

North Somerset Council

Report to the Children & Young People Policy & Scrutiny Panel

Date of Meeting: 20th October 2022

Subject of Report: Future Governance of the Music Service

Town or Parish: All

Officer/Member Presenting: Simon Lock

Key Decision: No

Reason:

It does not meet any criteria for a key decision.

Recommendations

- i. To recommend approval to the Executive of the proposal that the Music Service form a tri-LA shared service with B&NES and South Gloucestershire.
- ii. To recommend approval to the Executive of the shared service being established as an independent organisation outside the 3 Councils, taking forward and expanding a broader, universal youth music education offer on behalf of the 3 Councils.

1. Summary of Report

- 1.1. The future of Music Education, as required by the Department for Education (DfE) will change radically in 2023. This paper proposes actions which seek to protect the existing music offer for young people and build a vibrant and robust music education future for young people in North Somerset.
- 1.2. Over the last 2 years, North Somerset and South Glos, and latterly B&NES Music Services have been working in partnership to deliver a more robust, more universal offer for young people in our region. We now need to transform our governance model so that we can release this potential to deliver for the future.
- 1.3. In July 2022, the DfE released its refreshed vision for the governance and delivery of music education in England. This new vision is significantly different to the current model. The governance and funding of music services (through their role as Lead Organisation of Music Education Hubs) is required to radically transform.
- 1.4. Over the last 18 months, the 3 Music Services have engaged a consultant to look at how the 3 services can work better together. The report recommendations align with the DfE vision for the future governance of music education

- 1.5. This report to Scrutiny Committee lays out the background to the recommendations in the report and the transformation required by DfE in the next 3 months. It proposes a new model which seeks to protect the future of the music service as a tri-LA shared service, sitting outside the LA, delivering music education on behalf of the three Councils with senior LA officer influence at a Board level.
- 1.6. We believe this is the only viable option to retain the government funding on which the service relies.
- 1.7. This will enable us to retain existing services and build a robust model which will attract future funding, enabling the Music Service to deliver a bigger, better, more universal offer for young people in North Somerset.

2. Policy

(See appendices)

- 2.1. The National Plan for Music Education (2011) is the Government's plan for music education in England.
- 2.2. A refreshed Plan was released in July 2022.
- 2.3. The Government devolves the management and monitoring of Music Education Hubs to Arts Council England. The Council, as fund holder for North Somerset's Music Hub, is bound by a contractual 'relationship framework' with ACE over the delivery of the Plan and the use of public funds.

3. Details

Background and Context

- 3.1. The Music Service is a non-statutory service, providing music education to students, families, and schools. The Service is funded by a Department for Education (DfE) grant to deliver its role as Lead Organisation of the local Music Education Hub (see 3.c). This grant totals approx 35% of income, with the balance of income from traded services (schools and families). The Service has a staff of 2 managers and 39 casually employed teaching staff. The 2 business support officers are provided by Agilisys.
- 3.2. The Service delivers the National Plan for Music Education (2011) – the government's vision for music education in England.
- 3.3. The DfE's model for music education is to fund Music Education Hubs to deliver the National Plan for Music Education (NPME). Hubs are informal partnerships of local music and education organisations operating as a network of providers. They are broadly aligned to LA areas. Hubs have a Lead Organisation, which receives the DfE grant, and is held to account by Arts Council England (ACE) for the delivery of the NPME. Locally, B&NES, North Somerset and South Glos Council Music Services are all Lead Organisations of the local Hub.

- 3.4. Since 2020, North Somerset and South Glos music services have been working in partnership, with a shared management team and increasingly homogenised strategy, development and operations, alongside greater sharing of resources. In March 2021, B&NES Music Service joined this alliance.
- 3.5. The result of this partnership working is that a broader, more universal offer is being achieved because of the efficiencies gained by working together. Through partnership, the services are beginning to realise their potential to deliver a bigger and better offer for all young people from the most vulnerable to those who are gifted and talented. Through greater partnership, the 3 Music Services have the potential to achieve an even wider offer and this proposal seeks to enable this potential to be realised.
- 3.6. A consultant has been working with the 3 Music Services over the last 18 months to evaluate how the music services can improve their collaboration, ensuring that they are robust and viable for the future, making sure current services are protected and the growth potential can be realised. The report includes a recommendation that the 3 services should join together, with options for this shared service to operate a) within one of the Councils and b) as an independent organisation, delivering on behalf of the 3 Councils.
- 3.7. Since this report, the music education landscape has changed radically. There is now an urgency to transform if we are to viable in the near future.
- 3.8. In July 2022 the DfE launched the refreshed National Plan for Music Education (2022). Alongside this, it announced that all Services in England would need to re-bid to retain the government funding which delivers the plan.
- 3.9. The bidding process will be different to the past in that:
- 3.9.1. the grant application process will be open and highly competitive. ACE are proactively encouraging and enabling a wide range of education and arts organisations to bid against us. This is the first time in the 50+ year history of Music Services that there has been a competitive process.
- 3.9.2. It is very unlikely small LA music services will be eligible to apply. DfE/ACE are expecting mergers/partnerships and that organisations will apply for a larger grant representing a wider geographic area. If North Somerset were to apply alone, it is very likely to be unsuccessful and we expect DfE/ACE would force us to join with a partner prescribed by ACE.
- 3.10. The future delivery model and therefore fund-holding organisation will also be very different to the present model. DfE/ACE expect to see:
- 3.10.1. the grant being allocated to non-LA strategic organisations, largely volunteer led, whose role is to decide strategy. This strategic body will then commission other organisations to deliver services.
- 3.10.2. they do not wish to see funding being used to support the employment of a teaching workforce

- 3.11. This means that most English Music Services will need to prepare a radical transformation of their business model by Spring 2023 if they are to have a strong bid for future funding.

Preparing for the future in North Somerset

- 3.12. In recent months, the Music Hubs for B&NES, North Somerset and South Glos have merged into the West of England Music Alliance, representing the 3 LA areas. The 3 Music Services remain as joint Lead Organisations (see para 3c).
- 3.13. The three Music Services now work closely together; as one management team, aligned strategy and operational processes, collaborate on all projects, and share staff, music resources, projects and training.
- 3.14. The Music Service leader, supported by senior officers in the three LAs and an external consultant, have been preparing for the new DfE/ACE vision for the last 18 months. The consultant, funded by Arts Council England, engaged with key stakeholders in- and outside the Councils, including senior Council officers and service users, to review aspirations for music in the region and propose options for the future governance of the music services.
- 3.15. The 2 options presented were proposals to merge the 3 Services, with models operating within and outside the LA.
- 3.16. One option was to create a single LA shared service. However, none of the 3 LAs in the partnership are in a position to host the shared service. The host LA would be expanding the Service headcount from approx 50 to approx 150, and taking on the associated employment, redundancy and pension risks. As we do not have a guarantee of funding beyond April 2023, the risk to any one of the Councils is too high.
- 3.17. The new vision from DfE/ACE also means an LA shared service is unlikely to be sufficient transformation on which to create a strong bid for future funding.
- 3.18. The second option proposed was the merged services sitting outside the LAs, delivering on behalf of the 3 Councils as an independent trust. On the basis of the need for the radical transformation described above, this option becomes the only route we believe is viable to ensure a future youth music provision in North Somerset which can take forward existing services, deliver an aspirational growth plan and ensure a Service which is influenced by, and dedicated to, North Somerset's needs and aspirations.

The Proposal

- 3.19. To implement the option outlined in para 3.18:
- 3.20. For North Somerset Music Service to merge with B&NES and South Glos Music Services and spin out of the Local Authority into an independent company; a company limited by guarantee, registered as a charity, with a trading arm.
- 3.21. The charity will operate as the strategic Hub and will apply for the DfE funding to deliver the new National Plan for Music.

- 3.22. The trading arm will offer a teaching service, which can be commissioned by the Hub to take forward delivery of existing services.
- 3.23. The traded (teaching) arm will be a self-sufficient trading arm, operating viably as a stand-alone business without funding.
- 3.24. There will be a small management and business team restructure which is needed to create a viable structure for the new single entity. There are no anticipated redundancies.
- 3.25. Staff will TUPE to the new organisation.
- 3.26. We believe this is the only viable proposal, and will:
 - 3.26.1. Retain a music education provision and funding for North Somerset, with influence from Council Officers at a strategic level
 - 3.26.2. Enable existing services to continue with no- to minimal disruption for existing users (students, families and schools).
 - 3.26.3. Enable the expansion of a universal offer for children and young people
 - 3.26.4. Create an organisation which meets the aspirations of DfE/ACE, presenting a strong case to retain future funding without which the Service cannot continue
 - 3.26.5. Remove the risk to the Council of the closure of the Music Service and related redundancies
 - 3.26.6. Protect the future employment of approx 150 music teaching staff
 - 3.26.7. Enable the Music Service to attract new funding, establish a regional footprint and be a significant influencer in music for young people in the region

Delivering the proposal

- 3.27. In September 2022, North Somerset Council, on behalf of the 3 LAs, commissioned consultants to deliver the spin-out project as follows:
 - 3.27.1. Oct-Nov22: Consultants create business case and financial model
 - 3.27.2. Oct-Dec 22: Agreement is sought from the 3 LAs
 - 3.27.3. Dec 22-March 23: Consultants complete the implementation of the new organisation
 - 3.27.4. Jan-Feb 23: The new organisation bids for future funding on behalf of the 3 LAs
 - 3.27.5. March-April 23: Funding awards are announced
 - 3.27.6. April-Aug 23: If successful, the new organisation becomes operational and transfer process completes*
 - 3.27.7. Sept 23: The new organisation takes on the work of the 3 LA music services with DfE funding. A new Board of Trustees, which includes LA representation, oversees the work of the new organisation.
- 3.28. *if unsuccessful in securing funding the implementation process will stop. A viable alternative operating model for the Music Service will be sought. If no viable alternative is available, the Service will need to close.

4. Consultation

- 4.1. The initial consultation project sought views on the aspirations of music education from the North Somerset Director or Children's Services and the Executive Member for Children's Services and Lifelong Learning. Similar consultation was conducted in B&NES and South Glos. Schools and families in B&NES were also consulted.
- 4.2. The proposal to merge the three services (with the future governance model to be advised) was approved by B&NES Policy and Development Scrutiny Committee in Jan 2022 and by the appropriate Executive Member in South Glos in June 2022.
- 4.3. Key stakeholders in the delivery of music (eg the Music Hubs' steering groups) have also been consulted and universally approve the proposal.
- 4.4. The upcoming consultancy project will further engage with a wider range of users and stakeholders.
- 4.5. The full report (see appendix D) on this proposal has been reviewed by Children's Services DLT in February 2022.
- 4.6. This proposal is an agenda item for decision by the Executive in December 2022.

5. Financial Implications

- 5.1. The upcoming consultancy project will build a full business and financial model.
- 5.2. The proposal seeks to remove financial risk from the Council by creating a model which will be successful in attracting continued funding. The TUPE of staff is expected to result in no redundancy costs for NSC staff (note para 12.2)
- 5.3. The risk of not proceeding with the proposal is that the Service will not be viable for future funding which will likely lead to the closure of the service with 43 redundancies and possible pension strain costs.

6. Costs

- 6.1. North Somerset's contribution to the transformation project is £15,000 which can be met from Music Service reserves.

7. Funding

- 7.1. Costs can be met from Music Service reserves.

8. Legal Powers and Implications

- 8.1. The music service is a non-statutory service and is not funded by the Council
- 8.2. It is proposed that all staff will TUPE into the new organisation

9. Climate Change and Environmental Implications

- 9.1. A more cohesive governance structure will enable more efficient deployment of peripatetic teaching staff, reducing carbon footprint and congestion
- 9.2. A shared operating model will eliminate duplication of resources and facilities which will reducing energy use and waste.

10. Risk Management

Risk	Mitigation
Failure to implement the proposal puts the music service at risk because DfE funding cannot be secured	<p>Head of Service to ensure proposals are signed off by all 3 LAs by December 2022.</p> <p>Transition governance board set up in July 2022 with representation from all 3 LAs to ensure project timeline remains on track</p>
Reduction / loss of services to one or more LAs	<p>The Music Service delivers services directly to, and receives all income from, trading with Schools & Parents and through the DfE grant. As there are no services provided directly to the Councils, there is no risk of a reduction in services to the Councils.</p> <p>All 3 Councils are essential stakeholders in the Music Services' delivery plans. It is in the best interests of the shared service/future organisation to have all 3 LAs at the centre of its governance.</p> <p>The governance board with representatives from the 3 LAs will oversee all aspects of the new organisation, approve the business plan and hold the shared service to account for progress against KPIs. Of the three LA representatives, one LA would be host, one LA rep would chair the shared services board and the third LA rep would sit on the Music Education Hub board. This will ensure fair and equitable representation and voice for each LA.</p> <p>DfE/Arts Council monitoring with require the shared service to report on activity at school-level with a requirement to meet national average levels of participation. Arts Council mechanisms will ensure services are provided for all 3 LAs.</p>

Staff will be unwilling to transfer to a new host LA employer	<p>Terms and conditions are broadly the same, so there is minimal impact on staff. The differences in pay rates can be equalised over time (3-5 years) through incremental change.</p> <p>Many staff already work across more than one of the 3 LAs.</p>
New organisation does not meet the aspirations of DfE/Arts Council	Head of Service has ensured ACE has been alongside the consultancy throughout and to date the outcomes are supported by ACE. Continue to work with ACE throughout the transition phase.
Insufficient capacity to deliver the proposals	Build in additional resource to release leadership time to the project.
Insufficient expertise to deliver a comprehensive agreement	<p>Engage early with LA legal teams and existing external advisors/consultants.</p> <p>Ensure transition governance (Music Service and Hub) are appropriate to the long-term needs.</p>
Financial risk	<p>TUPE will protect staff, but LAs will need to look at the detail of TUPE, pension arrangements and different contracts.</p> <p>Increase in management team and 1/3 of teaching staff on minimum guaranteed hours contracts increases financial risk. Music Education Grant is currently assured only until March 2023 to meet these costs.</p> <p>Increased back-office costs (business support and systems) costs will increase, though these costs are currently met by each LA separately and do not run at a deficit.</p>

11. Equality Implications

- 11.1. An Equality Impact Assessment has not yet been conducted as the implications for staff and users will be evaluated during the upcoming consultancy project.
- 11.2. However, please note:
 - 11.2.1. There are no planned redundancies resulting from this process.
 - 11.2.2. No service users will be negatively impacted as there are no planned reductions in the Service offer
- 11.3. Furthermore, the proposal seeks to:
 - 11.3.1. Ensure all staff would TUPE to the new organisation, therefore retain their existing terms of employment
 - 11.3.2. Ensure the retention of services for all users in the future
 - 11.3.3. Create an enhanced offer for vulnerable people and those in challenging circumstances

12. Corporate Implications

- 12.1. A reduction in headcount for the Council, with associated reduction in strain on back-office costs.
- 12.2. The consultancy project will determine the TUPE rights of the Service's Agilisys staff

13. Options Considered

- 13.1. Apply for the new round of DfE funding as a single LA Music Service
 - 13.1.1. Very unlikely to be eligible, and if eligible, very unlikely to be successful. Does not benefit from the existing partnership work which improves the universal music offer in North Somerset. Service will most likely need to close.
 - 13.1.2. Redundancy and possible pension strain costs are likely to be in excess of £150k
- 13.2. Proceed with a merged Tri-LA music service, but remain within the LA
 - 13.2.1. Does not meet DfE/ACE vision so weakens our bid to retain funding
 - 13.2.2. Increased risk that a competitor's bid would be successful
 - 13.2.3. Redundancy costs (as a single Service, or merged) plus likelihood of early-retirement pension strain are high
 - 13.2.4. None of the 3 LAs are willing to host the shared service as too high risk. Therefore not a viable option

14. Author:

Simon Lock
Head of North Somerset and South Glos Music Services
Strategic Consultant: B&NES Music Service

15. List of Appendices:

- 1. The National Plan for Music Education (Department for Education, 2011)
- 2. The Power of Music to Change Lives: A National Plan for Music Education (Department for Education, 2022)
- 3. Arts Council England Music Hub Investment Programme (Arts Council England 2022)
- 4. Consultation into the future governance of the Music Services for B&NES, North Somerset and South Gloucestershire (Lock, Thareja, 2022)

16. Background Papers:

Included as appendices

17. Appendices:

1. The National Plan for Music Education (Department for Education, 2011)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/180973/DFE-00086-2011.pdf

2. The Power of Music to Change Lives: A National Plan for Music Education (Department for Education, 2022)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1086619/The Power of Music to Change Lives.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1086619/The_Power_of_Music_to_Change_Lives.pdf)

3. Arts Council England Music Hub Investment Programme (2022)

<https://www.artscouncil.org.uk/our-open-funds/music-hub-investment-programme>

4. Consultation into the future governance of the Music Services for B&NES, North Somerset and South Gloucestershire (Lock, Thareja, 2022)

www.wema.org.uk/download/wema_report1.pdf