss something, you can make contact at any time.
Our 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 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 have the right to attend board meetings as observers. This helps us to gain a clearer picture of the way your hub runs, what issues are important to you, how you monitor your business plan, how business is conducted and the manner in which decisions are reached. We may also attend board meetings to provide our feedback.

We expect that your board will be proactively interested in your hub’s relationship and funding agreement with us and that conversations about the performance of the hub will be discussed at board meetings. We recognise that the board is ultimately accountable for the performance of the hub and we will not interfere in the board’s decision-making process.

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

Further information about hubs and governance can be found on our website http://www.artscouncil.org.uk/music-education/music-education-hubs

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 reserve the right to be consulted in the process of recruitment and invited to attend interviews. 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.

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.

**Monitoring payment conditions and making payments**

The full monitoring schedule, including dates and conditions for each payment, can be found in your funding agreement.

Payment conditions are used to ensure

- public money is being spent according to our funding agreement,
- that hubs are working effectively,
- that we are knowledgeable and able to assist in our on-going monitoring and supportive role.

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. Examples of payment conditions include

- Management accounts – these allow us to see how effectively you are managing the funds, how financially resilient your hub 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, management accounts should be easily understandable.

- Board papers (or equivalent) – these 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 minutes and agendas as well as any paperwork or other documentation shared with the group.

- The programme of activity – this 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.

Information obtained through payment conditions may be used when reporting back to the Department for Education to highlight risks and monitor performance.

If you have any questions regarding payment conditions or if you cannot provide a particular payment condition you should speak to your Relationship Manager.

Repeat late or non-submission of payment conditions will trigger Arts Council’s Criteria for support and challenge. We might withhold a payment if you are unable to provide information requested.
Risk

When monitoring your organisation, we consider various factors to determine the degree of risk to the delivery of the funding agreement and 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)?
- Are there strong strategic and delivery partnerships in place resulting in high quality, inspiring and engaging musical and progression opportunities for children and young people?
- Are the musical opportunities delivered across the hub high quality?
- Does the annual data return demonstrate good reach, progression and standards for hub activities?

Leadership, governance and management:
- Is a clear, strong business plan in place?
- Does the hub leadership demonstrate an appropriate range of skills and experience?
- What arrangements have been made to ensure quality, accountability and reporting within and across partnerships?
- Is the process of decision making clear?

Value for money and financial resilience:
- How well does the Music Education Hub bring in additional funding (based on the quarterly management accounts)?
- Are efficiencies enabled through partnership?
- Are resources are being used effectively?
- What controls are in place to ensure appropriate financial management?
- Is the budget 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. We reach a conclusion about the level of risk for each Music Education Hub based on various factors:
Relationship Managers use prompts to identify factors that indicate that an organisation may not be able to deliver on its funding agreement (see Appendix 1). For each risk factor, we judge the impact this could have on the organisation’s ability to deliver its funding agreement, and the likelihood of this happening, taking into account actions already agreed to reduce the risks. A scoring system which combines impact and likelihood measures is used to determine the overall risk rating and severity of risk; minor (2-6), moderate (7-8) or major (9-11).

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

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 hubs with a total score of 8 or above to the Department for Education on a monthly basis sharing the causes of the risk and the mitigations in place.

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 http://www.artscouncil.org.uk/music-education/music-education-hubs.
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.

We expect Music Education Hubs that cover one or more local authority area/s 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 combined.

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 the 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.

Annual return guidance notes are available on our website http://www.artscouncil.org.uk/music-education/music-education-hubs. If you experience any difficulty accessing them please contact your Relationship Manager or our enquiries team.

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 data following approval from the Department for Education.

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. We may provide more urgent and frequent feedback, dependent on the degree of organisational risk.

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. It will also highlight 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 be written by your Relationship Manager and cover at least the following elements:

<table>
<thead>
<tr>
<th>Hub performance and assessment of risk</th>
<th>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</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring plan</td>
<td>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</td>
</tr>
<tr>
<td>Achievements and best practice</td>
<td>A statement from the Relationship Manager highlighting recognised achievements and best practice by the Music Education Hub</td>
</tr>
</tbody>
</table>
Keeping to the terms and conditions of the funding agreement

The funding agreement between us and your organisation sets out the investment you will receive for each year of the agreement.

The funding agreement contains your business plan, setting out how you will achieve the core and extension roles and contribute to *The Importance of Music: A National Plan for Music Education*.

The funding agreement also contains our standard terms and conditions. If your organisation is not meeting the requirements set out in the funding agreement, our first step will be to give you appropriate feedback (usually through the Relationship Manager) and discuss this with you, so we can all understand and agree what the problems may be.

We expect your organisation’s board (or equivalent) to be informed about any concerns we express, either in discussion at a meeting or in writing. We also expect that the board, working with your organisation’s executive officers, will deal with the relevant issues and provide prompt and constructive advice on how you can meet the requirements set out in the funding agreement.

We will take action if you break any of the terms and conditions of the funding agreement.
Support and challenge


Where we have cause for concern, our first step is 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.

Novation process

Music Education Hubs may, in rare occasions, find themselves in the position where they feel it necessary or desirable to transfer the leadership role of the lead organisation to a new lead 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, agree.

The Arts Council will consider each request to transfer the grant on a case by case basis. We will request mandatory core documents, such as a business plan, a needs analysis and a budget for the remaining funding period in order to satisfy us (at our absolute discretion) that the new lead organisation will be able to continue to deliver the activity that the Arts Council has agreed with the current organisation through the original 2012 application process and funding agreement for the 2018-20 investment period. The original assessment prompts used to assess applications in 2012 will be used to determine the new organisation’s ability to meet the following four criteria:

1. Proposed Music Education Hub delivery.
2. Value for money.
3. Leadership, governance and management.
4. Track record in high quality music education delivery.
Additional conditions can be placed on the funding agreement with the new lead organisation by the Arts Council to mitigate against any risks identified to our investment. For example, the submission of a monthly cash flow for the first year may be requested if the new organisation is recently constituted and does not have a financial track record.

The new funded Music Education Hub must accept the terms and conditions of the funding agreement (and any existing liabilities).
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 also use prompts from the Arts Council’s wider risk assessment framework for National Portfolio Organisations where appropriate to ensure all perceived risks are appropriately articulated. These can be found on our website, please refer to the band 2 prompts relating to financial viability and management and governance [http://www.artscouncil.org.uk/national-portfolio-2018-22/our-investment-2018-22-helpful-documents](http://www.artscouncil.org.uk/national-portfolio-2018-22/our-investment-2018-22-helpful-documents).

**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?
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?